



MEETINGS OF THE

Boards of Directors

Joint Meeting Valley Metro RPTA and Valley Metro Rail	Valley Metro RPTA	Valley Metro Rail
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Date:

September 30, 2021

Starting Time

11:15 a.m.

Meetings to occur sequentially

Location:

Valley Metro

Boardroom/Webex

101 N. 1st Avenue, 10th Floor

In compliance with the Federal Transportation Security Administration's mask mandate, Valley Metro continues to require the use of face coverings in its facilities. Employees and guests must wear masks, regardless of vaccine status, in hallways, common areas, and any time social distancing cannot be maintained. If you are in a conference room where 6' distance cannot be maintained, masks are to be worn. We appreciate your cooperation in complying with this federal law.

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Agenda

September 23, 2021

**Joint Meeting Agenda
Valley Metro RPTA
And
Valley Metro Rail
Thursday, September 30, 2021
**Boardroom/Webex
11:15 a.m.****

Action Recommended

1. Public Comment (yellow card)

1. For Information

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

2. Chief Executive Officer's Report

2. For information

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

3. Audit and Finance Subcommittee Update

3. For information

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

CONSENT AGENDA

- 4A. Minutes

- 4A. For action

Minutes from the August 19, 2021 Joint Board meeting are presented for approval.

- 4B. Network Hardware Maintenance Agreements

- 4B. For action

Staff recommends that the Boards of Directors authorize the CEO to continue procuring necessary network hardware maintenance Cisco SmartNET maintenance will be



procured from HyeTech Network & Security Solutions, LLC. through the 1Government Procurement Alliance (1GPA) cooperative contract. The amount of the authorization is not to exceed \$155,600.

4C. Title VI Program Update

4C. For action

Staff recommends that the Boards of Directors approve the 2021 Title VI Program Update.

REGULAR AGENDA

5. Chief Executive Officer – Search Firm Procurement

5. For action

Jan Plank, Human Resources Director, Maricopa County, will provide an overview of the procurement process and recommendation for the selection of an Executive Search Firm for the position of the Chief Executive Officer.

Valley Metro Staff recommends that the Boards of Directors authorize the CEO to issue a purchase order via a contract with Maricopa County to the selected Executive Search Firm for the position of Chief Executive Officer in an amount not to exceed \$100,000.

6. Travel, Expenditures and Solicitations

6. For information

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

At this time there is no travel to report.

7. Future Agenda Items Request and Update on Current Events

7. For information

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

8. Next Meeting

8. For information

The next meeting of the Joint Boards is scheduled for **Thursday, October 21, 2021 at 11:15 a.m.**



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



Information Summary

DATE

September 23, 2021

AGENDA ITEM 1**SUBJECT**

Public Comment

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

Scott Smith

Chief Executive Officer

602-262-7433

ssmith@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

September 23, 2021

AGENDA ITEM 2

SUBJECT

Chief Executive Officer's Report

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

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

ATTACHMENT

None



Information Summary

DATE

September 23, 2021

AGENDA ITEM 3**SUBJECT**

Audit and Finance Subcommittee (AFS) Update

PURPOSE

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

BACKGROUND | DISCUSSION | CONSIDERATION

The draft minutes from the September 9, 2021 AFS meeting are attached for further details of the meeting.

COST AND BUDGET

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information only.

CONTACT

Jim Hillyard
Acting Chief Financial Officer
602-262-7433
jhillyard@valleymetro.org

ATTACHMENT

Draft September 9, 2021 AFS meeting minutes



Minutes

September 29, 2021

AGENDA ITEM

Audit and Finance Subcommittee
Thursday, June 3, 2021
Via WebEx/Phone
12:00 p.m.

Meeting Participants

Councilmember Bill Stipp, City of Goodyear - **Chair**
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Francisco Heredia, City of Mesa
Councilmember Laura Pastor, City of Phoenix
Councilmember Robin Arredondo-Savage, City of Tempe

Chair Stipp called the meeting to order at 12:07 p.m.

1. **Public Comment**

None.

2. **Chief Finance Officer's Report**

Chair Stipp said the next item is the Chief Finance Officer's Report.

Mr. Hillyard said good morning, Mr. Chairman, members. Thanks so much for joining us today. I think you'll see in today's meeting that while I'm a poor imitation of Paul Hodgins, the Valley Metro Finance team is excellent and continuing the pace so. There are three things I'd like to touch on in the CFO's report this morning. The first is a quick summary of the August 17th Financial Working Group meeting. It focused on three topics. The first was COVID relief funds on the RPTA side for the Board's feedback, ARPA funds will be fully allocated in FY22 on a cost per mile basis thereby reducing local and Prop 400 costs, so you won't be seeing any ARPA money in the FY23 budget that we put before you next month.

On the Valley Metro Rail side, we're finding federal restrictions in the use of the COVID relief funding is limiting the pace of that spending so we'll use most of it in '22, but a small amount will spill over to '23, and you'll see that included in the FY23 budget. Next, we shared with them the budget timeline that you'll see in item 8 on today's agenda. And then finally, we provided an update on Prop 400 revenues. The news there continues to be good. Prop 400 revenues grew 14% between FY20 and FY21.



The final '21 revenues were actually 12% above the amount we budgeted. At this point, we only have the first month of FY22 Prop 400 revenues, however, the news continues to be good. July is 22% above budget.

Next, and if we can go to the next slide, please. I'd like to provide you a brief update on the CEO recruitment status. At our last meeting, we noted that we were retaining a search firm to help us deepen our candidate pool. The good news is that's been fruitful.

We now have 35 total candidates, 13 of which, it says 14 on the slide, that's a typo, my apologies. Thirteen of which meet our qualifications, so we believe it's time to move into the selection process phase. The first step in the selection process will be screening the candidates to identify those who move forward to the first interview. As a result, those in the room have already received a packet that includes the resumes and cover letters of those 13 qualified candidates and a form. And what the form asks, is that each AFS member identifies the 5 candidates he or she believes should move forward, 5 candidates you believe should not move forward. If you could provide those back to Pat by close of business on the 16th and it's fine to scan and send us the form by email. But we would ask that you bring the entire packet back to our next meeting so that we can collect up those resumes since they include some confidential information.

What we'll do is collate the responses from the Committee members. We believe that will produce, you know, probably 5 to 7 or 8 finalists who will go forward into the first round of interviews. That first round of interviews as you see in the slide is comprised of a combination of city and Valley Metro staff. It's intended to sort of screen for competence both financially and from a transit perspective. And Alexis is beginning work with the intergovs to identify the city finance staff who are available to conduct it. We're hoping to get that done late September which would then set up a second round of interviews with Board members and the CEOs for mid-October. And with luck, could have a final candidate on board by the end of October.

We feel that this dynamic job environment it's important for us to move as quickly as possible in order to retain access to the high-quality candidates in the pool.

Next, and if you could go back, I'm sorry, to the second slide very quickly. One more back. So lastly, I guess, I'd like to just quickly highlight two items on the agenda this morning that have a connection, but the order of their presentation today might obscure that connection a little bit. So, in agenda item number 8, Tyler is going to overview the timeline for our FY23 budget process and in that presentation, you will see that we develop our budget on two parallel tracks with two different due dates. The first is the transit service budget and the second is regional and Valley Metro support. We prioritize the transit service budget, and we present it to you in October because number one, it represents 85% of our total spending and, number two, it's also the part that you pay for. The transit service budget is funded largely by local funds and Prop



400 funds that are dedicated to cities through the jurisdictional equity process, so we want to make sure there's always plenty of time to answer questions from cities. And then finally, for your city budget offices to incorporate the resulting output into their budgets.

So, the driver of that transit service budget is the service level that each city decides to provide to its residents through the service planning process and that's the process that Joe will describe in agenda item number 6 to you today. Sort of how service planning occurs, what routes it applies to? Who's involved? How the decisions are made?

To give you a sense of the import of the service planning process and its impact on Valley Metro's budget. In FY22, RPTA's total operating budget was \$167 million. Fixed route bus comprised \$108 million of that so about two thirds of that \$108 million, \$104 million is literally the number of revenue miles that city members of the service planning group choose to purchase times the contract rate plus fuel. Okay. There's only 3% of the fixed route bus portion of our budget that's admin and overhead that Valley Metro controls, so the vast majority of that 85% of the budget that you'll see in October is driven by the service planning process. We wanted to make sure that how that process occurred was very clear because to look at the agenda, you might think that there's service planning over here and budget over there. But, in fact, you know, for that 85% of our budget, service planning is the budget.

Those decisions are being finalized by your staff now. They will come to the Board in October for your approval and then they'll be implemented in April forming the baseline of the FY23 budget. So, we wanted to make sure that connection was clear and that there was opportunity for your input in that process.

And then finally if you can go to the very last slide, please. You see our upcoming meeting dates. TMC, RMC, our next AFS meeting October 7th and the Board meeting on October 21st.

Mr. Chairman, that's my report. I'd be happy to answer any questions.

Chair Stipp said great. Thank you. Does anybody have any questions for Jim? Jim, the only question I think that popped up was the -- on the CFO update, the recruitment update. The second interview after you get through the technical part is Board members and the CEO. Have those Board members been identified yet? Have we figured out how we're going to do that?

Mr. Hillyard said Mr. Chairman, one second while I pull up that document. So, Mr. Chairman, the recommendation to both incoming Chair Heredia, at the time, and outgoing Chair Edwards was that the -- in order to provide sort of regional balance, that the Committee included representatives both east, west, central and then, obviously,



yourself as Chairman of the AFS. So, our recommendation was that it was Chair Heredia, at that time, Mayor Gallego that may, obviously, be substituted now, yourself, outgoing Chair Vice Mayor Edwards, Mayor Bridgett Peterson of Gilbert and then Scott Smith as our CEO.

Chair Stipp said awesome. Thank you. It sounded familiar, but quite honestly, it didn't so.

Mr. Hillyard said glad you asked.

Mr. Chair said yeah, I'm glad I asked. All right. If no other questions for Jim, we'll move to the third item.

3. Minutes

Chair Stipp said minutes from the June 3, 2021, Audit and Finance Subcommittee meeting are presented for approval.

IT WAS MOVED BY COUNCILMEMBER TOLMACHOFF, SECONDED BY COUNCILMEMBER ARREDONDO-SAVAGE AND UNANIMOUSLY CARRIED TO APPROVE THE JUNE 2, 2021 AFS MEETING MINUTES.

4. Mobility Center Cash Collections Audit

Chair Stipp said Sebrina.

Ms. Beckstrom said thank you, Mr. Chair. As you said, we have completed our audit of the Mobility Center cash collections process. We value the opportunity to review the use of public funds and determine whether public funds were used, appropriately, and we extend our appreciation to the Mobility Center staff for their assistance throughout the audit and the timely documentation provided.

Through our testing, we found minimal errors in reporting, but found no instances of misuse of funds. The areas that we found that were reportable are related to weaker controls that would be considered high risk, but in audit terminology with the lower dollar value that's flowing through the Mobility Center coupled with the lack of identified major errors, that would indicate a lower risk. So as a result, the -- as you see here on the screen, the risk rating average for the report averages out to a medium risk and that medium risk will be reduced as written processes and procedures are implemented as a result of the audit recommendations.

So if you move to the next slide. The three findings that we have all centered around developing processes and procedures to strengthen controls over cash handling and



asset management. Each recommendation requested that the staff pay particular attention to segregation of duties when creating these processes and implementing new procedures. Valley Metro concurred with all of the findings and agreed to implement all of the recommendations. So, the next three slides provide more detail on each of the recommendations, but unless there are any questions, we can move forward to the other pertinent information section.

Chair Stipp said does anybody have any questions for Sabrina on these initial three findings? I'm hearing not yet so apparently there will be more to come.

Ms. Beckstrom said all right. So our Other Pertinent Information is a section where we report where Internal Audit notes areas that did not rise to the level of finding, but contained reportable information. The first area came from a request from Mobility Center to review processes for mail-in paratransit tickets. Internal Audit facilitated a conversation between the Finance Division and the Mobility Center to create a more efficient method to process customer's mail-in payments for paratransit ride tickets as the older method had to be updated as a result of Wells Fargo changing their lockbox operations.

The second area was related to IT software access risk. IT made immediate necessary changes to address the access control issues that were identified by auditors onsite and that minimized the risk sufficiently enough that a written finding was no longer necessary.

Are there any questions to this point?

Chair Stipp said okay. I'll open it up to questions. Councilmember Arredondo-Savage.

Councilmember Arredondo-Savage said thanks, there's a lot more thorough information in here with the whole packet that you presented which is really great and very thorough and I appreciate that. My question is kind of just more of a process question and it's just about follow-up and what that looks like; right? I mean, it's nice that it's not a high risk and everybody is agreeing on the recommendations, and we've got a plan to move forward. You know, but what does it kind of look like, in regards to follow-up. Do you do a six month check in, a year check in or do we wait until they come up for audit, again?

Ms. Beckstrom said so we will -- we will definitely hit -- we have a follow up process for internal audit. We would generally go in at the six-month mark, but in this case -- or when -- after the estimated completion date is noted. And so, the Mobility Center team in your audit management response matrix at the very end of the report, they gave us dates of December 31st and February 28th respectively, to implement the recommendations. So, we would go in at that point to verify that those are done.



Councilmember Arredondo-Savage said no, yeah, I totally get that. I appreciate that. I guess, my thought is when -- just to be transparent and when will we -- will be see it that point too?

Ms. Beckstrom said yes.

Councilmember Arredondo-Savage said will you bring it back to the -- okay. That's what I was looking for. Thank you very much. Thank you, Chair.

Chair Stipp said awesome. Anybody else have any other questions? Okay. Seeing none. I will entertain a motion to except the findings of the Mobility Center cash collections audit.

IT WAS MOVED BY COUNCILMEMBER TOLMACHOFF, SECONDED BY COUNCILMEMBER ARREDONDO-SAVAGE AND UNANIMOUSLY CARRIED TO ACCEPT THE MOBILITY CENTER CASH AUDIT.

5. Internal Audit Update

Chair Stipp said the next item is the Internal Audit Update.

Ms. Beckstrom said thank you, Mr. Chair. In August, Valley Metro implemented the last three internal audit recommendations that we were tracking as outstanding. These Mobility Center audits will now go onto that tracking list, but as of August, all of the prior recommendations had been implemented.

Procurement had issued procedures for sampling credit card transactions and the Finance team had improved their reporting processes for travel expenses which that process contained creating a central tracking mechanism and determining to report out to the Board information on the pay dates of the travel expenses to kind of help to eliminate any duplicates that are showing up on your reporting.

In addition, your packet contains a yearly summary of audit follow-up activities. This slide highlights those activities. Valley Metro remediated ten internal audit findings from the ADOT three-year review, 81 of 89 corrective actions or 91% have been implemented with the remaining few to be completed by the end of this fiscal year. And in addition, the Auditor General issued a Prop 400 audit related to MAG and Valley Metro containing no findings.



Calling attention to the special report section at the bottom of this slide and highlighting the City of Phoenix van pool audit. The Phoenix City Auditor noted in this audit that Valley Metro is affectively monitoring the van pool contract with Enterprise. There was an area identified where controls over vehicle disposal should be strengthened and Phoenix Transit department staff and Valley Metro teams are already working together to implement those recommendations.

So, looking at this for our audits on deck for Internal Audit, we are in the process of drafting a contract management rail transportation services audit with an estimated completion date toward the end of this month so hoping to report that out to you in October. And then we have opened our first contract management audit for professional services, specifically, looking at the contract management for HDR and we'll tentatively bring that report for AFS review at the November meeting. Are there any questions?

Councilmember Pastor said my question is the professional service contracts audit. What exactly are we measuring or auditing?

Ms. Beckstrom said so for professional service contracts we are looking at the contract terms as well as any federal or state requirements and auditing to ensure that all of the documentation is there, that it's -- things happen in the appropriate way and they're timely. We're just barely starting into this audit. We're in the planning phase so if there are particular things that you have interest in looking at, we still have time to add things in, but that's -- the scope of the audit is to look, specifically, at the financial aspect of contract management.

Along with the awarding process at the beginning just quickly looking at that as well.

Councilmember Pasteur said okay. Because when I'm thinking of an audit and you're saying -- and I'm hearing financials, I'm thinking of an audit of is the money being or the dollars being used appropriately for the project and are they meeting timeline deadlines. That's what I -- that's what's going through my head. So, that's why I'm asking because I'm not sure.

Ms. Beckstrom said definitely. We will look at the contract terms and we're going to be looking to make sure that Valley Metro has the processes in place to ensure that the contractor is performing services in a timely manner, you know, the billing is accurate, that sort of thing. If that makes sense.

Councilmember Pastor said thank you.

Councilmember Tolmachoff said thank you, Mr. Chair. I have a question actually -- thank you, Councilwoman Pastor for bringing that to my attention. Because on a



professional services contract and it -- as large of a contract that is and I'm talking about, I guess, dollar-wise and services-wise. HGR provides a lot of services that -- that Valley Metro uses. But there's also reimbursables inside of that contract so how does -- would that be a separate audit? Or would that be attached? Say, for example, mileage and other things that might be associated with this professional services agreement that we're reimbursing any contractor for. Is that included in the audit? Or would that be a separate audit?

Ms. Beckstrom said so we're looking at invoices, change orders and pay apps for the last two fiscal years. So, if it's documented in that sort of the formal process then we will be looking at that.

Councilmember Tolmachoff said okay. So how -- Mr. Chair. How does it work then say, for example, I mean, I know in other instances, other contracts that I'm familiar with that there may be travel, there may be mileage. There may be other pieces inside that are -- that we're accountable for inside that contract. So, with any contract that we're working with how -- is that -- would that be a different type of an audit then auditing that type of contract? Or how would we look at those types of things? Because, I mean, sometimes, I imagine some -- not for the past 18 months, but at -- I would imagine HGR staff is probably required to travel at some point in their capacity as -- of executing our contract. So how do we -- and those aren't our cards, they, basically, submit for reimbursement. So how do we -- how do we manage that part of it?

Ms. Beckstrom said I would have to look into how they report that to Valley Metro. I haven't gotten far enough in to see that myself.

Councilmember Tolmachoff said okay. All right. Maybe I'm kind of out there in left field, but I mean, I know that those kind of things do happen and I don't know how we hold ourselves accountable to that stuff.

Mr. Smith said and Mr. Chair, Councilmember Tolmachoff. That's all part of the invoice that our consultants get to us. Our consulting are task order driven, as you remember, we award a contract, a blanket contract for a set number of years and then -- with no specific job. Those jobs are then identified by task orders. Those task orders then define the type of work in that particular job the consultant's going to do and any costs related to that -- that would be time, that would be out-of-pocket expenses which would include mileage, would include travel, anything else will be included in the invoices that the consultant submits under that task order. That then goes through a multiple layer of review and that's, basically, what Sabrina and Jen are going to be auditing is to make sure that that went through -- first of all, that the task order is in conformance with the overall contract. Secondly, that the invoices that are submitted under that and all the components within the invoice have been adequately documented and reviewed at the appropriate levels within Valley Metro.



So, yeah, it would include, it was, you were actually right to ask that question. It would be included in that invoice.

Councilmember Tolmachoff said okay. Thank you.

Mr. Chair said great. Anybody else have questions?

Councilmember Pastor said so speaking about the task orders, it goes through a series of reviews does -- do the task orders then finally get to the Committee to then approve these task orders? And also approve the reimbursements? And the reason why I'm asking is because I was sitting on council when I was -- it was like my first two years when all the articles started to come out about reimbursement and Valley Metro. And so, that's why I'm asking these questions to make sure the audit covers all those pieces.

Mr. Smith said Mr. Chair, Councilmember Pastor. The Board of Directors is involved in awarding the original contract and then the dollar amount each year that is allowed to be spent. And those dollar amounts, basically, are broken down by projects. Individual expenditures within the task order do not come back to the Board for approval. They are approved within our internal approval process as long as they stay within the confines of what the Board had approved both on a project and on an overall standpoint. That make sense.

And if it doesn't, please, follow up with me. We'd be more than happy to give you more details. We get it that there's a learning curve. This is not -- this is not the most -- this is a complicated thing as both Lauren and Bill are shaking their heads. There's a lot of nuances in the way we do things, so please, don't be afraid. We get it. It's -- there's a big learning curve.

Chair Stipp said great. If there's no other questions, I did have one on the van pool program. Is it tentative to start in September? Is that what that -- the City of Phoenix vanpool or is it?

Ms. Beckstrom said that's completed. They just haven't issued their final, final report.

Chair Stipp said. So, they haven't issued it yet and then we'll see the final version of that.

Ms. Beckstrom said yes.

Chair Stipp said I appreciate that. If -- once it finally comes out if we can just see the final -- the final version of that, I guess, I would leave it to the Board if they wanted a presentation on it, but I think at least seeing the final --



Councilmember Tolmachoff said include it in the packet.

Chair Stipp said yeah. Just include it in the packet and we'll go from there so.

Ms. Beckstrom said that's good.

Chair Stipp said thank you for the update If there's nothing else on Internal Audit, we will get Sabrina off the hook.

6. Valley Metro Regionally Operated Service

Chair Stipp said we will get Joe Gregory up to do the Valley Metro Regional Operated Service overview which is different than what we saw at the Board by the way.

Mr. Gregory said thank you, Mr. Chair, members of the Subcommittee. Yeah, so I'll be talking about our fixed route services operations and funding and basically, kind of the service planning process that we go through in order to change these routes.

So, first off, I think you've seen a similar map to this before just showing our routes by the funding source. You see that the green is the local funding and it's mostly in Phoenix and then the circulators on the -- in a lot of the other cities and there's a few other fully funded local service in Mesa as well. And then the routes by operator, of course. So, we'll mainly talking about the Valley Metro operated routes. The City of Phoenix, we also go through the same service planning process with the City of Phoenix, but, of course, since they operate, and they get their permission for their service changes from the City Council rather than the Valley Metro Board as the Valley Metro operated services do. They have a slightly different process. But you see, the Valley Metro, mostly operates in the east Valley and then the west Valley expresses and then the west Valley circulators.

So, we included a kind of different look at this summary that you also have in your packet just looking at the Valley Metro operated service and just trying to, basically, kind of break it down as far as how they are funded. So, for the most part, it's kind of a third split, the ones that are entirely regionally funded which are mainly about 11 or 17 of those are Expresses or the GAL, you know, more the kind of commuter services. And then the entirely locally funded are a lot of the circulators, especially the Tempe Orbits those types of things. And then the mixed fundings are those, you know, those regional routes where a city might pay a portion of it and then another city uses regional funds for its portion, or they have kind of a mixed funding. There are sometimes where the cities will pay locally on the weekends and then regionally funded on the weekdays, you know, those types of things, just trying to mix and match the money to making sure that



we're getting the service out the door.

So, I'm just going to kind of quickly walkthrough kind of our service planning schedule and kind of how it breaks down. So, every month, the first Tuesday of every month, we have the Service Planning Working Group and that includes all of your city staff, the transit staff, you know, Christina and Kevin, they're there every month. So, those -- we meet every Tuesday, the first Tuesday of every month more to go over, you know, any kind of service change questions, any kind of -- any things that we need to present to them and make sure that we're getting some collaboration and we have buy off on, you know, making sure that we're all kind of on the same page moving forward, especially for the service changes.

So, the service changes really kind of start, basically, in the Short Range Transit Program. That's our five-year look ahead that we update every year. The last two years have not been updated just because of the uncertainty due to COVID. These -- this always kind of moves in tandem with the TLCP, with the TLCP update, the Transit Lifecycle Program update, but that, the TLCP is mainly only focused on regionally funded services. The SRTP includes everything, so it includes all the locally funded services, all the circulators, everything else. And that is mainly because the -- a lot of the Short Range Transit Program, especially those outer years, we're really concerned about fleet. We want to make sure that that we have sufficient planning to make sure that if a new service is coming online then we have that fleet ready to go.

You know, it takes a little while to get the fleet. You have to go through the federal process to get the grants. You have to order it. It takes a year or so to order it so it's not something that you can just put out on the -- a city can't just say we want this new route, and we want it, you know, in six months because it takes, especially if you don't have the fleet it takes a number of years to get that up and going.

So, we do meet -- we update this every year and during those time, we also hold subregional meetings between the cities, so we have the east Valley and the central Valley which is just Phoenix and then the west Valley. And we make sure that any -- anything that we're working on -- anything in the Short Range Transit Program that we have some level of buy in from all of the cities that are involved. So, if, you know, say, Tempe wants to increase some service that will also affect Mesa, we also want to make sure that we have both of the cities in the room and that we can understand, you know, where each is coming from, you know, if they're going to be able to have the budget for a certain year, if they need to push it back a year, those types of things. So, we hash those all out in the Short Range Transit Program subregional meetings.

And then so that kind of filters down to the biannual service changes which happen in April and October every year. And that is what, I think, we're kind of talking about is -- as far as feeding into the budget because -- so since we have, you know, we're working



on the April service changes here coming up in this next Board meeting that you guys are going to have. I'm going to be here introducing the route changes that we're proposing to go to -- out to the public. And then a few months later -- so, usually, in October for the April changes we're there and then in January, we come back after the public outreach has been performed and we come back and have recommendations for actually changing those routes.

So, every one of these service changes comes before the Board twice and then -- so and they're all, you know, coordinated with the Service Planning Working Group members. They're guided by the transit standards and performance measures which is kind of our playbook that we work off of that has the minimum standards for local routes, for express routes, for circulators, you know, all those types of things, making sure that we have, you know, sufficient service for the entire Valley and making sure that the system is really going to continue to perform.

And, of course, all these decisions are made by your staff, by the member cities and then we, you know, we work with them to facilitate them and, especially making sure that anything that affects multiple jurisdictions, we're making sure that, you know, everyone is kind of -- is on an equal footing and everyone is moving on the same page as we make any of these service changes.

So as far as this affects the budget, of course, when we are working on these changes, we'll work with Tyler's group and work with Finance to make sure that everything, you know, coming up through you guys' IGAs or in the coming up budget will include those service changes so you can, you know, as you can see when you go -- when you move through the budgets, that the service change will be included in there.

So, that's all the slides we have. Are there any other questions about any of this? Or about the Board memo or the kind of database that we included with the packet? Mr. Chair said I'll open it up to the Committee. Does anyone have questions for Joe?

Councilmember Arredondo-Savage said well, I guess, I'm just a little confused because these slides are completely different than what was in our packet. Am I -- Is that true? Pat said so in the packet is the funding charts and so -- and then these slides we developed yesterday to present this morning. So, I'm happy to email them out to the AFS members and the distribution list. So, that's one discrepancy that they were just added.

Councilmember Arredondo-Savage said got it. Okay, Joe. So, I really, I guess, I was expecting to see all the charts and everything that you guys created and I thought that you did a really good job to explain. I think to me one of the things that is really incredible is that there are so many different routes and so many different funding agencies and operators, but, you know, the work that Valley Metro does really to try to



create that seamless regional system. I mean, that's not an easy task by any means and I think you guys do a really, really good job to the best of your abilities so I just want to say thank you for doing that.

And I know we had asked some follow-up questions I think Alexis maybe working on them just to kind of really try to understand a little bit better in regards to the local routes and the funding of those local routes and what that looks like because on this chart, it's kind of a little deceiving in regards to every one of them is funded with federal funds and then some of them have ALF, local and PTF. So, we had just asked -- I had just asked for a little bit more breakdown and detail on that and I know maybe we didn't ask just a couple days ago so I look forward to getting that information. I'm not going to put you on the spot to try to get it for me now because I figured it would be a lot, but, you know, kind of one of the things it was just to really understand that also, you know, not only trying to create that seamless system, but there are a lot of locally-funded routes throughout our region and to get a better description of what those look like I think will be really helpful and especially for me. So, I look forward to getting that information and appreciate what you shared with us here today.

Mr. Gregory said yeah. We can certainly give you those breakdowns. Yeah. And as far as federal funding goes as far as the routes, it's all kind of distributed across all of the routes as far as -- as part of the preventative maintenance so it's a very, small percentage per route outside of the Goodyear-Avondale UZA where they get the operational assistance, for now, while their UZA lasts, but everyone else they just get the preventative maintenance and it's like less than 5 percent. It's a really small percentage that's kind of just spread evenly across all of the routes.

Mr. Smith said Mr. Chair, if I could, yeah, that's an important point because outside of Avondale-Goodyear, and that will change, I believe, next year when you lose the subregion. Basically, the fed government doesn't pay for any operations. Now, what they do is they pay for nearly all the cost of new buses, any new bus is purchased with regional funds and federal funds. I think federal pays 85 --

Mr. Gregory said yeah. 85%

Mr. Smith said 85% and the region through Prop 400, right now, picks up the 15%. And then, as Joe said, as far as operations go, it's, you know, it's barely a rounding error, it's pennies on the dollar and either the local, the city or county or Prop 400 regional is what pays all of the operating expenses for bus routes.

Councilmember Arredondo-Savage said yeah. And I thought that this chart was really good too. So, it was helpful to get some of that feedback, but I look forward to the extended detail. I think that will be kind of good to just put it all into perspective. So thank you for that. Thanks, Scott.



Councilmember Heredia said quick question on -- I know it depends on the route or things that a city wants to change but is there guidance or timelines that you all have internally that you can share with cities if they want a neighborhood connector or if they want a small change to a bus route or time change to a bus route. Is there some sort of memo or information that explains timelines and budgetary costs potential and those kinds of things that is shared.

Mr. Gregory said I mean, we're always working, basically, six months ahead of time so, of course, we haven't even instituted the October service changes yet and we're already working on the April for next year. And so, that's what we kind of communicate in the Service Planning Working Group, the fact that we -- we do have a -- we do have pretty, basically, a schedule as far as, you know when cities need to give us, you know, some kind of ideas of what they want for their changes. And then we kind of work through the process from there, you know, kind of working backwards from the service change to when they need to, you know, give us some kinds of decisions and usually, that's about, you know, seven, eight months beforehand.

Now, a new route that's going to require fleet, that's a separate process so that does need to especially go through the service -- to the Short Range Transit Program and those ones that need additional fleet, we do ask that like the City Manager or someone within the city assign, basically, a kind of an agreement that they will keep that new route around for at least two years and that they are committing to funding this new route. Because the last thing we want to do is to have ordered new fleet for some new route and then, you know, the city kind of says, oh, well, our priorities changed or something like that and we can't use that anymore and all of a sudden, we have, you know, extra buses so. That's what we're really trying to avoid as far as those schedules go. You know, changes that don't add additional fleet, those can be done fairly quickly probably within the, you know, the six-to-eight month time range, but the ones that do require extra fleet those are the ones that are going to need a couple years.

Councilmember Heredia said okay. Just like to build expectations to people, right? So, it's mainly situational based, right, as you're saying of what's being requested as a change?

Mr. Gregory said right. And a lot of the big things that we have to really make sure of when we're going through a change that takes a little bit of time, is going through the public process which is also includes the Title 6 process, making sure that we're getting out to the public that everyone is aware and that we're giving, you know, everyone basically, you know, a good option in order to give us feedback. If it's going to, you know, we do get all -- different things that people say. It's a great change or this is going to cost me my job because it's not going to, you know, run when I need to get to work anymore. All those types of things. We really want to solicit all that feedback to



make sure that we're really understanding, you know, what the community is really thinking about the different routes.

Chair Stipp said Joe, I had one question and just couple of kind of wrap up comments. Are there federal rules that govern when a line can start or when a line has to end?

Mr. Gregory said as far as like where it can go geographically? Or like time frame?

Chair Stipp said no. Are there – I think any rules or – I have always been under the impression that there was some federal guideline that you have to meet in order to be able to start – unless it's completely locally funded, to be able to start or add to an existing line. Are there rules like that?

Mr. Gregory said I mean, the only real federal guidelines that we have to follow are the Title VI federal guidelines in which we have to study any kind of service changes and make sure that it's not, you know, impacting low income or minority areas adversely. Like if we're, you know, taking it away from the poor areas and giving the service to the rich areas. Those types of things. Those are the federal rules that we really have to make sure that we're following. And so, for every one of those service changes we do have a report for the Title 6 going through the demographics of the surrounding area and if it's an existing route that has been surveyed on the origin and destination survey, we can use that to look at the actual people who are on that route and making sure that we're not adversely affecting, you know, populations who really need the service.

Chair Stipp said so alterations to an existing route to, you know, goes from point A to point B, but we want to add a point C to kind of loop that through or bring a line and loop it back. There's not really federal guidelines that go with that so if we think that there's going to be riders and we say we want to move forward with this and come a year and a half later, there's no riders on that new loop that we've added.

Mr. Gregory said right.

Chair Stipp said there's nothing that really guides that other than good management practices.

Mr. Gregory said and our Transit Standards and Performance Measures. You know, we try to work off those guidebooks.

Chair Stipp said okay.

Mr. Gregory said I mean, those are – those are just kind of local rules that we try to follow that were Board adopted, you know, kind of local policies, but they're not, you know, if someone breaks one of those, that's not a federal law or anything like that.



Chair Stipp said yeah. They're internal and I think that part is important as well. Is that something that's published?

Mr. Gregory said it's on our website now, but we can certainly share the link if everyone kind of wants to go through it, again.

Chair Stipp said I think in the grand scheme of this discussion, it wouldn't hurt to share the link and if you want to click on it you can, if you don't that's fine too. But this information was requested several months ago through the AFS under someone else's leadership. I had to get one shot in there. But it was really, really good information and I know that the follow-up questions that Councilmember Arredondo-Savage has asked, if we could all get those answers, I think that would be -- that percentage of what that is because the chart was really good, but the percentage of each one of those, I think should go to everybody.

Mr. Gregory said okay.

Chair Stipp said so we really have that kind of complete circle. Because I believe that this helps that conversation of the 70% of the stuff that Jim was talking about earlier is locally funded, you know, et cetera, this helps explain that.

And then just a reminder, Pat, if we can get this slide deck sent out that would be awesome.

Ms. Dillon said I just sent it out just a minute ago so you should already have it.

Mr. Smith said and Mr. Chair, if we could just recap.

Chair Stipp said absolutely.

Mr. Smith said adding service is relatively easy as long as it's financial considerations and the transit performance. Altering or eliminating service becomes much more problematic because that's when you find Title VI issues. So sometimes -- and we've had this with cities where they said, I don't want to go on this route, I'd rather go on that route, I can't understand why you can't change it next month. Well, we could except for any time you change you've got to go through Title VI to make sure there's no disparate impact which why we only do this twice is a year.

And that there is a process, and we are very, very sensitive about following that process because that is the one area where the federal government looks at us very, very closely.



Chair Stipp said no and that makes a lot of sense. This whole thing has been, I think, really good for this Board or this Committee so thanks for that, Joe.

Mr. Gregory said thank you.

Chair Stipp said there's no other questions?

Ms. Dillon said no. There is a question in the chat about the link. So, the slides have been out -- been distributed to everyone who is notified of the AFS meeting and then we will send -- I'll send a summary or another email with the link that Joe has referenced, so that people can look at that. And then once he compiles the answers to the questions that we have today that will also come out so that everybody can see those answers.

Mr. Chair said great. Thank you, Pat, I appreciate that.

Councilmember Tolmachoff said so did you ask to have these, basically, this spreadsheet shared with the entire Board or just? Because honestly, I mean, I know that there's, you know, there is some confusion about disparity in services, but if you look down, you know, the local -- local funding is a huge issue that not every municipality is aware of how much of this service is literally locally funded. And if a Board member is not interested and, obviously, they don't have to look at it, but I don't think it would hurt to share that with everyone and say, this is -- these are the routes and I mean, if you want to dial it down into percentages, but even just the check marks on how much you're relying on local funding to provide this transit service I think would be really helpful for the entire Board, in my opinion.

Chair Stipp said that's probably not a bad idea, but what I'm thinking, Pat, is that we're still doing an AFS update at each one of the Board meetings that perhaps in that memo or in that part of it that we include this and the percentage answers just as this is what AFS discussed and we just kind of leave it at that. And we'll just call it to everyone's attention at the Board meeting and say, this information is out there if you want it.

Mr. Smith said and Mr. Chair, we would appreciate that. A lot of our discussion from a lot of the 19 cities, 18 cities in the county that we have is, you know, levels of service. You look at this map and it very graphically shows you where the concentration of service is and the biggest concentration of service are Tempe and Phoenix who happen to have the most aggressive local taxes and pay for those routes with those local taxes.

Secondarily, you look at Glendale. Mesa doesn't have a dedicated tax, but it does have a dedicated street tax which enables it to fund through general fund and releases some of those funds. So it show us you very graphically the decisions that certain cities have



made to implement or take additional funds and that's where the concentration of services are. It's basically driven by that.

Mr. Chair said yeah. I think from a service providing perspective that's the message so if we can just include those and I would imagine by the Board meeting you'll have the percentage questions answered so.

Ms. Dillon said and then there's a quick question from Councilmember Pastor. Joe, could you please tell her how cities are involved in service changes.

Mr. Gregory said okay. They're involved, basically, from the very beginning to the very end. So usually, you know, when we're working through say, the Short Range Transit Program, the cities come to us with, you know, I don't want to say a wish list, but they come to us with their list of potential service changes that we're going to work through. And we kind of incorporate those into the Short Range Transit Program and then, you know, every year we meet again to make sure that we're all kind of still on track and that's still the city priority.

And then once we get to the actual, you know, kind of development dates when we're actually going to put this into effect, that's when we really go to city and we say, okay, you know, we're looking at instituting this new change in one year, are you guys still interested in doing this? Let's look at the latest, you know, the latest budget and forecast making sure that your local funds or the PTF is still holding up as it was, you know, as you thought it was going to be, you know, a year or two ago. And working through with the city making sure that we're kind of step by step, you know, every kind of change we're making sure that they're fully on board with the changes and that they're fully knowledgeable about everything that it's going to impact. You know, and that also includes, you know, say paratransit service areas in those cities that only have -- the paratransit are on the three quarter of a mile buffer around local service so that's another thing to kind of think about. If you're extending a service, you're also extending that paratransit service or if you're, you know, shortening, you're also maybe leaving some people out in the cold a little bit.

So we really make sure that we're working with the city, you know, every step of the way and then once we get into the actual outreach periods that's when we really want to also work really closely with the city to make sure, you know, we have our own outreach process, but we want to make sure that, you know, if there's like city water bills or something like that where they can advertise some of these changes, you know, those types of things making sure that we are getting all of the feed back that we can from it people who actually care about those routes.

Chair Stipp said I hope that answered your question, Councilmember Pastor.



Councilmember Pastor said thank you, yes.

Mr. Hillyard said if I could just summarize maybe one sentence. I think the point that Joe was making there which is Valley Metro facility take the service planning process, you know, but the cities are the deciders. There's no change to service anywhere, anytime, that is not made without the complete consent of every city that his impacted by that service, period.

Chair Stipp said okay. Joe, thanks.

Mr. Gregory said thank you.

7. Return to Front Door Boarding

Chair Stipp said the next item is Front Door Boarding. Tyler.

Mr. Olson said thanks, Mr. Chair. I just want to give the Subcommittee a brief update on the return to front-door boarding. There was a request in the June AFS meeting to discuss return to front-door boardings, the operator barriers, where we're at with that and the expectation of fare enforcement so.

So we've been working regionally, as you've heard, with City of Phoenix to install operator barriers on 100 percent of our fleet. We want to make sure our operators are protected. Basically, we expect that to be completed by the end of this month with return to front-door boarding reinstated on October 11th. So we have a comprehensive communication plan for our customers. Our primary messages are, you know, have your fare ready, wear your mask, we're also going to include some decals for both fare and mask near the fare box there.

And, you know, it's been a while since our operators have collected fares, so we want to make sure that they have refresher training starting this week on how to, you know, properly operate that fare box. For those fare inspectors who have been with us prior to the pandemic, it's just a refresher course, but we have hired operators since we've gone to rear-door boardings and so we're going to give them a more comprehensive fare box training. We want to make sure that they know how to properly collect the correct fare as well as make sure that's it's recorded to the correct member city in which they're traveling so.

So, what does this mean for fare recovery? Well, it's definitely going to increase, you know, the amount of fares recovered, you know, today we're literally not even collecting any cash at all. It's really not in force so, you know, we can expect that fare recovery to increase, for sure. Although as we know we'll still be below the pre-pandemic levels



since, you know, our ridership is still not at the same levels as before the pandemic. So since each customer will be required to board at the front door, the operator will ensure that that fare is paid and compliant.

We will also return to the full fare inspections on light rail. Today, we are doing visual inspections only. We want to keep that safe distance, but on October 11th, our light rail fare inspectors will begin physically inspecting passes using their hand-held hardware to validate, swipe those passes, make sure that they are compliant, record that inspection.

During the June committee process, we also did provide updates to the future fare collection system and fare policy. We're very excited about that project. As we know, we do have issues with reduced fare abuse in the region today. We don't have a true point of sale control over reduced fare at this point. We have taken some steps in the interim to reduce that amount of reduced fare abuse by requiring our participating retailers at, you know, vendors like Fry's, Circle K, those types of places that offer Valley Metro passes to check IDs to verify and we have seen positive results from that. Although that's, you know, really not the long-term solution.

The long-term solution with that future fare collection system anybody who wants to buy a reduced fare in the future, will be required to go through an eligibility process by a Valley Metro representative to ensure that they do comply with the reduced fare requirements, and they will then be issued a smart card. A reduced fare ID smart card of which they can load that reduced fare onto their card so that will be the true point of sale control over reduced fares so still a ways out, you know, looking at May of 2023 for that full implementation, but.

That concludes my update. Are there any questions?

Councilmember Arredondo-Savage said thank you very much. Thank you, Tyler. I appreciate this information and I know -- just a couple of things, I just would like to get a little bit more information on. And I kind of look at this as is a great opportunity; right? And I -- I'm hopeful that our bus drivers will feel a little bit more secure with those barriers. I think that's going to be a really good step.

And my thought is in regards to the training because I know we have Phoenix drivers and then we have Valley Metro drivers. Are they doing the same training? Are we talking about them taking the same actions, the same step, the same enforcement? And we continually talk about a seamless system, and I know that's been fractured a little bit in the past. So, what are we doing to kind of minimize that and have that consistency especially for enforcement moving forward?



Mr. Olson said so I can assure you that the fare boxes are all the same so I'm -- at least systemwide, you know, the experience will be the same for the customers. I'm not as close to the timing of the City of Phoenix training and what they're doing for their routes. I'm really speaking to ours, but I imagine that -- if Ray or anybody from his team are on are probably very close with City of Phoenix operations and might be able to weigh in. I get a big head nod from Adrian. She's aware. Okay.

Chair Stipp said Adrian can you chime in on that?

Ms. Ruiz said yes, absolutely. I put it in the chat, but I was trying to type. Yeah. It was Mickey Mouse, right there. I was trying to type fast, but it's easier just to say it.

So, we had a discussion last month with Albert Cresspo, we were in a discussion talking about the return to front-door boarding and we started talking when we have a safety security committee that we have on the bus sides is coordinated with Phoenix so we are doing just that. We are on the same page, sheet of music when it comes to safety security and what we're doing. And that was a topic we discussed. Hey, when we return to front-door boarding, we really need to get together prior to that and talk about logistics. We have operators just like we do with Allied Universal contractors who have never interacted with a fare box before, who have never used HHV and we need to get on the same page about how those procedures will go going forward, especially when you have noncompliant scenarios and now we have barriers also in place. How we operate the front door versus the rear door? How you work to maybe delay the opening of the rear door, hold it until you get that front door open and get people accustomed for going back to the front door.

So, in our conversation with Phoenix, we all agreed that we need to get together. We need to work out a logistics plan of really how to start the system over as far as getting our ridership back to the old way of doing things which is boarding at the front door and paying your fare and equally on the light rail side, I'm messaging as we speak back to our group that okay, we do have the reported date of return to front-door boarding that includes us on the train going to back to physical fare inspections. So, yes, we are going to move to now put our working group together to talk about logistics.

Chair Stipp said great. Thank you. Councilmember.

Councilmember Arredondo-Savage said no. That's perfect. I just think it's really important if we talk about a consistency and that seamless regional system that we have all of our operators doing the same thing and taking the same actions and doing the enforcement. So I appreciate that, Adrian, thank you very much for your input. Muchly appreciated.



And then I think my second question is I know you talked about -- I think you just said this. We're talking May of 2023 for the new system, and I do believe too -- I know we went through a lot of discussion about trying to minimize the reduced fare abuse and that's just kind of been an issue and always continues to be. And we did send the letters to a lot of the retailers. Are we going to talk about maybe just reinforcing that, again?

Doing another maybe campaign to really -- I mean, this is a long time away, May of 2023 and I hate to just kind of sit on our hands and not continue to be proactive so is that maybe something that we can talk about in the future? Or maybe come up with some strategies for the next year, year and a half, longer just to, you know, see where we're at?

Mr. Olson said yeah. That's definitely a good point, Councilmember Arredondo-Savage. So, certainly we can work with City of Phoenix really manages that retail network and those agreements that are in place and, you know, possibly send out some reminders, do some checks, make sure that -- and we can look at the data too to make sure that, you know, there is, you know, since we've required that that we still see, you know, similar purchases of reduced versus whole fare to make sure that reduced fare isn't higher than full fare. It really never should be in any system based on peer data and so we can monitor it that way.

So -- and it's a phased project, as you know, we will have steps with mobile fare ahead of that May 23. You know, we've got our new mobile app out right now that's with the trip planner and the rider alerts, encouraging folks to get involved with that and, you know, also get back on the system. But we're really excited to bring that mobile fare to that in the next phase which will be, hopefully, I'd say late 2022 and we are exploring ways in which we can actually start selling reduces fares on that and that would also involve the eligibility process.

So, the first plan was just to do full fare on that, but we're exploring options to see if we can bring that a little bit sooner which will, again, you've got to be in the database to get that account on your mobile phone so.

Councilmember Arredondo-Savage said yeah, no. I appreciate that information and, I guess, Chair, I guess, what I would ask is maybe in the near future that's something that we could have a conversation on. What are we going to do in the interim? I mean, I know we're putting a lot of focus on the new system which is great and I think that's going to alleviate a lot of the concerns that we've had, but just to continue to make sure we're being proactive with staying consistent, now, would be really helpful too.

And also, I would ask if we could do that -- I don't know what that looks like and maybe



that's an agenda item, you know, three or four months down the road, but just to kind of keep it on the front burner. I don't want that one to let go.

And then also with the discussion from Adrian, it would be great to kind of hear how that proactive approach of working with Phoenix and what that looks like to kind of hear back from them in a couple of months too and see how that training is and what we can expect within the system for those consistencies. I think that would be really helpful if we could do that, Chair. Thank you.

Chair Stipp said our next meeting is October 7 which is a few days before this starts so I --

Councilmember Arredondo-Savage said I'm not in a rush so I just -- keep it on the radar some time down the road.

Chair Stipp said absolutely and Pat, if we can add under the future agenda items, the fare recovery with an open, you know, time of return just to get that weaved into when is the right time to review it, but let's not forget about it either. Because it doesn't do us any good to get an update, you know, in January if nothing has happened, but I don't want to forget either because I think that's one that will easily slip through the cracks.

Councilmember Tolmachoff said thank you. So, I can't tell by looking at the picture exactly what the barrier is or how it -- how the barrier for the driver is defined? Is that all Plexiglass, all the way around that metal piece is the doorway? Is that right? For the driver to get in and out? I just want to make sure I'm clear about what I'm looking at. I don't know.

Mr. Smith said yeah. I can explain. If you look on the lower left-hand, that -- we sort of smoked the glass. That's actually clear glass in real life and that's a door. And on the right side, there's a handle that swings open just like a door does and the window, the glass window, is electric when it goes up and down at the operator's discretion. So, what you see closed is actually -- I don't know if the glass is up or whatever in the right picture. That's how it would look closed with the glass up. The operator has a button, can lower the glass, can raise it and they just -- we just shaded it in the lower left-hand corner to show you where the glass actually covers.

Councilmember Tolmachoff said okay.

Mr. Smith said so the operator opens it like a door and closes it like a door.

Councilmember Tolmachoff said so the driver is not completely enclosed and --

Mr. Smith said no.



Councilmember Tolmachoff said okay. Because that was my other question is, I mean, I imagine -- and you talked about training -- I think Ray talked about the training because I'm -- I would imagine that there are riders who have been riding -- taking advantage of the rear boarding and riding for free for quite some time. And so, is part of the training going to be, I mean, do we have a policy like what if somebody literally refuses to pay. And then, I mean, obviously, the fare is important, but even more important is the safety of the driver or the safety of the passengers.

Mr. Smith said right.

Councilmember Tolmachoff said so how do we -- maybe that's a discussion for another day, but I just wanted to know like how secure is the driver if they end up literally in a real confrontation. We've seen the bad behavior on airlines and in airports and other places so.

Mr. Smith said well, it's interesting you bring that up because, actually, this has been a point of discussion for quite a few years, almost ever since I've gotten here. Almost our number one point of contention between operators and drivers involve fares. A customer refuses to pay a fare who is belligerent, who is whatever, people behind the customer get upset because, you know, they are causing a backlog.

And so, we had talked about these barricades, but they were -- they're very expensive and we couldn't figure out what actually to get with them. Well, the pandemic gave us both the need and the opportunity. And we started out looking at this as really a barrier that would protect from a COVID standpoint and provide that kind of shield, but it also, its primary purpose is to provide separation.

So, yes, the operator, if they get a belligerent customer, someone who refuses to pay and then refuses the commands of the -- and the requests of the operator, the operator can choose to stay behind the barrier and therefore, he or she is physically protected which we don't have -- didn't have before. So, it does serve two purposes. As I said, they can raise the window, the window provides that protection. They can lower the window and have just the door. They can choose how they -- how much they want to create the separation. So, this is really a twofer and that's one reason why 18 of the unions who represent nearly all of our operators both in Phoenix and Valley Metro have been in support of this because it not only provides COVID protection, but long after that is taken care of, if ever, it certainly provides protection against assaults.

Councilmember Tolmachoff said so thank you, Scott. So, let's say that -- let's just say that Bill is an unruly person boarding the bus and refuses to pay and there's people -- and so what? Does the driver just proceed? Or do they stay there? Or what do they do?



Mr. Smith said well, the driver is in radio contact with the Operations Center. And so, what happens now if there's an unruly passenger that refuses the direction of the operator, generally, the operator just stands. Just stays there and calls the OCC and tells them, I'm calling the Operations Center and the Operations Center will call police. Because at that point in time, and this gets into certain legal jargons, but once a passenger refuses the commands of the operator to leave, they are now in a trespass situation.

Councilmember Tolmachoff said okay.

Mr. Smith said and that's when we would involve the police. We don't physically remove from either trains or buses. We don't ask our operators or security personnel to ever physically remove someone. That's -- that usually doesn't end up good, but they are always in radio contact and the police will come if summoned which does happen. So, you'll see a bus that will pull over to the side and the police in all of the cities we operate in are usually pretty good about responding because they recognize it's a pretty volatile situation.

Councilmember Tolmachoff said everybody else on the bus is trying to go somewhere.

Mr. Smith said you've got people on the bus who are very impatient.

Councilmember Tolmachoff said right.

Mr. Smith said so it's a volatile situation. So, we do get pretty good police support and also the -- our contractors and there's five different contracts between the two services of operators. They also will send a supervisor out. We have supervisors that are constantly out in cars on the routes or stationed and they will go to the bus also. Councilmember Tolmachoff said okay. Very good. Because at least now if you end up in a situation like that the driver is afforded some measure of protection that they're not literally exposed to -Mr. Smith said exactly.

Councilmember Tolmachoff said right.

Mr. Smith said and before, you know, we had situations where the person would violate the space and, basically, attack the driver.

Councilmember Tolmachoff said right.

Mr. Smith said we try to -- unfortunately, we've had a few drivers who take it upon themselves to leave their space which is not good. They're told not to do that. Now, they have a physical protection where they don't have to leave that space. They can stay there, be protected and call for help.



Councilmember Tolmachoff said very good. Okay. Thank you.

Chair Stipp said okay. Pat, were there any questions online in the chat? Tyler, I had one question about the barriers that I think I noted in the 4th quarter report.

The driver barriers, if I remember correctly, were paid for by federal -- I'm going to call it COVID relief dollars, but in the 4th quarter report it shows up both in a line item and I think on the revenue side. Is that correct that those barriers were paid for by, I think, the first COVID relief? Whether that was CARES or -- I've lost track.

Mr. Smith said yeah. I can't remember and once the COVID relief comes into the fund it all becomes fungible.

Chair Stipp said right.

Mr. Smith said but in our budget we treat it as a revenue source, if you recall.

Chair Stipp said right.

Mr. Smith said but our ability to pay it was, basically, that we had un -- we had new revenue from the COVID relief, and we applied that new revenue to pay for it. So you don't see a direct connection in the budget. Tyler, am I correct on that? We show a revenue, we will show an expenditure or maybe you do show it as a direct connect.

Mr. Olson said yeah. Our sources of funds are all combined on the handout that was given --

Chair Stipp said yeah, that's what I thought.

Mr. Olson said -- there's certainly a note in the back that, you know, obviously, we couldn't foresee it so, essentially, got, you know, relief money coming in. It's really for operational use, not capital, however, because we've reduced some operations particularly or funding from your cities, we were able to use PTF within the Transit Lifecycle Program to install those barriers so.

Chair Stipp said oh, so it was --

Mr. Smith said net, net, it all comes out.

Chair Stipp said thank you. We're good.



Mr. Smith said yeah. It all works out. Net, net. We got the money to pay for it. And we would not probably have been able to do it without those federal funds. Those enabled us to be able to do that.

Chair Stipp said absolutely. Okay. I'll just leave it at that. Which for Councilmember Pastor's benefit, that's a big deal that I'm leaving that alone so.

Councilmember Pastor said well, I have tons of questions on that, but I'm not asking. Mr. Chair said look at that. Your first meeting and you're already learning more than I did so.

8. FY 2023 Budget Timeline

Chair Stipp said Tyler the FY 2023 Budget Timeline.

Mr. Olson said yes, thank you, Mr. Chair. I'll give a brief overview of our FY23 budget deliverables, why we bring the things that we do when we do and our scheduled milestone dates for the year. I do want to point out that there are some additional slides for information included in your packet which may be beneficial to those who haven't seen that process before. However, we thought it would be best to just walkthrough the most significant in these two slides.

So, each year, we provide a preliminary transit service budget to our members in October. Transit services really are the services that are funded by your cities. These are paid for -- out of your city's share of Prop 400 and, basically, the checks that your city cuts for IGAs throughout the year for that service. And, you know, as Joe mentioned in his presentation and hit on, these amounts are really based on miles of service defined by your city staff through the Service Planning Working Groups for the service levels that you would like in your communities and, essentially, we also look at contractor rate escalations for the year. We have multi-year contracts and escalations built into those. Look at fuel consumption based on the miles of services that you've requested and the other direct support costs for those services.

So, the significance in providing this in October is to really fit within your city's budget process early. We know that in year's past we did surveys and it really found that your process looks like ours and so we want to give that to you early in the process. Give you a not a exceed amount with some contingency knowing that it's so early, we're still refining some of those estimates and working with your staff on the service levels, as Joe mentioned. And so really kind of focusing on the funding for that as Joe had mentioned there's a tiny bit of Prop 400 -- excuse me, federal money in the transit service budgets, very small. It's primarily funded with member city funds and Prop 400 so that's -- I just wanted to point that out there.



In February, we bring the annual budget so really between, you know, the end of October and end of January we are refining those service estimates and in February, we bring an updated version of the transit service budgets forward as our first draft of the budget. And we also include additional categories which are only Prop 400 funded for regional support, call center and marketing, these are regional services that really benefit the entire region. They're not allocated to any one direct mode so customer service, for example, anybody who takes Valley Metro is going to call our regional customer service. And so that's funded with Prop 400 very similar to marketing efforts in the region. And then administrative and support services so these are really kind of the indirects and internal support services that we need to keep business moving, you know, ensure our bills are paid and that we're compliant with federal procurement regulations and those kind of things. We do have some federal funding in our capital program, but really just wanted to highlight, you know, what the local match was there is Prop 400.

No member city contributions in those amounts. And then we also bring the five-year plans a little bit later so I really want to share the annual in February and then work with your city staff through Financial Working Group to go over the five year which is operating and capital. And then we bring that to AFS the following month in April and then to the Board with the annual budget in May for action so.

Mr. Hillyard said Tyler, if I could jump in for one second. So just to tie these back to some of the numbers we talked about earlier then that top bit of transit service budgets that's the 85% of our budget that's really driven by the Service Planning Working Group process that Joe described. In the annual budgets those middle two items of regional support and admin support, the regional support comprises about 10% of the remaining 15% of the budget and, as Tyler mentioned, that's cases where we're providing support to all cities in the region. And then admin and support services is 4 to 5% of our total budget. So just to give you is sense of the magnitudes of the numbers and when you're seeing them in the process.

Mr. Olson said thank you, Jim. So, here's is recap of those dates that I mentioned. I do want to note that we've made a change in the timeline for FY23 to bring information to the Boards sooner in the budget process. We typically don't do that until March. We thought it would be a good idea to bring that forward in February. You know, we've got, you know, several new members on the Board and we think that kind of combining the study session really kind of flushing out how we build the budget combined with, you know, an annual presentation of that same information, you know, hopefully that will, you know, make more sense kind of bringing those both together some key takeaways on how we do business. So that's the change we have from last year and so that concludes my update on the budget timeline.



Chair Stipp said great. Thank you, Tyler. I can see Councilmember Tolmachoff has a question.

Councilmember Tolmachoff said I don't have is question I just have a comment. I just want to say thank you. I think this is going to be incredibly helpful to our city transportation staff this updated timeline as far as planning for city budget time lines because -- and I understand in the complexity of doing this work. I get that. And, you know, and in the past anyway, by the city gets the information, we've already had -- we've already done assumptions of our own, so I think this is going to be incredibly helpful moving forward. So, I just wanted to say thank you.

Mr. Olson said thank you.

Chair Stipp said anybody online with a question? Let me just check with either

Councilmember Arredondo-Savage said yeah. Thank you, Chair. I want to just say yeah too. I agree with Councilmember Tolmachoff. I think this is going to be really helpful and the dates that you have in place. The one thing, you know, that I -- I guess I've kind of learned going through the budget now with you guys a couple of times. Last year one of the things that we talked about a lot was sustainable growth and making sure that we have that sustainable growth going through. So, when we see the presentation's it's super helpful to have not only the projections, the actuals, but what the trends are. And how that really compares to where we want to be because I think if we want to have that sustainable growth, we need to make sure that we're aware of any concerns or red flags that are going to a rise in the interim.

I mean, you guys live and breathe this every single day and I think from us sometimes as Board members, the simpler we can make it in regards of when we can -- when we know that we should be concerned and those trends start to go in a negative direction then we definitely need to have that opportunity somewhere within there to see, you know, where we may have to make some possible cuts. Because as we talked about, you know, making cuts last year, we didn't see that until the very end of the budget cycle, not that we had to go there, but it was a really good exercise I think to see that. So maybe to think about that as we move through this next budget cycle, I think would you very helpful.

Mr. Olson said absolutely, Councilmember Arredondo-Savage. Yeah. We'll definitely, you know, bringing this forward I think will allow us that opportunity to also, you know, focusing on areas of interest and I think the sustainable growth and I think it will help if we can kind of focus on what's kind of baseline, what is a service increase because, you know, as mentioned service miles increasing is, you know, different then kind of your baseline growth. And so I think we'll bring, you know, helpful analysis on both sides of that to help make a decisions and give you the information you're looking for.



Councilmember Arredondo-Savage said yeah, no. I definitely appreciate that. And then I think as a city that, you know, really struggled with revenues this last year it's so important to really understand what's happening at the local level. We just had that conversation. Joe did a great presentation about all those local routes that are locally funded and so even though they may be within that city, they're still part of our regional system. And I think when one city falters a little or has some struggles, it really impacts all of us and we just need to make sure we keep our eyes on the prize on that. So I appreciate that incorporation. Thank you, Tyler. Thank you, Chair.

Chair Stipp said anyone else before I include a couple comments? Seeing none. So, I had the benefit of having -- I've had three pre-meetings before today already. And one of them was this and I reiterated to Jim and to Tyler these comments I'm about to make, but I also wanted to make sure that these were captured in yet, again, another set of minutes.

You know, to Jim's point the 85% of service delivery and there's only 15% of, you know, the rest of that understanding that balance. I think last year we were -- we the collective committee focused on that 15%. What of that 15% can we really do? And I think that is the sustainable growth part that Councilmember Arredondo-Savage is talking about. So I wanted to reiterate from the minutes from our June meeting these couple of comments.

First was Mayor Gallego said she wanted Valley Metro staff to look at the 45 vacant positions and see if any of those could be or should be eliminated and moved forward as a way to reduce some of those costs. The other thing that the Mayor had mentioned is taking a look at our memberships and see if there was a single membership that might be reduced perhaps to a lower level or some other way of doing that because all of those costs become regional. And then what I had reiterated to Jim and Tyler was we had also talked about reductions that get us, you know, and I use the range 0 to 5%, but that 0 to 5% is really on that admin support that piece. Not service reduction issues, but can we reduce this budget in that -- of that 15% can we see a -- some sort of budget reduction in that and I asked kind of on behalf of everybody that we not lose sight of that as we go forward.

So, as we move this thing through this particular timeline that's posted to the screen here not forgetting those things. I would hate for us to get to the February meeting and not have had any of these discussions and then have to start the -- the true battle that would begin between February and May. I think we would all prefer to be way ahead of that as we move forward, keeping in mind that the 15% is what we're focusing on, not on the 85%. And as we work for asset the rest of the Board that we also reassure them that we are pushing the -- pushing the discussion on the other 15% because that 15% does have an impact on the other 85 at some point.



So, I just kind of to want reiterate that as we talk about the budget time line going forward.

So, if there's no other discussion or questions on that we'll continue Tyler with the 4th quarter budget variance.

9. FY21 4th Quarter Budget Variance Review

Mr. Olson said thank you, Chair. So quickly walk the Subcommittee through the Q4 budget versus actuals. At the request of Councilmember Arredondo-Savage in June, we have added explanations, I'm sorry, that was the May meeting actually last quarter that we did. We have added explanations for significant variances within the detailed budget reports that have been included in your packet so, hopefully, you've had a chance to look at those and, hopefully, they're helpful.

Starting with RPTA. So, here's a view of total operating sources since we're in our 4th quarter our target revenues would be 100% versus the annual budget if we collected every penny that was planned. Overall, we've collected 104% of our planned funds which is a good thing as we've exceeded our estimate for the year. These amounts still are preliminary, you know, until we get our financials closed for the year and produce our CAFR, but they shouldn't be too far material so.

We're below plan for fare revenues at 67% as we all know, you know, however, CARES monies will fund that shortfall. We're hopeful that, you know, after they install the operator barriers next -- by the end of this month and returning to front-door boardings, we'll definitely see a positive impact to that fare recovery. Although federal CARES funds look behind, they are not since there's a bit of delay getting the reimbursements for the expenses and we fully expect to draw down the entire amount for FY21.

Taking a look at sources of funds for our capital program. Total sources of funds are at \$266.5 million or 89% collected. We also have some underrun in our capital expenses so that would explain that. There is some timing on getting reimbursed for that as well.

We haven't had to draw any PTF reserves at this point due to those lower expenses and so yeah, \$32.9 million favorable. Next slide.

So, overview of operating. We can see total operating without any passthroughs, budget of \$157.5 million, \$132 million spent, so \$25 million favorable. I could say the most significant savings are, you know, demand service or paratransit and RideChoice programs as well as administrative areas, regional services which I will get to in more detail on the coming slides.

Overall, fixed route is at 89% with operation, service and facility being slightly below plan. Demand services coming around 70% and again, that's primarily due to the



reduced number of trips taken versus the plan so we know that ridership has been down.

Regional services. So, these include support items like customer service, marketing, Mobility Center services that I mentioned that are fully PTF funded. We're at 75% through June on both of those. And operations services includes the trips made to the Mobility Center for ADA certifications and fixed route travel training which are also lower than plan. Planning -- service planning and systems planning right on track. Systems development is a little bit higher and administrative, that's primarily to our efforts throughout the year and putting more emphasis on service planning scenarios, requests, reduction analysis, things like that as part of the pandemic, but overall, still within plan.

So, we have significant underrun in administration and finance, 65% spent through June.

Commute Solutions coming in at 89%. These are alternative programs. There are 100% grant funded.

Vanpool is right on track at 98%. You can see a slight overrun in operating services for vanpool. That's primarily due to out of service charges that we're receiving for vans. We are charged by the contractor for storage and kind of minimal maintenance of those vans, you know, keeping the batteries, making sure that they, you know, still run, not letting the batteries die out, things like that, keeping air in the tires. We did evaluate other possible storage locations that we do own so other facilities that we have and unfortunately, removing the vehicles from the possession of Enterprise, the current van pool contractor, changes the insurance relationship. Meaning Valley Metro would have to insure those vehicles and we couldn't find an insurance company that would be willing to provide the insurance. The out of service storage fee is it's not just storage, it also includes insurance, as I mentioned, as well as the maintenance that I mentioned. But overall, 98% fully funded by the riders of the van pools.

Capital overview. So total capital budget \$114 million, we spent \$101.9 million so \$12.3 million favorable for the year. Really spend less on regional fleet than planned, only at 63%. Regional facilities and administration was higher than plan due to timing of milestone payments for the new financial system and network refresh of the servers and some cybersecurity enhancements that were budgeted to FY20, but didn't actually arrive until FY21 so. With capital, it's kind of the nature of those items, but everything is, essentially, programmed within the TLCP and it's really just a timing in budget versus receiving it.

Member city disbursements are a little higher than plan. These are also -- these are Prop 400 monies that are reimbursed for eligible fleet purchases by member cities.



Again, you know, timing of those vehicles being delivered is what we're seeing there.

Any questions on RPTA before I move to VMR?

Chair Stipp said anybody have questions about the 4th quarter budget variance for RPTA?

Tyler, I had one that I'm going to ask at the meeting. Regional services. I'm going to say it was on page 8 so I'm not sure this is going to come to mind or not. We were \$632,000 over for an Arizona Department of Revenue assessment. And that -- the explanation didn't -- it didn't make sense. I just didn't ring to me so can you talk about -- and that's a big number so if you can talk about that just a little bit.

Mr. Olson said so the Arizona Department of Revenue, obviously, collects all the Prop 400 revenue on behalf of the entire county and they charge each entity that gets Prop 400 monies a service fee for administrating that, oversight of that funding. So, that's where that was charged. It's really, you know, kind of taken off the top of the PTF so, you know, unfortunately, something we can't avoid.

Chair Stipp said I think that if I remember this correctly that 632,000 was over and above what we had budgeted so how did -- was it because we collected more that they took more or how did that?

Mr. Olson said no. I think we used to net it off of the revenues received so basically reduce the revenue by that expense, but we wanted to fully show that revenue and so it's really just an accounting change that we've done. It has increased. It's -- so yeah, it's something that we can plan for in '22 so that it doesn't look like that. We can take care of it through the updated accounting.

Mr. Smith said so what you're saying is it's both. What you said Councilmember Stipp is true. We're paying more to ADOT because we're collecting more. That's a good thing. That's an expense that you like to see above budget because that means you've collected more than budget.

But I think what I hear Tyler saying is also we changed the way we account and present. As opposed to reporting net revenues, we report gross revenues and then we report the expense related to the collection.

Chair Stipp said yeah. So, I think if we change the way we report that -

Mr. Smith said we should say that.

Mr. Olson said exactly.



Chair Stipp said yeah, and I think it should have been noted that way in the footnote as well -- and I realize this report only kind of comes to us, but it is now posted on the website, so it becomes a matter of how you read it and what questions you ask so I think that one is really, important.

The other, I guess, thing that I had is I went through that report trying not to get -- as I mentioned the other day, trying not to get bogged down in the details of the whole thing and I think, historically, I would have said look I found, and I have -- there's 15 unnoted overages. Some are in -- the dollar amounts are fairly, small, but if you add all of the dollar amounts up it comes to somewhere in the neighborhood between \$400,000 and \$500,000 which every single year that's a big dollar amount. And they're not, those are the ones that are not footnoted. So, the dollar amount is relatively small, and I think I may -- I may do this just once and send here are the 15 that I found, but and this is our first go around with footnotes so that, as I mentioned the other day, was very, very helpful. I think when we have these that are, you know, 120 and 130 percent over even though the dollar amount is small, I think we need add some footnotes to that to, again, to talk about that 85/15 percent split. What's really happening with that? And I think the answers are very simple, but if we're trying to get to that transparency piece that we spent a lot of time last year talking about and not that we're not intentionally being transparent, but just getting it all out there, it will then also allow other Board members to see what we've talked about and kind of bring it forward so that this discussion later on about the 85/15 in, you know, February and the later part of next -- of the end of this fiscal year, I think those discussion will go much smoother.

Mr. Olson said okay. Yeah. We tried to, you know, identify kind of historically what the Subcommittee, you know, has asked questions on and we identified everything \$50,000 and greater and 3% over target. We thought the 3% was sufficient, but yeah, happy to, you know, answer any additional variances that you would like us to look into.

Chair Stipp said yeah, and I'll send that separately and like I said, I think, you know, some of them were -- they were \$30,000 or \$40,000, but the percentage was very high, so I think that triggered for me, you know, obviously, 15 questions which I'm not asking today. So, I think just as we move forward as we develop this particular system of the footnotes that we can only make it better going forward. That's simply I think the point. It's not an attempt to micro-manage the organization or figure out what's happening, it's just an attempt to really fully explain to those that are looking at it where it's at.

So, did anybody have any questions on RPTA before we go to VMR?
Okay. VMR.

Mr. Olson said all right. Thank you, Mr. Chair.



So, overall, our sources of funds are operating at 78% through June. Advertising is slightly better than planned at 112% although, you know, very small dollar amount. We're talking about 33,000 over. Fare revenues are behind, of course, 52%, federal CARES slightly less than plan, however, that should catch up. We do anticipate having some remaining CARES left for FY22 based on the eligible expenses.

Moving on to capital. Capital sources primarily support our construction projects, South Central, Northwest Phase II and Tempe Streetcar. 55% collected year today. We may see some additional reimbursements as we wrap up our financials for the year. Uses of funds. So, operating expenses are at \$60 million through June. 83% of the annual budget and I will touch on each one of those in the future slides here. We did have some anticipated expense for streetcar which you will see of zero dollars. As far as light rail O&M, we're currently at \$43.2 million through June and that's 88% spent. Security is right on target at 100% so.

I've gone to future project developments so really our planning for those future capital extensions and studies for your cities, \$4.8 million, 59% year to date. We did have substantial plans for capital I10 West in this year that have been delayed, but we expect that to ramp up in '22 and '23.

And then agency operating only 76% spent.

Taking a look at the capital program. So, \$521 million planned, \$279 spent for the year so favorable by 46%.

And that concludes the update for the quarterly. I'd be happy to answer any questions that you may have on VMR.

Chair Stipp said anybody have questions on that? Seeing none. Tyler, thank you for all of that.

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

Chair Stipp said if you'll note on the agenda underneath that particular item it says, if AFS members have questions regarding these items, please contact the Valley Metro staff. That is really an attempt for us not to choke down this meeting on these particular items, but that we get an opportunity to at least see them ahead of time before the Board meeting.

So, from this point forward when you see these, when this agenda comes out, if you do have questions, please, please get those out to the Valley Metro staff and if there is



something that you want to bring up at this particular meeting or during this particular item, I don't think there's a presentation on this, but if there is something that you feel is important for this Board to know, please do not hesitate to bring it up during the meeting. But I think to keep us moving, this is kind of a really good suggestion from the Valley Metro staff.

So, seeing none.

11. Future Agenda Items

Chair Stipp said I want to say this is new, but I didn't have to study the agenda like I have to now but the -- Pat will keep a running list of what the future agenda items are here in this particular area so we have the annual internal audit charter review which we are required by our own rules to do every year. We're going to do that sometime this fall.

Sebrina, I think you said we do it in October?

Ms. Beckstrom said yes. I'm -- I went through the standards and compared them to the charter, internal audit standards and I'm not planning on suggesting any revisions to the document. So, I'll bring it forward next month for review and then if you all have things that you would like to change.

Chair Stipp said okay. So, that's coming up. Transit Lifecycle Program, that is obviously in line with our budget presentation. We did have discussion today about fare recovery with a question mark when that's more appropriate.

Does anybody have a future agenda items? Because I have one.

The one that I have is kind of a revision -- to revisit the discussion that we had on advertising and where do we stand on that. That affects the budget. That kind of affects where things are at. Honestly, I don't even remember when we had that discussion. I think it was in May, but I can't be honest -- be certain, but to get the latest update on that and where we're at.

I just heard today they were talking about the revenue that the broadcaster for the Winter Olympics is already sold out and Super Bowl is almost virtually sold out which led me to think about the regional events that we've got coming out. I don't want to be behind the eight ball when that happens so if we're going to do advertising, let's make sure that we're out there. So, getting that on a future agenda.



Pat said how soon? It sort of helps us if you have an idea of when you would like to see these items and then we can work with everybody to get them in the queue. So, you -- if you could indicate to us, do you want October, November?

Chair Stipp said well, I think it came to the Board -- I'm going to look at Scott. Didn't it come to the Board? Is that when we had our last discussion or was that here?

Mr. Smith said yes, because it's a policy issue and it came before the Board and it also affects a couple of our cities, specifically Tempe on their ordinances. So that's why we laid it out there for discussion and I would prefer if we could do it in October because we do have some follow-up with cities to see where they are and what they've done with it. So November at the earliest and we can bring back -- we sort of left it open with the Board as to what we wanted to do. And this is the first time we've really heard anything, but we're ready to come back -- and really the decision, I don't know that there's a whole lot of discussion, maybe there's some questions, but we're ready to go if the Board wants to change the policy.

Chair Stipp said yeah. I think, honestly, I think the sooner the better, yeah, two weeks from now is probably too fast so October is fine with me since I'm the one bringing it up. But I'd like to see that come back and I think we can skip it here then if it's coming back to the full Board.

Mr. Smith said yeah. And Hillary was the one who was running that so we'll talk with her and she will just update it and maybe get a little review and also follow up with the city staff to see if -- if there's anything on the cities we need to still be aware of.

Chair Stipp said okay. And if anybody on this Subcommittee wants to see anything, preview for that just let us know.

With that, if there's no other further items.

The next meeting of the Audit and Finance Subcommittee is scheduled for October 7, 2021, at 12:00 p.m.

The meeting was adjourned.

With no further discussion the meeting adjourned at 1:52 p.m.



Minutes

September 23, 2021

Agenda Item 4A

Joint Boards of Directors
Thursday, August 19, 2021
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants

Councilmember Francisco Heredia, City of Mesa - **Chair**
Mayor Kate Gallego, City of Phoenix - **Vice Chair**
Councilmember Bill Stipp, City of Goodyear- **Treasurer** (phone)
Councilmember Clay Goodman, City of Buckeye (phone)
Vice Mayor Monica Dorcey, City of El Mirage (phone)
Councilmember Mike Scharnow, Town of Fountain Hills (phone)
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Jared L. Taylor, Town of Gilbert (phone)
Supervisor Jack Sellers, Maricopa County
Vice Mayor Jon Edwards, City of Peoria
Councilmember Jeff Brown, Town of Queen Creek (phone)
Councilmember Roland F. Winters Jr., City of Surprise (phone)
Councilmember Robin Arredondo-Savage, City of Tempe (phone)
Mayor Rui Pereira, Town of Wickenburg (phone)

Members Not Present

Vice Mayor Veronica Malone, City of Avondale
Mayor Kevin Hartke, City of Chandler
Councilmember Aldofo Gamez, City of Tolleson

Valley Metro Rail Participants

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

Chair Heredia called the meeting to order at 11:19 a.m. The Pledge of Allegiance was recited.



Chair Heredia said perfect. Thank you. And just a housekeeping item, 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 out loud and answered. Also, if all meeting attendees can please mute your computer, your microphone computer, that would be great. Why don't we start with the pledge of allegiance so stand up.

1. Public Comment

Chair Heredia said we opened the space for public comment, we do have a card here. Mr. Blue Crowley. You have three minutes.

Mr. Crowley said all righty. William Charles "Blue" Crowley the III, resident of Maricopa County, Phoenix in particular at the moment. The reason that y'all exist is because of our poor air quality. The -- one of the ways that we went to address it was through mass transit and I see that your report card is the air quality announcements. And prior to the wonderful rain that we've just gotten, I believe it was 30 days in a row that we were in warnings for people with any kind of breathing problem and living here everyone does in that if you've lived here six months, you've gotten Valley fever. So being that that's a part of the equation, there's nobody here in Phoenix that doesn't actually have a breathing problem and when the air quality is bad, where do we put that add in that what options have you put out there. It's one of the reasons when I was a part of the putting together the Prop 400 that our vision was eventually 24-hour service, seven days a week so that it would be an actually working system, but -- and I'll -- we'll be addressing it on your next meeting of just the changes that you're doing that as in Greg Stanton once saying to me that when it comes to transportation, I was his hero because I can see what needed to be done.

And what I see you doing as in with Waymo and that -- I still don't understand what that whole system, what it was? What we're doing with it? When it first went through with an emergency meeting that the public wasn't able to be at. When we did ask what is it that you're doing? It was stated that we're going to be using the driverless to get employees into the system. And then when I looked at what they were -- the area that they were dealing with, it didn't even get to the rail and if you're an employee out in Chandler coming here. If you use the bus, you need to leave how many hours early. So, with what has happened with that, what is going on right now with air quality you need to be expanding not cutting back. You need to be looking with foresight that the system needs to actually work for everyone all the time and that means 24 hours and 7 days a week and that's something that you should be pushing for in the Prop 500. Thank you.

Chair Heredia said thank you, Blue.



2. Chief Executive Officer's Report

Chair Heredia said Mr. Scott Smith. Before you start, I know you sent out an announcement stating your retirement here so as we know until it's Facebook official, it's not official so Mr. Scott Smith.

Mr. Smith said well, actually it was official when it hit both Facebook and LinkedIn. Chair Heredia said okay. Perfect. Well, I just want to say thank you for all your service. I'm sure, you know, we still have quite a bit of months left here, but as you sent out that announcement, I just want to congratulate on your years of service and all the hard work and dedication you've put not only to my town of Mesa, as the former mayor, but you know, Valley Metro these past several years so appreciate your due diligence and your work here in the community.

Mr. Smith said thank you, Chair Heredia. That's very kind of you. I still got a while for you to kick me around so but thank you. We're going to be working hard until the very end because we still have a lot to do.

And part of that was brought up as part of my CEO report.

We've got a couple months to report on since we didn't have a CEO report in the last special meeting. We are privileged and honored to have a visit by U.S. Transportation Secretary Pete Buttigieg on Thursday, July 15th and we knew it was going to start out well because that was right after we hit several days of like 115 degrees and it actually cooled down to somewhat bearable temperature, but working with, primarily with U.S. Representative Ruben Gallego whose office worked -- and the DOT office had a great visit. Mayors Kate Gallego, John Giles and Corey Woods were all involved as Chair Heredia, our Board chair, Councilmember Heredia was there and Glendale Councilmember Jamie Aldama. Had a lot of other people there.

The primary purpose was to get an update of our light rail program and, specifically, to tour the South Central Extension/ Downtown Hub with special emphasis on the Downtown Hub. Kudos to our team and to Kiewit, who you see our project manager, Luis Mota walking across a makeshift walkway that was prepared really with lightning speed to accommodate the Secretary as he visited the Downtown Hub there on the corner of Washington and 5th Street and we just really appreciate the work of everybody to show our long-term program and everything in a very positive light. The secretary commended our essential transit workers recognizing their efforts to maintain service throughout the pandemic, praised how our system is expanded and has created economic prosperity.

We talk a lot about the investment that's happened because of our investment in transportation infrastructure and the Secretary was not only very much aware of that. He told a story about, I guess, he actually lived and worked here for several months



back in the early 2000s and it was a very, very different downtown Phoenix he experienced in 2021 as when he worked here in, I think it was 2004, 2006. So he got to see the before and after and it was just really good. Congratulations to everyone involved in that visit. That was a very, very positive experience.

I would also like it remind everyone that, once again, we're returning to a live Clean Air Campaign. This will be a smaller event. Last year we had a online virtual event. This year we're going to be at the Heard Museum right on our rail line. This is the first time we've been able to do that. In order to do that, we're limiting the capacity. Nominations are currently underway. I know many of your cities are very, very active in their Clean Air and Commute Solutions campaigns and we invite them to let us recognize them by applying for nomination.

While we were out, July 6th, we -- in conjunction working with the City of Phoenix, we launched the Valley Metro app. And for the first month, we've had almost 10, 000 downloads which is really, impressive. The features of this app are: it gives real time bus and rail tracking, trip planning, step by step navigation, you can view you're trips travel time, you can get service alerts and updates. It's really a tool that we hope will help in our mobilization so to speak of our services and lead toward the eventual mobile ticketing and mobile real time information that we have in our -- that you're going to see come out in the next year or two step by step and this is the first step in that. This is available both on Apple and Android and next year mobile ticketing will be added to this, the same platform and it's part of the fare collection system modernization which Valley Metro and City of Phoenix staff are working jointly and diligently on and we've talked to you a lot about.

We also would like to make you aware of, you know, we try to as part of our projects especially South Central Extension/Downtown Hub to involve the community in our projects. We do this in many, different ways and one of the ways we have is we worked with students and teachers from three South Phoenix schools that are around the route to create banner art to enhance the project area give our students a chance to show their artistic skills and to dress up the area. Our contractor, Kiewit, installed the banner art at three locations along the project. The locations and schools related to that are at Central Avenue and Elwood which is the Academia del Pueblo, Central avenue and Papago which is Lowell Elementary and Broadway just west of Central avenue which is the NFL YET Espiritu School College Prep so thanks to Kiewit. Thanks to our school and our artists. They show so much talent and we look forward to them being -- providing art for future projects.

The next thing I'd like to make you aware of is that both Phoenix Transit and Valley Metro have been working diligently over the last few months to create an environment where front-door boarding would be safe and would be serviceable. I think if you'll recall, we presented and you approved several months ago, the contract to install barriers in our buses to protect our bus operators. That project has taken a little bit



longer than we envisioned because of supply issues. As with many things in the pandemic, the supply chain had been interrupted. However, it looks like the schedule is both for Phoenix Transit and for Valley Metro buses that these installations will be completed in the next few weeks, and we would like it used the month of September to educate our riders through comprehensive marketing communication campaign working, once again, with Phoenix Transit so that we might be able to return to formal front-door boarding sometime in early October. That is not set in stone, we're going to monitor that, but just want to let you know that we now see the ability to do that.

As you know, our revenues have taken a substantial hit during this because of our inability to collect bus revenues on a consistent basis with the rear-door boarding, but we also recognize that we've now created over the last 16 months, while we don't have a free system, we certainly need to help our riders get back in the habit of having their fare ready and working with them to ease back into that. So, during the month of September, you'll see posters and communications such as this with the primary message being have your fare ready and wear you mask.

And just a little bit update on that, we just received yesterday, I believe it was, notification from the Transit Security Administration and the CDC that they will be extending the mask requirement for public transportation including our buses and trains which was set to expire on September 13th, it will be extended through January. And so, we just got word of that yesterday. So, we will continue to require masks on our buses and on our trains and paratransit until that federal rule expires and it won't expire at least until January. So, we're going to do whatever we can to encourage our riders to wear masks.

Last meeting, several Board members asked us to give an update on ridership and so, here's a schedule that shows the ridership with the most recent data that we have which is the month of July. I know that may be a little small on some of your screens, but just to show you that overall, it looks as though both bus and rail ridership is down about 50%, I'm rounding up and down a little bit, from our pre-COVID levels. That's held steady for several months. Year over year, light rail ridership is actually up almost 10% from last year while bus ridership is down about 5, 6%. A little interesting, we'll see how this will change with school getting back in session, both ASU and all the school districts in August. And so, it will be interesting to see in August what our numbers look like, but these are how we track our ridership on a monthly basis doing year over year, month to month and totals. And, certainly, comparing this year to last year and back to 2019 since it gets our pre-COVID numbers in and we can get a benchmark as to where we are in a normal world versus the world we're operating in right now.

Lastly, just want to let you know the calendar coming up in September. You can see TMC/RMC, the Audit Finance, and the Board of Directors. I'm assuming right now, Chair Heredia, that the September meeting we're planning it for being a hybrid once



again, monitoring the situation. But as -- we'll let you know if that changes, but we will both be open and have a Webex available. nd, Chair Heredia, that's my report.

Chair Heredia said perfect. Well, thank you. Any questions or comments? Hearing none. Appreciate, Mr. Smith, that report.

3. Consent Agenda

Chair Heredia said the Consent Agenda is presented for action. Any Committee member have any questions or any items that you would like to be pulled for a separate discussion? All right. Hearing none. Request a motion and a second to approve the Consent Agenda from our members?

IT WAS MOVED BY MAYOR ORTEGA, SECOND COUNCILMEMBER TOLMACHOFF AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

4. Draft Valley Metro FY 2022 Strategic Plan

Chair Heredia said the next item on the agenda is the Draft Valley Metro FY 2022 Strategic Plan.

Mr. Smith said thank you, Chair Heredia. Those of you may remember that prior to March of last year under the direction of our Chief Administrative Officer Jim Hillyard, we were working diligently toward updating our five-year strategic plan which actually the last one expired in fiscal year 2020 so it was very timely. And then, of course, the pandemic sort of threw everything up in the air and put that on hold. In recent weeks and months, a few of you have asked about the status of that plan and how we might maybe bring it back so we decided to bring it and put it on the agenda simply to reintroduce you to this. We're not looking for anything specific, but this has been agendized that allows you all options for discussion, questions. If you'd like to maybe schedule it for further formal discussion or take any action, we have set it up that way.

And also as Jim will explain to you, we have done one thing and that is, once again, as part of my evaluation, I did present a one-year strategic -- CEO strategic plan which we have -- which Jim will explain we have tried to include in our, certainly, our short-term strategic plan. But I'll turn it over to Jim and he can open up for discussion or give you an update as to where we are, but I just want to reemphasize that this was simply to put this back on the schedule so we could keep working through it and we are open to your direction and guidance as to how you might want to go forward with this strategic plan so I'll turn it over to Jim.

Mr. Hillyard said thank you, Scott. Chairman Heredia, members, as Scott said, again, we're simply seeking the Board's feedback on the draft goals and measures for an FY22



strategic plan only. Yeah. I think we would anticipate one of three outcomes or guidance from a discussion like this. One, would be giving us feedback on how we could change those draft goals and proposed measures to better meet your expectations, or should those goals and measures be generally in line with your expectations then we would begin working on next steps of sort of turning this conceptual document into a more traditional narrative plan that articulated the goals to the public and, you know, detailed the measures. So, for example, what would be the source of the data? And how often would we be bringing it back to you? What's our current baseline performance, etc?

But then finally, as Scott sort of alluded to, given that we've just begun a CEO search and will soon be engaging in a transition, we could also, you know, defer further work on this plan, you know, pending that exercise. So, we're open to your direction in any of those areas.

With that, let me provide a little bit of context for how the document before you was developed. As Scott noted, in 2015, Valley Metro engaged a consultancy to work on a five-year strategic plan. We began a refresh in 2019. That was then set aside to focus on pandemic response and mitigation. Part of the -- that initial work on a strategic plan included meetings with, I think it was, ten different jurisdictions that took us up on the opportunity to visit one-on-one on what -- your priorities and what you'd like to see in a Valley Metro strategic plan. We also brought the draft goals back to the Board in the February of 2020 Board meeting and got some feedback on how the goals could be changed.

And so, so I'll share with you today, the draft as it currently stands and some of the considerations that we came to in its development.

So, at this point, I'll turn to the table like document in your packet. So, there are really two areas of focus. The first was an update of the goals. The goals of the 2016-2020 strategic plan were increase customer focus, advance performance operations, grown ridership, focus on economic development, and advance the value of transit. We thought there were a lot of good concepts in there, especially the focus on riders and the performance of our systems. We did think there were a few things that were missing.

One was that it didn't recognize the importance of fiscal responsibility and our relationship with you, the member cities. And so, you will see we added a third -- our third goal from the right, we added was maximize efficiency in member city engagement and recognition of that important relationship.

The second thing that we thought it didn't speak clearly enough to, especially as we go into the Prop 400, was the importance of future planning and planning for the future of transit in the Valley. And so, we added the fourth goal that you see in the table,



enhance lives through regional mobility for the future system, to sort of emphasize the importance of that forward-looking work.

Then lastly, we thought that the 2016-2020 goals didn't recognize the importance that organizational development plays in the Valley Metro's ability to meet its objectives and to serve the region. And as a result, we added the fifth goal that you see organizational excellence sort of focused on Valley Metro building its capacity to serve the region better.

So, those were the five goals that were developed. One of the key pieces of feedback we received at the February of 2020 meeting was to come up with a more robust set of performance measures to mark progress toward those goals. The 2016-2020 plan performance measures were very limited. They were only: boardings per revenue mile, boardings per revenue hour, fare box recovery and on-time performance. Now, those are super important metrics for us operationally, but they certainly don't speak to the breath of the goals and the breath of the objectives that we have before us. And so, you'll see in the bottom section of that table work that we did to identify a more robust set of performance measures illustrating those goals.

One of the things that became apparent as we worked through the measures that we thought were needed was that there were a number of measures that were critical context for understanding the status of transit in the Valley, but that had significant elements that were outside Valley Metro's control. So, for example, you'll see in the second column over toward the bottom, employment population and education within a half mile of transit. I think we all recognize in understanding our coverage and the access to transit is critically important. However, you know, while Valley Metro facilitates service planning, the service planning decisions are ultimately made by the cities because the vast majority of fixed route service is funded by the cities, so it has to align with your budgets, you know, to be sustainable and realistic.

So, we created two categories of measures. You'll see under every single goal a column that says, Valley Metro performance. We intend those to reflect performance measures that Valley Metro will set goals for and hold itself accountable to. Under current system and future system, we added a second column labeled regional indicators and those were intended to provide that important context for things like coverage and ridership that are important for us in understanding and planning for the future of our system, but, you know, that aren't things that Valley Metro controls entirely and can therefore autonomously set goals for.

The third thing that you see in the document before you is on the sort of the next page of the table and that is as Scott mentioned, illustrating how the CEO's FY2022 work plan would sort of align with the five goals presented here. And so, as I mentioned a minute ago, if your guidance to us was to continue to work on these goals and these measures then one of the things that we would be doing in FY2022 is developing the



detailed work plans associated with the items in the CEO's work plan and then establishing targets for the performance measures that are associated with those. So, here's the plan and here's how we intend that to move the needle on the performance measure that it relates to. And so, we would begin doing that more detailed work and turning this which is intended to share with you concepts for your feedback into a more traditional narrative document.

And so, with that, I'd be delighted to answer any questions and would much appreciate your feedback on what our next steps should be.

Chair Heredia said perfect. Any of the members have any questions or comments on this presentation?

Councilmember Tolmachoff said thank you very much. I feel, I mean, I'm glad to see that this is still moving along and moving forward, but I think the discussion that probably needs to happen around a strategic plan, something as important as a strategic plan, would be better suited for a study session. I'm -- Mayor Ortega has already indicated he's on a tight schedule today. I imagine many of us are on a tight schedule today and that maybe we move this off into the future for a future study session when literally we have, you know, dedicated block of time to have this discussion. Thank you.

Chair Heredia said thank you, Councilwoman. Any other comments?

Councilmember Stipp said I absolutely agree with Councilmember Tolmachoff that we probably need to have a greater discussion on this and kind of break things down.

Having this without any slides, I was in the chat like hey, where are the slides on this? I'm not seeing anything. And having to switch between, you know, this and the information and Jim's talking about tables and I'm not sure which table we're talking -- I mean, it was relatively hard to follow, A, B, I think we need to maybe have a discussion regarding some of these items simply because and the example that comes to mind is under excellent rider experience, the final -- which is the second table, the first column at the bottom, it says, continue improvement of rail safety, but in the quarterly update, we see that we've had incidents of bus issues.

And, you know, the performance metrics that we use in those quarterly reports we haven't hit in a number of quarters and those aren't showing up in here as well. So, kind of how are we integrating the current measurements that we have with these items? I think that generates a broader discussion for the whole Board for us to look at the entire system as opposed to just the rail system or just the bus system that really, we talk about how do we improve safety overall, especially in what is now being considered the quote/unquote new normal. So, I agree.



Chair Heredia said perfect. Any other questions, comments? Mayor Gallego.

Mayor Gallego said thank you. I agree we should continue this conversation. I think we need to update the plan to reflect recovery from COVID and, you know, we had some indicators about where we are relative to 2019. I think we will want some goals related to that as well as enhanced goals around COVID-19 and just making sure that we are doing what we can to slow the spread and to follow federal guidelines on COVID.

We've also had some turnover in the Board, and it would be good for our new Board members to have an opportunity to look at the plan again. I am excited to share with you that a great leader from Phoenix is going to be working with me on Valley Metro. Councilwoman Laura Pasteur who's helped us develop our strategic plan at the City of Phoenix, led our campaign on the light rail in the last election and so she will be our primary Board member starting soon. I am Jewish and we are -- the next Valley Metro meeting is on Yom Kippur so very difficult for me and so we'll making the transition then, but I will have the opportunity to be her backup and still be at some meetings. So, very excited about her opportunity and she has worked on our strategic plan for transportation at the city level so we would also love to see metrics related to alignment with city strategic plans.

And I think, generally, I would love to take this plan and focus more on Valley Metro indicators and less on regional indicators. I don't know that this Board has the ability like on some things like education within a half mile of transit. That we are the primary decision makers on those issues so really focus on what we can influence. It is great to monitor those, but maybe for strategic plan, I think, areas of more direct control make a lot of sense.

So, look forward to still having the City of Phoenix play an important role in providing support to this strategic planning exercise.

Chair Heredia said perfect. Thank you, Mayor Gallego.

Ms. Dillon said Chair Heredia, Councilmember Clay Goodman, Vice Mayor John Edwards and Councilmember Stipp all agree with what's being discussed and agree with the study session.

Chair Heredia said perfect. All right. And just welcome Councilwoman Laura Pasteur to the table here so thank you, Councilwoman. And so, I think we can move this to a study session, Jim, for further discussion. I agree. I think there's more details and conversation that we can have on the item, so we'll move it to a study session and let you all know when that study session occurs.

Mr. Smith said yeah. And if we could, Chair Heredia, as we said, we haven't really talked about this in -- golly, seems weird, but Jim said, February, 18 months. So, this was to put it back on the table. I know Jim was taking copious notes from what you



said. As you look at the table that Jim referred to that was sent in your package, if you have further ideas, suggestions, questions as it relates to this as we move forward for discussion, I would strongly recommend that you send those either through your intergov or transit staff to Jim or send it directly to Jim so he can incorporate that in the discussion as we move forward on the study session. We'll look for a study session in the next couple months.

Chair Heredia said perfect. Thank you, Scott. Yeah, if you have any particular questions or comments on specific items that you would like to include, please the sooner the better so thank you.

5. Chief Executive Officer Recruitment – Scope of Work Approval

Chair Heredia said before we go into this, I just want to thank the members of the Ad-Hoc Recruitment Committee for taking the time to write comments and feedback on the initial scope of work so appreciate that from all the members. You know, if you were part of the previous discussion, we have some members on the ad-hoc committee that are helping develop this framework and helping along the way throughout the process so. We also have in attendance staff from Maricopa County. I think Jan Plank, who's a Human Resources Director and then Maricopa County Purchasing Group, Joey Molina, also from Maricopa County that is here at Valley Metro. They can answer any questions or provide any feedback to any of the members comments or edits so. Folks, have any comments or edits or items that you all have on this topic?

Councilmember Stipp said thanks. I just want to thank the staff of Maricopa County, Mike Minnaugh, everybody from Valley Metro that was involved in it, Chairman Sellers for your assistance in getting this to us today. I know it was a heavy lift. The document, the scope of work, is good representation of what we're going to need going forward and as a member of the ad-hoc committee and as a member of this Board, I think we've got a good foundation for a plan going forward as long as we follow the plan and execute it, we should meet our March 1st goal, I should say. So, I just wanted to take this minute to thank everybody.

Chair Heredia said thank you, Bill. Any other comments, questions?

Mayor Gallego said thank you so much to Maricopa County and all who have worked on this. I guess, I would love to make sure that we get a firm that has hired a transit -- has hired transit CEOs before. And so, the national expertise is important to me. We -- right now, specifically say, familiarity with Arizona open meeting laws and requirements and since the Board in the last step had asked that this report to Mike Minnaugh, our General Counsel, hopefully, he could assist them with that familiarity and maybe we could just make sure that you do not have to have worked and have deep familiarity with open meeting laws, but that we clarify we do want someone who has experience hiring transit CEOs.



And then I had a clarifying question for a bullet point: "Any candidate recruited for the role of CEO should be specific to this recruitment and any candidate referred to this should be exclusive to this recruitment and not be used for recommendations of other recruitments for a period of 12 months after." I understand it's very common for people in the transit CEO world to perhaps look at multiple jobs at once and so I was trying to understand what that meant.

Chair Heredia said Mike, Mr. Minnaugh, do you have a response?

Mr. Minnaugh said yes, Chair Heredia, Mayor Gallego, what specific -- so that it's easier for me to reference, what specific portion are you referring to in the statement of work?

Mayor Gallego said so, on the scope of work, the last bullet point. Immediately below it, it says, recruitment process and candidate selection, but it's under recruitment planning.

Mr. Minnaugh said that is an oddly worked sentence. I think we should find a way to simply revise it in a way that doesn't take away from the intent of the statement of work that presently captures the, certainly, the desire and wishes of the greater Board. I'm not -- I think that should be revised.

Ms. Plank said Mayor and Chairman, typically, what that type of language means in this type of recruitment is that the firm cannot use this process where you are paying for it to present this candidate elsewhere and that's how I interpret that.

Mayor Gallego said but if someone had applied in two cities? That would be fine?

Ms. Plank said yes. Yes.

Mayor Gallego said Okay. Wonderful. I just understand there's -Ms. Plank said right.

Mayor Gallego said -- a pool of people who are experienced transit professionals -

Ms. Plank said yes. It's really a big, small world as you know.

Mayor Gallego said yes.

Ms. Plank said and so, they may be in a selection process elsewhere, but this firm that you are going to be paying for, right, cannot use that to then present them elsewhere.

Mayor Gallego said thank you.

Chair Heredia said is that? Does that satisfy, Mayor? The statement, or do you still



wish to edit that bullet point? Mayor Gallego said so this would be common in a firm that is doing multiple transit recruitments would be comfortable with that? Ms. Plank said you know, I'm doing to defer to Mike if that language should be deleted, but I do -- you know, this is going to be a significant fee that you're going to be paying and so, I would not want the firm to be able to use this search, you know, to present the candidate elsewhere. So, I think that's where the protection of the language, but I'll defer to Mike on that.

Mr. Minnaugh said is that language that you would consistently see in an arrangement like that for an -- like this for an executive search?

Ms. Plank said it is. You know, you don't want one client paying the fee and then the firm -- let's say you don't select that individual, for example. Then the firm presents them elsewhere and getting, you know, getting a fee for the one that is selected and then a fee on that individual, you know, from another company.

Mr. Minnaugh said Chair Heredia, members, if this language -- and thank you, Jan and I did want to echo the sentiments of the greater Board that you and your team have been -- I've really appreciated the productivity and professionalism and commitment to the partnership. It's been an excellent arrangement and I appreciate that. I appreciate your comments today. My suggestion would be if that language is common for executive search firms that we should keep it in as currently written without any adjustment to it.

Mayor Gallego said okay. When the City of Phoenix hired our current City Manager, we had a national firm and they brought forward one candidate who we interviewed who had applied for another city manager position in another community and we ended up extending an offer to be our Assistant City Manager and so.

Ms. Plank said it's really an issue of the fee, you know, structure that they can't -- the firm can't use what we're paying for here to benefit their own, you know, business. Now, if the candidate is interviewing outside of that firm that would not be a problem.

Chair Heredia said okay. Does anybody have any other specific comments on this ask? Or any other comments?

Councilmember Tolmachoff said all right. Thank you. I mean, is there, basically, what we're saying is that any, you know, information collected is basically proprietary.

Councilmember Tolmachoff said isn't that kind of what we're saying? Is that this belongs to the organization and can't be used for any other purposes.

Ms. Plank said that is correct.



Councilmember Tolmachoff said okay. Seems like that would be a simpler way to say it.

So that there's no, you know, misunderstanding, but that's just my opinion, but you know, I mean, that's a lot to say, basically, to say is that the information gathered, the content, you know, the names, all of it is proprietary to Valley Metro cannot be used for any other purpose. So, that's just my opinion. I'm not a lawyer, Mike, but that's what I think. Ms. Plank said well, and I think if we're confused by it, others may be confused by it so I agree.

Mayor Hartke said we just went through a city manager search, and I think all of these folks were engaged in other so I'm a bit confused by this and thank you, Mayor Gallego. I don't know what proprietary information would be used exclusively for Valley Metro. These are candidates that are seeking a job and it seems onerous.

Hypothetically, that if we asked five who apply to come interview that they are somehow not able to use this firm to apply elsewhere. I don't understand that part of it. So, I'm a bit confused by the intention of this or even the modification or whatever is proprietary for Valley Metro. So, I guess, I don't understand what we're trying to do here either.

Chair Heredia said okay. It seems we can better explain the bullet point there. My only question, does this prolong any of the movement on this? Or, Mike, anything that, you know, clarifying this point that we can do relatively soon and agree upon that and move forward?

Mr. Minnaugh said Chair Heredia, thank you for the question. Here are my thoughts on this. And I'm glad this point was brought up. I believe it was added simply in an abundance of caution to protect anything potentially proprietary, but what I'm hearing today is that any potential risk there is so limited that perhaps we could easily and quickly revise that -- those few words -- we could remove those words and rewrite it to include just to simply limit it to prohibiting the use of specific Valley Metro proprietary information. That -- I can't imagine any sort of firm, let alone an executive search firm having a problem with the language rewritten like that.

Councilmember Tolmachoff said so maybe I misunderstood what because what Mayor Hartke was just speaking about I don't think this would interfere with anybody's ability to be working other recruitments and -- seeking employment for any other job. But that the idea is to limit that the information that the -- this company cannot take any of these recruitments and this information that they get and then use that to place somebody someplace else. That that's what we're trying to not allow. Is that right?

Because that would have to be part of a separate recruitment. That they can't say, oh, well, this guy didn't get the job with Valley Metro, but look at this guy, we've got a spot



for this guy. And then they can use this person's resume, you know, all -- everything that they've submitted to then try to place this person and collect a fee in some other organization. I think that's what we're trying to prevent; right? Is that? Do I understand this?

Chair Heredia said I think so. I think that's the, but I know Mayor Gallego had a question or comment.

Mayor Gallego said I guess, I was going to attempt to offer a path forward based on Councilwoman Tolmachoff's first comment and a suggestion as well by Councilwoman Pastor. So, I would move approval of the scope of work removing this particular line but allowing Maricopa County and Mike Minnaugh to address it in contract negotiations to protect our proprietary information, but to make sure that we can see a full scope of applications. And then I would amend the language around open meeting law to say that applicants must have the ability to become familiar with the open meeting law of Arizona, but that expertise in transit is of higher importance to us.

Chair Heredia said sure.

Mayor Gallego said and then also that -

Mayor Hartke said I would second that.

Mayor Gallego said and then one final note, that the entire Board be able to see all of the applicants for the consultant and that come through the Board.

Chair Heredia said all right. I think we have a motion on the table.

IT WAS MOVED BY MAYOR GALLEGO SECONDED BY MAYOR HARTKE AND UNANIMOUSLY CARRIED TO APPROVE OF THE SCOPE OF WORK REMOVING THIS PARTICULAR LINE BUT ALLOWING MARICOPA COUNTY AND MIKE MINNAUGH TO ADDRESS IT IN CONTRACT NEGOTIATIONS TO PROTECT OUR PROPRIETARY INFORMATION, BUT TO MAKE SURE THAT WE CAN SEE A FULL SCOPE OF APPLICATIONS. AND THEN I WOULD AMEND THE LANGUAGE AROUND OPEN MEETING LAW TO SAY THAT APPLICANTS MUST HAVE THE ABILITY TO BECOME FAMILIAR WITH THE OPEN MEETING LAW OF ARIZONA, BUT THAT EXPERTISE IN TRANSIT IS OF HIGHER IMPORTANCE TO US.

6. Quarterly Reports

Chair Heredia said this item is presented for information. Any questions or comments on this item?



Councilmember Stipp said I kind of made the errant comment before, but we've got on-time performance and security issues on a number of these areas that we've not hit our metrics in a number of quarters or a number of months so. And it's both east Valley, west Valley, I mean, kind of as a system. Rather than these -- so the reports are what they are. I think it would be appropriate for us to get some follow up on what the plan is. You know, we've been hearing, well, we don't have the technology, we don't have something else and that's great. But I'm ready to hear what the resolution is to getting these metrics within our goals. So, I'd like to see that at a future meeting is to have some discussion about these performance and what the plan is to bring it to correction.

Chair Heredia said thank you, Bill. Any other comments, feedback?

Mr. Smith said Chair Heredia, if I could add one thing and we are -- we will plan on doing that. And that's part of our strategic plan is part of the metrics that Jim was talking about is defining those. As part of that also, we're going to re-evaluate some of those metrics. Some of those metrics are very old and not that we're going to adjust them to make whatever, but something came up -- it was very interesting in the ADOT audit for Prop 400 where the independent auditor looked at our system and also compared our performance to peer systems and our peer systems are systems such as Denver and Dallas and Salt Lake and San Diego and places like that, peer cities mostly Western.

And a question they ask as it related specifically, you bring up on-time performance. They noted that our on-time performance actually in the high 80's is actually quite, quite impressive for bus systems as they having national knowledge. And we have operated at a 92% standard for a long time. And that causes us to think as to whether we need to re-evaluate some of our standards and understand them better to make sure that we are pointing toward goals that are not only realistic, but that are really now truly industry standards.

So, we're going to be looking at a lot of these and going back to that audit report and other peer agencies and APTA to find out what, if any, of our standards need to be adjusted so that we have a better more realistic goal and baseline measurements to do. And that will part of Jim's strategic plan and defining what metrics we include in that too. So, we will include a robust discussion of both the breadth and the accuracy of the standards that we have to work toward.

Chair Heredia said thank you, Scott. Any other feedback, comments? Perfect.

7. Travel, Expenditures and Solicitations

Chair Heredia said as I know, at this time there is no travel to report so that's a light item here. But anyone have any questions or feedback on travel -- on this item, agenda item? Hearing none.



Councilmember Arredondo-Savage said I just noticed and Pat, maybe there is no travel or anything like that, but I just noticed in the background in the item and it says, non-essential travel. So, is there essential travel that is happening? Or should we just assume that there's no travel happening when we see that item? And I'm just bringing that up because I know that was something that we talked about at the AFS in the -- in the past and I just want to make sure we're all on the same page. Thank you, Chair Heredia.

Chair Heredia said I think Pat has stepped out, but I don't think there is any type of travel happening, right now.

Mr. Smith said no, the only travel we would have now would be travel for equipment. For example, as it relates to you, Councilmember, is we have traveled and we are going to be traveling in the next week or two to Brookville, Pennsylvania related to the streetcars.

That would be the only kind of travel that we have that I'm aware of at least, right now. That could pick up in the Fall as other events and other needs start happening, but as of right now, the only kind of travel that we have are those that are related to equipment, specifically the streetcar. That's, basically, all the travel we have going on right now. Is that correct, Ray?

Councilmember Arredondo-Savage said I completely understand that and realize there is essential travel as know that they've been tagged three different categories of travel. I just thought that we need to be consistent and transparent within that background material of the item of travel so if there is any travel, we should say what that essential travel is and then that there was no non-essential travel. Just my two cents to just make sure that we are all on the same page of being transparent. Thank you.

Chair Heredia said perfect. Do you have something, Mr. Hillyard?

Mr. Hillyard said Chair Heredia, just to clarify, the report does capture all travel essential and non-essential. There simply has not been any in this reporting period. As Scott notes, there will be essential travel coming up. It simply didn't happen to be captured in this reporting period.

Chair Heredia said and that will be reported in the next report?

Mr. Hillyard said it will, Chair Heredia, yes.

Chair Heredia said okay. Perfect. All right.



8. Future Agenda Items Request and Update on Current Events

Chair Heredia said any have any future agenda -- items that you all want to discuss? I think we have discussed a study session around the strategic plan. I know Mr. Stipp mentioned various items also maybe to discuss. Anyone else have any information or feedback? Hearing none.

9. Next Meeting

The next meeting of the Joint Boards is scheduled for Thursday, September 16, 2021 at 11:15 a.m.

The meeting is adjourned.

With no further discussion the meeting adjourned at 12:11 p.m.



Information Summary

DATE

September 23, 2021

AGENDA ITEM 4B**SUBJECT**

Network Hardware Maintenance Agreements

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to continue procuring network hardware maintenance from Cisco SmartNET maintenance will be procured from HyeTech Network & Security Solutions, LLC.

RECOMMENDATION

Staff recommends that the Boards of Directors authorize the CEO to continue procuring necessary network hardware maintenance Cisco SmartNET maintenance will be procured from HyeTech Network & Security Solutions, LLC. through the 1Government Procurement Alliance (1GPA) cooperative contract. The amount of the authorization is not to exceed \$155,600.

BACKGROUND | DISCUSSION | CONSIDERATION

The backbone of the network connecting Valley Metro's facilities and users is comprised of Cisco routers, switches, and firewalls. The IT department uses Cisco's SmartNET maintenance to support that equipment. SmartNET provides:

- Ongoing operating system and security updates for the equipment
- Next business day hardware replacement if a component or device fails
- 24x7x365 access to the engineers in Cisco's Technical Assistance Center (TAC)
- Access to the extensive Cisco.com online knowledgebase, resources, and tools

Valley Metro has been purchasing Cisco support for the last decade.

COST AND BUDGET

The funds for the software licensing and support outlined in this memo are already included in the adopted RPTA and VMR FY 2022 Operating and Capital Budget and the accompanying five-year budget projections. The currently requested authorization is not to exceed \$155,600¹. The RPTA portion is \$77,800 and the VMR portion is \$77,800.

¹ The renewal cost in FY2021 was \$128,025. The year-over-year increase is due to the network overhaul and renewal performed last fiscal year along with the addition of the South-Central Extension and North-West Phase II Extension field offices.



As IT goods and services are purchased by virtually all Arizona public entities, Valley Metro obtains the best volume discounts by utilizing statewide cooperative contracts. The Cisco SmartNET maintenance will be procured from HyeTech Network & Security Solutions, LLC. through the 1Government Procurement Alliance (1GPA) cooperative contract #16-11PV-09.

COMMITTEE ACTION

RTAG: August 17, 2021 for information
TMC/RMC: September 1, 2021 approved
Board of Directors: September 30, 2021 for action

CONTACT

Phil Ozlin
Chief Information Officer
(602)495.8253
pozlin@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

September 23, 2021

AGENDA ITEM 4C**SUBJECT**

Title VI Program Update

PURPOSE

To request approval of the 2021 Title VI Program Update.

RECOMMENDATION

Staff recommends that the Boards of Directors approve the 2021 Title VI Program Update.

BACKGROUND | DISCUSSION | CONSIDERATION

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, and national origin by recipients of federal financial assistance, including the denial of meaningful access for limited English proficient persons. The Federal Transit Administration requires that all recipients and sub-recipients of federal funds document their compliance by submitting a Title VI Program every three years. As a sub-recipient of federal funds, Valley Metro has updated its Title VI Program, in coordination with the City of Phoenix. The last update to the Title VI Program was approved in August 2018.

FTA Title VI Circular 4702.1B requires the plans, policies and items listed in the table below to be included in the Title VI Program and updated every three years as necessary. The table also identifies each item that Valley Metro staff has updated within its Program as part of this routine update to comply with new FTA requirements.

Plan/Policy/Item	Updated Since 2018
Title VI Notice to the Public	No
Title VI Complaint Policy and Procedures	Yes
List of Title VI Investigations, Complaints and Lawsuits	Yes
Inclusive Public Participation Plan	Yes
Language Assistance Plan	Yes
Demographic Data	Yes
System-wide Service Standards and Policies	Yes
Monitoring Transit Services	Yes
Major Service Change and Equity Policy*	Yes
Fare Equity Policy*	Yes
Service and/or Fare Change Analysis	Yes



Table depicting the non-elected planning boards, advisory councils or committees membership	Yes
Minutes for the governing body approval of the Title VI Program Update	Yes

* Required public outreach was conducted in June to make changes to these two policies

A brief summary of proposed changes is included in the attached memorandum.

COST AND BUDGET

No cost. The cost to conduct the annual monitoring of the system-wide standards and policies and to update the Title VI Program every three years is accomplished in-house with the level of Valley Metro staff currently budgeted.

COMMITTEE ACTION

RTAG: August 17, 2021 for information
TMC/RMC: September 1, 2021 approved
Boards of Directors: September 30, 2021 for action

CONTACT

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

ATTACHMENT

Title VI Program Update – Summary of Changes

The Title VI Update Report is available upon request

To: Henry Ikwut-Ukwa, Director, Capital Development

From: Robert Forrest, Environmental Program Manager

Date: June 4, 2021

Re: Title VI Program Update – Summary of Changes

The Federal Transit Administration (FTA) requires all recipients and sub-recipients of federal funds to document their compliance under Title VI of the Civil Rights Act of 1964 by submitting a Title VI Program Update every three years. The Title VI Program consists of plans, policies and items that are required to be updated every three years as necessary. I have coordinated with the City of Phoenix and drafted necessary updates to the following plans, policies and items:

- Title VI Compliant Policy and Procedures – The procedures on how to file a Title VI complaint and how to investigate a Title VI complaint have been revised to address comments received from the FTA during a routine triennial review. The Complaint Form has also been updated to include the streetcar service.
- List of Title VI Investigations, Complaints and Lawsuits – This is a list of complaints filed in the last three years, which is required to be filed with the update.
- Inclusive Public Participation Plan – The plan has been updated to reflect current methodologies in reaching and communicating with the public and stakeholders.
- Language Assistance Plan – The plan is updated every three years to determine the population in our region considered “Limited English Proficient” (LEP). The demographic data on the languages spoken and the population size that speaks English less than “very well” has been updated. There are 12 languages and language groups (representing more than 50 different languages) that meet FTA’s definition of an LEP population. Valley Metro’s website has been updated with the ability to translate content into 53 languages. The Spanish population remains as the main LEP population and the one for which vital documents are translated.
- Demographic Data – This data is updated every three years based on the latest American Community Survey data.
- System-wide Service Standards and Policies – The standards have been updated to include a vehicle load factor for off-peak service per FTA’s guidance. The Tempe Streetcar service has been added to the standards and policies.
- Monitoring Transit Service – The system-wide service standards and policies are monitored every three years to document whether Valley Metro is in compliance. The updated report shows that Valley Metro is in compliance with our standards and policies.
- Major Service Change and Equity Policy – Per FTA guidance the disparate and disproportionate burden policies needed to clearly state that Valley Metro will compare the impacts between minority and non-minority riders/population and compare low-

income and non-low-income riders/population. The threshold for when a disparate and/or disproportionate burden impact would occur has been revised. The previous threshold was the margin of error in the dataset being used, generally between 3 and 4 percent. The revised threshold is 5 percent to provide more consistency in the analysis and align with peer agencies.

- Fare Equity Policy – The disparate and disproportionate burden policies have been revised to clearly state that Valley Metro will compare the impacts between minority and non-minority riders/population and between low-income and non-low-income riders/population. The threshold for when a disparate and/or disproportionate burden impact would occur has been revised. The previous threshold was 4 percent. The revised threshold is 5 percent to provide consistency with the Major Service Change and Equity Policy and to align with peer agencies. The analysis of fare changes process has also been revised to include proposed fare changes for all transit services and all fare media.
- Service and/or Fare Change Analysis – A Title VI analysis is performed for all proposed service changes that are considered “Major” and for all proposed fare changes. The 2021 Title VI Program Update includes all the Title VI Analyses that have been performed from January 2018 to April 2021.
- Table Depicting the Non-Elected Planning Boards, Advisory Councils or Committees Memberships – This table has been updated to reflect the current members of the boards and management committees.



Information Summary

DATE

September 23, 2021

AGENDA ITEM 5

SUBJECT

Chief Executive Officer – Executive Search Firm Procurement

PURPOSE

To provide an update on the process to procure a qualified and experienced Executive Search Firm for the position of the Chief Executive Officer (CEO) and request approval to issue a Purchase Order via a contract with Maricopa County to the selected firm for an amount not to exceed \$100,000.

RECOMMENDATION

Maricopa County staff will present this item for information to the Ad-Hoc Recruitment Committee.

Staff recommends that the Boards of Directors authorize the CEO to issue a purchase order via a contract with Maricopa County to the selected Executive Search Firm for the position of Chief Executive Officer in an amount not to exceed \$100,000.

BACKGROUND | DISCUSSION | CONSIDERATION

On July 22, 2021, the Boards of Directors and Valley Metro staff participated in a Study Session and Special Board Meeting concerning recruitment of Valley Metro's CEO. The Boards of Directors directed and authorized Valley Metro staff to enter into an Intergovernmental Agreement (IGA) with Maricopa County to solely direct and lead a public procurement and solicitation process to retain the services of a qualified executive search firm with transit experience to develop and conduct a national recruitment for the position of CEO.

The Boards of Directors established an Ad-Hoc Recruitment Committee (AHRC) that includes representation from the cities of Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix and Tempe. The AHRC will provide guidance and direction throughout the CEO recruitment and report recommendations to the Boards of Directors for approval on the position of CEO.

Maricopa County conducted a public solicitation process inviting proposals from qualified executive search firms. Maricopa County received five proposals. Maricopa County staff reviewed and evaluated the proposals and selected a firm that is most qualified to deliver the executive recruitment services the Boards of Directors require. Maricopa County Human Resources staff will present their evaluation and selection process, supporting information and rationale behind their recommendation for award to



the most qualified executive search firm. Once the Boards of Directors approve and authorize the selection, Maricopa County will announce the award to the executive search firm, enter into a contract directly with the firm and commence the recruitment.

Upon selection, Valley Metro staff will request authority from the Boards of Directors to issue a purchase order via a contract with Maricopa County for an amount not to exceed \$100,000.

Maricopa County Human Resources Department will continue to lead the recruitment process and will work closely with the executive search firm, Valley Metro staff and the AHRC throughout the entire recruitment process.

COST AND BUDGET

The estimated cost for the Executive Search Firm is not to exceed \$100,000.

COMMITTEE PROCESS

Ad-Hoc Recruitment Committee: September 21, 2021 for information

Boards of Directors: September 30, 2021 for action

CONTACT

Michael J. Minnaugh

General Counsel

602-744-5599

mminnaugh@valleymetro.org

ATTACHMENT

Maricopa County Recommendation Memo



Maricopa County

Human Resources Department

301 West Jefferson Street
8th Floor
Phoenix, AZ 85003-2143
Phone: 602-506-3755
www.maricopa.gov

DATE

September 21, 2021

SUBJECT

Valley Metro CEO Retained Executive Search Firm Solicitation

BACKGROUND

On September 1, 2021 Maricopa County, as a third-party, objective jurisdiction, issued a solicitation through their Procurement Department to contract with a retained executive search firm. The firm will provide executive recruitment services, with a focus on referring highly qualified candidates with prior transit authority leadership experience and to serve as Valley Metro's next CEO. The start date for the successful CEO candidate is targeted to begin on or around March 1, 2022.

BIDDERS

Five firms submitted timely bids. They are, in no particular order:

1. TransPro Consulting
2. Teri Black & Co.
3. Krauthamer & Associates
4. KL2 Connects LLC
5. Strategy Two LLC

None of the bidders were local to the Phoenix market.

RECOMMENDATION

Evaluation Committee

The Maricopa County evaluation committee charged with reviewing, evaluating and scoring bid proposals consisted of the Human Resources Director, Recruitment Manager and a County Group Human Resources Manager with prior transit leadership experience. The evaluation committee conducted a comprehensive review and analysis of all bid proposals and scored proposals based on its evaluation of technical qualifications and experience required of an executive search firm that will provide high-level recruitment services to assist the Valley Metro Board of Directors in the selection of their next CEO.

Ranking of Proposals:

The evaluation committee unanimously concluded that Krauthamer and Associates, headquartered in Bethesda, Maryland, was the most responsive and responsible firm in all material respects to the requirements and criteria for the position with the technical expertise and experience qualified to provide Valley Metro Board of Directors with the best value CEO executive recruitment services. The other firms did not sufficiently match the technical qualifications and experience criteria to satisfy the specific services required of the Valley Metro Board of Directors. One notable experience with respect to Krauthamer and Associates was the substantial volume of chief executive positions the firm has successfully placed in the transit industry (please see the enclosed attachment for more detail). The evaluation committee therefore unanimously recommends Krauthamer and Associates to be awarded the bid. This recommendation is based on the following:

- Bidder has been in business providing executive recruitment services since 1971
- Bidder has conducted approximately 1,000 executive searches within the transit industry during that time
- Bidder's client list includes a multitude of large and complex agencies (see attached client list), many who represent repeat business for the firm
- *Bidder has placed the last three CEOs, including the sitting CEO, for the American Public Transportation Association
- Between 65-75% of the bidder's final placements have been candidates from diverse backgrounds, including women

The evaluation committee determined that the depth and breadth of qualifications and experience of Krauthamer and Associates were superior to the other firms, and most closely matched the expressed desires of the Valley Metro Board of Directors for this CEO recruitment project.

COST AND BUDGET

The proposed fee structure from Krauthamer & Associates is **30% of the first-year base salary of the successful candidate**, which is consistent with industry standard for retained executive search firms; travel expenses for consultants and candidates shall not be included in this figure and will be billed separately. Expenses shall be pre-approved by the Maricopa County Human Resources Director or her designee in collaboration with Valley Metro and will not exceed \$100,000.

CONTACT INFORMATION

Jan Plank
Human Resources Director

Valley Metro Ad Hoc Recruitment Committee
September 21, 2021
Page 3 of 3

Maricopa County
602-372-0266
Jan.plank@maricopa.gov

Gina Monger
Group HR Manager
Maricopa County
602-540-5151
Gina.monger@maricopa.gov

Mr. Moser is K&A’s transportation practice leader and has successfully conducted hundreds of searches with both transit and non-transit agencies. He has extensive experience working with public and private boards, elected officials, community leaders, general managers, CEOs, presidents, executive directors, CFOs and other executives. Beyond transit, Mr. Moser also has experience recruiting for Fortune 100 firms and public and private organizations, airports, non-profits and in the following industries:

- Aerospace
- Federal, State & Local Governments
- Utilities
- Financial Services
- Technology
- Banking
- Defense
- Healthcare
- Education
- Real Estate

Mr. Moser is recognized as a leader and expert in the transportation industry and has assisted his clients in some of the most challenging recruitments for their organizations as well as some of the most critical needs in the industry. As mentioned above, below are some of the most recent searches he has conducted:

<u>Client:</u>	<u>Position:</u>
APTA (DC)	Past and Current Presidents/CEO / CFO
Denver RTD	Past Three GM/CEO’s including current / CFO / CAO
DART	President/CEO
Utah Transit Authority	Executive Director
Santa Clara VTA	CEO / General Manager / General Counsel / COO / CFO / CAO / Chief of Staff / Director, Business Services
MARTA (Atlanta)	CEO
	CFO
	AGM, Safety & QA
	AGM, Infrastructure
	Chief of Capital Programs
Utah Transit	Executive Director
TriMet	CEO / Executive Director Transportation / Director, Bus/Rail Operations
CATS (Charlotte, NC)	CEO
The Rapid (Grand Rapids)	CEO
North County Transit District	Chief Rail Engineer
AC Transit	General Manager
	Executive Director-Marketing & External Affairs
	Executive Director, Engineering & Planning
	Executive Director, Human Resources
	Executive Director, Safety
	CFO / CIO / CAO
BART	General Manager
	Inspector General
	AGM Planning, Develop., Construction
	Chief Procurement
	AGM Performance Budget / Chief Audit
	AGM, HR
	Executive Mgr., Transit Systems Develop.
BJCTA (Birmingham, AL)	CEO
Omnitrans (CA)	CEO
LA MTA	CIO
Caltrain	CFO

Sacramento RTD
San Francisco CTA
SunLine Transit
Sound Transit
Transit Authority of River City
King County Transit
City of Omaha Transit Authority
HART (Honolulu)

Capital Metro (Austin)

Houston Metro

San Antonio Airport
Texas High Speed Rail
Nashville DTO
Greater Cleveland RTA
SORTA (Ohio)
LYNX (FL)

Jacksonville Transp. Authority

TBARTA (FL)
FL East Coast Commuter Rail
Jacksonville Chamber Commerce
HART (Hillsborough, FL)

Pinellas Suncoast Transit (FL)
GoTriangle (NC)
RTC (Las Vegas, NV)
The Wings Club (NY)
Flight Safety Foundation (DC)
Montgomery County Liquor

Director, Safety & Security
Deputy Chief Planning
Deputy Director Rail Systems Engineering
Director, Engineering & Maintenance
General Counsel
Rail Program Manager
CFO
Deputy CEO
Executive Director
Director, Rail Operations
CEO
CEO / Deputy CEO
Deputy Chief, Planning & Environment
Grants Manager
CEO / COO / EVP/CFO
VP Rail Operations
VP Safety Risk
Controller
EVP, Planning and Development
Director, Project Connect
Chief Customer/COO
CEO/President
VP Engineering & Construction
Executive Director
General Manager / Chief Mechanical Officer
CAO
CEO
CEO / COO / CFO
Executive Director
COO
Chief, Planning & Development
Director, Planning & Development
Director, Transp. Maintenance
Executive Director/CEO
CFO
SVP Operations
AVP Safety
Director, Procurement
Director, U2C
Program Admin./VP Automation
AVP Transit Operations
Executive Director
SVP
President/CEO
CEO / COO / CAO
Director, Human Resources
Chief Planning and Development Officer
Executive Director and Director, PM
Engineer/Project Director
VP Innovation
President/CEO
Past and Current CEOs / VP, Development
Director

**Control Board (MD)
Montgomery County, MD**

Police Chief
CFO
Director, Housing and Community Affairs
Chief, HR Officer
Chief, Permitting Officer
Director, Public Libraries
Director, Health and Human Services
Director, Technology Services
CEO / General Counsel / Inspector General

**Washington Suburban Sanitation
Commission
DC WATER**

COO
CFO
General Counsel
Director, Customer Service
Super., Construction
Head Enterprise Asset Management
Manager, Design and Manager, Labor
CIO
Director Engineering & Tech Services
Program Manager, PCS

DC Government

WMATA (DC)

CFO
Inspector General
Deputy CEO
Director, OCC
Chief Engineer, Vehicles
Chief Safety Officer
Director, Supply Chain Analytics
VP, Supply Chain
Inspector General
Treasurer / Comptroller
AGM, TIES
Chief Procurement Officer
Deputy Chief, HR
AGM, Rail
Director, Station Access
Director, Labor Relations
Director / HRIS
CIO / CFO

**DASH (Alexandria, VA)
Keolis**

CEO
Chief Engineer, MBTA
CMO / Chief Engineer

**Virginia Railway Express
Veolia Transportation
NYC MTA**

CEO
VP, Rail Development
Chairman / CEO / COO / President
Chief, Procurement
Chief Safety Officer
Chief, Applications Development
Sr. Director, Business Service Center
President
Assistant CMO
VP, System Safety
Director, Regulatory Oversight

MTA Metro North Railroad

	CIO
MTA Bridges & Tunnels	President / Chief Health & Safety
MTA Long Island Rail Road	President / COO / CFO / CIO / CMO
MTA NYCT	President / EVP / CMO
	VP Chief Customer Service Officer
	EVP Chief Architect
Port Authority NY/NJ	Director, Rail Transit/GM PATH
	Deputy GM – PATH
	Deputy Director Rail
	Chief, Commercial Officer
	GM JFK / GM LGA / GM EWR
	Chief Development, Aviation
	CMO
	Treasurer
	CFO
NYC Thruway	COO
NYS DOT	Commissioner
NYC Water	Deputy Commissioner, Design/Construction
TransDev	General Manager
TransCom	Executive Director
Massport	Director, Aviation Operations
MBTA (Boston)	Executive Director, Commuter Rail
	Chief Safety Officer
	Chief Engineer
	Program Manager, AFC
	Deputy AGM, Transit Capital Programs
NJ Transit	Executive Director
	Deputy Executive Director
	GM Bus and GM Rail
	Chief, System Safety
City of Charlotte, NC	Director, DOT
SEPTA (PA)	Chief Engineer, Rail and Bus
	Manager, Track Engineering
	Director, Eng., Traction Power
	Manager, Engineer Civil Coordination
Port Authority Allegheny County	CEO / CIO
	Chief Development
	CFO/GM
	AGM Planning & Service Development
Allegheny Cty. Health Dept.	Director
Riverlife (Pittsburgh)	President/CEO
Southwest PA Corp (Pittsburgh)	President
Metra Rail (Chicago)	COO
	Chief Engineer
	Chief Safety Officer
	Chief Internal Audit
	Director, Transportation Maintenance

Specifically in transportation, Mr. Moser's experience recruiting across all verticals of an organization and across all levels of senior management includes recruiting CEOs, general managers, executive directors, presidents, CFOs, contracts and procurement officers, information technology officers, safety and security officers, chief human resources officers, heads of rail and bus operations, planning, real estate, engineering and maintenance, administration



Information Summary

DATE

September 23, 2021

AGENDA ITEM 6**SUBJECT**

Travel, Expenditures and Solicitations

PURPOSE

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

Non-essential travel has been suspended at this time.

At this time there is no travel to report.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information only.

CONTACT

Jim Hillyard

Acting Chief Financial Officer

602-262-7433

jhillyard@valleymetro.org

ATTACHMENTS

Valley Metro Travel Report

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

Active Requests for Proposals, Qualifications and Invitations for Bids

Valley Metro
Travel Reimbursement Report
 For Travel Completion Dates
 7/1/21 through 7/31/21

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.
NO TRAVEL REPORTED FOR THIS PERIOD									

Total this reporting period \$0.00

Year to Date **\$0.00**

Report reflects Out of State (AZ) Travel

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over \$25,000
July 2021

Document Number	Name	Transaction Description	Payment Date	Transaction Amount
51104	First Transit, Inc.	June 2021 Fixed Route Bus Service - Unification	7/22/2021	5,620,506.92
51116	Transdev Services, Inc	June 2021 Transdev Services	7/22/2021	1,185,930.61
10000020	ADP, LLC	PPE 7-25-21 Wages Payable-Reverse Wire	7/30/2021	922,281.96
51119	City of Phoenix	PTF Expenditure Reimbursement Request #14	7/30/2021	636,019.41
10000022	ASRS	PPE 7-25-21 ASRS Contributions Employee	7/30/2021	250,809.00
51100	Clean Energy	June 2021 CNG Fueling Equip Repair and Maintenance	7/22/2021	204,372.00
51108	Medical Transportation Management, Inc.	June 2021 Eligibility Certification and Travel Training Costs	7/22/2021	97,702.05
51103	DLT Solutions, LLC	Oracle HRIS	7/22/2021	87,486.48
51100	Clean Energy	June 2021 CNG Fueling Equip Repair and Maintenance	7/22/2021	27,608.09
51104	First Transit, Inc.	Coach 8073 MLOH Engine	7/22/2021	27,436.58
				9,060,153.10

Valley Metro Rail, Inc.
Monthly AP Payments over \$25,000
July 2021

Document Number	Name	Transaction Description	Payment Date	Transaction Amount
041439	Kiewit Infrastructure West Co.	March 2021 S Central Extension Project	7/22/2021	15,162,745.59
041435	Hensel Phelps Construction Co	June 2021 OMC Expansion Project	7/22/2021	1,202,881.00
041436	Hill International, Inc.	April 2021 Program Management	7/22/2021	932,392.27
041466	HDR Engineering, Inc.	May 2021 Planning and Community Relations	7/30/2021	643,883.08
041411	Allied Universal Security Services	May 2021 Fare Inspection and Security Services	7/22/2021	386,539.83
041467	Jacobs Engineering	June 2021 NW Extension II	7/30/2021	238,566.16
041408	AECOM Technical Services, Inc.	April 2021 S Central Extension	7/22/2021	230,457.68
041421	City of Phoenix	July 2020 thru June 2021 Advertising Revenue Distribution	7/22/2021	219,005.97
041427	DMS - Facility Services, Inc.	June 2021 Facilities and LRV Cleaning	7/22/2021	186,187.74
041470	PGH Wong Engineering, Inc.	June 2021 S Central Extension Systems Design	7/30/2021	164,100.36
041450	Stacy and Witbeck, Inc.	April 2021 Tempe Streetcar Project	7/22/2021	161,307.72
041460	ARCADIS	June 2021 Consulting Support Services	7/30/2021	143,059.28
041419	City of Mesa	July 2020 thru June 2021 Advertising Revenue Distribution	7/22/2021	76,280.07
041470	PGH Wong Engineering, Inc.	June 2021 NW Extension II	7/30/2021	76,099.72
041422	City of Tempe	July 2020 thru June 2021 Advertising Revenue Distribution	7/22/2021	73,038.81
041427	DMS - Facility Services, Inc.	May 2021 Facility Maintenance Services	7/22/2021	70,092.95
041427	DMS - Facility Services, Inc.	June 2021 Facility Maintenance Services	7/22/2021	70,092.95
041459	Ace Asphalt of Arizona, Inc.	Asphalt Repairs for Sycamore ParknRide	7/30/2021	68,327.32
041411	Allied Universal Security Services	May 2021 Fare Inspection and Security Services	7/22/2021	66,663.52
041421	City of Phoenix	July 2020 thru June 2021 Advertising Revenue Distribution	7/22/2021	60,245.03
041474	Salt River Project - Construction Fees	SCE.C.00030-0521-DS May 2021 S Central Extension	7/30/2021	48,466.02
041440	Knorr Brake Corporation (KBC)	LRV Friction Brake Overhaul	7/22/2021	42,556.77
041411	Allied Universal Security Services	May 2021 Fare Inspection and Security Services	7/22/2021	40,424.00
041457	URW, LLC	June 2021 Landscape Maintenance Services	7/22/2021	37,181.33
041411	Allied Universal Security Services	May 2021 Fare Inspection and Security Services	7/22/2021	33,757.97
041468	LTK Engineering Services	May 2021 Rail Rolling Stock Audit Services	7/30/2021	33,606.00
041468	LTK Engineering Services	June 2021 Rolling Stock Audit Services	7/30/2021	33,606.00
041447	Portable Air, LLC	Generator and Cooler Rentals during Chiller Repairs	7/22/2021	30,986.82
041457	URW, LLC	June 2021 Landscape Maintenance Services	7/22/2021	29,163.89
041411	Allied Universal Security Services	May 2021 Fare Inspection and Security Services	7/22/2021	28,797.84
041411	Allied Universal Security Services	May 2021 Fare Inspection and Security Services	7/22/2021	25,160.16
				20,615,673.85



**Procurement Report
for September Board Month**

RECENTLY COMPLETED PROCUREMENTS										
Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
ACTIVE PROCUREMENTS										
Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Barb H	VMR	Sole Source	KI-LRV Midlife Overhaul Parts (13)	Yes	June 2021	June 2021	August 2021	\$2,517,555.00	1 years+1 option	Pending Board Approval
Kianie K	Joint	RFP	Community Relations Support Services	Yes	September 2021	October 2021	February 2022	\$6,500,000.00	5 years	SOW Development
Kianie K	Joint	RFP	Printing Services	No	May 2021	June 2021	October 2021	\$1,500,000.00	3 year + 2 options	In Evaluation
Kianie K	Joint	COOP	Marketing and Advertising Support Services	No	N/A	N/A	August 2021	\$1,930,000.00	1 year	Pending Board Approval
Christian J	RPTA	RFP	Centralized Call Center for Regional ADA Paratransit Services & RideChoice	Yes	August 2021	September 2021	January 2022	\$41,519,762.00	5 year + 3 options	SOW Development
Christian J	RPTA	Sole Source	RideChoice Brokerage Services for interim 1 year service delivery and 4 mo tra	Yes	N/A	N/A	August 2021	\$1,659,405.00	1 year	Pending Board Approval
Christian J	RPTA	COOP	Professional Development Training Services	No	N/A	N/A	August 2021	\$62,000.00	2 years	Pending Board Approval
Christian J	RPTA	COOP	Skillssoft eLearning Library Services	No	N/A	N/A	August 2021	\$71,400.00	2 years	Pending Board Approval
Christian J	Joint	COOP	Non-Revenue Vehicle Fuel	No	N/A	N/A	August 2021	\$1,210,500.00	5 years	Pending Board Approval
FUTURE PROCUREMENTS										
Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Barb H	VMR	Sole Source	Railcar Mover	No	August 2021	N/A	N/A	\$100,000.00	TBD	SOW Development
Barb H	VMR	Sole Source	SCV Managed Inventory Program	No	TBD	N/A	TBD	TBD	5 years	SOW Development
Barb H	VMR	RFP	LRV Electrical Repair	No	TBD	TBD	TBD	TBD	TBD	SOW Development
Rick W	VMR	IFB	OMC Midlife Flooring Replacement	No	TBD	TBD	TBD	TBD	TBD	SOW Development
Rick W	VMR	TBD	Rail Testing	No	August 2021	September 2021	November 2021	\$300,000.00	3 years + 2 opt yrs	SOW Development
Ed N	Joint	RFQ	Planning Support Services	Yes	October 2021	TBD	TBD	\$30,000,000.00	TBD	SOW Development
Christian J	Joint	RFP	Regional ADA Paratransit Services Operations & Maintenance	Yes	October 2021	TBD	July 2022	TBD	TBD	SOW Development
Kianie K	RPTA	RFP	Autonomous Vehicle Research	No	September 2021	October 2021	TBD	\$250,000.00	5 years	SOW Development
Rick W	RPTA	RFP	CNG Gas Detection System	No	TBD	TBD	TBD	TBD	TBD	SOW Development

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



Information Summary

DATE

September 23, 2021

AGENDA ITEM 7**SUBJECT**

Future Agenda Items Request and Report on Current Events

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

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

ATTACHMENT

None.

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date



Agenda

September 23, 2021

Valley Metro RPTA
Thursday, September 30, 2021
Boardroom/Webex
101 N. 1st Avenue, 10th Floor
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**. Up to three minutes will be provided per speaker unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

CONSENT AGENDA

2A. Minutes

2A. For action

Minutes from the August 19, 2021 Board meeting are presented for approval.

2B. Authorization to Issue a Competitive Solicitation for Contracted Transportation Services to Operate the Rural Connector Service

2B. For action

Staff recommends that the Board of Directors authorize the CEO to to issue a competitive solicitation under a joint procurement process with the RTA of Pima County for contracted transportation services to Operate Route 685 (Ajo/Gila Bend) Rural Connector Service and short trip bus service within the City of Buckeye.



REGULAR AGENDA

3. Election of Vice Chair

3. For information

The Board of Directors will elect a new Vice Chair to fulfill the remaining FY22 term.

4. Future Agenda Items Request and Report on Current Events

4. For information

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

5. Next Meeting

5. For information

The next Board meeting is scheduled for **Thursday, October 21, 2021 at 11:15 a.m.**

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



Information Summary

DATE

September 23, 2021

AGENDA ITEM 1**SUBJECT**

Public Comment

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

Scott Smith

Chief Executive Officer

602-262-7433

ssmith@valleymetro.org

ATTACHMENT

None



Minutes

September 23, 2021

AGENDA ITEM **2A**

Board of Directors

August 19, 2021
Boardroom/Webex
11:15 a.m.

RPTA Meeting Participants

Councilmember Francisco Heredia, City of Mesa – **(Chair)**
Mayor Kate Gallego, City of Phoenix – **(Vice Chair)**
Councilmember Bill Stipp, City of Goodyear- **(Treasurer)** (phone)
Councilmember Clay Goodman, City of Buckeye (phone)
Vice Mayor Monica Dorcey, City of El Mirage (phone)
Councilmember Mike Scharnow, Town of Fountain Hills (phone)
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Jared L. Taylor, Town of Gilbert (phone)
Supervisor Jack Sellers, Maricopa County (phone)
Vice Mayor Jon Edwards, City of Peoria (phone)
Councilmember Jeff Brown, Town of Queen Creek (phone)
Councilmember Roland F. Winters Jr., City of Surprise (phone)
Councilmember Robin Arredondo-Savage, City of Tempe (phone)
Mayor Rui Pereira, Town of Wickenburg (phone)

Members Not Present

Vice Mayor Veronica Malone, City of Avondale
Mayor Kevin Hartke, City of Chandler
Councilmember Aldofo Gamez, City of Tolleson

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

1. Public Comment

We do have a card here. Again, Mr. Blue Crowley. You have three minutes.

Mr. Crowley said I'd like to start off by thanking the Mayor of Phoenix for what she's having to do with the State. But following that up, finally, item number 3, it's saying that these are the changes and such and most of them are taking away, but what I don't see there is the bus route to Wickenburg that hopefully is in the works. And also speaking of Wickenburg, with the new rail stuff coming on through the Feds and Amtrac, why aren't we taking it out to Wickenburg and also then doing heavy rail as a part of the equation.

I remember when rail came through and they were coming up with ideas and Chandler and in Gilbert, I asked them, well, if you did get the rail, do you have any bus to take care of it? And at that time, it was zero. So, we need to deal with that.



I saw in the paper that the Feds are going to be giving a bunch of money to Phoenix for a bike route on the Grand Canal. I worked really, really hard to make sure that ADOT admitted that that bike route doesn't go to I-17, it goes through I-17 and if we're doing that, we need to be using a structure. Now, originally, RPTA suggested a bridge over two stories of rebuilt freeway.

What we need to do just like at I-17 and Metrocenter is put a tunnel in there and that way that project does what it's supposed to be.

As to the Waymo and number 4, when you guys had the study session with them, and you asked them for their facts, figures and numbers. Do you remember what they gave you? Well, we don't have them yet and we won't have them until later. So, when you say, hey, let's keep on doing with them, they couldn't even produce what you needed when you asked for it.

And the -- as I said, and the amount of changes for transit when I look through them, all I could see was reduce, reduce, reduce, reduce, eliminate, eliminate. Oh, there was one where we're now going to have an express that goes from Mesa to Fountain Hills, but when I look at the overall schematic of what we need to be doing, it's expanding in every one of your communities. Mesa, how much of your community doesn't have any transit service at all? It's over 30%. And that's been that way for how long? And it's not the way it needs to be.

And I'm trying to get this as succinct as possible because my partner in crime, Kay Colic, passed in November so I know I'm being watched and I'm trying to do it right. So, let's get what needs to be done out there. Start working against the air quality that you're not doing and get this done right. Thank you.

Chair Heredia said thank you, Blue.

2. Consent Agenda

Chair Heredia said the Consent Agenda is presented for action. Anyone have any questions or comments on any of the Consent Agenda items? Hearing none. Request a motion and a second on the Consent Agenda.

IT WAS MOVED BY COUNCILMEMBER TOLMACHOFF, SECONDED BY MAYOR PETERSON AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

3. Recommended October Transit Service Changes

Chair Heredia said the next item on the agenda is the October Transit Service Changes.



Mr. Smith said thank you, we're ready to give a presentation however, these changes have been discussed through the Service Planning Working -- through your staff and everything and if you would like, we can just answer questions. We have Joe Gregory here to answer questions. Joe, do you want to get up and just give a brief summary, I guess, as to -- you go ahead and stand at the podium. And give a brief summary as to what's -- these are as -- contrary to before, where we presented potential changes before, we went out to public outreach, we have completed the public outreach and these are changes which are being recommended working with your city staff members to actually become effective in October. So, I'll turn it over to Joe.

Mr. Gregory said right, exactly. These are the effective service changes for October that we are working to move through the system. You'll see in the presentation that there are some Phoenix routes and Phoenix changes in there and that they are not in the actual Board memo because remember, the only things in the Board memo are the routes that we operate or are paid for by the PTF funds. So, we wanted to include the Phoenix changes in the presentation just for -- just to make sure that we have the full system to make sure that everyone has the full context of the entire system.

Otherwise, we do have a fair amount of changes especially in Tempe with some span reduction and also a number of different routes will be changing a little bit to be more efficient as far as Tempe, but still be able to service the same amount of corridors and still keep the same level of service throughout the city.

We do have some service expansions, especially in Mesa on Route 45 and Route 120, especially the fact that we'll be adding Sunday service to both of those in Mesa and that's a very big expansion. Those routes previously did not have Sunday service in Mesa and we're also expanding the span on Saturday and some weekday span improvements as well.

There's a small change in Gilbert on Route 156 and as Blue had suggested, we do have some new service changes for Fountain Hills. As you can see, Route 514, the portion that serves Fountain Hills would be eliminated, but it would be replaced by a new service that would be running between Fountain Hills and Mesa at the Gilbert and McDowell Park and Ride to get those residents from Fountain Hills into downtown even faster than they were on the old system and also save some money with a little bit more efficient service.

And then, again, we want to remind everyone that the Peoria on the Go, the POGO, which had been previously suspended during COVID will be coming back in October. It will be coming back in a different way. It will be running to certain destinations within Peoria and only to -- on Fridays through Sundays, 10 a.m. to 10 p.m. So, it will be more of event and entertainment kind of type service rather than an everyday service as it was before.

Otherwise, if you have any questions, I can -- I'd be happy to answer those.



Chair Heredia said any questions, comments from Committee members?

Councilmember Arredondo-Savage said well, of course, only because you mentioned Tempe and a lot of our service cuts as many of you know, it has been a really, rough year for us just trying to right the ship in order to make sure that our transit fund is solvent, but I just want to say thank you to my fellow Board members, to our sister cities and to Valley Metro for just the support for helping us get through this year. It's just been really challenging and, of course, we all pride ourselves on, you know, successful transportation and meeting the needs of our residents and visitors and guests and so, I just want to say thank you for that.

But also, just to say how important it is that in the future how it is for us to have that consistency and manageable funding moving forward and just really knowing and understanding how important it is that we have predictable growth rates and as you can see, how much it really impacted us in a negative way. I just I hope that we can all, you know, really work to make sure that our growth numbers in the future are something that we can live with so we can have that outstanding quality of life and excellent quality transportation systems throughout the whole region. So, again, I just wanted to take a minute to say that, Chair, and again, I appreciate the support and understanding along the way.

Chair Heredia said thank you, Robin. Any other questions or comments? Hearing none.

IT was moved by Councilmember Tolmachoff, seconded by Mayor Hartke and unanimously carried to approve the October Transit Service Changes.

4. Authorization to Issue a Competitive Solicitation for Autonomous Vehicle Pilot Program

Chair Heredia said the next item is the Autonomous Vehicle Pilot Program.

Mr. Smith said thank you, Chair Heredia. As many of you or most of you are probably aware, in July of 2019, we commenced a two-year pilot program with Waymo which was at the time, one of the first in the nation to study the impact of autonomous vehicles and its interaction with public transportation. As has been mentioned, I think a couple times in this meeting and before, the future of transportation I think absolutely includes autonomous vehicles so we just don't know exactly how that will be done. And what we are proposing here is to build upon the study that we have and to continue to gain knowledge by extending the educational process we have in determining how autonomous vehicles will fit within the public transportation mode of which, of course, we are big players.

I'm going to turn it over to Jim Hillyard who will give you some details as to this specific proposal and how it may be the same or different from what we've just completed with Waymo. Jim.



Mr. Hillyard said thank you, Scott.

Chairman Heredia, members, I'll be pinch hitting for Angie DeVore today who is our lead project manager for the Waymo project and is working closely on the development of we hope this future pilot so this presentation will likely be briefer, and I hope that I can answer your questions and if you have detailed questions that I can't, we'll be sure to loop back when Angie's feeling better.

So, when we presented this presentation to -- or this memo to RTAG, they asked that we put together a brief presentation highlighting the various kinds of autonomous vehicle pilots occurring in other states. I think the primary interest was, you know, is everybody in the world doing an autonomous vehicle pilots? And if so, do we need to do another? Was essentially the question, I think, that was being posed.

There isn't a national database of autonomous vehicle pilot projects, however, FTA has been encouraging transit agencies to experiment with the technology.

They've been making grants around the country therefore, we do have the list of FTA grants that have been awarded and fortunately, through FTA, some information on the content of those projects.

So, we will present to you today an overview of the FTA-funded autonomous vehicle projects that we're aware of and help, you know, put the work that Valley Metro has already done, and we hope to continue to do in that context. So, next slide, please. So, first, there are essentially four kinds of autonomous vehicle projects that have been conducted or are under consideration. The first we refer to here as on demand. This is essentially what we did with Waymo over the last two years. It involves vehicles that operate within a defined service area however, they can go anywhere on demand within that service area, point to point and they're doing so at posted street speeds.

And I'll just say, we think this is the most interesting form of autonomous vehicle because it allows -- it has the potential to provide both first mile, last mile connectivity to transit within areas that have well established transit and in rural areas where you have less fixed route transit to provide a micro-transit options for those communities as they grow. So, we think this has the greatest flexibility and therefore, the greatest potential. The second type of autonomous vehicle pilots that have occurred are low-speed shuttles and you see an example there.

I think that's the Ollie. These tend to operate on a specifically defined route. So, for example, within a hospital campus between buildings, sometimes in industrial parks between buildings.

They only operate on that particular route. They typically do so at low speeds, 15 to 20 miles an hour. A safety driver is typically present, but they're more limited, more shuttle-like in their functionality.



The third type of autonomous vehicle pilot out there is driver assistance. This is, essentially, bringing to the transit world the same kind of driver assistance that many of us experience in our cars today so this includes lane keeping, emergency braking assistance. Where your personal car may have functionality to parallel park for you, they're looking at buses and shuttles that will do precision docking and will come up to the stop in a more precise way using the autonomous vehicle functionality.

Then the last category is fixed rural route. This is just one pilot that's out there and it's in the planning stages, so we know less about this than some of the others. But, essentially, the concept from the documentation is that they will take a small shuttle like you see there and it will be a combination of the shuttles meaning it will drive a specific designated route and that route only, however, it will drive it at highway speeds to provide service to a rural area.

So, those are the four kinds of projects. Numerically, if you go to the next slide, you see the pie chart depicts their prevalence. Of the 14 projects that FTA have funded right now, 43% are low-speed shuttles so those are the most common.

Our project, previously, which I'll share with you a little more about its outcomes, was just one of two on demand projects in the country. So, fortunately, we've been fortunate to be at the forefront of the use of that most flexible, anywhere to anywhere within the service area at highway speeds autonomous vehicle pilot.

From a cost perspective, next slide, please. So, from a cost perspective, you'll see that the cost of the projects ranged very widely from \$120,000 federal up to \$8 million federal with most projects falling into that \$1-2 million range about 5 projects for 36% of the total. We're happy to report that while our project was, I think, one of the most advanced, doing on demand work, it was also one of the most cost effective.

So, we're in that \$120,000 - \$250,000 range. Our original contract approval for the autonomous vehicle pilot project was \$200,000 over the period. We subsequently, however, got a \$250,000 federal grant. It's that \$250,000 that you see reflected there. The total spending on that project was only just over \$300,000 for the two years that it proceeded.

So, let me -- with that. Let's jump to a discussion of the memo before you. I'm sorry. Lastly, in your packet. Please go to the next slide. Lastly, in your packet we have a list of the autonomous vehicle projects that are out there, their costs, and sort of a general sense of where they're at in the process and the type for your reference, if you're interested. I know Angie can speak more to any and all of these if more information would be helpful. We thought this context would give you a sense of how the work that Valley Metro has already done sort of fits into the larger national picture in the use of autonomous vehicles and what we would hope -- how we hope to continue to understand that most flexible of modes better.



So, with that, the memo that's before you today seeks to issue an RFP for a second autonomous vehicle project. The first pilot that we did was under a pilot project. It wasn't competitively procured. There was at that time just one autonomous vehicle provider working in the metro area and that was Waymo. We now want to compete that to see if there are other autonomous vehicle providers that we could work with who are serving other service areas.

As I mentioned, the total cost of that project was about \$230,000 federal, only about \$74,000 of the \$200,000 authorized in Valley Metro regional money were used and that's because we had the federal grant to fall back on. It proceeded for two years. We had -- it focused on RideChoice users in Waymo's southeast Valley service area.

They took over 1,100 RideChoice riders and we got a ton of good data about the way that people experienced the use of autonomous vehicles. The project itself ended on June 30th and we've submitted the final report to FTA. FTA has asked us not to share the details of the findings until they publish the report. They say they expect to publish it any day now. The minute they do we'll share with the Board a link to the report. If there's interest, we would be delighted to come back and make a more detailed presentation to the Board.

I can tell you at a high level. You know, there were six major takeaways. The first was that participants felt safe. In fact, they even felt safe riding in the autonomous vehicles when there wasn't a safety operator in the cabin with, 70-80% said they felt -- they would feel safe without a safety driver along for the ride. Participants found the services more convenient than RideChoice. In fact, so much more convenient that some of them reported taking trips they might not have otherwise have taken just for the novelty of being in an autonomous vehicle. Participants embraced autonomous vehicles as a mobility option and, you know, they were hoping that we would continue to offer it as a mode option for transit users. So, I think, the basic takeaway was RideChoice riders were very enthusiastic about the use of autonomous vehicles, and they appear to be well accepted as part of the transit mix should we find that it meets our needs strategically.

Chair Heredia said perfect. Thank you, Jim. Any questions, comments? Supervisor.

Supervisor Sellers said just a comment. You know, autonomous vehicles is going to play such a critical role in the future of transit that I want us to do everything we can to secure any kind of activity in these pilots and tests that we possible can arrange. You know, I think everyone knows that we're currently recognized as the autonomous vehicle capital in the United States, and we need to be taking advantage of that.

Mr. Hillyard said thank you very much, sir. If I could add to that just briefly before answering any other questions. So, we also heard that feedback at the TMC/RMC meeting, specifically, Goodyear expressed a real interest in having any future pilots incorporate, you know, the west Valley and Goodyear.



And so, our intent with this pilot -- or with this RFP is to put out a call for any vendor who would like to participate in autonomous vehicle pilot and for them to tell us what regions of the Valley would you be interested in serving. So, we're seeking permission to do a single pilot over a five-year period at a cost of \$50,000 a year, however, to Supervisor Sellers point, we know this is a fast moving and important area of technology and so, one of the things that we would like to explore in coordination with the City of Phoenix is making this RFP federally compliant so should another federal grant come along, we could use those federal dollars and approaching it the same way the State approaches cooperative contracts. So, currently, the State will put out a cooperative contract and any public entity can use that contract to purchase services.

So, we would like to explore whether it's possible to put forth a cooperative contract that if another city would like to partner on an autonomous vehicle project next year, the year after, the year after, the year after that that contract would be available for use. If it was going to involve any Valley Metro funds then we would, obviously, have to come back to the Board for additional permission for that, but it would give us the flexibility to continue to engage with different cities and different parts of the Valley to see how autonomous vehicles, you know, can fit in to the transit mix for us in our region.

Councilmember Stipp said you know, I don't disagree with, you know, Chairman Sellers on, you know being at the forefront and that's always very exciting, but from the practical perspective, I'm having a hard time getting behind how \$250,000 over the next five years is going to be any different than our current RideChoice program. And is this \$250,000 being diverted out of our RideChoice budget? Because I'm really having a hard time seeing how this is different than a RideChoice vehicle other than it's really cool and its modern technology. You know, I did the Waymo test ride back in 2018, 2019 before we engaged in it. You know, for this, you know, first mile, last mile kind of thing, but we're not really offering that service anywhere. So, how is this a benefit to the greater system, I think, is really, really where I'm at.

And I -- and honestly, because we're on this Webex thing, I'll ask the second question. The second question is -- or the second comment which is I -- I'm concerned that we're, perhaps, a little premature. I would like to see the results of the study when they finally get approved to be released. I would like to talk strategically about what does our future look like before we engage in an RFP process. I think we may be a couple of months ahead of ourselves with this particular item. So, I'll be anxious to hear your response.

Mr. Hillyard said Chairman Heredia, Councilman Stipp, thanks so much for that question. I appreciate your asking it because it points out something that I didn't describe adequately in my presentation. So, where the initial autonomous vehicle pilot just served RideChoice customers in Waymo's southeast Valley service area, our intent with this second pilot project is to open it up to riders outside of the RideChoice program precisely so that in certain areas we can use it to pilot it's use for first mile, last mile, potentially, and even the rural parts of the region, I'm sorry, in more developed parts of the region or for micro-transit in less developed parts of the region.



And so, the first pilot was sort of very limited, it really was just an additional RideChoice provider in addition to Uber and the many others. This would be intended to open that up to a more dynamic, integration with transit. So, you know, Waymo's additional -- original service area, you know, didn't, for example, include any light rail stops and so we couldn't see how it was being used by transit customers for first mile, last mile so we think there is quite a bit more to learn. We're also hoping that we'll see proposals from autonomous vehicle providers that serve other parts of the region and can maybe give us a flavor of how this would work in less developed areas like parts of the west Valley, you know, and understand better how it would fit in the transit mix there.

Supervisor Sellers said yeah and I, you know, I don't disagree that \$50,000 a year is not really very substantial, but my understanding is, this gives us the framework for IGAs that would allow us to be ready for federal dollars and there could be a lot of that if we, in fact, do get a federal infrastructure plan passed. I think we really can't afford to delay very long on this.

Chair Heredia said thank you, Supervisor. Councilwoman Tolmachoff, you had a question, comment.

Councilmember Tolmachoff said thank you. I do, Chair Heredia. Thank you. So, I do hope that -- I know you said that you're going to let the respondents tell us where they want to, you know, what part of the Valley they want to try to, you know, get data from. Hopefully, that includes -- I mean, obviously, Waymo is located in Chandler. I had the opportunity also to take the ride with Waymo and it's fascinating and I agree with Mr. Chairman Sellers that that's, you know, we need to be on board with where the technology is taking us.

But, I guess, what I'm trying to understand is -- are we looking -- because you're saying, you're -- you just said, you're looking at expanding this beyond RideShare and I think that might be the part that's getting confusing for us. Is that -- are we going to be looking at this as basically, another mode of transportation that the agency is going to offer? Is that kind of -- is that what's being explored here? If you're going to go off of where -- because what does it fall under if it's not RideShare then it's -- and it's something else is, then is what this is kind of an exploratory mission to see, you know, is this another mode of transportation that we're going to be looking at offering? That's my question. Thank you.

Chair Heredia said yup, I think it's RideChoice; right? Or you said RideChoice or RideShare?

Mr. Hillyard said Chairman Heredia, Councilwoman Tolmachoff, it is, in fact, would be a new mode of transit as Councilman Stipp pointed out, you know, with only \$50,000 a year to spend, you wouldn't be serving scads of people, but we don't think we have to serve scads of people to understand how people respond to this as a mode and how it, you know, could complement our other modes over the course of several years.



So, again, the first pilot was RideChoice only. This would not be. This would be for more general customers. And then who those customers were would really be dependent on the proposals that we got from the autonomous vehicle companies, sort of the areas that they were able to serve and then we would work to identify, you know, who within those areas, you know, would participate in the use of this mode and the data that we would gather from them.

Chair Heredia said any other comments, feedback?

Mayor Hartke said yeah. Thank you. I -- Supervisor Sellers as well, regardless of where this is served and I hope it would certainly go to a much wider and out in to the west Valley with the new contract, I think part of what we have put in the half cent sales tax was innovation and technology and there might be some dollars that could serve this. Although, certainly, there's not enough to go very far on that regard either. I think we poised ourself as a statement in the Valley to be innovative and, particularly with transportation and this is an area with a small price tag that I think could serve us well, particularly as Supervisor Sellers mentioned to secure and garner other dollars from other agencies and funds as well. So, I'm certainly in support of anything that we do with transportation and technology.

Chair Heredia said perfect. I think consensus. I'll just chime in on Mesa. For us, I think we have a southeastern part of our city that's growing and the likelihood of having public transportation out there in the near future is hard based on costs and just the density, but it's still growing tremendously so us looking at any other option to provide our residents in micro-transit opportunities that we maybe look at is definitely something on the radar for us in Mesa. So, I fully support this as an initiative that we look into in the Valley to have this -- these types of pilots moving forward so.

Any other comments, questions, feedback?

Councilmember Winters said thank you, Chair Heredia. As far as support goes for this Waymo vehicle, I think the City of Surprise should support this 100% and we do. We have just about zero public transportation in Surprise and if anybody deserves a whack at it, why I think we do. Thank you.

Chair Heredia said perfect. Thank you, Councilmember. All right.

Councilmember Stipp said yeah. I just, Chair Heredia, I absolutely agree, and I'm not opposed to this. What I'm simply cautioning us on is I think it's bad form for us to approve another pilot project without seeing the results of the first one. So, if it's a matter of waiting a month and getting the results, I think it's -- I think we're just going to be in a much better position from a public perspective of let's get the results of the first pilot before we issue an RFP for the second one. That's all.

I don't expect that we're going to see anything different, but the optics of this don't look very good. And I really -- I think we all know what the service area of this is going to be



and it's not going to be anywhere in the west Valley. And if we're talking about starting a new type of transportation, we ought to really know what we're really getting into. It just -- I'm worried about the optics of this, but I'll, obviously, support whatever the Board wants to do and I appreciate everyone listening.

Chair Heredia said okay. Thank you, Bill. Any other question, comments?

Councilmember Tolmachoff said Chair Heredia, it's Lauren. Just real quickly then based on Bill's comments, do we have a timeline on when we're expecting the delivery of that data that we have on the first study?

Chair Heredia said I think Mr. Hillyard mentioned any day now. I think the FTA did not want us to share, but Jim, any other info that you have on that. Mr. Hillyard said no, Chairman Heredia. That's correct. We expect FTA to publish any day now. We will then immediately forward links to the Committee members -- Board members. We would be happy to come back and make a presentation. I would just note that this memo authorizes us to begin working on an RFP. If it's the Committee's desire that we come back at a future meeting, make a presentation on the findings of the first one, you know, before issuing an RFP, we will absolutely do that. Mr. Smith said well, and, once again, since it's only a solicitation, any formal action would require the Board to approve that.

Mr. Hillyard said to award the contract.

Mr. Smith said so, this is just to start work on developing that and I'm assuming based on where we are we will have that report and be able to report back before the Board makes any formal determination to move forward. This is simply to start preparing the solicitation.

Chair Heredia said perfect.

Mayor Hartke said you know, with that information and, again, I understand Councilmember Stipp's caution, but I think we're going to have plenty of time and I don't see any issues with starting the ball rolling because, again, we'll be voting on this at a future meeting.

It was moved by Mayor Hartke, Seconded by Councilmember Brown and unanimously carried to authorize the CEO to issue a competitive solicitation for autonomous vehicle pilot program.

5. Paratransit Administrative Reservations and Scheduling Facility Lease

Mr. Smith said thank you, Chair Heredia. And 5 and 6 while they are not exactly the same thing are somewhat related, so I'll give Tom the ability to maybe talk about that, but just to set this up. We are looking -- once again, working with your staff over many,



many months, we are looking at a procurement that will in many ways change the way that we provide paratransit and RideChoice services throughout the Valley.

Part of this is to consolidate and combine our call center, not our call center, but our scheduling and customer service related to paratransit together where -- they're totally separate. Listening to what the Board has suggested we do on prior occasions, we're looking for places that that could be located. Currently, the service provider provides both the facility and the staff and we believe based on our experience and I think we've gone through that with you, especially in the west Valley, we would prefer if we can to control that facility, but we also saw an opportunity that comes because we have existing space whose lease runs through December 31st, 2025 like all of our real estate leases through the end of Prop 400 funding and that's where our call center is situated.

We looked at ways that we could perhaps combine since both of them involve calls, the functions of our existing customer service call center with the new scheduling center for paratransit and reservations and we found that by making some changes that we could actually co-habituate lease facilities, take advantage of existing real estate costs, more importantly, take advantage of existing equipment which is thousands and thousands of dollars cost, telephone system and computer system, other things as opposed to paying for those fresh.

That does involve though one item and that is that we -- there is space adjacent to our existing call center that -- the existing call center is not large enough to handle both house. We need a little more space and there happens to be existing office space next to our existing call center that is available right now.

What we're presenting to you is a proposal to lease that 1,600 square feet which is the additional space needed recognizing that is in addition or in advance of when we will actually inhabit that space, but in, as Tom will explain to you, in looking at the costs of having that space a few months early, those costs are much, much less than the potential savings that we would have by being able to cross utilize space and take advantage of existing equipment.

So, I'm going to turn -- that's the question in front of you, right now. And so, the risk is we take the space now or if we don't, if we wait, that space could be gone. And if that space is gone, we cannot -- we don't have enough space in the existing center to be able to take advantage of that. That's why we're presenting it to you now. It's a little unusual, but we believe the risks are worth it considering the substantial savings we can reap if we are able to co-utilize this space.

So, I'm going to turn it over to Tom and he can fill in the gaps or correct what I've just said, anything, but I wanted to set the stage for you as to why this is on your agenda, right now.



Mr. Young said thank you, Scott and Chair Heredia, members. I want to thank you for the opportunity to give you an update on the whole procurement process and kind of walk you into the update that Scott just gave here. Next slide, please.

The primary purpose of this update is to communicate the development process and design of our service delivery model and procurement status for the re-solicitation of both the RideChoice and ADA paratransit program.

Between September 8th and December 10th of 2020, we hosted five brainstorming sessions or focus groups with RTAG and ATS partner members that assisted in setting the stage for the development of the scope of work. The information from those meetings set our direction in the development of the service delivery model and the development of the RFP's that are being finalized right now.

Before I talk about the specific items, I did want to share a list of the jurisdictions and individuals that participated in these five meetings and extend a huge thank you to each person and jurisdiction for the time they spent with us. Being new to the Valley myself and new to the job, the information they shared on things that worked well, things that didn't work well and other services throughout the Valley helped me in my learning process and helped actually develop how we are going to move forward with a model that I truly believe will help the region for years to come. The next slide I'm going to give you is a high-level picture of things to come.

And I know this slide is real, busy, but I'm going to concentrate more on the left-hand side in the picture. So, if you look at the third box down from the top, this is where we're talking about the centralized call and control center. This RFP that is going to go out right now will procure the services for the management of the RideChoice program and the management of the ADA paratransit program all in one area.

Now, the positive piece about this is, right now, it's two separate contracts for both programs. They seem to compete against each other, and we can't -- a person calls for our paratransit trip, we don't have the tools in place to say, you know, RideChoice may be more effective for you for taking this trip. So, moving this into a centralized program for both programs is not only going to help improve the customer's experience, but it's also going to help control budgets as we go forward as to which service it's going to be on.

High level, back one more real, quick. This is just to clarify some things as responsibilities.

Valley Metro will be contracting directly with the call center and there's also a service provider that operates the dedicated vehicles that Valley Metro provides. We'll also be contracting directly with that operator. As far as the centralized system or the broker, they will be responsible for contracting with all of the RideChoice providers and we're hoping to qualify some of those providers for overflow paratransit trips so that we're



offering the same quality of service no matter which program the person chooses to use. Next slide.

As we went through the brainstorming sessions, we came to consensus on a lot of items and I always like to say, consensus is not necessarily a hundred percent vote agreement, but everybody came up with items that we said, we can live with. Some of those items is the fact of looking at the Controlla (phonetic) software. Right now, our ADA paratransit provider owns the software. American Logistics who is our broker for RideChoice not only owns the software, but it's proprietary software and Valley Metro staff that monitors the contract do not have access to any of the data in that. We get reports from them, but to verify is very difficult. That and the fact that the RideChoice broker is actually housed out of state right now, it's making the whole program very difficult to manage.

We're in the process of transitioning the ADA paratransit software from TransDev and Valley Metro will have control so by the time this new model is put in place, we should have software that operates both programs.

We had a strong consensus that we needed to really separate the functions between the call center and vehicle operations Right now, under the ADA program, it's a turnkey operation. The provider actually takes the most lucrative trips, provides them to themselves which private companies are in the business to make money, but what's happening is they send the longer more expensive trips to taxi which increases the cost not only for Valley Metro for each jurisdiction. So, by separating the functions between the call center and the vehicle operations, we figure we can get that under control and help control budgets for all jurisdictions.

Final discussion I want to hit that we had discussions on was facility control. Does Valley Metro want to lease or own the facilities? Or do we have the contractors bring them in? We also used a TCRP study on paratransit models that was released in 2018 that talked about the benefits of agencies providing facilities and equipment which actually leads to four different areas that was a benefit.

One of the areas is as the RFP goes out to bid, it can increase the competition. Smaller, especially disadvantaged businesses that can provide the actual work don't always have the financial ability to rent a facility, buy the equipment so they just don't bid on the contract. So, by the agencies providing facilities, it helps increase the competition. Another area is it does help decrease the cost. If anything, private entities always put an administrative overhead cost on leases and us providing the facilities will immediately eliminate that. Next slide.

So, after we finished the brainstorming, we reached out to all of the jurisdictions to seek volunteers to work on the actual scope of work and develop the projects. We chose it was probably best to separate into two separate RFP's, one for the call center and one for the operations and maintenance service provider.



The actual committee members that volunteered, we had seven and we looked really heavily at the experience of the seven. And for the actual combined call and control center or the broker at this point, both Glendale and Peoria had people -- both Kevin and Kathy have experience. They were actually operating a system that does those like functions right now. Christine McMurty from Goodyear has many years of experience operating a large call center. And then Ed Jones from Mesa who actually is one of the largest users of both ADA paratransit and RideChoice, we actually asked to be on both committees.

On the operations and maintenance end, Nancy Jackson, Nathan William, and Kristin Taylor, their dedication to quality service, delivery, and the focus on customers made them automatic to go on the operations and maintenance end. Now, during the TMC meeting, we did have the City of Tempe volunteer to join the combined call and control center or the broker evaluation committee to help give some jurisdictional equity on that end of the project. So, we're in the process right now of getting them to sign the non-disclosure statement so as the RFP's move in we'll be ready to do that.

So, just a quick review, call and control center actually met six different times. In May, we finished the draft, and everybody agreed to the scope of work where the operations and maintenance committee met seven times and in late May, we completed that draft scope of work. Both projects, right now, have been turned over to our procurement office where they are putting the full documents together. The call center RFP is under review, right now, by the City of Phoenix to ensure federal compliance. We are on schedule with both procurements.

So, to finalize or to summarize, I want to just thank everybody. All the jurisdictions have participated. I truly believe they helped us develop a scope of work that's going to set the stage for many years to come and implementing a service delivery model that is going to meet all of the goals that we set out and not only quality customer service and service delivery for our vulnerable populations, but also help manage jurisdictional budgets as we move forward. I can answer any questions at this time.

Chair Heredia said all right. Thank you for the presentation. Any members have any questions or comment? Any comments? Hearing none.

I will just say, you know, thank you for the Committee members and everybody involved in this process for this work. I know I've chimed in on, especially RideChoice as we're learning in the city of Mesa this program and how the benefits of this type of program, the addition of it. And when we move the lines as far as our -- the lines that we had to, you know, as far as the paratransit lines about 90% of the RideChoice users fall within the lines that we already had. And so, that is a, you know, for us the flexibility that adds to our residents in using RideChoice as an option. That's what we've learned over the last year since providing, in addition to our paratransit service, it's just -- the feedback that we're receiving from our residents, you know, they greatly appreciate that additional option. Right? I think we use it as an option for our folks.



If they still want to use paratransit, of course, they can use it, but RideChoice has added flexibility because it's -- you can -- it's mainly an on demand type of service, you don't have to request a day in advance and that -- and those things and the cost savings to allow for us to grow even further, I think, in the future is an important aspect so I will highly recommend.

Maybe it's not for everybody, but highly recommend you look at RideChoice. And I think this call center centralizing those pieces is going to be important for our future, for the cost containment pieces that we're looking at as how paratransit is increasing in cost, how we can add services, but also being strategic with our resources. So, I'll just chime in on there.

Councilmember Stipp said I just want to compliment Tom on a really good presentation. Good background information kind of helps me understand the whole, the whole story. It was brief enough but detailed enough and I really appreciate that, and I absolutely echo your comments about RideChoice versus paratransit. We've seen that even in our city in the limited time that we've had those options, we've seen what a benefit it is so having this combined call center is really a very positive step forward for us as an organization of Valley Metro so thank you to everybody.

Chair Heredia said thank you, Bill. So, hearing other comments, I think this was -- I request a motion and a second on this agenda item.

IT WAS MOVED BY MAYOR PETERSON, SECONDED BY COUNCILMEMBER STIPP AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH COPPERPOINT MUTUAL FOR APPROXIMATELY 1,600 SQUARE FEET OF OFFICE SPACE TO ALLOW PARATRANSIT RESERVATIONS AND SCHEDULING TO BE CO-LOCATED WITH THE REGIONAL CUSTOMER SERVICE CALL CENTER (CSCC) AT 4600 EAST WASHINGTON; TERM TO CO-TERMINATE WITH THE EXISTING LEASE DECEMBER 31, 2025.

6. RideChoice Brokerage Services Contract Award

Chair Heredia said item number 6, Mr. Smith as you mentioned, it's kind of number 5 and 6 are together.

Mr. Smith said well, they are -- thank you, Chair Heredia. They are because they both relate to RideChoice. Number 6 is, basically, to execute a 15-month extension with MGM Innovations for the brokerage of RideChoice services. This, basically, to bridge the gap between the expiration of the contract now and when the new procurement will be completed. And rather than risk a disruption of services, this is just to extend that contract to bridge that part. Tell me what I'm missing here.

I apologize. I apologize. Because the contract was -- I missed one major deal. Because the contract was expiring and we needed the bridge, we had one company



that could provide that which is MGM so it's the same explanation I had, but it's a different company as opposed to an extension.

It's an extension of the existing service, but with a different company which is why it's a sole source. I apologize for that. So, I hope I didn't confuse the issue. It's to bridge the gap. It's to extend the period of time but offer a sole service contract to a new company who is the one who can actually provide that service without interrupting the service until we get to the point in time where we implement the new procurement, the new contract.

Chair Heredia said perfect. Any questions or comments on this? Hearing none. Request a motion and a second.

IT WAS MOVED BY MAYOR HARTKE, SECONDED BY MAYOR PETERSON AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE A 15-MONTH EMERGENCY, NON-COMPETITIVE, CONTRACT WITH MJM INNOVATIONS FOR THE BROKERAGE OF RIDECHOICE SERVICES.

7. Future Agenda Items Request and Report on Current Events

Chair Heredia said anyone request any future agenda items to be added? Perfect.

8. Next Meeting

The next Board meeting is scheduled for Thursday, September 16, 2021 at 11:15 a.m.

With no further discussion the meeting adjourned at 1:07 p.m.



Information Summary

DATE

September 23, 2021

AGENDA ITEM 2B

SUBJECT

Authorization to Issue a Competitive Solicitation for Contracted Transportation Services to Operate the Rural Connector Service

PURPOSE

To request Board authorization for the Chief Executive Officer (CEO) to issue a competitive solicitation under a joint procurement process with the Regional Transportation Authority (RTA) of Pima County for contracted transportation services to operate Route 685 (Ajo/Gila Bend) Rural Connector Service and short trip bus service within the City of Buckeye.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to issue a competitive solicitation under a joint procurement process with the RTA of Pima County for contracted transportation services to Operate Route 685 (Ajo/Gila Bend) Rural Connector Service and short trip bus service within the City of Buckeye.

BACKGROUND | DISCUSSION | CONSIDERATION

The Route 685 Ajo/Gila Bend Regional Connector operates along State Highway 85 and provides bus service to the communities of Ajo, Gila Bend, Buckeye, Goodyear, Avondale, Tolleson and Phoenix. Route 685 offers five round-trips each weekday and two round trips on Saturdays. Also, four short trips are provided each weekday in the City of Buckeye. AJO Transportation is the third-party contractor operating the service on behalf of Valley Metro. RTA of Pima County also contracts for connecting service between Tucson and Ajo using the same contractor.

The AJO Transportation (aka Second-Generation Inc.) contract with Valley Metro for Route 685 will end on October 31, 2022, as will its contract with the RTA of Pima County. Both Valley Metro and the RTA of Pima County seek the economies of scale and competition that a joint procurement between the two agencies can provide.

Valley Metro staff is seeking permission to participate in and to issue a federally compliant RFP with the RTA of Pima County for rural connector services between Ajo, Gila Bend, Phoenix and Tucson for both Valley Metro and RTA of Pima County under a five-year contract term with one three-year extension option. The resulting contract is expected to take effect November 1, 2022.



The award to a contractor will consist of two separate contracts, one with Valley Metro and the other with RTA of Pima County. Valley Metro will oversee and manage its contract and portion of the service.

COST AND BUDGET

A five-year cost estimate for Valley Metro's portion of the service is \$5,000,000. For the current federal fiscal year, the funding is as follows:

- Federal Transit Administration (FTA) Section 5311 (Rural Transit) and CARES funding administered by ADOT provides approximately 56 percent
- The remaining 44 percent is funded from Public Transportation Funds (PTF) allocated to Maricopa County, City of Buckeye funds and RTA funding.

Future funding is anticipated to approximate current year allocation.

COMMITTEE PROCESS

RTAG: August 17, 2021 for information

TMC: September 1, 2021 approved

Board of Directors: September 30, 2021 for action

CONTACT

Ray Abraham

Chief Operations Officer

602-652-5054

rabraham@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

September 23, 2021

AGENDA ITEM 3**SUBJECT**

Fiscal Year 2022 (FY22) Election of Valley Metro RPTA Board Vice Chair

PURPOSE

The Board will vote to elect a Vice Chair for the remainder of FY22.

RECOMMENDATION

Staff recommends that the RPTA Board of Directors elect Councilmember Laura Pastor to serve as RPTA's Vice Chair from October 1, 2021 to June 30, 2022.

BACKGROUND/DISCUSSION/CONSIDERATION

RPTA Board officer and subcommittee elections are scheduled for June of each year. The annual elections were held at the June 2021 Board meeting.

At the August Board meeting Mayor Gallego announced that Councilmember Laura Pastor would be the designated representative for the City of Phoenix. This change created a vacancy in the position of Vice Chair.

A memo requesting letters of interest was issued on September 17, 2021, with letters due on September 22, 2021.

A letter of interest was received from Councilmember Laura Pastor to serve as RPTA's Vice Chair.

COST AND BUDGET

There is no fiscal impact.

COMMITTEE PROCESS

Board of Directors: September 30, 2021

CONTACT PERSON

Councilmember Francisco Heredia, Chair
City of Mesa

ATTACHMENT

None

Letters of Interest are available upon request.



Information Summary

DATE

September 23, 2021

AGENDA ITEM 4**SUBJECT**

Future Agenda Items Request and Report on Current Events

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

STRATEGIC PLAN ALIGNMENT

None

COMMITTEE PROCESS

None

CONTACT

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

ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date



Agenda

September 23, 2021

Valley Metro Rail
Thursday, September 30, 2021
Boardroom/Webex
101 N. 1st Avenue, 10th Floor
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**. Up to three minutes will be provided per speaker unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

CONSENT AGENDA

2A. Minutes

2A. For action

Minutes from the August 19, 2021 Board meeting are presented for approval.

2B. Ethernet Switches to Support New Fare Collection System Contract Award

2B. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract with CDW-G to purchase ethernet switches and cables to support the new Vix fare collection system in an amount not to exceed \$366,000.

REGULAR AGENDA

3. Election of Joint Board Subcommittee Member

3. For action

The Board will elect a member to the Joint Board Subcommittee for the remainder of FY22.



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

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

- 5. Next Meeting 5. For information

The next meeting of the Board is scheduled for [REDACTED]
Thursday, October 21, 2021 at 11:15 a.m.

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



Information Summary

DATE

September 23, 2021

AGENDA ITEM 1**SUBJECT**

Public Comment

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

Scott Smith

Chief Executive Officer

602-262-7433

ssmith@valleymetro.org

ATTACHMENT

None



Minutes

September 23, 2021

AGENDA ITEM 2A

Board of Directors

August 19, 2021
Boardroom/Webex
11:15 a.m.

Valley Metro Rail Participants

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

Chair Heredia called the meeting to order at 1:07 p.m.

Chair Heredia said welcome to the Valley Metro Rail meeting.

1. Public Comment

Chair Heredia said we do have a blue card here. Mr. Blue Crowley. Or is it green card here?

Mr. Crowley.

Mr. Crowley said there were three hundred and what, 83 people that died last summer from heat exposure. And I look at the quarterly report and I see how (indiscernible) is so proud of the amount of violations to the code of conduct that it shows. And I look at that code of conduct and see things in there like you can't have a radio on so, you know, one of those violations they put that into their numbers, but what I look at is that there's a drinking fountain at every single one of our light rail stations.

And do you know that all of our units are air conditioned, but we've tried to make sure that everyone knows that you don't stop at a rail station unless you've got somewhere to go and you can't be there. And I don't know how many have so far died this year, but I would appreciate it that next summer that one of the things that Valley Metro does is let people know, hey, there's a drinking fountain at every one of them so that if you need to hydrate that's where to go. And also, that if you need to get in some air conditioning, that if you have that ticket for the light rail, you can just ride and that way we wouldn't have quite as many deaths as we do have.

I'd also like you all to start doing some future planning since you are the rail one to make sure all 28 communities within the region that do have heavy rail in them start using it as a form of transit. The connectivity is there. What's it going to take to get it done? Now, I understand that one of the railroads says, well, we'll work with you on it if you give us another line. Now, what we need to do is put a second line in so that you



have traffic going both ways and that it belongs to us and that we have a commitment to the different multi-modal methods of transit.

When I heard you talking about the Waymo stuff at the last meeting, it says, well, we're going to offer this to all these companies and they're going to tell us where they want to do it. Well, that's what happened this last time. It wasn't multi-modal. It got within a half a mile of the rail but wasn't there. And the first thing that you guys put it on the test was we're going to have our employees using this as a way of transportation. As I stated, if you're living in the east Valley and you use that Waymo, did it get you to the rail to get you to work? No, it did not. So, when you do put that RFP out, please make it multi-modal and that one of the places that they will be addressing is between themselves and the rail.

Mr. Chair said thank you, Blue.

2. Consent Agenda

Mr. Chair Heredia said the consent agenda is presented for action. Any of the members have any questions or comments on any item on the Consent Agenda? Hearing none. Request a motion and a second.

It was moved by Mayor Hartke, seconded by Councilmember Arredondo-Savage and unanimously carried to approve the consent agenda..

3. Future Agenda Items Request and Report on Current Events

Chair Heredia said anyone have any future agenda items they would like to include? Mayor Gallego.

Mayor Gallego said I actually have a question about this for Mike Minnaugh. As a Board member of Rail, do I have the ability to place items on the agenda?

Mr. Minnaugh said Mr. Chair, Mayor Gallego, members. You have the ability to reach out to the Chair and suggest items that should be included in a future agendized item.

Mayor Gallego said thank you. I had understood that that Rail members could put items on the agenda. All right. I shall try for my fourth time. Can we have a report on small business disadvantage enterprise diversity and inclusion on a future agenda for Rail.

Chair Heredia said perfect. Request to add that. Who do we request? Or who do we?

Ms. Dillon said yes. I will make that note, again. Earlier this week, I did send out an email to the Valley Metro Rail members with information regarding that request. So, if that was not sufficient or you haven't seen that, yet I'd be happy to resend, but we can also –

Mayor Gallego said no, I have it right here. I requested an agenda item.



Chair Heredia said all right. Thank you, Mayor.

Mayor Gallego said and at the last Board meeting, we did discuss that it would be on the August agenda and no one followed up to me saying would you mind if we just did a memo?

Chair Heredia said all right. We'll follow up and make sure we add it to the next agenda.

Mayor Gallego said thank you.

Chair Heredia said thank you. All right. Any other items request? Perfect.

4. Next Meeting

Chair Heredia said the next meeting of the Board is scheduled for Thursday, September 16, 2021 at 11:15 a.m.

The meeting is adjourned.

With no further discussion the meeting adjourned at 1:14 p.m.



Information Summary

DATE

September 23, 2021

AGENDA ITEM 2B

SUBJECT

Ethernet Switches to Support New Fare Collection System Contract Award

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract with CDW-G to purchase ethernet switches and cables to support the new Vix fare collection system in an amount not to exceed \$366,000.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a contract with CDW-G to purchase ethernet switches and cables to support the new Vix fare collection system in an amount not to exceed \$366,000.

BACKGROUND | DISCUSSION | CONSIDERATION

The stations along the original 20-mile alignment, the Central Mesa Extension, and the Northwest Extension are currently using switches that are not Power Over Ethernet (POE) compatible. The new switches which are POE compatible are required to support the new Vix Fare Collection System that will begin to be implemented late this fall. These 49 switches, cables, and licenses will provide the POE and the improved security features we need to be able to support the connection between our platforms and the “cloud” based fare collection system. Additionally, the stations along the original 20-mile alignment are using switches that are roughly 15 years old and are beyond the manufacture’s recommended useful life.

This purchase is to keep the equipment in a state of good repair and to maintain safe and reliable operation. This is consistent with the approved Transit Asset Management (TAM) Plan.

The switches will be purchased through a cooperative contract with National IPA Technology Solutions (2018011-01). Valley Metro’s Maintenance of Way (MOW) staff will be responsible for installing the new switches along the alignment.

COST AND BUDGET

The cost for the switches, cables, and licenses is in an amount not to exceed \$366,000. The cost for the switches are included in the Valley Metro Rail Adopted FY2022 Operating and Capital Budget. Contract obligations beyond FY2022 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2022 thru FY2026).



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

The source of funding is from Prop 400.

COMMITTEE PROCESS

RTAG: August 17, 2021 for information

RMC: September 1, 2021 approved

Board of Directors: September 30, 2021 for action

CONTACT

Ray Abraham

Chief Operations Officer

602-652-5054

rabraham@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

September 23, 2021

AGENDA ITEM 3**SUBJECT**

Fiscal Year 2022 (FY22) Election of Valley Metro Rail Joint Board Subcommittee Position

PURPOSE

The VMR Board will vote to elect Joint Board Subcommittee member.

RECOMMENDATION

Staff recommends that the VMR Board of Directors elect Councilmember Laura Pastor to serve on the Joint Board Subcommittee from October 1, to June 30, 2022.

BACKGROUND/DISCUSSION/CONSIDERATION

VMR Board officer and subcommittee elections are scheduled for June of each year. The annual elections were held at the June 2021 Board meeting.

At the August Board meeting Mayor Gallego announced that Councilmember Laura Pastor would be the designated representative for the City of Phoenix. This change created a vacancy on the Joint Board Subcommittee.

A memo requesting letters of interest was issued on September 17, 2021, with letters due on September 22, 2021.

A letter of interest was received from Councilmember Laura Pastor to serve on the Joint Board Subcommittee.

COST AND BUDGET

There is no fiscal impact.

COMMITTEE PROCESS

Board of Directors: September 30, 2021 for action

CONTACT PERSON

Chair Francisco Heredia
Councilmember, City of Mesa

ATTACHMENT

None

Letters of Interest are available upon request.



Information Summary

DATE

September 23, 2021

AGENDA ITEM 4**SUBJECT**

Future Agenda Items Request and Report on Current Events

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION

None

COMMITTEE ACTION

None

CONTACT

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

ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date