



MEETINGS OF THE

Boards of Directors

Joint Meeting of Valley Metro RPTA and Valley Metro Rail	Valley Metro RPTA	Valley Metro Rail
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Date:
January 20, 2022

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

January 12, 2022

Joint Meeting Agenda Valley Metro RPTA And Valley Metro Rail

Thursday, January 20, 2022
Valley Metro, 101 N. 1st Avenue, 10th Floor
Boardroom/Webex
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.

2. Chief Executive Officer's Report

2. For information

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

3. Audit and Finance Subcommittee Meeting 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 November 18, 2021 Boards of Directors meeting are presented for approval.



4B. Authorization to Issue Competitive Solicitation for Non-Revenue Fleet Maintenance Services

4B. For action

Staff recommends that the Boards of Directors authorize the CEO to issue a competitive solicitation to perform non-revenue fleet maintenance services for a 3-year base period with one 2-year option for a total of 5 years.

4C. Contract-to-Hire for Vacant IT Positions

4C. For action

Staff recommends that the Boards of Directors authorize the CEO to procure necessary IT professional services to fill a critical IT vacancy via six-month contract-to-hire arrangements for a total not-to-exceed authorization \$134,400.

REGULAR AGENDA

5. Momentum 2050

5. For information

Audra Koester Thomas, MAG Transportation Planning Program Manager, will provide the Momentum 2050 presentation.

After a two-year public planning process, MAG Regional Council has unanimously approved a multimodal investment plan to serve as the basis for the extension of Proposition 400, the dedicated half-cent sales tax for transportation first established by Maricopa County voters in 1985. An overview of the plan and next steps will be provided.

Supporting information will be sent under separate cover.

6. Chief Executive Officer Recruitment – Update

6. For information

Gregg Moser, Krauthamer & Associates, will provide an update regarding the CEO recruitment efforts.

7. Contract Authority Monitoring and Reporting

7. For information

Staff will provide an update on the Valley Metro administrative policy changes intended to ensure timely



reporting of contract utilization changes with the potential to exhaust a contract's expenditure authority.

8. Travel, Expenditures and Solicitations

8. For information

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

9. Report on Current Events and Suggested Future Agenda Items

9. For information

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

10. Next Meeting

10. For information

The next meeting of the Joint Boards of Directors is scheduled for **Thursday, February 17, 2022 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

January 12, 2022

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

January 12, 2022

AGENDA ITEM 2**SUBJECT**

Chief Executive Officer's Report

PURPOSE

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

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

January 12, 2022

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 January 6, 2022 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
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jhillyard@valleymetro.org

ATTACHMENT

Draft January 6, 2022 AFS meeting minutes



Minutes

January 13, 2022

AGENDA ITEM 3

Audit and Finance Subcommittee
Thursday, January 6, 2022
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 12:02 p.m.

Mr. Chair said okay. Great. Well, first of all, happy new year to everybody and we're, you know, six days in and here we are. Thank you for joining us today.

1. Public Comment

Chair Stipp said we'll open the meeting with public Comment. Do we have any speakers in the Boardroom?

Mr. Crowley said okay. Well, like I said a few times before, it's now been 35 years I've been up here doing this dance with ya'll and I still -- and I appreciate the Chair instructing staff to get me the -- what changes there were, what they were changed into, and how they're applying them now, and et cetera and that still is not in my hands. The document that I keep on quoting from I understand was from '06 and we did go through that downturn, but then I don't see where the system has tried to re-implement any of that.

And in your document today where it says on Table 1, page 5 of -- which one is this attached to? That would be under the 2022 Transit Lifecycle Program, bus update. I noticed that on all of those they're east Valley except for one. Thank goodness Glendale gets something, but on those plans that I keep on bringing up and referring, to a lot of that was west side inputted. And I also see that when I'm looking through this I see some of the stuff for the Tempe Streetcar on rail and I see some of it funded by bus.

And when it comes to the bus, I want every cent going to getting my routes out there.

So why is it that way?

And also, at yesterday's meeting of the managers, I recalled about how last year as I was sitting there watching TV at the same time, I saw the attempted coup and insurrection of my country that the reason I participate in this is democracy. It's what my family said. Hey, it's not the government you want, it's the government you make. But you don't make it by attacking our capital and then to hear all the denials of what happened and who did it and why, I'm amazed at the Republicans and their constituents continue to have denying what happened and why it happened. I know that you guys are financing that, but as I said, on Table 1 your suggested changes coming up. I'd like to have had at least some of them on the west side and not cutting out routes but adding. Thank you for your time.

Chair Stipp said thank you, Mr. Crowley. I assume, Pat, you're not in the room.

Ms. Dillon said no, sir, I'm not, but there's no one else. Just Blue for public comment today.

Chair Stipp said okay. So for the folks that are in the Boardroom, I thought that we had provided that information. Can we make just a connection to Mr. Crowley and explain what we've done to somebody there so we can at least put an end to that. Other than that, thank you.

Ms. Dillon said we will follow up. I believe the information was prepared for him and I believe distributed to him, but we will definitely follow up and double check.

Chair Stipp said okay. Thanks.

2. Chief Finance Officer's Report

Mr. Olson said yes, thank you, Chair Stipp. So at last month's Financial Working Group, at RPTA, this is the time of year that we are looking -- we're continuously looking at our forecasts of expenditures for annual appropriation. We're doing that both for RPTA and VMR so on RPTA, we've done that. We will be able to live within our annual adopted budget for operating capital.

We did drill into some of the trends that we've seen as far as service, particularly our East Valley service for fuel. You know, if you all have, you know, been filling your cars, you've noticed the pump has been a little increasing over the last few months and for us, you know, CNG, compressed natural gas and liquid natural gas, in particular from our Tempe facility and our Mesa facilities have been trending a bit higher. But the good news is we have contingency to cover that, so we're committed to keep your member city IGA's that have been approved for the year within the IGA using that contingency funding to absorb that overrun. And so, we provided that detail to your city staff.



We also forecasted paratransit, Ride Choice to ensure that those would be within plan. Provided some bus advertising scenarios. If you remember, during the November Committee process, we did discuss the preliminary advertising plan for RPTA and there was some methodologies that were discussed. There was consensus on the revenue mile allocation and so, for transparency purposes, we wanted to share those two allocation methodologies with our members in the participating cities for advertising.

On the VMR side, we did discuss the mid-year budget for Valley Metro Rail. That's both operating and capital and we do find some year-to-date savings so that we can keep those members within their annual IGA's as well. Primarily on the operations side, insurance if you remember from our November meeting with some of the current market conditions, increased assets that we've ensured and just, you know, less amount of vendors out there able to and willing to insure transit. We are going to require mid-year adjustment for that which is 1% for the operating budget, but again, we have some savings in operations. We've been running 15-minute headways year to date even though we budgeted 12 minutes so we are saving some money there that can offset that overrun.

And then, of course, our capital construction projects. Based on timing of that, we're just chewing that up.

And other than that, we discussed some light rail signage issues that we've had and working with members to coordinate how to improve some of that, make sure that we're operating a safe service for our member cities and our passengers.

And then went over the regular reports. Of course, we shared the Transit Lifecycle Program update with them as well. And our routine monthly budget variance reports. So that concludes my update, I'd be happy to answer any questions that you may have.

Chair Stipp said great. Thank you, Tyler. Does anybody have any questions for Tyler or anything regarding CFO, in general? Seeing none. All right.

3. Minutes

Chair Stipp said the minutes from the December 2, 2021, Audit and Finance Subcommittee meeting are presented for approval.

Chair Stipp said those were sent out in our packet. Pending any questions, I'll entertain a motion to approve the minutes.



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

4. Contract Management-Rail Transportation Services Audit Report

Chair Stipp said Sabrina?

Ms. Beckstrom said Chair Stipp, thank you. And thank you, Committee members for meeting with us today. Internal Audit has completed a contract management audit of rail transportation support -- or rail transportation services, sorry. The report -- this report has an overall medium risk rating meaning that processes and controls in the audit area are, generally, effective, but processes could be enhanced to strengthen controls.

The audit identified four finding areas. Two were calculated as medium and two as low risk. And these findings resulted in four recommendations.

Finding 1 is very similar to a finding presented in the Planning and Community Relations Support Services Contract Audit that we presented last month in the AFS meeting. Field work for this audit was conducted at the same time as -- and as a result, Finding 1 noted that the procurement manual does not reflect current procurement practices and does not delineate the requirements for different types of contracts similar to that previous audit. Again, we didn't find errors in the current procurement practices and as a result, our recommendation is to continue to develop those standard operating procedures for the various types of contracts throughout Valley Metro and to include references to those procedures in the procurement manual. And additionally, to hold those regular refresher trainings for applicable staff.

Finding 2 notes that contract payment processes were generally effective, but enhancements could be made. Audit recommended that Valley Metro should create written standard operating procedures to monitor open pay applications to ensure payments of approved invoices are made within 30 days of receipt, as required by the contract.

Finding 3 looked at contract monitoring and found that contract -- the contract is controlled and managed, but some improvements could increase effectiveness and consistency. Valley Metro staff regularly monitors the contract often more closely than required by the contract terms, however, the contract requires that the contractor submit monthly performance reports with invoices. And we found that Valley Metro receives daily and weekly reports from the contractor, but those monthly reports are not submitted with the invoices and as a result, Internal Audit recommends that Valley



Metro should revise the contract language to reflect their current detailed review process.

Finding 4 is that the report discusses -- this finding discusses contractor overtime. Internal Audit found that Valley Metro verbally approved contractor overtime but did not retain documentation of that approved overtime. As a result, auditors recommended that to strengthen controls in this area, Valley Metro should document advanced written approval of contractor overtime, when applicable.

I just have a few more things for this part. Internal Audit also included another pertinent information section regarding the contract award amount for fiscal year '22. At the end of November, November 22nd to be exact 27.5% of the budgeted amount for this contract had been utilized.

Are there any questions, concerns, comments about the report?

Chair Stipp said Sabrina, thank you, very concise as usual. Does anybody have questions of Sabrina regarding this single audit? Seeing none.

Chair Stipp said Sabrina, I have one. In the audit report, we talk about -- you use the phrase project manager approved, et cetera and I wondering who that project manager is. Is it a contractor or a Valley Metro employee?

Ms. Beckstrom said a Valley Metro employee.

Chair Stipp said it is. Okay. Great. That was my only question. If there are no further questions, then I will entertain a motion to accept the Contract Management Rail Transportation Services Audit Report.

Councilmember Pastor said my question is, I heard that there is going to be changes and processes put into place, but how will we know when that process is put into place.

Mr. Beckstrom said so at the end of the report, you see a response matrix that Valley Metro staff indicated what they plan to do and the due date. Once that due date comes up, Internal Audit will go back in and verify that those processes have been implemented and then we report back to this Committee in the next piece, the Internal Audit Update portion.

Councilmember Pastor said okay. I just wanted to make sure there was a check and balance and that -- that it is actually going to happen. That's all but thank you. Appreciate it.



Chair Stipp said okay. So a motion to accept the Contract Management-Rail Transportation Services Audit Report.

IT WAS MOVED BY COUNCILMEMBER TOLMACHOFF, SECONDED BY COUNCILMEMBER HEREDIA AND UNANIMOUSLY CARRIED TO ACCEPT THE RAIL TRANSPORTATION SERVICES AUDIT REPORT.

5. Internal Audit Update

Chair Stipp said okay, Sabrina, I think you're still up for the Internal Audit Update.

Ms. Beckstrom said I am. We can go to the next slide. Follow-up work has begun on the Mobility Center Cash Collections Audit recommendations. Internal Audit has verified that the Mobility Center and Finance teams have segregated the cash collections and depositing reconciliation duties. And internal procedures for ticket inventory and reconciliation have been finalized. There are a couple additional recommendations for this report that they're -- they don't have a due date until the end of February, so we'll look at those then.

Additionally, we followed up with Capital Development on the progress toward the January due date for the Planning and Community Relations Contract Management audit. And Capital Development has determined the standardized pre-approval form for subcontractor travel and is drafting internal procedures for that January due date.

Field work is nearly complete on the Federal Government Consulting Services Contract audit. And we're in the middle of field work for first review of change orders from that continuous contract change order audit series.

Additionally, the FTA has notified the City of Phoenix that the triennial review will commence in the summer of 2022 and has asked -- and City of Phoenix has asked Valley Metro to provide documentation for that. The documentation -- the original -- the first request of documentation is due to City of Phoenix by January 7th with some additional due dates and Valley Metro staff is prepared to meet those dates for requested information.

And with that those are all of my updates for today. Are there any questions?

Chair Stipp said okay. Any questions for Sabrina? This is for information only. I'm seeing none. Okay. Sabrina, thank you so much.

Ms. Beckstrom said thank you.



6. Transit Life Cycle Program Updates

Chair Stipp said I believe we are back to Tyler for item number 6 which is the Transit Lifecycle Program update.

Mr. Olson said yes, thank you, Chair, members of the Subcommittee. I'm going to provide a brief update on our Transit Lifecycle Program beginning with RPTA and then moving into VMR's program. We provided the update to Financial Working Group, as I mentioned, as well as RTAG in the month of December. At the end of the RPTA update, we have also included some JE policy analysis that Chair Stipp requested previously.

The last time that we updated -- provided this update to the Subcommittee was back in June which at that time, if you recall, we had the prior year ADOT forecast which was a little more pessimistic and showed the west Valley subregion as over allocated beyond the policy. If you remember from the November Audit and Finance Subcommittee, we shared the updated preliminary ADOT forecast which is now finalized and there's no changes to that. And that was more optimistic based on how well the actuals -- actual revenue collections for 2021 were during the course of that fiscal year so big changes to this one.

Most recently, we approved the TLCP in September of 2019 so that was a while back so there's a lot of changes in this update that I'll speak to from that 2019 version so you'll be aware of many of these -- we've had quite a few changes since we've operated pre-pandemic service which can be reflected in this update. We did decide to defer the 2020 update since we were in the first year of the pandemic and there was great uncertainty around revenues and we, you know, were looking at holding costs not programming anything additional, but you know since that time, the good news is that actual Prop 400 revenues have far exceeded ADOT's forecast since the pandemic. This combined with a large amount of COVID relief funding, federal relief funding has had a positive impact on the remainder of Prop 400.

Since the 2019 Board approval, some of the operating program changes that we've incorporated into this version, for revenues, again, using the official ADOT forecast, we've adjusted fare revenues to reflect more conservative levels so pandemic levels that we're seeing today and really projecting ridership to be back to normal by FY26. We still want to monitor that closely and update as we do each year with this plan. And, again, incorporated the federal relief funding.

On the expense side of things, we updated all the actuals through FY21. Again, good, you know, PTF revenues coming in and the projections for future years incorporating contractor costs, rates and service. We'll also included the Short Range Transit Program service that is built based upon your member city input through your staff at



subregional meetings. We've also incorporated the local match requirement for the fare collection system modernization project that you've heard about. That's the one that's replacing the existing system. It's procured and federally funded through Phoenix. We just provide the local match PTF for that regional project. We've also included the start up in ongoing operations for the cost of the future retail network and the VIX customer service team that will support that new fare collection system and complement that to make sure that we have a successful regional project and keep our customers updated.

Taking a look at the projections and how those have changed. The blue line indicates the original regional transportation plan forecast that we discussed in detail during the December Board meeting. The green line represents last year's forecast from ADOT while the purple line represents the updated revenue forecast that we're using for this model that is the official ADOT forecast. The updated forecast alone added additional \$152 million in Prop 400 for the remainder of Prop 400 with RPTA receiving the 57% of that per state statute, approximately \$86 million.

The total relief money received for RPTA operations for the rounds is just -- almost \$118 million. We've updated the model to include the PTF portions of that allocation. Again, the Short Range Transit Program service adjustments based on meetings with your member cities have been included. Again, these are from 2019 to today. I'm not going to go into each one of these in detail, but those are included which is our standard process.

Moving on to the capital program updates. Our north Glendale Park and Ride was mentioned in the 2019 update. The costs have been reduced further since that time due to a little bit less scope. The PTF portion is still being discussed. We're not sure exactly what that is. We programmed something for now. We're really waiting on direction from Glendale for the final scope of that.

We've also updated our fleet replacement plans based on the current schedules. Fleet cost per unit have increased since the 2019 update. Vehicle markets across the world have been affected by shortages in new fleet and prices have increased due to that shortage. Van pool replacements have been reduced based on the trend we've seen during the pandemic with less usage.

Here's a quick comparison of expenditures from 2019 to 2021 as well as revenues so based on the 2019 to 2022 update and the changes I mentioned, revenues are up by \$151 million. Expenses are up \$66.3 million resulting in a net balance for 2022 of \$127 million through the end of Prop 400.

Just a recap of the current Board policy for jurisdictional equity which was put in place as a result of the Great Recession in 2008, 2009 time frame and we did discuss this a bit during the December presentation as well. But each subregion is to be within plus or



minus 2.5 percent of their policy allocation and each sub -- jurisdiction within each subregion or member city shall not exceed seven and a half million in under allocation. So let's - I'm going to go into the next slide to kind of point that out as we go through.

First, regional PTF. So of the total incoming PTF, there's what we consider off the top expenses. These are the regional expenses that benefit all jurisdictions so ADA certification within the -- that done by our Mobility Center, our customer service team, the marketing team, the planning, it's all regional-type services and for the 20-year plan, total costs are forecasted at \$261.9 million.

Now, based on this year's update, here is a look at each subregion over that 20-year plan so everything that's been expended, future projections by subregion. So the total available PTF over the next 20 years, what's remaining, is \$1.475 billion. That's the first column there by each subregion. The next column over the total costs allocated.

These are the projects and services funded by PTF that are currently in the 20-year plan, \$1.366 billion. So the difference there is the next column over. So that leave \$109 million of PTF that has not yet been programmed through the end of Prop 400. So based on the current Board policy, each jurisdiction needs to have costs programmed to be within plus or minus 2.5 percent of that revenue allocation. So this means that both the Central subregion and the East subregion are not currently within the policy.

Central being at 11.5 that's more than 2.5 and East at 6.1 percent. The West subregion is within the current policy.

Taking a look at each subregion and the cities within to explain that further. Starting with the Central Valley subregion, the red colored font would indicate that a city is over allocated so they're, you know in the red while the blue font represents a city that is under allocated by more than \$7.5 million. So in the case of the Central Valley, the county is over allocated while the City of Phoenix is under allocated, but combined they meet part of the policy. The Central Valley is -- I apologize. They're outside of the policy combined at 11.5 percent so they would need to be within 2.5 percent to be within that policy and no individual city can be on their own over \$7.5 million under allocated. Phoenix is clearly over that at \$54 million based upon these updates.

Moving on to the East Valley subregion. So the three cities in red would be over allocated. The four cities in blue are under allocated by more than \$7.5 million per the policy. The remaining cities in the black are under allocated, but do not exceed that \$7.5 million under allocation. As a whole, the East Valley subregion is outside of the 2.5 percent Board policy at 6.1 percent.

Lastly, the West Valley subregion. So looking at this subregion, you can see that each individual city is within the \$7.5 million max under allocation so they're within that policy



as a whole. Even though some are a little over allocated, as a whole the subregion is within the 2.5 percent policy.

So where does that leave us. There's several risks and outstanding issues that we need to keep in mind for the remainder of Prop 400. You know, markets across the country have been affected by labor shortages, increasing costs of labor and supplies, inflation. I'm sure each of your cities have also experienced this in some form or another. We've experienced significant challenges in ensuring that we have enough operators available to put service out each day. Several cities have also expressed interest in moving forward with reducing service that Valley Metro operates and operating service in their own cities which will ultimately force a contract rate discussion with our current fixed price contracts that are based on a set number of miles. When we reduce that, we don't receive that volume pricing to cover the contractor's fixed costs and costs would likely go up because of that.

The unit cost of fleet as mentioned that that's -- has increased. COVID relief funding although it was very helpful, it did reduce the amount of PTF that would have been used otherwise for operational service, however, that's really a one-time savings that built up a bit of the reserve in PTF, not having to spend that, but, you know, that doesn't necessarily mean it's sustainable ongoing to spend that reserve. Also, we aren't exactly sure what the impact of the infrastructure bill will have on regional transportation at this point. You know, fare revenues could take longer than before to return to pre-pandemic levels, so we want to closely monitor that.

Some things to consider, how do we prepare for the effects of, you know, contract costs given the current conditions of difference markets? What type of cushion should we have in place for these unforeseen needs and risks? We've included a few scenarios of really estimating the impact of contractor rate costs should we experience a 5, 15 -- 5, 10 or 15 pecten rate increase. So this table really just captures, you know, current service levels, it doesn't account for any additions. If we were to program more than that the impact would obviously be greater if we increased service in the future. So a 5 percent rate increase would ultimately result in \$12.6 million being spent through the remainder of Prop 400. Again, that's just for existing levels of service.

So this concludes the regular RPTA TLCP presentation. Chair Stipp, you requested that we provide analysis on potential options for each changing for doing away with jurisdictional equity. I'm prepared to either keep moving forward and jump into that presentation and take questions at the end or take a pause now so whatever you would like.

Chair Stipp said let's take a pause now to see if anybody has questions before we get into the Board policy options. Let's just kind of give everybody a break for a minute.



Okay. Not seeing any so if you got a sip of water, we're ready to keep going because I think the questions will come after this part.

Mr. Olson said okay. Thank you. So you know, as you can see with all the differences with subregions and jurisdictions and our current JE policy, you know, it's a -- it's a complex issue. It's a large issue. It's a regional issue whatever we do. You know, all parties are affected by whatever the JE policy change could be. You know, there's a significant difference in revenues versus what is programmed and, you know, I don't think anyone could have anticipated how that would be so different this year, you know, given any other year prior. So we've come up with a few scenarios to look at to help the discussion.

You know, we could leave the policy as is. We could tighten the JE thresholds. We could loosen those thresholds. We could remove JE entirely, that's an option. In fact, that's really the basis of the Prop 400 Extension per the MAG Regional Council vote. There won't be any JE in the extension. I'll talk about each one of these and the implications in the coming slides.

All right. So Scenario 1, the Board could choose to leave the policy as is. At a subregional basis, this means that the Central Valley and the East Valley would need to program additional service and/or projects to be within the policy. So for Central that's over \$42 million, for the East Valley that's \$29 million. The West Valley is within policy at the subregional level as well as the jurisdictional level. But as mentioned, there are five cities in the East Valley that are currently greater than the \$7.5 million exceed revenue allocations and additional service or projects would need to be programmed in those cities specifically.

Moving on to the second scenario. We could choose to -- the Board could choose to tighten those thresholds modified in such a way to keep all subregions in the positive, not exceeding 2.5 percent over allocation. This was actually brought up by member cities at RTAG as a potential to change. You know, since each subregion is already in the positive, you know, they have room to program additional costs, however, they don't have that wiggle room at the negative 2.5 percent to be over allocated as per the current policy so should, you know, some of these costs end up higher than planned or revenues not come in, they wouldn't have as much flexibility potentially and, you know, ultimately, would have to take steps to reduce service if you're not within that positive 0 to 2.5 percent allocation.

Scenario 3. So kind of going to opposite direction, the Board could choose to loosen the JE thresholds, you know, maybe the 2.5 percent goes to 5 percent and the \$7.5 goes to \$15 million. These would be examples, you know, that would ultimately create less focus on balancing each subregion and the individual jurisdictions, for example.



Less would need to be programmed from today's standpoint to meet, you know, larger thresholds as mentioned.

And the fourth scenario. The Board could decide to remove the JE threshold and really move to a more service and performance-based metrics on how to, you know, program any other services. The Board would need to approve a policy, you know, for that, you know, measurement, you know, performance-based funding and it would really be accounted for on a regional basis. Again, this is where the Prop 400 Extension is headed based upon MAG Regional Council's vote.

So those are some scenarios that we want to throw out there for discussion, hopefully, Chair Stipp, this is what you were looking for or similar. So with that, that concludes the RPTA presentation and I'll turn it back to you.

Chair Stipp said great, Tyler, thank you. Yeah. These were just some options for us to consider. I'm going to open questions up to the Board on this, but before I do, I just want to kind of ask the generic question about. So we've gotten these scenarios, are they scenarios going to the Board. Kind of what's the plan from here?

Mr. Olson said these are scenarios that we wanted to share with you since you had requested these and, you know, really, it's up to the Board any modifications we would want to make potentially to the existing policy so ultimately, yeah, they could be shared, but we're hoping for some discussion potentially. As mentioned, we did get some input from member city staff on potentially tightening those, wanted to share that with you and get your thoughts.

Chair Stipp said is this going to the Board at the January meeting or is this something for later down the road?

Mr. Olson said no, Chair Stipp, it's not. We're just sharing for information and ultimately, want to come back, but, you know, significant change here. We wanted to share that with you and get some direction, potentially, and work through some of the discussions with your city staff on, you know, the details of how to move forward as well.

Chair Stipp said okay. I -- that part was unclear, so I just wanted to make sure we had that clarity before we went into questions. So does anybody on the Committee have questions for Tyler regarding these scenarios or the TLCP in general?

Mr. Smith said Councilmember Stipp, I don't want to cut anyone off if there's a Committee member that wants to ask something. Just as a follow up to what Tyler said, there's a lot of discussions at the staff level about these jurisdictional equity issues. The challenge that we have is, if you recall, when Tyler had stated, the TLCP is the accounting for the entire life, the 20-year life of the Prop 400 revenue stream which



means that we have these revenues that are unprogrammed or unallocated that run through December of 2025.

One of the challenges we have is that the way that you eliminate those differences is to -- is to, of course, program service into those areas that have been under allocated costs. But with the CARES Act money being one-time money, it's somewhat distorted the revenue balance or the excess balance that's in there because you have somewhat of an inflated balance that will be available through 2025 and some of that revenue, much of that revenue will not be recurring. So it makes it a little difficult to plan service for the next three years that you may or may not have a dedicated or sufficient revenue stream to carry on beyond December of 2025. So that's one of the challenges that we're dealing with and we're working diligently with your staff to figure out how that might play out because we don't want to go and commit to levels of service to bring jurisdictional equity in line and then find out that come the end of 2025, we don't have a revenue stream to continue that service because of the distortion of the CARE Act which is a great distortion. I mean, I'd much rather have excess than a deficit. But it does make the analysis and the decision on jurisdictional equity a little bit more complicated.

Chair Stipp said thank you, Mr. Smith. Does anybody have questions on what's going on here?

Councilmember Arredondo-Savage said I appreciated this and I thought it was, you know, really detailed and a lot of information. I'm just wondering, as Tyler mentioned, that it would probably, you know, we need to do a little deeper and have some more discussion on this. Would it be wise, could we possibly run this through RTAG? Is that something that might be able to help us vet some of this out just a little bit and to have that deeper discussion? You know, I would like to see something like that happen if you think that's appropriate, Chair.

Chair Stipp said I think that's a really, good suggestion. Tyler, I know RTAG as already seen it, but have they done the deep, pull the layers apart kind of thing?

Mr. Olson said no, Chair Stipp. You know, we did share this with RTAG. Again, it's really the same presentation we shared with you other than the specific analysis that you requested. There's just so much going on with it, we wanted to share that right away and anticipated that, you know, there would be a lot of discussion around this particularly with, you know, some of these current, you know, market situations and concerns and we want to definitely have that conversation with staff and be very conservative and not over program. As Scott mentioned, you know, there's a bit of an artificial inflation in the reserve amount that it really isn't sustainable due to that COVID relief funding, but yeah, I think that would be a good forum.



Chair Stipp said okay.

Mr. Olson said probably combined with -- just to add to that, combined with, you know, Service Planning Working Group where some of the details are shared as well. Ms. Tameron Kinsey said Chair Stipp, this is Alexis. The one thing I will add so just for your information and the panel members is that we had an informal discussion with MAG staff yesterday too about how unallocated PTF funds -- how could that look or work particularly heading into renewal of Prop 400. In the extension, what could be carried over? What couldn't be carried over? And they were very cautious also in how we approach this so there is not an expectation that that level of funding with carry through, particularly after the TLCP update of fiscal 2019. So we've had that -- we're having those ongoing conversations as well which is why we're kind of proceeding cautiously.

Chair Stipp said well, and I think that's the -- I think that's the point that Councilmember Arredondo-Savage was making about let the technical folks work on that so.

Councilmember Tolmachoff said yeah. Just wanted to clarify, Chair Stipp, so did Tyler say that it was presented to RTAG, but that was prior to the options being presented? It was basically just the information without the policy options?

Mr. Olson said Chair Stipp, Councilmember Tolmachoff, that is correct. The request for additional analysis on the policy options was a request from Chair Stipp. Again, there was some discussion at RTAG as well as Financial Working Group about potentially looking at modifying that policy as well, so I think the two actually kind of dovetailed nicely but the request was for Chair Stipp.

Councilmember Tolmachoff said okay. So that's I think even more reason why I agree with Councilmember Arredondo-Savage is that I don't know whether it would be necessary to go through the whole presentation again, but I think there's a lot to benefit everyone to have some more discussions at the staff level before this goes to the Board. That's my opinion.

Mr. Smith said and if I could, Chairman Stipp and Councilmember Tolmachoff. I appreciate that. I think Tyler's underselling his efforts. There's a lot of discussion that's been going on. As a matter of fact, some of the scenarios came out of those discussions with city staff. What has not been done is the formal presentation that we did here. You're the first to see this. We wanted to run by you and get your feedback so we could then go back and do a more formal presentation and discussion at the staff level. But just so you know, every one of your staff are very much familiar with this issue even the dollar amounts that are involved, and the challenges and I think Tyler's done a great job to narrow those comments and inputs that he's gotten into the different scenarios which I think -- I believe will be a very good formal launch of a discussion at



the staff level. But it won't be a new discussion. It will just be the first time that we've actually put scenarios in place, and we'll start the discussion. We will start it at that staff level, and it will work its way, I'm sure, back to you and back to the Board as a whole.

Councilmember Tolmachoff said okay. Just to clarify, I wasn't insinuating that our staff - I mean, I've got detailed notes from my staff and I'm sure everybody in this meeting has detailed notes from their staff about this, but I think this, you know, a lot of this work gets done at the intergov level anyway where the conversations are, you know, less formal. And I think there's a real benefit to sending it back there and I mean, we're literally, there's literally not a policy that exists for that, what we're talking about. So and it's probably a one-time thing. So, you know we've got -- the clock is ticking, but this isn't an emergency, so I think that that's probably at least in my opinion I agree with Councilmember Arredondo-Savage that send it back to staff. Let some more discussions happen, bring it back to us before it actually goes to the full Board. I think we would be on a much better footing before it gets to in front of -- well, I think there's more than 19 member cities now. That's a lot more difficult to get a consensus so the more prepared and the more information we have I think the better off we're all going to be.

Chair Stipp said very good. Any other comments before I throw my nickel in? All right. Not seeing any.

I absolutely agree and first of all, let me. Thank you, Tyler and the rest of staff. This was the -- this was the desired outcome of my request is that we do some analysis and get this information kind of lay some foundation for now the technical folks so RTAG and if MAG has a -- has an interest in this given where we're at in the Prop 400 piece, perhaps they belong in the room during that discussion as well since it is a staff level discussion. But just getting us to think about that because we are locked into a policy that was created back in '09 or '10 and as we all know, when we try to carry on something with good intentions from previous, it's hard to fulfill that so, you know we're only a couple year out.

So I think what I heard from majority of the group here is that the last few slides with the options that information needs to go back to RTAG and we need to start the process from there and to come back here. Because I think we're in agreement that those are our options, but let's let the technical folks do that. Is that -- from -- I see some nodding heads. Is that what I collectively heard? Okay.

So that's the bus side, you've got some rail TLCP, correct?

Mr. Olson said yes, Chair Stipp. I'm happy to move into that. We'll get those scenarios for RPTA moving toward RTAG and have those discussions.



But yeah, on the Valley Metro Rail side of things, jurisdictional equity does not apply to rail since it's not operations, it's really focused around the construction development of light rail transit. Apologize, switching screens here.

Next slide. All right. So this is the same look from the other RPTA update so I don't want to spend a whole lot of time here. The new forecast was very optimistic compared to last year's forecast.

Next slide. So what's different on Valley Metro Rail is I'm sure as you all know, COVID relief funding was available for VMR capital through the capital investment grant process and really that applied to the South Central Extension. Its real intention is to offset the local match contributions for those projects so \$82 million for South Central, \$17.4 million for Tempe Streetcar.

Capital project changes from the 2019 update, the Capital Extension really updated the cost estimate for that which is primarily, you know, the updates for all of these with some additional details. So on the Capital Extension, you know, increased track miles as well as cost of construction. For Gilbert Road actually, a slight decrease based on where we ended up with that project and some of the under run that we experience so just chewing that up. For Tempe Streetcar, you know, the ARPA funding was really incorporated. We're focusing on really taking a look at that project working with Tempe staff on how to provide some enhancements that maybe weren't necessarily in the original plan or had to be pulled out of the original plan, want to make sure that we're aligned with that and update those costs. For Northwest Phase II, really incorporating the financing costs that were needed for both Northwest as well as South Central along with updating the contractor costs there.

So as mentioned, the fare collection modernization project, a regional project, procured by City of Phoenix is really heavily focused on installing validators, standalone validators to really get us into the current technology that's out there at other large transit agencies, very validator heavy so we have a lot of civil site work that's required at all of our stations to install those validators that come as part of that project and allow our customers to quickly tap on whether it's mobile phone or Smart Card at each bus stop. We've incorporated those costs as well as \$12 million PTF set aside for local match for some future projects regarding enhancements to the existing 20-mile line. And so, really just local match focusing on, you know, obtaining federal grants for those.

So the updated cash flow summary, just to kind of break this down, at the end of the program, we anticipate having a remaining balance of \$110 million and compared to 2019, the forecast at that time and kind of updating the forecast's revenues and expenses, we have really seen an increase there. It's an additional \$68 million that's been added to the rail program as far as PTF availability.



So, you know, as far as risk and outstanding issues, you know, we do have unprogrammed PTF, you know, there's discussion on how to move forward with that, could potentially be used for high priority capital projects, particularly those with a federal match using grants. Again, we also don't know what the infrastructure bill and the impact to transportation in the region will be in this plan, but yeah, we'll update as we find more information.

So this concludes my presentation on the Valley Metro Rail TLCP update, I'd be happy to answer any questions that you may have.

Chair Stipp said great, Tyler, thank you. Does anybody have questions about this for Tyler? Not seeing any. Tyler, thank you very much for the presentations that was a lot of information, but it's always good for an update.

7. Valley Metro Rail Fiscal Year 2022 (FY22) Mid-Year Budget Adjustment

Mr. Olson said yes. And totally up to you if you would like me to give the presentation on this. It's been included in the packet. I'm flexible either way. If we're tight on time or anything.

Chair Stipp said well, we're never tight on time, but I am respectful of everyone's time.

So, you know, hopefully, everyone has read it. Three of the five members of this Committee are on VMR so I'm hoping that you understand the mid-year budget adjustments because I understand them so as non-rail city, if I got it, I think everybody else should. Anybody object to not doing the presentation? This is for information only.

I'm not seeing any objections either. So I think we're good on this one, Tyler. Thank you for the information.

Mr. Olson said you bet.

This item was presented for information.

8. Report on Current Events and Suggested Future Agenda Items

Chair Stipp said does anybody have anything they would like to see brought forward as we push into the new year? I'm seeing some heads nodding in the negative as well.

Tyler, the only -- I'm just going to throw the reminder out, again, for the FY23 budget that we are going to include from the beginning budget reductions to the administrative costs going forward as options as we move into this next year.



Mr. Olson said yeah. So we plan on doing a budget study session in February bringing that earlier is what we've talked about and so, we'll be keeping a close eye on administration as well as the entire budget, but certainly, we'll want to bring that sooner to give the Board more time and opportunity to look at those costs and, you know, make decisions on how to move forward with those.

Chair Stipp said okay. Again, just didn't want it to slip through the cracks. So with that, anybody have anything for the good of the group? Hearing and seeing none.

9. Next Meeting

The next meeting of the Audit and Finance Subcommittee is scheduled for February 3, 2022, at 12:00 p.m.

The meeting was adjourned at 1:03 pm.



Minutes

January 12, 2022

AGENDA ITEM 4A

Joint Boards of Directors

Thursday, November 18, 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** (phone)
Councilmember Laura Pastor, City of Phoenix - **Vice Chair** (phone)
Councilmember Bill Stipp, City of Goodyear- **Treasurer** (phone)
Vice Mayor Veronica Malone, City of Avondale (phone)
Councilmember Clay Goodman, City of Buckeye (phone)
Mayor Kevin Hartke, City of Chandler (phone)
Vice Mayor Monica Dorsey, City of El Mirage (phone)
Councilmember Lauren Tolmachoff, City of Glendale
Mayor Brigitte Peterson, Town of Gilbert (phone)
Councilmember Lauren Tolmachoff, City of Glendale (phone)
Councilmember Jeff Brown, Town of Queen Creek (phone)
Mayor David Ortega, City of Scottsdale (phone)
Councilmember Roland F. Winters Jr., City of Surprise (phone)
Councilmember Aldofo Gamez, City of Tolleson
Mayor Rui Pereira, Town of Wickenburg (phone)
Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present

Councilmember Mike Scharnow, Town of Fountain Hills
Supervisor Jack Sellers, Maricopa County
Vice Mayor Jon Edwards, City of Peoria
Councilmember Robin Arredondo-Savage, City of Tempe

Valley Metro Rail Participants

Councilmember Francisco Heredia, City of Mesa - **Chair** (phone)
Steven Methvin for Councilmember Robin Arredondo-Savage, City of Tempe - **Vice Chair** (phone)
Councilmember Laura Pastor, City of Phoenix (phone)
Mayor Kevin Hartke, City of Chandler (phone)

Chair Heredia called the meeting to order at 11:18 a.m.

The Chair called the meeting to order.



Mr. Chair said sounds good. I just want to welcome everybody to November's meeting of the RPTA and Valley Metro Rail.

Chair Heredia said thank you everybody. Welcome. Just a reminder, if a Board member would like to ask a question or make a comment during the meeting, please type your comment in the box. It will be read aloud or just type your comment as far as you want to ask a question and we'll call on you to ask that questions.

Also, make sure your mics are muted or your phones so that we don't have background noise. And then we're going to try something different this meeting. Hopefully, we can push it forward on additional meetings as we move forward and just based on the meetings being hybrid and most of us being online, wanted to try -- when we do have a motion for action on our agendas to do a roll call for that action. So expect that Pat will be calling on your name and we don't have that many for action so hopefully, we can breeze through them, but Pat will call your name and you vote yes or no on that action.

So just be on the lookout just for us to capture that information to get, you know, some activation of everybody that's engaged here on our Board in these meetings. I know it's tough having a bunch of online meetings so just wanted to make sure that we hear your voice during this process. So just an FYI so if action items, we'll be doing a roll call on those items for this meeting.

1. Public Comment

The public will be provided with an opportunity to address the Committee on non-agenda items, so we have three minutes. Ms. Dillon, do we have any comment cards?

Ms. Dillon said yes. Blue Crowley is here today.

Chair Heredia said okay. Blue, you have three minutes.

Mr. Crowley said the Board has informed Mr. Smith that he was supposed to provide me with what had been done to the old plan, what it had been replaced with and how that had been affected and today on the agenda, we have the history of the regional transportation plan 400 and the lifecycle. And I love that it does not show any of what I requested. It shows that, you know, we cut back, but it doesn't show what you put back in and what the efforts were going to be, but more important that that it doesn't show what you did to rail. As I said, I'm wanting to make sure every dime gets to the bus that it can and nothing against you personally, sir, but you have a officer here and the reason for him is I was told last time, "in case." Which the "in case" was if any of you people happen to come to the meeting, he's here and for what reason? I need that money going to bus stops and buses.



I also don't see in here where there has been the commitment for infrastructure for the bus. It's almost 20 years this plan had been going in. Is there a reason why every single bus stop wouldn't be at the level that it needs to be which is a shelter being that if you are waiting for a bus when it's 117 in the shade, it's less than 8 minutes before it injurious to your health so just something for our citizens to be getting.

But as the Chair had instructed them to get the information to me as this agenda item for information what they were going to be turning over to me and what was the reason they couldn't do it independently because you've said that, you know, wait for yours and we'll get ours and I got mine in your agenda packet. And like I said, it is way lacking in what it should be and as I have stated, I need all the money to be going for the bus. And when it comes to the public and inputting, you've spent, what, a million and a half dollars to make this room to be the way it is. Now, is the reason that it is just for staff as in if the Board is there, they're talking to staff, that you feel that the people are just an aside? Because if you're having the meeting and it's the public who are supposed to be knowing what's happening, why wasn't the horse you made so that the room could be dealt with.

But then that's just one more example of the system doing what? Not it's job. So what I need is 24 hour service, 7 days a week, (indiscernible) on all the grids, each one of your communities inputting into it and to get the job done. And when you're having information gotten to me, it needs to be the information you told, and agenda item 8 falls far short.

Chair Heredia said thank you, Mr. Crowley, appreciate that information.

2. Chief Executive Officer's Report

Mr. Smith said thank you, Chair Heredia and members of the Board, welcome. Just a few things have been going on. I have been very, very busy this last month and things that are coming up.

First thing I want to go over, the monthly ridership report and give you an update that was requested a few months ago. A couple highlights here is -- is that we are still down on our overall ridership from pre-pandemic level, right around 50%. We're carrying about half the passengers that we did before. The good thing is that in year-to-year both being October of '20 and this year, post-pandemic, is as you can see, we are up in both bus ridership and rail ridership with rail recovering year-over-year more than bus. But we see a trend in people returning to the system. We're still monitoring this to see how this will play out over the long run and how workforce changes and workplace changes will affect our ridership and we will continue to give you monthly reports as to how our ridership is going.



Speaking of ridership, we're happy to be out -- I was happy to be out in Fountain Hills to be with Mayor Dickey and other city officials to -- Mike Sharnow, our Board member from Fountain Hills also, to cut the ribbon for the new Express 515 service which takes Fountain Hills to the Gilbert Road Express Park and Ride where then passengers can connect to a lot of east and southeast Valley routes and also connect express routes that are going into downtown. Really appreciate our staff working with Fountain Hills city staff to come up with an alternative that works, and I think enhances ridership and rider opportunities and those in the east Valley.

Also, want to thank all of you and your staff for a very successful 34th annual Clean Air Campaign. We were able to come back to an in-person campaign this year with all the proper measures taken. There were -- we had over 200 people in attendance and gave awards for our outstanding transportation and travel reduction programs. Cities of Chandler, Glendale, Phoenix, Scottsdale and Maricopa County all had award recipients and we are so very grateful for your participation in both this event, but mostly in our efforts to reduce travel and to clean air. We would really like to thank Chairman Heredia for attending this and giving an update for Valley Metro and did a very good job, Chairman, thank you.

Wanted to give you an update as to what's going on in downtown Phoenix as you -- if you've been down here at all, you know this is -- this is a complete construction zone. This is Central Avenue looking south. One of the things that it is -- that is in the CityScape, one of the things that's exciting. You can see in the middle we have actually laid some track in this area. This area eventually will be closed to vehicular traffic, only transit traffic, rail and bus, will be allowed through here to create a pedestrian plaza. We also have replaced the girders and the infrastructure for the bridge that crosses from CityScape on the west side to CityScape on the east side. The reason for this is to provide sufficient clearance for the light rail to get under. And we're very excited about the progress, however, we are very cognizant of the fact that construction is tough. We are working with everyone along the route here in South Central/Downtown Hub, Northwest and also, finish wrapping up in the City of Tempe to make sure that we work well, but it's a real challenge to build light rail in tight spaces. But wanted to let you know a little bit about that progress.

Speaking of progress, in Northwest, we're excited to announce and all of you should have received some invitation tomorrow at 10:30, we will be having a celebration of the signing of the federal full funding grant agreement, \$158 million, from the federal government at our Valley Metro Northwest Extension Phase II. This was approved by FTA a little over a month ago and passed through Congress and we're very, very honored. We were honored to have FTA Administrator Nuria Fernandez to come out for that signing authority and just a day or so ago, we were very honored when the Secretary of Transportation, Secretary Buttigieg announced he would also be joining us. So we will have -- right now, we will have the Secretary and the Administrator and other elected officials from the federal, Senator Kelly and Representative Stanton are



scheduled to be there. Would invite all of you to come out right there at Metrocenter where we are constructing our first elevated station and it -- the event starts at 10, program starting at 10:30 so we're excited about that.

Also, we are -- the progress in transit for fiscal '21 is now available, has been distributed to all of you via email. It talks about the construction and delivery of our new MCI coaches which you saw a picture in the Fountain Hills one. The new ShareTheRide ad, CAM and other things that have happened in the last fiscal year and you can visit ValleyMetro.org/progress-transit to also see a copy of the progress of fiscal year '21. Would like to announce that we have our periodic networking forum where we bring our diversity, equity and inclusion forum that's a DBE networking forum which will be Wednesday, December 15th at GateWay Community College. Gary Flunoy, our DBE Coordinator, and Henry Ikwut-Ukwa are leading our efforts. We've found that in the past these are great ways for our DBE community to learn and meet our prime contractors and identify not only opportunities, but how they can take advantage of those so I just wanted to have you have that on your calendar so you can be aware that's going on.

We are in the holiday season and each year we design -- our staff comes up with some pretty good ideas to design some special holiday wraps to join in the festivities of the season. This are the wrap that we have decided this year -- agreed to on both -- this is the bus wrap. We also have a light rail wrap on the next slide I think you can see the light rail. These will be coming up soon and you'll see them around the Valley on both buses and on light rail and, once again, this design was created internally by our internal graphics department. We have a lot of talented people there and this is always a fun thing. Get a lot of comments from people who see these holiday wraps and get in the spirit for the season.

The last thing is to go over the calendar, upcoming calendar. December, Management Committee and Board meetings are cancelled. The next time we will meet with you is on January 20th. We will have the TMC/RMC meetings and AFS meetings as you can see there on the 5th and the 6th.

And, Chair Heredia, that is my report.

Chair Heredia said thank you, Mr. Smith. Any questions or comments for Scott?

Councilmember Pastor said regarding South Central light rail, I have -- I sit as the Chair of Economic Development Downtown and equity and inclusion. I've gotten several complaints regarding Kiewit and some of the services that are happening within the downtown area. And so, what I would like is documentation of all the back and forth of regarding some of the issues that those business owners are facing and what were the solutions.



Mr. Smith said Councilmember, I would be more than happy to meet with you and your staff outside this meeting and go over that. That's an ongoing issue. Obviously, when you build such a massive project in a tight area there are always disruptions and conflicts and I have a lot of confidence in our staff. And we would be more than happy to sit down with you and go through a detail of the issues that we deal with on an ongoing basis to talk about how we are working to make this process as painless as possible. There's no way to avoid that pain, but we want to minimize that and make sure that it's fairly distributed as best we can and be more than happy to meet with you and go over that in detail. I'll have our staff work with your staff to set something up.

Councilmember Pastor said well, what I would like is since it's been a public -- it's in part of the report and it's part of the public piece I would also like to know it be provided to the whole Board because I believe that it's being brought up in the public. And so, publicly, we can -- you can provide me the information, but I think also there's others that are going to face this in the future when there's expansion. So I'm glad to meet with you, but I also would like it provided.

Normally, in our Council meetings when there's public comments like this, information then is provided to the whole Board and what the -- what the solution is or what the issue was and what the solution was. And so, I think it's best both ways.

Mr. Smith said and Councilmember, we will -- we can share that. We would like to get with you because we literally have daily and multi-times a day interaction with stakeholders and with Kiewit and with our team. So I would need to -- I need to get a little more specific detail as to what exactly you would want divulged. And also, there is a public forum where these are discussed. We have a Construction Activity Board that meets monthly that is a public meeting where these specific issues are discussed and are brought, specifically, with the contractor and with members of that Construction Board. And that actually that Board actually rates and the contractor and discusses in detail items that you're talking about in a public forum at least once a month. But we'll get with your staff and find out exactly how much detail and what you would like done because like I said, there are literally daily interactions between stakeholders and the contractor and our staff.

Councilmember Pastor said okay. I think you -- Marcus Coleman has provided that information. Thank you.

Mr. Smith said okay.

Chair Heredia said perfect. Thank you, Councilwoman. Any other further questions, comments? All right.



3. Audit and Finance Subcommittee Update

Councilmember Stipp said thank you, Chair Heredia. I'll try to be very brief. We will be meeting in December, so we just came off that slide from Mr. Smith.

At our meeting in November, we discussed the creation of the internal policy to address the monitoring of contracts at risk of exceeding their authority prematurely. That was based on the last Board meeting. A lot of -- and the emphasis is really on those contracts that are at risk of exceeding their authority. We spent a lot of time on it. The detailed minutes were included in the packet. AFS is going to -- we're supposed to see the draft at our December meeting and then the full Board is supposed to see that in January. That's the track of that policy discussion.

The second item we talked about was an update from ADOT on their revenue forecast which we will use for the inclusion in Transit Lifecycle Program and the creation of the FY23 budget. We had not yet received the quote/unquote official version from ADOT as of yet, but right now, revenues are continuing to project in the upward fashion. Next, we had a presentation from Internal Audit on the van pool program audit that was conducted by the City of Phoenix. A few recommendations came out of there that the Valley Metro staff is working on, and the Audit and Finance Subcommittee accepted that without question.

And finally, we had our first review of the FY22 first quarter budget variance report. Had a few questions on that. One of the things that is included in that as a result of our discussions over the past 18 months or so, are some footnotes that we continue to refine every quarter. I think we are as close to bull's eye as we have been, and I'd like to thank Tyler and the budget staff for that. But we have been monitoring it. We're on track right now. We don't see any financial anomalies occurring. And subject to questions, that ends my report.

Chair Heredia said thank you, Councilmember Stipp. Any questions or comments for the Audit and Finance piece? Hearing none. Thank you, Councilmember.

4. Consent Agenda

Chair Heredia said the Consent Agenda is presented for action. I ask any of the Board members have any questions or items that need to be pulled out for a separate discussion. We have our Minutes and then IT Hardware Replacement on the Consent Agenda so if no questions or comments, request a motion and a second to approve the Consent Agenda.

Motion by Mayor Ortega and second by Councilmember Pastor.

Ask Pat to do a quick roll call.



Ms. Dillon said:

Vice Mayor Malone
Councilmember Goodman - aye
Mayor Kevin Hartke - yes
Vice Mayor Dorsey - yes
Mayor Peterson - yes
Councilmember Tolmachoff - aye
Councilmember Stipp - aye
Councilmember Heredia - yes
Councilmember Pastor - yes
Councilmember Brown - I vote yes
Mayor Ortega - yes
Councilmember Winters -
Councilmember Gamez -
Mayor Parra - yes
Mayor LeVault – yes

Ms. Dillon said if I called your name and I didn't hear you if you could just put in the chat your vote and then I will record it on my sheet. Chair, the votes are to approve the Consent Agenda.

Mr. Chair said perfect. Thank you, Pat. Appreciate it.

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

5. Insurance Coverage Renewal: Commercial Property and Liability and Workers Compensation and Employer's Liability

Mr. Smith said thank you, Chair Heredia and I will pass it over to Mike Minnaugh who will present the insurance item. Mike.

Mr. Minnaugh said thank you, Mr. Smith. Thank you, Chair Heredia, members. This is that time of the year where Valley Metro just like cities and municipalities go through the annual insurance renewal program. Before you is the best available program and costs that are available to properly and accurately insure Valley Metro's assets and to protect against losses going into this next year.

Happy to answer any questions. We had a handful of very good meetings with risk professionals from the different cities and also follow-up meetings with city staff to make sure that we worked very closely with our broker to weigh all available options with respect to coverage amounts and deductibles and what's presented before you today



for approval really is what's the best available in the market. Happy to answer any questions.

Chair Heredia said thank you, Mr. Minnaugh. Any questions or comments for Mr. Minnaugh?

Councilmember Tolmachoff said Chair Heredia, it's Lauren from Glendale. I do have a question.

Chair Heredia said go ahead, Councilwoman.

Councilmember Tolmachoff said thank you. Mr. Minnaugh, do we know the number of what was the payout for the previous contract that was covered by the insurance? Do we have a dollar amount for that?

Mr. Minnaugh said Councilwoman Tolmachoff, Chair Heredia, are you referring to last year's approved budget for insurance renewal or the insurance renewal program?

Councilmember Tolmachoff said no, not what the premium was. I'm wondering what was -- how much did the insurance policy payout for claims?

Mr. Minnaugh said oh, I think it might be -- thank you for the question. Probably, the best way to answer that is to focus on the particular line of coverage that is causing - - that is by far causing the most considerable expense this year and that's the inland marine insurance coverage. That deals with the inland marine. That deals with coverage for Valley Metro's light rail vehicle fleet and soon to be streetcar fleet. That is by and large causing the most considerable increase this year. With respect to payouts, over the last year Valley Metro has experienced a derailment. That was in March of this year where one vehicle was not able to be repaired and so, therefore, was fully replaced. Traveler's, the insurance carrier at the time, paid \$3 million for the replacement of that vehicle. We also had another -- another significant incident that caused about \$1.5 million in damages as well and Traveler's also covered the cost -- repair cost associated with (indiscernible)

Councilmember Tolmachoff said okay. Thank you. I had one other question. Does this policy include a not to exceed amount? Is there a cap on benefits?

Mr. Minnaugh said yes, with respect -- yes, Councilwoman. With respect to the inland marine, there is a cap -- a total cap of \$100 million with -- and again, that is the largest driver this year of insurance increases.

Councilmember Tolmachoff said okay. Thank you.



Chair Heredia said any other questions, comments? Hearing none. Request a motion and a second to authorize the CEO to purchase renewal coverage for Valley Metro's insurance needs as follows: Commercial property and liability insurance including worker's compensation and employer's liability from December 1st, 2021, to November 30th, 2022, for an amount not to exceed \$5,671,877. RPTA's obligation is just over \$407,000. VMR's obligation is over \$5.2 million.

Chair Heredia said I request a motion and a second.

Motion by Councilmember Tolmachoff, second by Councilmember Stipp.

I'll ask Pat to take a roll call vote.

Ms. Dillon said:

Vice Mayor Malone - aye
Councilmember Goodman - aye
Mayor Kevin Hartke - yes
Vice Mayor Dorsey - Mayor Peterson - aye
Councilmember Tolmachoff - aye
Councilmember Stipp - aye
Councilmember Heredia - aye
Councilmember Pastor - aye
Councilmember Brown - my vote is yes
Mayor Ortega - yes
Councilmember Winters - yes
Councilmember Gamez -
Mayor Parra - yes
Mayor LeVault – yes

Ms. Dillon said okay. Chair, the item passes.

Chair Heredia said thank you, Pat.

IT WAS MOVED BY COUNCILMEMBER TOLMACHOFF, SECONDED BY COUNCILMEMBER STIPP AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO PURCHASE RENEWAL COVERAGE FOR VALLEY METRO'S INSURANCE NEEDS AS FOLLOWS: COMMERCIAL PROPERTY AND LIABILITY INSURANCE INCLUDING WORKERS COMPENSATION AND EMPLOYER'S LIABILITY FROM DECEMBER 1, 2021 TO NOVEMBER 30, 2022 FOR AN AMOUNT NOT TO EXCEED \$5,671,877. RPTA'S OBLIGATION IS JUST OVER \$407,348. VMR'S OBLIGATION IS OVER \$5,264,529 MILLION.



6. Chief Executive Officer Recruitment – Job Description Approval

Chair Heredia said we have sent over the job description and first I just want to thank the members of the Ad-hoc Recruitment Committee for their time reviewing. We took some time earlier this month to review the job description, answer some details that -- and comments that members had on it and we're presented for approval today. The revised job description which contains information around the updated budget information and distributed via email was sent over to you all and it's also posted on the Valley Metro website.

We have here Jan Plank who has been assisting us from the Human -- she is Human Resources Director for Maricopa County and also, we have Greg Moser from Krauthamer & Associates, our consultant that is leading the charge on this recruitment are here today and available for any questions from anyone, any Board members here so. Any questions or comments from the Board?

Councilmember Pastor said I just wanted to thank everybody who really re-iterate what the Chair said. All the good work that went into really creating a -- the job descriptions and really looking at some of the changes that we had discussed and that were incorporated. So just want to thank everybody and the team, the County and Greg Moser, I think it is, for listening to us so thank you.

Chair Heredia said thank you, Councilwoman. If there's no other questions or comments, I request a motion and a second to approve the CEO job description as presented so.

Motion by Councilmember Stipp, second by Councilmember Tolmachoff.

I'll ask Pat to take a quick roll call vote.

Ms. Dillon said:

Vice Mayor Malone - aye
Councilmember Goodman - aye
Mayor Kevin Hartke - yes
Vice Mayor Dorsey -
Mayor Peterson - aye
Councilmember Tolmachoff - aye
Councilmember Stipp - aye
Councilmember Heredia - aye
Councilmember Pastor - aye
Councilmember Brown - aye
Mayor Ortega - yes



Councilmember Winters - yes

Councilmember Gamez -

Mayor Parra - yes

Mayor LeVault – yes

Ms. Dillon said Chair, the vote is unanimous.

Chair Heredia said thank you, Pat.

IT WAS MOVED BY COUNCILMEMBER STIPP, SECONDED BY COUNCILMEMBER TOLMACHOFF AND UNANIMOUSLY CARRIED TO APPROVE THE CHIEF EXECUTIVE OFFICER JOB DESCRIPTION.

7. Fiscal Year (FY20) Transit Performance Report (TPR)

Mr. Smith said thank you, Chair Heredia. I'd like to introduce Marty Ziech from our Planning Department who will give you an update. Where's Marty? Oh, there he is down there. Okay. Who will give you an update on the Transit Performance Report. Marty.

Mr. Ziech said thank you, Scott. Chair Heredia and members of the Boards, I am here to present this year's Transit Performance Report. This is from July of 2019 through June of 2020 so that's the data that you'll be seeing. The data from July of 2020 through June of 2021 will be presented to this body next spring.

Before I get started, I just want to give a huge shout-out to your staffs who helped us in compiling this report. As you'll see as we go through this presentation, it is a more detailed summary then we have done in past years namely to account for the impacts of COVID-19.

So next slide, please. Just as usual, some system highlights of what happened from that time period of July 2019 through June in 2020. We saw a little over an 18% decrease in total boardings year on year from fiscal year '19 namely due to COVID. And we'll be getting into more detail in latter slides on what some of the breakdowns are on this. Similar to past years, we see about three quarters of all system boardings on the bus. In terms of the mode that carries the most passengers per mile that did continue to be our rail system with just under four boardings per mile. Our ADA paratransit maintained above a 90% on-time performance and our van pool average fare rose slightly year on year to about \$3.84.

Looking at all modes so every rider that enters the Valley Metro system on our ridership, there was a slight decline from fiscal years '18 to fiscal year '19 and prior to COVID hitting, we were on a very similar trajectory so a slight decline not much. However,



when the pandemic hit in those last four months of this fiscal year, that's when we did see a larger decline.

In terms of our operating cost per vehicle mile, it did go up, but by only about 50¢. Looking at, again, all modes and this type of a slide will become familiar throughout the presentation whenever there's that COVID-type molecule on top, that's when it's a COVID-specific stat so this is not comparing year on year, but comparing what we're calling the pre-COVID period which is July of 2019 to February 2020 and comparing that to really when COVID hit the Valley starting in March of 2020 through the end of the fiscal year in June.

The takeaway from this in terms of our ridership as it related to COVID-19, we saw decreases. We saw over a 50% decrease when it came to weekday ridership, however, our weekend service actually retained quite a bit of ridership. The big takeaway from this is that although we did see decreases, we continued to provide service throughout the system and because of that we were able to serve our essential riders and keep people going to jobs and keeping the Valley running.

In terms of how the agency responded to COVID-19, we started right away in March 2020 when the threat became clear by introducing rear door boarding on buses and enhanced cleaning and fogging of all fleet as well as, of course, bringing this message out through our marketing to everyone and in every method that we had available. In April 2020 in reaction to just the stark decrease in ridership that we were starting to see, we reduced service to fit demand and while also maintaining safety protocols and, of course, to be fiscally responsible. So our Express and Rapid service decreased as well as a slight decrease in rail. Our circulators depending on who ran the circulators, there were different levels of decreases. And then in terms of the limited-service sections of local routes oftentimes those were cut if the demand did not justify keeping them. And then finally, at the end of this fiscal year, the last thing that the agency did is went out to the riders with a survey on COVID protocols.

So looking year on year in terms of our bus system specifically, we do see that drop from fiscal year '19 to '20, however, if COVID would not have been here, the ridership would have been very, very similar to fiscal '19.

In terms of the weekday averages, this is kind of what I was referencing back during that COVID slide with all of the modes put together, on our bus system we see this acutely as well. There's about a 20% drop year on year. The vast majority of this is due to the pandemic and again, the weekdays is where we saw that largest drop. We continued to serve our essential workforce, but we did see choice riders drop out.

Interestingly, our Saturday boardings were quite a bit of a different story. New service and extended service had been added in fiscal year '19 so we saw a large jump in boardings on Saturdays on our bus network. In fiscal year '20 before COVID hit, we



had continued to see an increase and it was only with the pandemic that year on year it did go slightly down.

And then in terms of our Sunday service, we did see a decrease, but not as steep as the weekdays. WE continued to provide high levels of service on our local bus routes to ensure that essential workers could access their jobs and that people with appointments could make sure to get to what they needed to get to.

Looking at COVID by mode of bus. So, again, this is comparing that pre-COVID within fiscal year '20 to the months of service that were impacted by the pandemic. Our local bus saw the least decline of all the different bus modes, under 50%. That makes sense just due to the nature of trips that are taken on our local network. Our circulator service did see higher levels of decline and service was decreased to match that. Our Express Rapid service saw the greatest levels of decline of our bus modes and, again, the service levels were decreased to match that new demand. And our rural routes saw about a 50% decline, but service was maintained to ensure that we could have safe provision of travel for all of those who need that service.

Moving on to the rail system. Similar to bus, we do see a drop from fiscal year '19 to fiscal year '20, but again, if COVID were not to be there, it would be a very, very slight drop if any as we were tracking the numbers. When we look at what happened to our rail system during COVID, it essentially mirrors what happened with the bus network. We see the largest decline in ridership on weekdays, but we do see that retention in ridership on Saturdays and Sundays. And interestingly, if you look at the average number of riders between weekdays, Saturdays and Sundays, it's quite similar in the COVID period meaning that that core base of essential workers are still receiving the service that they need.

Looking at our paratransit system. As was referenced in the initial part of this presentation, our ADA on-time performance is above 90% and our operating cost per boarding did go up, but it's less of an increase than we saw in the year prior. When we look at paratransit as it was affected by COVID-19, we see a decline similar to our bus and rail networks of around 50% and the takeaway here is that a lot of our ADA customers did not feel comfortable traveling and a lot of non-essential medical appointments and different services were cut back during the pandemic, but we were still there. And for those who needed this service and elected to use it, the paratransit service was available and there was still a significant number of users who relied on that system during the pandemic.

And finally, just two last slides comparing us to some of our peer agencies. It is important to note before I get into this slide that due to the nature of reporting and data collection during the pandemic, we do not yet have a full view of all of our peers. And so, for these two slides, we were only able to collect data from those who were willing to share it with us.



In terms of our ridership comparison year on year, Valley Metro with the bus network saw a little under a 19% decline. That is slightly larger than some of our peer regions as you can see with Portland and Houston, however, with San Diego MTS, we're basically on par. And with our rail network, we saw that slightly smaller decline year on year and as that compares to our peers, it's essentially the same.

And then finally, the last piece to look into is the fare box recovery. And, again, this is just due to the specific peers that were willing to share information with us. On our bus network, we saw a little under a 30% decline in fare box. Mind you once that -- the COVID protocols hit in March of 2020, we instituted rear door boarding on our buses as we installed the different operator safety mechanisms before opening front door boarding back up. In these two peer agencies, they already had safety mechanisms in place, so they did not have to go to that same operation style. And when it comes to our rail network, the two systems you see here have a very similar proof of payment system and as you can see, our fare box recovery decline was quite steady as it relates to our peers.

And with that, that wraps up my presentation and I am happy to take any questions from the Board.

Chair Heredia said thank you. Any Board members have any questions, comments?

Councilmember Stipp said not necessarily for -- on the history, but I think since the issue was raised here, what -- I think and I'm not sure if this is now or future to be honest with you. But what are we doing to market the return of the bus service? And I'd like to see some report on that in the future, not necessarily now, but one of the big declines that we just saw in this presentation was an almost 80% decline in Express bus service riders, but if you have been on I-10 particularly coming from the west, we have a significant traffic issue going eastbound and I'd like to see some targeting marketing to bring those folks back to the Express bus service especially now that we've got the new big buses going. So I'd like to know what the future plan is for that. Not today, necessarily, but at a future agenda or at least a staff report on the side. Thanks.

Chair Heredia said thank you, Councilmember. Any other questions, comments? All right. Hearing none. This item was presented for information. If you have further questions or comments, I'm sure you can ask Valley Metro staff for that information.

What Councilmember Stipp brought up is a good question on kind of what -- what are we doing to bring back riders back to our system across the board, specifically, on some of these areas that we've lost quite a bit of riders so.



8. History of Regional Transportation Plan (RTP)/Transit Life Cycle Program (TLCP)

Mr. Smith said thank you, Chair Heredia and on your last comment, we'll get staff and prepare a report on the marketing efforts and the efforts related to the Express bus as Councilmember Stipp has requested.

It's been brought up -- as far as item 8, it's been brought up on several different occasions questions about, you know, Mr. Crowley, of course, brings it up, the history you might want to say of services and how it relates to those services that were initially presented or some people might say promised in the Prop 400 in 2004 and how that has progressed over the last almost 17 years now as to what we have been able to actually provide the service levels. Of course, during this time, we have going through the Great Recession and other financial and other situations that has drastically affected the original plan.

We have gone back and looked and tried to recreate as best we could some details, minutiae from back in 2008 -- 2007 through 2010 and we found that that's extremely difficult to recreate although we're still trying, but we do have some overview and some overall reports as to where we are as to what was promised, what has ended up, the impacts on revenue and on routes that are provided now. And we're hoping that this can at least give you a snapshot, an overview. If, of course, there is more detailed information that we need to provide, we're more than happy to continue our efforts to look for those details and to work -- we worked very much with MAG to get this information. We will continue to work to provide whatever details you would like, but we decided that it was important that we provide this overview with what we had so far.

And so, I'd like to turn it over now to Tyler Olson and Josh Hope from our finance and budgeting who will give you and overview as to the history of Prop 400. Tyler.

Mr. Olson said thank you, Scott. Good afternoon, Chair Heredia, members of the Boards. I'm going to be presenting for information today as Scott mentioned a bit of the history and the original plan, what has impacted that plan and where we're at today. Before we get started, I would like to thank our colleagues and partners at MAG for assisting us with some of the historical knowledge of the original RTP development and the maps that we've included in our presentation today.

So I'll first cover the background of the original RTP and Prop 400 then what was included in that plan for service and projects as well as the significant impact of the Great Recession that Scott mentioned and an update as to where we're at.

So the original Regional Transportation Plan or RTP was developed over 18 years ago and approved by MAG Regional Council back in 2003. This plan was a collaborative effort by MAG, MAG member agencies, the Arizona Department of Transportation and



various public and private stakeholder groups. The bus portion of that plan was developed by Valley Metro.

The Regional Transportation Plan included three transportation modes: Highways, arterials and transit and really was the basis of the Prop 400 plan that went to voters. The transit portion of the RTP focused on projects and regional service, multi-jurisdictional service connecting communities across the Valley and maximizing ridership and usage of that service.

Prop 400 was approved by the voters in 2004 which ultimately paved the way for freeways, streets and arterial networks and the light rail capital development and significant expansion of the existing bus service. Prop 400 resulted in a half cent sales tax that was split between three transportation modes with transit receiving 33.3% of that tax. Prop 400 was replaced by the existing or excuse me, Prop 400 replaced the existing Prop 300. The latter was very minimally transit focused. It's a 20-year tax beginning in 2006 and will sunset in 2025.

A little bit on the background continued here. The Public Transportation Fund is the transit portion of Prop 400 also known as PTF. Essentially, that's 33.3% of the total revenue generated by Prop 400. It does come with State guidance on how it can be spent in the form of State statute. The State allows RPTA to spend Public Transportation Funds on capital, maintenance and operations. However, for Valley Metro Rail that is very different. It really only can be used on capital and utility relocation costs so operations for light rail is 100% locally funded. There are no PTF funds for light rail.

Shortly after Prop 400 was approved, the Board adopted a policy back in 2005 to define the allocation that each agency receives of that funding. The Board policy states that PTF for RPTA is 56.76% and the remaining amount of 43.24% goes to the Valley Metro Rail program. Each agency has a financial model also known as the Transit Lifecycle Program, TLCP, to ensure that revenues and expenditures are balanced over that period.

So the next three maps will detail what was included in the original 2003 planned services and projects for Prop 400. Essentially, what was given to our voters in 2004. So here's a look at the planned supergrid routes. Let me explain this map a bit. The green routes indicate service that's already in place prior to Prop 400, already funded previously. The red and purple routes represent additional service to be funded by Prop 400 in the plan. So supergrid routes are operated along major roads and the regional arterial grid network. Supergrid network allows for a higher level of operational efficiency than the local bus network by regionally funding these key routes at a consistent level of service across all served jurisdictions.



Mr. Smith said so, Tyler, if I could. So just to -- so this was the -- these were the plans that were presented to the voters as was anticipated over the 20 years would be funded by Prop 400.

Mr. Olson said that's correct.

Mr. Smith said correct? Okay.

Mr. Olson said yup with the exception of the green lines which was already there.

Mr. Smith said already there.

Mr. Olson said exactly.

Mr. Smith said okay.

Mr. Olson said thanks. So here's a look at the bus rapid transit plan for the routes included in the Prop 400 funding. There were no existing VRT routes before Prop 400. This includes Express and Rapid buses.

And Prop 400 also was planned to pave the way for construction of today's light rail system. The original plan included over 57 miles of rail. There was no existing rail service prior to Prop 400.

So moving on to the impact that the Great Recession had on our original forecast. So this chart shows the cumulative 20 year forecast for each year that represented by the green shading beginning with the original 2003 RTP in the first column so the Prop 400 plan just under \$5 billion. You can see that that forecast being just around \$5 billion in 2006 that forecast was even stronger hitting \$5 billion a little bit over and then in 2007, you can see how we pulled back a bit, but not from the original plan. But what's really happening here is the impact of the Great Recession, you can see through years 2008 through 2010 really creating quite a significant loss to our original plan of almost \$2 billion. So within the first five years of Prop 400, experiencing that Great Recession not being able to forecast that we literally lost \$2 billion of our 20 year program or almost 40%. The amounts in purple represent actual collections, cumulative collections to day. So you can see by the end of our plan in 2026, we'll be just over \$3 billion in the 20 years.

There is a closer look at the original look at the 2003 plan versus actual collections today and the projections for the remainder of Prop 400 so again, this was the original plan, but you can see on that previous slide that in 2006, we were actually at \$5 billion even higher projection than the RTP based on where we started. So the Great Recession and decisions made thereafter had a great impact on the 20-year plan. It



really forced member cities to prioritize service and projects in the regional plan within those revenues. Being reduced by 40%, that was significant.

Based on this re-prioritization, the Board established jurisdictional equity requirements that had several impacts to the intent of Prop 400. It originally started out as the regional, you know, funding of across the Board, but by putting the jurisdictional equity requirements in there, it really allocated PTF to each city that took precedence over service and performance, so it really forced cities to prioritize the service within the available funds that they were allocated. And this ultimately created a barrier to establishing a more regional service.

Back in 2009, the Transit Lifecycle Program Working Group was created as a result of the re-prioritization and jurisdictional equity requirement. This group was made up of member city staff, Valley Metro staff and the group was really responsible for proposing public transportation funding policy changes due to the Great Recession. So based on those recommendations, the Board adopted policy that established jurisdictional equity and how it could be monitored and maintained.

Shortly thereafter in February of 2011, the Board established jurisdictional equity thresholds for each subregion, so our west Valley members are grouped into the west subregion, east Valley members in the east subregion and then central subregion is Phoenix. Specifically, each subregion must be within 2.5% of their collective allocations so each member city's allocation combined with others in that region and each member city must not be over allocated by more than \$7.5 million -- under allocated. The Board can modify or ignore these policies, as needed, as has been the case in previous years. In 2019, for example, the central subregion was at 2.7% allocation, so they were slightly over that 2.5% threshold, but the Board did approve that.

So what was the real impact of those changes that we just discussed. On the next slide, I'm going to show you, again, the map of the original plan so this is that original plan. Again, the green lines represent existing service -- go back one, please. So the green lines represent the original service that wasn't funded by Prop 400, already in place, red and purple indicate additional service funded with Prop 400 so next slide is what is in the plan today. This slide is pretty busy but let me simplify the colors. The gray lines represent that service that was already funded before Prop 400, the green, yellow and orange lines represent the service that is either already funded with Prop 400 or will be by the end of the plan based on our current forecast so the routes in red are not planned to be funded in Prop 400, this is due to the shortfalls in revenues that we experience. You can see some of the, you know, routes out to the northwest Valley and, you know, some of the routes that have been mentioned in the original RTP, there's difficult decisions that had to be made considering that 40% decrease in the 20 year revenues in which those had to be deferred beyond Prop 400 due to those funding constraints.



So for these slides, I'm going to summarize kind of the map more quantitatively. Starting with our bus routes. So we had 32 supergrid routes in the original plan, 24 will be in service by the end of Prop 400. For BRT, we had 13 in the original plan, we will have 9 of those in place before the end of Prop 400.

We also had fleet purchases. 23% reduction in the regional fixed route buses. 26% reduction in the regional paratransit vehicles and reductions in other services as well rural and van pool.

For facilities, they took quite hit. The largest of those would be to transit centers, Dial-a-Ride, rural bus facilities and van pool maintenance facility.

And not only did that affect RPTA, but, of course, light rail was impacted by that as well. Prop 400 provided a portion of the original plan as was the case with RPTA. Based on the completed projects and projects underway, Prop 400 will fund the capital construction or a portion of it of approximately 37 miles of rail versus the plan, the original plan which was 57 miles. Prop 400 provides really a portion of the local costs for these projects. Similar to bus, you know, it's purely used to help augment the local member city contributions that go into these. When it comes to rail, we do rely heavily on federal funding as well for these projects. Four of the projects were not able to be funded due to the shortfalls and the Downtown Glendale Extension was cancelled based on member city input.

So some of the key points from today's information, Prop 400 was intended to be a project and service based plan to maximize regional service. The Great Recession resulted in a loss of revenue by approximately 40% over that 20-year period so that loss forced member cities to make difficult decisions and resulted in Board policy modifications that changed the way we program service in the region. Jurisdictional equity moved public transportation funding from more of a regional programming level based on projects and service to more of an individual city stated amount based on the original projections.

So with that, that concludes my presentation. I'd be happy to answer any questions that you may have.

Chair Heredia said thank you, Tyler for that information. Any questions from Board member? Comments? All right. Well, thank you, again. Really good information here and if you have any further questions or comments, you can reach out to staff for that as well.

Mr. Smith said Chair Heredia, if I could just as a sidebar and thank you Tyler and Josh for putting that together. We have planned in January, I believe, to have MAG come and present for the Board the momentum plan, Momentum 2050, which is the result of the planning process for what we would call the Prop 400 Extension. So sort of as a



carryon and say here's the history of Prop 400, well, what does the future hold? We were planning to present that to the Board -- have MAG come in and present that plan to the Board in January. So for your information, we'll see what the plan right now is and what the hopes and expectations are for post-Prop 400 if we can get an extension of the tax.

Chair Heredia said thank you, Mr. Smith. Yeah, that's a great topic for discussion. I'm sure we all have questions and comments on what's happening with the Prop 400 Extension process, so we'll hear that in January then. Thank you.

9. Quarterly Reports

Chair Heredia said again, this is for information purposes. Any questions or comments from any Board member? All right.

10. Travel, Expenditures, and Solicitations

Chair Heredia said again, for informational purposes. Any questions or comments from Board members? Okay.

11. Report on Current Events and Suggested Future Agenda Items

Chair Heredia said any current events or items that a Board member has for the future? Hearing none.

12. Next Meeting

The next meeting of the Joint Boards of Directors is scheduled for Thursday, January 20, 2022, at 11:15 a.m.

The meeting is adjourned.

With no further discussion the meeting adjourned at 12:30 p.m.



Information Summary

DATE

January 12, 2022

AGENDA ITEM 4B**SUBJECT**

Authorization to Issue Competitive Solicitation for Non-Revenue Fleet Maintenance Services

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to issue a competitive solicitation to perform non-revenue fleet maintenance services for a 3-year base period with one 2-year option for a total of 5 years.

RECOMMENDATION

Staff recommends that the TMC/RMC forward to the Boards of Directors authorization for the CEO to issue a competitive solicitation to perform non-revenue fleet maintenance services for a 3-year base period with one 2-year option for a total of 5 years.

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro's current contract for non-revenue fleet maintenance services expires Oct. 11, 2022. The current contractor, All Fleet Services, currently provides non-revenue fleet maintenance services for a total of 109 vehicles (21 RPTA vehicles and 88 VMR vehicles).

Valley Metro staff is seeking permission to issue a competitive solicitation for a contractor to perform non-revenue fleet maintenance services for a 3-year base period with one 2-year option for a total of 5 years. Contractor will perform preventative maintenance and general repair services on non-revenue vehicles to include, but not limited to, brakes, suspension, heat/air conditioning systems, electrical systems, engine, tires, accident repairs, etc. Valley Metro's preference is to have a primary contractor that has the ability to perform all required services. The contractor is to provide drop off and pick up services, tow trucks if applicable, and manage all vehicle maintenance and repairs.

COST AND BUDGET

The current contract term is a 3-year base with two 1-year options for a total contract amount of \$698,000. The estimated cost to Valley Metro during the new contract period is estimated to be \$700,000 (\$50,000 RPTA and \$650,000 VMR). Funds are accounted for annually in the agency's operating budget.

**COMMITTEE PROCESS**

RTAG: December 14, 2021 for information

TMC/RMC: January 5, 2022 approved

Boards of Directors: January 20, 2022 for action

CONTACT

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ATTACHMENT

None



Information Summary

DATE

January 12, 2022

AGENDA ITEM 4C**SUBJECT**

Contract-to-Hire for Vacant IT Position

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to utilize contract-to-hire engagement to fill a critical Information Technology (IT) position.

RECOMMENDATION

Staff recommends that the Boards of Directors authorize the CEO to procure necessary IT professional services to fill a critical IT vacancy via six-month contract-to-hire arrangements for a total not-to-exceed authorization \$134,400.

BACKGROUND | DISCUSSION | CONSIDERATION

In August 2021, the Business Intelligence (BI) Engineer resigned. This position is critical to Valley Metro's ability to capture and use data for daily operations and required reporting. Despite actively recruiting to fill this position for more than four months, it remains vacant and is not attracting qualified applicants. Valley Metro staff believe this lack of qualified candidates is a combination of a generally tight labor market, exceptional demand for these high skill positions, and the fact that Valley Metro lacks a network for recruiting highly technical positions.

This position is critical to Valley Metro's operations. Therefore, the agency needs to engage specialized IT recruiting to fill the position. A second challenge associated with this hire is assessing candidates' competencies. As the position requires highly technical skills not possessed by other Valley Metro staff, it is difficult to effectively assess candidates' skills through a traditional interview process. To address both issues, Valley Metro recommends filling the position via an IT staffing firm on a contract-to-hire-basis. Under this model, the staffing firms send Valley Metro qualified candidates. Valley Metro selects a candidate to fill the position as a contractor for six months. If at any point Valley Metro determines the contractor is unsuitable, the firm provides more options. At the end of the six-month period, Valley Metro hires the contractor as an employee. This allows the agency to leverage the staffing firm's network for technical positions and to gauge the candidate on his or her day-to-day results doing the job rather than through a brief interview.

Valley Metro will seek candidates from the three cooperative staffing contacts listed below and ultimately contract with the one firm that provide the candidate selected. The



cost of the six-month engagement is estimated not to exceed \$134,400. This reflects approximately 23% more than Valley Metro would expect to pay in salaries and benefits for this position over six-months – a total cost comparable to the fees of a recruiting firm.

COST AND BUDGET

The cost for these contract-to-hire engagements will be completely covered by vacancy savings in the IT Department budget and are therefore already included in the adopted RPTA and VMR FY 2022 Operating and Capital Budget. The requested authorization is not to exceed \$134,400. The RPTA portion is \$67,200 and the VMR portion is \$67,200.

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 contract-to-hire position will be procured through one of the vendors and associated cooperative contracts listed below:

Vendor	Cooperative Vehicle	Contract #
Acro Service Corporation	Mesa Strategic Alliance for Volume Expenditures (SAVE)	201713916111
Knowledge Services	Arizona State Procurement Office (AZSPO)	ADSP017-174599
QCM Technologies	Mohave Education Service Cooperative (MOHAVE)	18N-QCM-0130

COMMITTEE ACTION

RTAG: December 14, 2021 for information
TMC/RMC: January 5, 2022 approved
Board of Directors: January 20, 2022 for action

CONTACT

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

ATTACHMENT

None



Information Summary

DATE

January 12, 2022

AGENDA ITEM 5**SUBJECT**

Momentum 2050

PURPOSE

Audra Koester Thomas, MAG Transportation Planning Program Manager, will provide the Momentum 2050 presentation.

After a two-year public planning process, MAG Regional Council has unanimously approved a multimodal investment plan to serve as the basis for the extension of Proposition 400, the dedicated half-cent sales tax for transportation first established by Maricopa County voters in 1985. An overview of the plan and next steps will be provided.

Supporting information will be sent under separate cover.

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

Janaury 20, 2022

AGENDA ITEM 6**SUBJECT**

Chief Executive Officer Recruitment – Update

PURPOSE

To provide the Board with an update on the Chief Executive Officer Recruitment.

RECOMMENDATION

This item is presented for information.

COST AND BUDGET

None

COMMITTEE PROCESS

AHRC: January 13, 2022 for information

Boards of Directors: January 20, 2022 for information

CONTACT

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K&A

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Bethesda, MD 20814

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C 301.775.6401

E gmoser@kapartners.com

ATTACHMENT

None



Information Summary

DATE

January 12, 2022

AGENDA ITEM 7**SUBJECT**

Contract Authority Monitoring and Reporting

PURPOSE

To share the Valley Metro administrative policy changes intended to ensure timely reporting of contract utilization changes with the potential to exhaust a contract's expenditure authority.

RECOMMENDATION

This item is for information.

BACKGROUND | DISCUSSION | CONSIDERATION

During the October 2021 Board Meeting, the Board directed the Valley Metro staff to establish a policy to ensure the timely notification to the board when changes in contract utilization resulted in the potential for a contract to exhaust its Board approved expenditure authority.

All Valley Metro contract awards are approved by the Boards of Directors. As part of this approval, the Boards set both the duration of the contract, referred to as the contract's "term," and the level of spending using the contract, referred to as the contract's "expenditure authority." Valley Metro contracts typically have a term of five years but can extend for ten or more years. Over these multi-year terms, it is not uncommon for changes in circumstances to result in changes in contract utilization that could cause the contract to exhaust its expenditure authority before the end of its term. As current Valley Metro policy limits total expenditures for any contract to the contract's expenditure authority, in these circumstances, the staff must either seek Board approval for an increase in a contract's expenditure authority or stop using the contract once the approved expenditure authority is reached.

Valley Metro's current mechanism for making the Board aware that a change in contract utilization requires an adjustment in expenditure authority is to submit a board memo requesting an authority increase. In some cases, however, it may be unclear of months or years whether a change will be lasting, and require an authority increase, or off-set by future decreases (e.g. fuel prices or ridership changes). In other cases, while it may be clear an authority increase will be needed, time may be needed to analyze the level of authority that should be requested for the remainder of the contract's term.



The attached management policy is intended to ensure the Board is made aware of any changes in contract utilization that could result in a contract exhausting its authority even if the long-term impact is unclear or more time is needed to develop an authority increase request. It does so in three steps:

1. Monitoring -- Valley Metro's Chief Procurement Officer (CPO) is charged with coordinating the monitoring of contract utilization and collaborating with each contact's administrator to assess the long-term impact of any changes. Based on this assessment, contacts will be classified as:
 - a. Likely to exhaust its contract authority
 - b. At-risk to exhaust its contract authority
 - c. Not at-risk to exhaust its contract authority
2. Reporting to the Board -- A section will be added to Valley Metro's quarterly report to the Board highlighting all contracts identified as "likely" or "at-risk" to exhaust its authority. This section will:
 - a. Identify each contract "likely" or "at-risk"
 - b. The date the contract was identified
 - c. Briefly summarize the reason the assessment of the contract found it "likely" or "at-risk" to exhaust its contract authority:
 - i. If "likely" – the report will include the target date that a contract authority modification will be brought to the Board
 - ii. If "at-risk" – the contract will remain on the report until utilization data validates the contract is not at-risk to exhaust its authority
3. Resolution – Contract likely to exhaust their contract authority will be brought to the Board as soon as practicable.

COST AND BUDGET

There is no cost.

COMMITTEE PROCESS

AFS: December 2, 2021 for information

Board: January 20, 2022 for information

CONTACT

Jim Hillyard

Acting Chief Financial Officer

jhillyard@valleymetro.org

ATTACHMENT

Draft Management Policy: Contract Authority Monitoring and Reporting

Management Policy

CONTRACT AUTHORITY MONITORING & REPORTING

Policy I.D.: ###-##-##

Effective Date:
TBD

Responsible Division:
Finance

Responsible Division Head/Executive:
Patty Clark, Chief Procurement Officer

I. REASON FOR POLICY

Valley Metro must connect communities and enhance lives by reacting swiftly to changes in a dynamic environment, recognize when changes will require action by the Board of Directors, and provide the Board timely notification of those changes.

II. DEFINITIONS

Contact Administrator

The Valley Metro employee assigned to monitor the contract for compliance, enforcing contract provisions, overseeing the utilization of the contract and the performance of the contractor from contract award through close out of the contract.

Contract Authority

The contract term and value authorized and approved by action of the RPTA or VMR Board of Directors for contract actions.

CORE

The Valley Metro enterprise resource management system.

III. POLICY REQUIREMENTS

1. Monitoring of Contract Authority

- a. Contract Administrators are responsible for monitoring and managing utilization of their contracts.
- b. If a change in utilization could result in the contract exhausting its authority prematurely, the contract administrator shall report this risk to Valley Metro's Chief Procurement Officer (CPO).

- c. In addition, Valley Metro will also establish an annual spending threshold for each contract in CORE that reflects the anticipated utilization of the contract(s) authorized authority over the contract(s) period. If a contract exceeds this threshold during the year, the CPO will be notified of the risk.
- d. When the CPO is notified that a contract may be at risk of exhausting its authority prematurely, the CPO will work with the contract's administrator to assess anticipated spending through the remainder of the contract. Based on this assessment, the CPO shall classify the contract as:
 - i. Likely to prematurely exhaust its contract authority
 - ii. At-risk to prematurely exhaust its contract authority
 - iii. Not at-risk to prematurely exhaust its contract authority.
- e. Contracts assessed to be at-risk and not at-risk will have their annual spending threshold in CORE revised to reflect a utilization rate within the contract's authority and will continue to be monitored.

2. Reporting of Contracts Likely and At-Risk

- a. A section will be added to Valley Metro's quarterly report to the Board highlighting all contracts identified as "likely" or "at-risk" to prematurely exhaust its authority. This section will:
 - i. Identify each contract "likely" or "at-risk"
 - ii. The date the contract was identified
 - iii. Briefly summarize the reason the assessment of the contract found it "likely" or "at-risk" to prematurely exhaust its contract authority:
 - a) If "likely" – the report will include the target date that a contract authority modification will be brought to the Board
 - b) If "at-risk" – the contract will remain on the report until utilization data validates the contract is not at-risk to exhaust its authority
 - c) A brief explanation of the reason the contract is at-risk of prematurely exhausting its authority.

3. Resolution of Contracts Likely to Prematurely Exhaust the Contract Authority

- a. Valley Metro will bring to the Board requests for contract authority adjustments as soon as practicable.

IV. ORGANIZATIONS, ENTITIES, AND INDIVIDUALS AFFECTED BY THIS POLICY

All Valley Metro Division and Contracts are covered by this policy.

V. EXCLUSIONS

None

VI. RELATED DOCUMENTS, FORMS AND TOOLS

None

VII. WEBSITE ADDRESS FOR THIS POLICY

[Intentionally Left Blank]

VIII. HISTORY AND UPDATES

Appendix

There are no appendices to this policy.

Responsible Division Head:

Jim Hillyard
Chief Administrative Officer and Acting
Chief Financial Officer

Date

Approved as to Form:

Michael J. Minnaugh
General Counsel

Date

Issued By:

Scott W. Smith
Chief Executive Officer

Date



Information Summary

DATE

January 12, 2022

AGENDA ITEM 8**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.

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
10/1/21 through 10/31/21

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.
Superintendent, LRV Maintenance	TSC Climate Room Testing	Elmira, NY	10/12/21-10/16/21	\$1,851.92	\$718.89	\$455.45	\$430.08	\$247.50	\$0.00

Total this reporting period \$1,851.92

Year to Date **\$5,518.85**

Report reflects Out of State (AZ) Travel

Valley Metro
Travel Reimbursement Report
For Travel Completion Dates
11/1/21 through 11/30/21

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.
CEO	APTA Transform	Orlando, FL	11/5/21-11/10/21	\$2,114.32	\$305.80	\$242.30	\$1,230.72	\$335.50	\$0.00

Total this reporting period

\$2,114.32

Year to Date

\$7,633.17

Report reflects Out of State (AZ) Travel

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10000106	10/12/2021	First Transit Inc	Aug 2021 Transit Services + Preventative Maintenance for East Valley Routes	5,927,737.55
10000157	10/29/2021	First Transit Inc	Sep 2021 Transit Services + Preventative Maintenance for East Valley Routes	5,746,153.63
10000114	10/12/2021	Transdev Services Inc	Jul + Aug 2021 General Paratransit Service	2,400,511.85
10000163	10/29/2021	Transdev Services Inc	Sep 2021 General Paratransit Service	1,184,159.83
90000015	10/22/2021	ADP LLC	PPE 10-17-21 payroll	904,529.19
90000013	10/14/2021	ADP LLC	ADP Liab for PPE10/3/2021	901,889.24
10000137	10/22/2021	Allied Universal Security Services	Jul 2021 Fare Inspection and Security Services-Field Security Officers	612,357.63
10000102	10/12/2021	Allied Universal Security Services	Aug 2021 Fare Inspection and Security Services-Field Security Officers	534,745.04
10000145	10/22/2021	Total Transit Enterprises LLC	Sep 2021 West Valley Contracted Fixed Route and Maintenance Services	488,926.48
10000131	10/14/2021	City of Phoenix	FY20-21 Regional Services Support Recon + Oct. 2021 FR Bus Svc, DAR, FR Svc Op Supp	473,072.70
90000012	10/14/2021	Cigna Health and Life Insurance Company	Oct 2021 Cigna Health, Dental, Vision Insurance	431,685.07
90000011	10/14/2021	ASRS	ASRS Cont. PPE 10/3/2021	250,056.75
90000014	10/22/2021	ASRS	PPE 10-17-21 payroll	249,539.20
1000206	10/14/2021	Complete Coach Works	Sep + Oct 2021 Bus Operator Protective Barriers for Fixed Route Bus Fleet-Bus Operator Barrier	238,820.57
10000109	10/12/2021	Medical Transportation Management Inc	Jul + Aug 2021 Eligibility Assessment and Fixed-Route Travel Training Services	234,892.27
10000135	10/22/2021	101 North First Ave LLC	Nov 2021 Rent for 101 Bldg	169,647.05
1000186	10/12/2021	Complete Coach Works	Sep 2021 Bus Operator Protective Barriers for Fixed Route Bus Fleet-Bus Operator Barrier	135,546.81
10000138	10/22/2021	CDW Government LLC	Woolpert Google Maps Core Services	120,245.90
10000132	10/14/2021	Trapeze Software Group	Paratransit Eligibility Scheduling Dispatch Software-Subscription Costs 10/1/2021 - 9/30/2022	102,698.96
10000141	10/22/2021	Medical Transportation Management Inc	Sep 2021 Paratransit Eligibility Assessment and Fixed-Route Travel Training Services	94,425.00
10000098	10/4/2021	Vix Technology (USA) Inc	Customer Service Network to incl/ Implementation/Base Operations and Variable Costs	93,148.00
10000111	10/12/2021	Senergy Petroleum LLC	Sep 2021 Bulk Fuel Delivery	86,187.96
10000140	10/22/2021	Guidesoft Inc	Sep + Oct 2021 Managed Services Provider-IT Service Help Desk	81,838.00
1000221	10/22/2021	CopperPoint Insurance Company	Nov 2021 Rent for Mobility and Call Center	55,018.35
10000110	10/12/2021	Second Generation Inc, dba Ajo Transpor	Sep 2021 Rural Connector Services-Route 685/Buckeye Short Trips/Out of Scope work	53,884.09
1000214	10/14/2021	QCM Technologies Inc	Oct 2021 Information Technology Solutions-Information Technology Solutions & Services	53,331.98
10000128	10/14/2021	Senergy Petroleum LLC	Sep 2021 Bulk Fuel Delivery	52,334.81
10000123	10/14/2021	Dye Management Group Inc	Transit Asset Management Consulting Services	50,842.00
10000146	10/22/2021	URW LLC	Sep 2021 Landscape Maintenance Services - Rail Stations/MBOM/Mesa Transit Center	48,747.29
10000096	10/4/2021	Enterprise Rideshare	Aug 2021 Contract Year 9-Van Pool Services for FY22	48,493.45
10000156	10/29/2021	Enterprise Rideshare	Sep 2021 Contract Year 9-Van Pool Services for FY22	47,669.90
10000116	10/12/2021	Vehicle Technical Consultants	Jul + Aug 2021 Bus Inspection Services - Inspector	44,655.60
1000225	10/22/2021	Prisma Graphic Corporation	October 2021 Transit Book Printing	44,232.97
10000107	10/12/2021	Guidesoft Inc	Sep 2021 Managed Services Provider-IT Service Help Desk	39,432.18
10000129	10/14/2021	URW LLC	Aug 2021 Landscape Maintenance Services - Rail Stations/MBOM/Mesa Transit Center	37,181.33
10000154	10/29/2021	Clean Energy	Aug + Sep 2021 CNG Facility Operations & Maintenance	36,874.22
10000124	10/14/2021	GMI	Sep 2021 Professional Consulting Services for IT Systems	26,225.00
				22,101,737.85

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
90000024	11/24/2021	ADP LLC	PPE 11/14/21 Payroll Liabilities	937,006.81
90000021	11/5/2021	ADP LLC	PPE 10/31/2021 Payroll Liabilities	920,808.40
90000023	11/24/2021	Cigna Health and Life Insurance Company	Nov 2021 Health Insurance Premiums	435,103.98
10000176	11/5/2021	HDR Engineering Inc	Jul 2021 PCRS Services by Task Order Issuance	397,875.71
1000255	11/5/2021	American Logistics Company LLC	RideChoice Management Services-RideChoice Services thru 11/30/2021	281,755.36
90000022	11/24/2021	ASRS	PPE 11/14/21 ASRS Contributions & LTD	259,760.07
90000020	11/5/2021	ASRS	PPE 10/31/21 ASRS Contributions and LTD	251,010.39
10000189	11/10/2021	Scheidt & Bachmann USA Inc	FareBox Support and Maintenance-Software Services - Year 2 7/1/2021-6/30/2022	170,697.48
10000196	11/10/2021	Senergy Petroleum LLC	Bulk Fuel	120,703.30
90000031	11/30/2021	Surepays	Utility Payments	120,211.68
1000256	11/5/2021	Complete Coach Works	Oct 2021 Bus Operator Protective Barriers for Fixed Route Bus Fleet-Bus Operator Barrier	116,182.98
10000175	11/5/2021	DMS Facility Services Inc	Sept 2021 Facilities Maintenance Services-Year 3	70,092.95
10000190	11/10/2021	Second Generation Inc, dba Ajo Transpor	Oct 2021 Rural Connector Services	56,832.17
1000279	11/19/2021	CopperPoint Insurance Company	Dec 2021 Rent for Mobility and Call Center	56,026.77
90000030	11/30/2021	Wells Fargo Bank	Oct 2021 Credit Card Charges	53,755.68
1000269	11/10/2021	QCM Technologies Inc	Nov 2021 Information Technology Solutions-Information Technology Solutions & Services	53,331.98
10000203	11/19/2021	Scheidt & Bachmann USA Inc	Cashbox Fare Collection Replacement for 23 buses	48,032.69
10000174	11/5/2021	DLT Solutions LLC	May - Aug 2021 Oracle Products + Services-Subscription Costs - ERP Cloud Fusion	45,026.94
10000201	11/19/2021	Guidesoft Inc	Nov 2021 Managed Services Provider-IT Service Help Desk	44,734.75
10000204	11/19/2021	URW LLC	Oct 2021 Landscape Maintenance Services - Rail Stations/MBOM/Mesa Transit Center	40,875.04
10000172	11/5/2021	Brinks Incorporated	Jul, Aug + Sept 2021 Armored Car Services for Fare Collections	35,569.43
10000182	11/5/2021	Cardinal Infrastructure LLC	Aug + Sept 2021 Consulting Services for Federal Government	32,000.00
10000198	11/19/2021	Dye Management Group Inc	Oct 2021 Transit Asset Management Consulting Services	31,937.50
10000208	11/19/2021	Krauthamer & Associates LLC	Initial Retainer of CEO Recruitment Fee	31,900.00
				4,611,232.06

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50000076	10/12/2021	Kiewit Infrastructure West Company	Jul 2021 CMAR Services for South Central-Downtown Hub	23,554,953.75
50000110	10/26/2021	Kiewit-McCarthy, a Joint Venture	Aug 2021 CMAR Services for Northwest Phase II	6,817,407.05
50000077	10/12/2021	Kiewit-McCarthy, a Joint Venture	Jul 2021 CMAR Services for Northwest Phase II	6,175,794.94
50000075	10/1/2021	Hensel Phelps Construction Co	Jul + Aug 2021 OMC Expansion-Deisgn Build Services for OMC Expansion	2,453,336.00
5000177	10/22/2021	PGH Wong Engineering Inc	Aug 2021 System Design Services Task Order 7 - South Central Extension	311,545.53
5000128	10/12/2021	PGH Wong Engineering Inc	Jul 2021 System Design Services Task Order 7 - South Central Extension	260,365.95
50000106	10/22/2021	Jacobs Engineering	Jul 2021 Design Services for Northwest Phase II	232,766.14
50000114	10/29/2021	AECOM Technical Services Inc	Jul 2021 Design Services for South Central-Downtown Hub	232,539.95
50000109	10/26/2021	Hensel Phelps Construction Co	Sep 2021 OMC Expansion-Deisgn Build Services for OMC Expansion	148,319.00
50000095	10/14/2021	Knorr Brake Corporation	Aug + Sep 2021 LRV Friction Brake Equipment + Labor	128,181.24
50000098	10/14/2021	Traction Systems Inc	Sep 2021 Traction Motor - TSA001104	119,400.00
5000095	10/4/2021	Hugo E Medina	South Central Extension - Public Art Services-Fabrication / Install 8th	68,328.00
50000108	10/22/2021	Siemens Mobility	Circuit Boards	42,367.08
50000117	10/29/2021	Prestamos CDFI LLC	July and Aug 2021 Small Business Financial Assistance	40,000.00
50000100	10/14/2021	City of Phoenix	Sep 2021 NWE II Civil Misc, and Concrete Permit Fee's ; SCE Misc. Plan Review Fees	28,211.80
				40,613,516.43

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50000131	11/10/2021	Kiewit Infrastructure West Company	Aug 2021 CMAR Services for South Central-Downtown Hub	16,688,890.28
50000160	11/24/2021	Kinkisharyo International LLC	LR139 Repairs	1,424,406.00
50000118	11/5/2021	Alternate Concepts Inc	Transportation Services 8/28/2021 - 10/1/2021	1,197,147.46
50000135	11/19/2021	Alternate Concepts Inc	Oct 2021 Transportation Services	901,740.06
90000004	11/30/2021	Surepays	Utility Payments	383,315.01
5000288	11/24/2021	PGH Wong Engineering Inc	Sept 2021 System Design Services by Task Order Issuance	359,027.64
50000126	11/5/2021	Stacy and Witbeck Inc	Jul 2021 CMAR Services for Tempe Street Car	343,008.71
50000151	11/24/2021	AECOM Technical Services Inc	Aug 2021 Design Services for South Central-Downtown Hub	255,190.65
50000124	11/5/2021	Jacobs Engineering	Aug 2021 Design Services for Northwest Phase II	108,822.63
50000119	11/5/2021	Award Winning Restorations	Light Rail Vehicle (LRV) Accident Repair Costs + (1) LRV Painting	68,587.63
50000140	11/19/2021	Hensel Phelps Construction Co	Oct 2021 OMC Expansion-Deisgn Build Services	59,954.00
50000155	11/24/2021	Award Winning Restorations	Light Rail Vehicle Painting-Complete Painting One (1) LRV	51,472.36
50000161	11/24/2021	Knorr Brake Corporation	LRV Friction Brake Equipment	49,786.76
50000146	11/19/2021	Zarco Guerrero	South Central Extension - Public Art Services-Fabrication / Install	45,000.00
50000145	11/19/2021	Westinghouse Air Brake Technologies Cor	Transformer Inverter	34,280.28
50000152	11/24/2021	Alliant Insurance Services Inc	Risk Management Consulting Services-Annual Insurance Premiums	27,880.00
50000164	11/24/2021	Westinghouse Air Brake Technologies Cor	Input Chokes and Repair Circuit Boards	25,692.46
				22,024,201.93

Valley Metro Procurement Opportunities

ACTIVE PROCUREMENTS						
Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract
Electrical Preventative Maintenance	No	None	None	Jan 2022	\$250,000.00	2 years
Railcar Mover	No	November 2021	N/A	N/A	\$107,805.00	1 year + 1 option
Water Fountain Covers	No	December 2021	N/A	N/A	\$147,785.00	3 years
LRV Midlife Overhaul (Transit Design Group)	Yes	December 2021	N/A	N/A	\$115,455.00	1 year + 1 option
Community Relations Support Services	Yes	December 2021	January 2022	June 2022	\$6,500,000.00	3 year + 2 options
Planning Support Services	Yes	December 2021	January 2022	June 2022	\$30,000,000.00	3 year + 2 options
Centralized Call Center for Regional ADA Paratransit Services & RideChoice	Yes	September 2021	October 2021	February 2022	\$41,519,762.00	5 year + 3 options
Rail Testing	No	August 2021	September 2021	November 2021	\$300,000.00	3 years + 2 opt yrs
FUTURE PROCUREMENTS						
Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract
Paratransit Vehicles	Yes	Spring 2022	N/A	December 2021	\$4,594,814.00	one time purchase
LRV Electrical Repair	Yes	January 2022	February 2022	May 2022	TBD	TBD
SCV Managed Inventory Program	No	June 2022	N/A	November 2022	TBD	5 years
Regional ADA Paratransit Services Operations & Maintenance	Yes	December 2021	TBD	July 2022	TBD	TBD
Autonomous Vehicle Research	Yes	Spring 2022	TBD	TBD	\$250,000.00	5 years
CNG Gas Detection System	No	November 2021	TBD	TBD	TBD	TBD
Rural Connector Service	Yes	December 2021	TBD	TBD	TBD	TBD
Time Management Solution	No	Spring 2022	N/A	TBD	\$65,000.00	5 years

For vendor registration and additional information regarding these projects, Valley Metro encourages all interested parties to register on-line via the Valley Metro e-Procurement system CORE. Questions regarding any released solicitation should be directed to procurement@valleymetro.org and for outreach efforts please contact Gary Flunoy at gflunoy@valleymetro.org.



Information Summary

DATE

January 12, 2022

AGENDA ITEM 9**SUBJECT**

Report on Current Events and Suggested Future Agenda Items

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

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

January 12, 2022

Valley Metro RPTA
Thursday, January 20, 2022
Boardroom/Webex
Valley Metro, 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

2. Minutes

2A. For action

Minutes from the November 18, 2021 RPTA meeting are presented for approval.

2B. Authorization to Issue a Competitive Solicitation for East Valley Fixed Route Bus Service

2B. For action

Staff recommends that the Board of Directors authorize the CEO to to issue a competitive solicitation to perform Fixed Route Bus Service in the East Valley for a 5-Year base period with one 3-Year Option and one 2-Year Option for a total of 10 Years.

2C. Replacement Vehicles Purchase for Regional Paratransit Service

2C. For action

Staff recommends that the Board of Directors authorize the CEO to purchase up to 54 cutaway vans from Creative Bus Sales under ADOA Contract CTR054848-1 and to increase the contract authorization to complete the purchase of 26



vans approved in March 2021 at combined federal and local cost not to exceed \$4,543,514.

- 2D. Recommended April 2022 Transit Service Changes 2D. For action

Staff recommends that the Board of Directors authorize the CEO to amend member agency FY22 IGAs as necessary, and to execute change orders to the First Transit and Total Transit fixed route contracts to accommodate the recommended April 2022 service changes.

REGULAR AGENDA

3. Report on Current Events and Suggested Future Agenda Items 3. For information

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

4. Next Meeting 4. For information

The next RPTA meeting is scheduled for **Thursday, February 17, 2022 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

January 12, 2022

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

January 12, 2022

AGENDA ITEM 2A

Board of Directors

November 18, 2021

Boardroom/Webex

11:15 a.m.

RPTA Meeting Participants

Councilmember Francisco Heredia, City of Mesa - **Chair** (phone)
Councilmember Laura Pastor, City of Phoenix - **Vice Chair** (phone)
Councilmember Bill Stipp, City of Goodyear- **Treasurer** (phone)
Vice Mayor Veronica Malone, City of Avondale (phone)
Councilmember Clay Goodman, City of Buckeye (phone)
Mayor Kevin Hartke, City of Chandler (phone)
Vice Mayor Monica Dorsey, City of El Mirage (phone)
Councilmember Lauren Tolmachoff, City of Glendale
Mayor Brigitte Peterson, Town of Gilbert (phone)
Councilmember Lauren Tolmachoff, City of Glendale (phone)
Councilmember Jeff Brown, Town of Queen Creek (phone)
Mayor David Ortega, City of Scottsdale (phone)
Councilmember Roland F. Winters Jr., City of Surprise (phone)
Councilmember Aldofo Gamez, City of Tolleson
Mayor Rui Pereira, Town of Wickenburg (phone)
Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present

Councilmember Mike Scharnow, Town of Fountain Hills
Supervisor Jack Sellers, Maricopa County
Vice Mayor Jon Edwards, City of Peoria
Councilmember Robin Arredondo-Savage, City of Tempe

Chair Heredia called the meeting to order at 12:32 p.m.

1. Public Comment

Chair Heredia said Ms. Dillon, do we have somebody there?

Ms. Dillon said yes, Mr. Crowley.

Chair Heredia said you're going to have four and a half minutes.

Mr. Crowley said thank you. I'd like to point out that every time I come into this building, I'm made sure to reminded that I need to be wearing a mask. Now, we'll call it the staff board that's sitting at the dais. Ya'll notice that none of them have a mask on. Now, some have masks with them, but if it's good for the goose, it's good for the gander. Also, this is supposedly a public hearing. Right? Well, your Zoom document is perfect



for your Board staff to see who's doing what here, but there's nothing in the public section that shows you or what you're doing. From my seat, it's almost 75 feet from the major one and if I look over the lady's shoulder, it's still 8 feet. And since you guys are having this for the public not staff, is there a reason this other unit here couldn't show the Zoom meeting? As I said, where I sit, I can't see it and I believe that it's supposed to be a part of the whole thing. Okay.

Now, on the current versus the old one. Did you see anything in there about the cutbacks to rail? Now they said that there's unfunded, but we're progressing on each one of those because you feel that you're going to get the money down the road and if they're totally unfunded then why are we doing stuff with them and putting out millions for planning, et cetera?

In your -- your meeting you had the rail component and what they want to do along the Central Corridor or government corridor. Well, I have a problem with that. I went to go to the Phoenix Council meeting, but I didn't know that you have to call in ahead and can only do it by phone, so I wasn't able to point out to them that not one single one of your stops is multi-modal. As in, why is the bus and the rail meeting together? Well, your Central station one is a couple blocks away. You do have one proposed for on 7th Avenue and then the others are there in front of the Capitol. We have buses on 19th Avenue, 15th Avenue, 7th Avenue and Central. When you're building the rail, why aren't you being multi-modal? And I understand part of it is that it would be inconvenient for the rail to put like that 15th Avenue stop. Whenever anybody is using any of our systems, when they step off, what are they pedestrians? And you want to make it as hard as possible so that they integrate and get the job done.

With your showing of the supergrid routes and plans, they've got the Wickenburg connector on there. You took that out in '06 and, Rudy, I know you're working hard as hell to get it back put together, but why is that bus gone? When you say how much has been cut back for the bus and you said, well, this is -- we had to change and -- where is the stuff on rail? Where was the rail cutbacks? Where was the rail changes? Because all I see is expansion and then lastly, on your document that rail will be dealing with it says, currently approved adopted regional high-capacity transit. And has a Paradise Valley and it has downtown Glendale. Two of which are no longer anything part of it so when you show that what is it that you're doing? Is it a Ponzi scheme which one is it going to be under?

I need you guys to get this multi-modal. I need you to do the job that you're supposed to do. And remember that when you're putting together Prop 500 to finish what you should have done in Prop 400 and why I would like to be a part of those that write it since I do know the past. Thank you.

Chair Heredia said thank you, Mr. Crowley.

2. Consent Agenda

Chair Heredia said the Consent Agenda is presented for action. There is one item, LED Lighting Upgrade -- or two items, our Minutes and then the LED Lighting Upgrade and the Mesa Bus Operations and Maintenance Facility. Ask any Board members if they have comments or questions? Hearing none. I request a motion and a second to approve the Consent Agenda.

Motion by Mayor Peterson, second by Councilmember Brown.

Request Pat to take a roll call.

Ms. Dillon said:

Vice Mayor Malone - aye
Councilmember Goodman -
Mayor Kevin Hartke - yes
Vice Mayor Dorsey -
Mayor Peterson - yes
Councilmember Tolmachoff - aye
Councilmember Stipp - aye
Councilmember Heredia - aye
Councilmember Pastor - aye
Councilmember Brown - aye
Mayor Ortega -
Councilmember Winters - aye
Councilmember Gamez -
Mayor Parra - yes
Mayor LeVault – yes

Ms. Dillon said Chair, the motion passes.

Mr. Chair said perfect. Thank you.

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

3. Valley Metro RPTA Bus Advertising Program

Mr. Smith said thank you, Chair Heredia. As most of you on the Board are aware, somehow are new may not be, but for -- from the date of its inception, Valley Metro RPTA has not allowed by policy advertising, external advertising on our buses. Valley Metro Rail has for many years included external advertising. Several months ago, the Board -- the issues was raised for the potential for advertising and the revenue that might be related to that and asked staff to study and present for the Board's consideration changes to this policy.



We've gone through several different exercises to gather information not only as to what is possible, but throughout the industry and here locally where the City of Phoenix has had advertising on their buses for many, many years. Utilizing our experience in the rail and what we've learned from other agencies around the country and locally, here from the City of Phoenix, we are here to present to you proposals to implement -- to change that policy and to implement or allow advertising on the external -- the exterior of RPTA's buses.

There are two actions before you to accomplish this and I will turn it over to Hillary Foose who has been leading the effort and knows this program inside and out to present to you the proposals and give you more of the background. Hillary.

Ms. Foose said thank you, Mr. Smith. Chair Heredia, members of the Board, thank you for your time today. We will be going over several items as part of today's discussion. I'll be giving you an overview of the recommended program. I will be talking to you about the contract and revenue opportunities. The actions being sought today, as Scott said, there's two as well as some of the discussions that are underway with your city staff. Just a reminder, we did talk to the Board extensively about this topic back in the Spring earlier this year and really based on your feedback from that meeting, feedback from the Management Committee, our industry research, also talking extensively with the City of Phoenix. They've been great answering all of our various questions and being very responsive to us as we embark on this.

We are presenting to you a recommended plan that really takes a very balanced approach based on the feedback we've received seeking to balance revenue, we seek to enhance the revenue that the agency generates as well as items related to branding and safety. Safety related to -- we've heard from our safety professionals in the organization and so I'll be going into that here in a moment.

So what's in front of you is an overview of the program being recommended. We are recommending exterior bus advertising for local fixed route bus and circulators really as determined by those circulator cities. And so, we are talking with your city staff about if you have a circulator operating in your city, the interest that you may have now or maybe into the future. Again, to be clear, this program can evolve. We can change the policy and us and OUTFRONT can be flexible as we move forward as we explore advertising on the RPTA fleet.

We are recommending ad displays that really prioritize enhancing revenue while also prioritizing branding and window visibility trying to keep as much of the windows available while also allowing advertising to exist.

Another important element here is consistency with the advertising standards established in the region. Standards are those that really guide the content and we heard a lot of feedback from the Board in April about how do we determine content and it's really these standards that help us determine what we approve, what we disapprove



on Valley Metro Rail and also, we're consistent with the City of Phoenix. And so, as we move forward here, the advertising policy that's being recommended for approval has consistent regional advertising standards as part of that policy.

The contract mechanism that we're recommending here that's part of the actions in front of you today is to utilize the existing advertising sales services agreement with OUTFRONT Media. OUTFRONT has been a great partner to Valley Metro Rail and actually, through some foresight of staff back in 2014 and 2015, we included bus advertising as potential scope additions for the future thinking that the idea that this discussion may just happen into the future as revenue for RPTA might be in the future. And so, we can easily pick up and use the advertising sales services agreement with OUTFRONT for this exact scope.

OUTFRONT has committed to maintaining the revenue share of 65% of net advertising which is the same rate that we have for Valley Metro Rail and is very commensurate with our peers in the industry both with the City of Phoenix and our peers nationally. And based on some early revenue projections from OUTFRONT, obviously, they're in it to generate as much revenue as we are with the revenue share relationship. They estimate that after about a 12 month ramp up period that we could generate somewhere between \$600,000 to \$700,000 annually for Valley Metro RPTA.

One thing to note here, what's not included in these costs is that -- and we spoke about this a good amount at our Spring discussion is that we have a contractor -- we have -- we contract for operations with First Transit and others and so, there will be labor associated with those contracts to help us administer this program. And so, we continue to coordinate with our contractor, but the numbers here do not include those additional costs which could include an additional position or two on behalf of our contractor.

Next slide. So the TMC did take these actions and the actions before you today are two: to adopt the Valley Metro RPTA advertising policies, actually, to rescind the no advertising policy that Valley Metro RPTA has historically had and to adopt an advertising policy that was an attachment to the memo here today. The policy essentially outlines the available assets available as part of the program as well as the advertising standards that really guide the approval and disapproval of content like what would be those ads that are on the sides of our buses.

The second action item is to utilize the advertising sales services agreement with OUTFRONT Media through June of 2023. WE have an active agreement with OUTFRONT Media through that time and that will allow us to get a program started, to really explore bus advertising on Valley Metro RPTA operated fleet and then in 2022, we can decide with your staff how we want to move forward. We can execute the final three-year option that we have available with OUTFRONT, or we can decide to do a full competitive procurement process and we will talk with your staff about that as we move forward into next year.



And just to -- for full transparency, we are talking with your city staff and will continue to on a couple of additional items. There was conversation at our last meeting about are there any city sign ordinances or policies that prevent us from moving forward and we've talked with your staff that we are clear to move ahead. While some cities do have somewhat strong sign ordinances or policies, none of them prevent us from moving forward. They're usually associated with fixed assets. Obviously, our program is very mobile, and we are talking with your cities about whether or not for those that have circulators whether or not there's interest in including them in the program. So far we've heard from Mesa, related to their BUZZ circulator.

And also, the revenue allocation model. There are a couple options that we as staff have thrown out and, you know, here at Valley Metro, we're pretty indifferent in to how the revenue is allocated. There's an annual revenue mile allocation that we've suggested as well as a regional services allocation as well and we will talk to the staff we have and will continue to talk to the staff about those options through the Financial Working Group. And so far in our discussions, the annual revenue mile allocation which is one that we use for other credits seems to be coming out as a preference but hasn't been determined yet.

And so, with that, I know that was a very quick overview. I'm happy to answer any questions at this point.

Chair Heredia said okay. Thank you, Hillary. Any questions or comments? I see on the chat Tempe has a message from the Councilmember Arredondo-Savage, but if anyone has any questions or comments first or I'll just go through to Tempe's comments from the Councilwoman.

Mr. Methvin said thank you, Chair Heredia. I know it's somewhat unusual for a proxy that's not an elected official to comment so I appreciate the opportunity to read Councilmember Arredondo's comments. She said that Tempe is in support of the annual revenue mile allocation model for allocation. Because the majority of Tempe's service is locally funded, it's important to us that our cost to provide service are offset by this new source of revenue which would help provide some relief to our local transit fund. We believe the revenue mile allocation model is fair and consistent model to distribute revenue across jurisdictions and aligns with the way other revenues and costs are allocated today. Tempe would support a revised approach to advertising to utilize additional space on the vehicles more so in alignment with the model used by the City of Phoenix on their buses in the interest of maximizing potential revenues from the new advertising program.

That's the conclusion of Councilmember Arredondo's comments. Thank you, again, for allowing me to read them.

Chair Heredia said thank you. Any other questions?



Councilmember Pastor said yeah. I think we're limiting our revenue by not expanding the size of -- we're limiting the size of advertisement. As you -- as stated right now, currently, the City of Phoenix wraps their buses and don't limit -- doesn't limit their area. There's certain things that we do due to excessive heat, safety pieces, but we worked all those pieces out and we wrap our windows. So we advertise on, you know, it's a full wrap and very similar to the light rail. So I'm questioning as to why we're not doing that. And we have policy on it. I mean, I can send what we put in.

Chair Heredia said thank you, Councilwoman. Does Hillary or Scott want to answer any of that? I know we have a couple comments.

Ms. Foote said sure. Chair Heredia, Councilmember Pastor, thank you for the question. Yes, we are recommending advertising types that do stay between the wheels and that is because based on several factors. Based on what we heard from this Board and also the Management Committee in past discussions trying to create that balance of concerns related to branding and safety. Also, in consultation with our safety professionals and I know Adrian Ruiz stepped up here to the table if we want to hear her feedback. And so, that is our recommendation from this group.

I'll also say that we did consult with OUTFRONT based on -- I know we were just to -- for full transparency and to understand if we were taking more of the City of Phoenix approach or a less restrictive model what could we generate, and it was a little above a million dollars a year was the estimation and let me couch that a little bit. We have about half the fleet that City of Phoenix does so that number lines up with what the City of Phoenix does generate. The City of Phoenix program generates about \$2 million a year for their bus advertising program so that number lines up with that. And -- but based on the feedback of this Board and also what we see from the industry and what we're learning even on Valley Metro Rail that we really feel strongly that this is a balanced approach and that's why we presented to you as such today.

Chair Heredia said real quick before I know Councilmember Tolmachoff has to leave us here and she had a comment so Councilmember Stipp, I will get back to you, but Councilwoman Tolmachoff.

Councilmember Tolmachoff said thank you. I appreciate you letting me cut in front of Bill. I've got to moderate a session for NLC here in a few minutes. My comment is the slide deck that you presented in the CEO's report showed the holiday bus not between the wheels so I'm just wondering is it just because there's no safety issue when you're doing a holiday wrap? That doesn't generate any revenue, you know, I didn't understand the lack of consistency in what we're being told.

And I'm -- I don't, you know, I'm not aware of any derogatory feedback from the Board about, you know, basically, following the discussions that we've had publicly are that the average person, you know, can't identify who a bus belongs to whether it's a City of Phoenix bus that's fully wrapped or a Valley Metro that's, you know, currently. That's one of the reasons why I think we decided to pursue the advertising is that, you know, people don't really know the difference between whose bus it is. Whether, you know, I



mean, the advertising buses that Phoenix is using come into Glendale and we don't have residents, you know, getting upset saying why are there -- why is there advertising on there? They don't know whose -- who the bus belongs to so people seem to be fine with the advertising.

And my last question if I could is if there are safety issues, I'd like to know, you know, you know, what data there is to support the fact that it's a safety issue to, you know, put more advertising on the bus.

Ms. Foose said Chair Heredia, Councilmember Tolmachoff. We -- you are right. We did show you a bus with a full wrap on it and we will be adjusting that based on this program.

And we do have Adrian Ruiz here who is our Director of Safety and Security and we want -- and I know Scott --

Mr. Smith said yeah and just want to make it clear if you look in the advertising policy, we are not stating that -- that advertising over windows is completely excluded, we are just looking to limit it and not -- and again, I know that other cities including Phoenix do limit the full wraps so it's not a complete exclusion. And as Hillary said, we're also looking at this as a starting place so there is an evolution and we'll try and find where that balance is.

Ms. Foose said right.

Mr. Smith said it's not an all or nothing. We're going to look and see how it works and we'll ease into it so that's why we haven't excluded anything. We've just tried to say where the starting point is and based on feedback and everything, we said we're going to start limited and then we can expand.

But I'll turn it over to Adrian because she gave us input in relation to safety concerns. Adrian is our Director of Safety and Security. As you know, works closely with police and is a retired police lieutenant herself. So Adrian.

Ms. Ruiz said Chair Heredia, members of the Board. I'll preface this with it only has to happen once as a security professional and safety professional from the perspective of security as well as safety meaning intentional acts and unintentional acts covering a window or restricting visibility in or out is never recommended for a public asset.

Considering the fact that police officers responding to an intentional act where they possibly know some details really need to be able to see inside that asset so restricting it to the point that they cannot see inside limits their capability. Also, thinking of acts that we don't know about. We have passenger vehicles as well as peace officers that may be near an asset. A vehicle, a bus or train if they can't see inside there can't be a proactive response meaning that something could be occurring inside the asset that 911



hasn't been alerted to yet. And by being able to see in there may be an opportunity to reduce the severity of injury.

So primarily, the covering of windows or covering of vehicles, public assets in general is never a recommended procedure for security or safety. We do have some -- a couple of incidents that have occurred where our riders inside trains and buses believing they are stopped; they have arrived at their stop meaning they've had a verbal message and the vehicle is stopped not knowing that it's actually at a light. Because they could not see outside the vehicle, they stood up, the vehicle then proceeded forward and they fell. So we have a fall injury as a result. So we really want to limit the -- the visibility restrictions inside and outside the assets as much as possible.

Chair Heredia said okay. I'll pass it over to Councilmember Stipp, your comments.

Councilmember Stipp said thanks, Chair Heredia. I have to echo the comments made by Councilmember Pastor about the consistency issue. And, you know, I think respectfully disagree with both Mr. Smith -- and on the comment that we're not restricting it. The policy says advertising on buses is limited to exterior display. That's limited. There's -- that means there is no other option, so we are limiting it. So I think there's a challenge with saying, well, this is the starting point. I think we can say procedurally or, you know, we're going to start -- we're going to start small and work big, but our policy which we are constantly hit over the head with is -- it is limited to between the wheels so number one.

Number two. Are we saying that the City of Phoenix buses are completely unsafe because they're allowed to be wrapped fully? Are we saying that the light rail trains are completely unsafe because they are fully wrapped? But only the Valley Metro buses are going to be partially wrapped. I mean, the inconsistency here is really kind of disturbing. And then, you know, we talk about in the advertising standards, the policy says, Valley Metro RPTA is and will continue to be consistent with the Valley Metro Rail and City of Phoenix. We are not consistent when we put -- when two paragraphs or three paragraphs before that we put in a limiting factor. I'm not -- I'm not a, you know, thinking that this revenue is going to save the day, but the resistance that we're getting from the Valley Metro staff on this issue over time is quite honestly a little disturbing. I really think we need to -- if we need to do, we need to do the exact same for the rail and we need to do the same thing for the bus, and it needs to be consistent throughout the entire Valley. And if all of the buses are wrapped, all of the buses are wrapped. If there's a safety issue, then I think there's needs to be higher coordination with the City of Phoenix and what they're doing on their buses.

This is not a -- I believe in my travel into other major metropolitan areas the expectation is that there is advertising on public transit apparatus. I don't -- I've never been to anywhere that doesn't have any.

And I -- I, again, I went back to what started this was were missing an opportunity and I agree with Councilmember Arredondo-Savage about how we distribute this -- these



funding. The City of Goodyear is going to get very little benefit from this, but I believe regionally, the entire system will benefit from the increased revenue which I understand is anywhere between the 600,000 that we've been told and up to 1.6 million depending on how we wrap it. And that information hasn't been provided to us. We got one opportunity or I'm sorry -- one revenue estimate and it was at the 600,000. I asked at the -- at the AFS meeting to see all of the options that we were presented as an organization and that was completely ignored during this presentation so obviously, I'm a little hot about that.

But on this particular issue, I hope we move forward. We -- if we're going to make a change, we have to change the policy that was presented because right now, we're limiting it to just between the wheels. And with that, I'm done.

Chair Heredia said thank you, Councilmember.

Mr. Smith said yeah. I would like to address. Thank you, Councilmember Stipp, and I would like to respectfully disagree with your respectful disagreement. If you read the vehicle advertising, we -- the -- what you're talking about is the advertising on buses is limited to exterior display. That just means that this policy only covers advertising on the exterior of the bus and does not limit the advertising. A little bit below that we talk about how products that cover the windows can only be placed on up to 25% so we don't exclude window coverings. We're trying to limit those as a beginning point to see how it works so window coverings are not excluded and if I -- I may be wrong, but I don't think that City of Phoenix puts wraps on every one of their vehicles. But we use this as a starting point.

Part of the reason for our concern and if we had to start over again on Valley Metro Rail, we would revisit our complete wrap because we have had incidences and issues and legal as Adrian brought up where the wraps over the windows have created safety issues. Those are real. I can't speak for the City of Phoenix. They can make their own decisions and I respect those decisions. We are just trying to say if we -- if we had to start from scratch which we are, what would we in our professional experience and what we've looked at, what would we propose? And that's what we're proposing. We're not trying to bias anything or move toward it.

As far as your last comment, I do believe that Hillary did state that UPFRONT did give us an updated revenue number and she said that if the full program were implemented, the revenue projection would be just slightly over \$1 million. She did state that in her presentation. And so that's -- we start from if we -- if we went \$600,000 to \$800,000. If we adopted, let's say, the Phoenix full blown, all over, UPFRONT in their professional opinion believes that it could generate up to -- upwards to maybe 200,000 to 300,000 in additional revenue.

So I -- I am -- I tell you that we have tried to from our professional background, tried to give the Board what we believe is a balanced approach based on things that we have learned and based on things that we have studied. We are certainly not trying to sway



one way or another. We are indifferent, but we believe these suggestions are based on those -- on those -- the results of that study and obviously, if the Board decides to go a different policy, we will implement whatever policy the Board decides absolutely to the best of our ability.

So I did have to add that to that.

Chair Heredia said all right. Thank you, Mr. Smith. I think Councilmember Jeff Brown --

Mr. Smith said oh, and if I could, once again, I don't believe that 1.6 million has ever been put out. City of Phoenix generates around \$2 million. They have confirmed that and with a bus fleet that is half of what City of Phoenix is, we believe that the million dollar that -- for the full blown that OUTFRONT has given us is reasonable based on the size of the fleets and the coverage of the fleets.

Chair Heredia said thank you, Mr. Smith. Jeff Brown.

Councilmember Brown said thank you. I will state that I too read the report as Mr. Smith just did in the allowance about the 25% window coverage and I think that's a very reasonable and deliberative moderate stance. Policy, of course, can be changed later. This would have my support today as is proposed and if we want to look at it in a year to see if at that point, people want to do more coverage of the windows then so be it because policies can be changed. I know it was said that maybe people feel as though they get hit over the head with policy. Well, then you change that policy. I don't think there's any reason for any of us to be hot about this. Let's move forward. Let's take the very moderate, reasonable approach and revisit it later if that is the wish of the Board a year from now. Thank you.

Chair Heredia said all right. Thank you, Mr. Brown. Any other comments or question?

Ms. Dillon said Chair, it looks like Councilmember Pastor has a comment and/or question.

Councilmember Pastor said yeah. I would like to ask Adrian if she worked with the City of Phoenix and our safety or police officers in seeing if our wraps were unsafe and at what degree were they unsafe and what information and documentation is available for us to make a decision on that?

Ms. Ruiz said Chair Heredia, members of the Board. I would be happy to provide that. I can speak, specifically, from my own experience since 2006, 2007 when I was with Phoenix PD and in the position as the lieutenant for the growing police transit bureau or transit enforcement unit. As we had these discussions back then and it was my position as a law enforcement professional that windows should not be covered to the extent that they're reducing the visibility in or out to a degree over the -- at least the 25% currently that we have for the reason I stated initially.



The only has to happen once statement is what I led with. For the purpose of data-wise, I'd be happy to ask PD for any data they've had especially in Phoenix since they are dedicated in Phoenix for bus and transit. If they've had any specific incidences or experiences where they could not see inside a bus when they were responding to it. If they haven't, I would then default back to my original statement of it only has to happen once.

So from, again, from a safety and security professional, it has always been my stance that covering windows to the detail that you limit the visibility in or out to a heavy degree, it's restricted is never a positive outcome for a responding officer or security or even from a proactive stance with folks who are in traffic every day and may happen to see something occurring inside a bus and be able to actually intervene or call 911 and help out. From the position inside, our riders need to be able to see outside as well and I think this -- this presentation here was, again, not -- not intended to completely block the windows or visibility, but to look at it from a small perspective of there is the ability to have it 25% or no more than that, but really we want to be careful and cautious in limiting visibility in or out of our public assets.

Councilmember Pastor said thank you for that comment. Just because of the -- I feel uncomfortable in taking a vote today and the -- and I'll explain why. Just because of this dialogue that we just had, I want to understand, I want to take the time to be able to understand the difference between -- now that there's -- I'm hearing there's possible safety issues and Phoenix buses are unsafe. I want to take the time at least and table this until the next meeting so that I can bring Valley Metro and the City of Phoenix and our safety department and everybody to say this is what I heard at this meeting. We need to be consistent because we are a regional transit system. It doesn't matter if there taking a bus from Tempe all the way to Glendale, they don't know that that's Tempe bus, that's a Phoenix bus and that's a Glendale bus. All they know is it's a bus and they need -- I feel like there needs to be consistency across the board. So I don't know how to do that in making a motion to continue this item or I guess, make a motion.

Chair Heredia said yeah. Thank you, Councilwoman. There's a couple other comments from other members. Mayor Peterson.

Mayor Peterson said I just wanted to -- and I agree I think there might be still a few outstanding questions and comments that need to be covered before we move on with this. My question is -- and I apologize if I missed it in the presentation. When and how would we be getting reporting back on this? And can someone explain -- I love the fact that Valley Metro is running this program and that cities and towns will gain some revenue from it. What does Valley Metro gain from this too? Because I'm afraid that the program is going to get much bigger and that's going to entail more staff and how do we make sure that we have the funds available to pay for that staff? So I guess, that's a couple questions wrapped up in there, please.

Mr. Smith said thank you, Mayor Peterson and Chair Heredia, members of the Board. I'll try and answer that. This is one area that we worked closely with City of Phoenix in



trying to understand the type of oversight that is required for this program. It will take staff oversight. I think when we look at these -- both on our side and also from our contractor. We do not have an actual number yet back from the contractor because part of it was trying to decide what the extent of the program would be as far as what they would need to do. I'm assuming that that -- there would be a cost related to that and there would also be a cost related to whatever we would need to do.

When we talk about the revenue numbers, those are gross revenue numbers to us. Any additional costs that would be incurred by us or the contractor would be covered by those so, you know, whether that's \$5 or \$200,000, you can take those revenue estimates 600,000 to 800,000 or a million if we were to go full bore on this and deduct whatever costs would be incurred by both Valley Metro and the contractor. Our rough estimates and I don't even know if I want to throw a number out, but it's going to be -- it will be, you know, substantial, but not huge. But the net net of that number would then be the number that would be available to be distributed out or credited out to the cities through that revenue miles. So when we look at these numbers, whether it be 600 or a million dollars, the net number that would be available is less than that because we would have to, of course, have the program pay for itself and then those numbers would be spread out after that.

Chair Heredia said so would -- I think -- so what we're hearing from the Board I think the overall advertising, we want to see advertising on light rail and Valley Metro buses; right? I think so could we have a compromise here where we maybe move and maybe recommend what we have today and discuss further what -- if it's 25% or if it's full wrap on a -- on a -- on our next agenda early next year, but I think, you know, I think staff has worked and per Board's direction to try to get this going. And I think we would like to see something going and set up the groundwork, but could we maybe vote today on these items so that staff can move forward as far as questions around what's -- how much do we wrap. I think -- and what's that information and tell how much revenue we're going to have and what's the safety implications that we can discuss in our next meeting. Is that a compromise that folks we can have today so that staff can move forward with this and maybe we can vote and tweak in the next agenda. Does that sound okay?

Unidentified Speaker said Chair, I can support it.

Chair Heredia said okay. So I'll request a motion and a second -- so we have two items here. One on the policy and then the -- the advertising sales service with OUTFRONT. So we'll do the 3A, the policy, so request a motion and a second and I -- to discuss maybe to bring it back -- I don't know what the phrasing we should have, Mr. Minnaugh or somebody at Valley Metro could you all help us on the language there of what we can come back and discuss with more information on what we end up as far as the additional information on the policy as far as the coverage of it.

Mr. Smith said Chair Heredia, this is Scott. If I could offer a suggestion, I mean, in a lot of ways, the market is going to determine what we can and can't sell. What I might



suggest if you're doing it is we start this and get OUTFRONT out there to start seeing what the market is and start selling ads. We'll start putting them on. As we've said, this policy doesn't preclude window wraps. That was sort of our compromise with our safety people is we didn't want to totally preclude it, but we didn't want to go all in and so, we arrived at that 25% thinking that was sort of a compromise of the compromise. And what we would do is even on a monthly or quarterly basis, we can report back to you basically, what ads OUTFRONT is able to sell and what the implication is and we can also report to you how we are as it relates to the 25% full wrap. We may never reach that if we can't sell those. If we can, we would be more than happy to report the activity on both the revenue and sales and where we are. And if we -- if we find that 100% of the potential is to -- is to have a full wrap, we can come back to you and say here's what's going on and then we can adjust the policy to meet what the market is. If that's what you would like, and we can do that as monthly or quarterly or bi-monthly however often you would like.

Councilmember Stipp said Chair Heredia, this is Bill.

Chair Heredia said Councilmember Stipp.

Councilmember Stipp said okay. What I'd like to -- I think you have to do this in two different motions, obviously, not an attorney, but I think this is two motions. So the first motion would be to have the -- have the Board of Directors amend the RPTA's no advertising policy and that policy be brought back to the Board in January for final review. That way we amend the policy that says no advertising and we get it finalized in January after all these get done. So staff can get started. We know nothing's going to happen during December anyway so. But at least we get -- we at least get the no advertising policy rescinded which --

Chair Heredia said so that's your motion, Councilmember?

Councilmember Stipp said rescind the no advertising policy and bring the formal policy back to the Board in January for final approval.

Motion by Councilmember Stipp, second by Mayor Peterson.

Councilmember Brown said I have an alternate motion.

Chair Heredia said go ahead, Councilmember.

Councilmember Brown said I would move that Board of Directors amend the no advertising policy to adopt the proposed Valley Metro RPTA advertising policy as per the published documents of today and the Chair's commitment to quarterly reporting.

Mayor Peterson said I'll amend my second to that motion. Is that legal, Mike Minnaugh?

Chair Heredia said okay. So --



Mr. Minnaugh said Chair Heredia, there –

Chair Heredia said Mr. Minnaugh, how do we handle these dual motions here?

Mr. Minnaugh said Chair Heredia, there is a motion on the floor that was made by Councilmember Stipp. That is the –

Chair Heredia said that is the first one.

Mr. Minnaugh said yes, that is the motion that is –

Ms. Dillon said so -- I'm sorry, Mike. Mayor Peterson rescinded her second to that motion and moved it to the motion from Councilmember Brown. So the first motion would die with the lack of a second.

Councilmember Pastor said I have a second for the first motion.

Ms. Dillon said okay. So the first motion is -- the motion on the floor is made by Councilmember Stipp and seconded by Councilmember Pastor. Is that correct?

Councilmember Pastor said correct.

Chair Heredia said okay. So do we vote for that motion first, right?

Ms. Dillon said yes.

Chair Heredia said all right. Ms. Dillon, do you mind taking the roll call?

Unidentified Speaker said point of order. Which motion are we taking a vote on?

Ms. Dillon said okay. So we need to take the second motion first. That was by Councilmember Brown and Mayor Peterson because the rescindment of the second by Mayor Peterson. So the second now becomes the first motion that we will take.

Unidentified Speaker said thank you.

Ms. Dillon said this motion that you're voting on is to amend the no advertising policy and adopt the proposed as published and request that the Chair of the RPTA Board commit to quarterly reporting on this item.

Vice Mayor Malone - no
Councilmember Goodman - aye
Mayor Kevin Hartke - I'm a yes
Vice Mayor Dorsey -



Mayor Peterson - yes
Councilmember Tolmachoff has left the meeting
Councilmember Stipp - nay
Councilmember Heredia - yes
Councilmember Pastor - no
Councilmember Brown - yes
Mayor Ortega -
Councilmember Winters - no
Councilmember Gamez -
Mayor Parra - yes
Mayor LeVault - yes

Chair Heredia said Ms. Dillon, do we have enough people?

Ms. Dillon said yes. There are ten Board members responding on the call and I have six yeses and four nos. The motion passes with six. This motion passes and make the second motion not heard.

IT WAS MOVED BY COUNCILMEMBER BROWN, SECONDED BY MAYOR PETERSON AND UNANIMOUSLY CARRIED TO AMEND RPTA'S ADVERTISING POLICY AND ADOPT THE PROPOSED VALLEY METRO RPTA ADVERTISING POLICY WITH RPTA'S CHAIR COMMITMENT TO QUARTERLY REPORTING.

Now, we have the second item on the recommendation, Chair, item B.

Chair Heredia said okay. Item 3B, request a motion and a second to approve the Contract –

Motion by Councilmember Brown, second by Mayor Parra.

Ask Pat to take a quick roll call.

Ms. Dillon said:
Vice Mayor Malone - yes
Councilmember Goodman -
Mayor Kevin Hartke - yes
Vice Mayor Dorsey - Mayor Peterson - yes
Councilmember Tolmachoff -
Councilmember Stipp - yes
Councilmember Heredia - yes
Councilmember Pastor - yes
Councilmember Brown - yes
Mayor Ortega -
Councilmember Winters - yes
Councilmember Gamez -
Mayor Parra - yes



Mayor LeVault – yes

Pat said motion passes, Chair.

Mr. Chair said thank you, Pat. Thank you, everybody.

Chair Heredia said thank you, Ms. Dillon. Thank you, everybody.

Mr. Smith said Chair Heredia, if I could, this is Scott. I'm sorry this issue which I was -- we had obviously no intention of having them be as controversial and we understand there's questions and a bit of confusion out there. We will do our very best to work with the Board and your staff and the Chairs to implement this as transparently, quickly and as -- taking into account all of the comments that are made because there were certainly some legitimate questions and that so, you know, I apologize and want to let you know that we will over communicate how this is implemented and let you know what we're learning and what's going on so we can hopefully answer many of the concerns and the questions or members of the Board.

Chair Heredia said thank you, Scott, for mentioning. Yeah. If we can answer some of the points that were brought up here especially around safety, the costs, the revenue and those items I think those are going to be important aspects on how the success of this program goes on so thank you for those comments.

IT WAS MOVED BY COUNCILMEMBER BROWN, SECONDED BY MAYOR PERRIERA AND UNANIMOUSLY CARRIED TO APPROVE THE CONTRACT UTILIZATION AND AUTHORITY FOR ADVERTISING SALES SERVICE WITH OUTFRONT MEDIA LLC THROUGH JUNE 2023.

4. Report on Current Events and Suggested Future Agenda Items

Chair Heredia said anyone have anything to add on this? Hearing none.

5. Next Meeting

The next Board meeting is scheduled for Thursday, January 20, 2022 at 11:15 a.m. Chair Heredia said thank you, everybody. Sorry for the long meeting here. I think you appreciate you sticking on and those on VMR stick on for a couple more minutes here.

The meeting is adjourned.

With no further discussion the meeting adjourned at 1:22 p.m.



Information Summary

DATE

January 13, 2022

AGENDA ITEM 2B**SUBJECT**

Authorization to Issue a Competitive Solicitation for East Valley Fixed Route Bus Service

PURPOSE

To request Board authorization for the Chief Executive Officer (CEO) to issue a competitive solicitation to perform Fixed Route Bus Service in the East Valley for a 5-Year base period with one 3-Year Option and one 2-Year Option for a total of 10 Years.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to issue a competitive solicitation to perform Fixed Route Bus Service in the East Valley for a 5-Year base period with one 3-Year Option and one 2-Year Option for a total of 10 Years.

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro's current contract for east valley fixed route bus service expires June 30, 2023. The current contractor, First Transit, provides fixed route bus operation for the following:

- Nine (9) Express Routes
- Twenty-One (21) Local Routes
- Eight (8) Circulator Routes

Valley Metro staff is seeking permission to issue a Federally compliant competitive solicitation for a contractor to operate fixed route bus service in the east valley. The contract term will be for a 5-Year base period with one 3-Year option and one 2-Year option for a total of 10 years beginning July 1, 2023. This solicitation will include operating bus routes and maintaining buses owned by Valley Metro and participating member agencies.

The contractor shall be responsible for all facets of provision of services including selection and hiring of personnel qualified for the operation and maintenance of equipment and services.

Staff projects that, pending Board authorization in January 2022, the solicitation and award process will be complete by November 2022 at which time Valley Metro will be seeking Board approval for contract award. This timeline will allow the successful contractor six months to mobilize and transition the current service operation if necessary. Additionally, the timeline will incorporate opportunities for collaboration with



member agencies to develop the scope of work to be reflective of member agency needs. The procurement will include provisions for flexibility and scalability of service to promote the seamless delivery of bus service across jurisdictions, while incorporating any future initiatives of east valley jurisdictions throughout the life of the contract.

COST AND BUDGET

The cost to Valley Metro for the first year of the contract is estimated to be \$76,000,000. For the 5-Year base period the cost is estimated to be \$400,000,000, for the provision of service per the current operating model. Actual costs will be reflective of the actual service purchased under this contract. Funds are accounted for annually in the agency's operating budget.

COMMITTEE PROCESS

RTAG: December 14, 2021 for information

TMC: January 5, 2022 approved

Board of Directors: January 20, 2022 for action

CONTACT

Ray Abraham

Chief Operations Officer

602-652-5054

rabraham@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

January 12, 2022

AGENDA ITEM 2C

SUBJECT

Replacement Vehicles Purchase for Regional Paratransit Service

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to:

- Purchase up to 54 paratransit cutaway vans from Creative Bus Sales under the Arizona Department of Administration (ADOA) Contract CTR054848-1 at combined federal and local cost not to exceed \$4,251,690 for the Valley Metro regional paratransit service.
- Increase the not to exceed amount of \$1,755,286 for the 26 Ford Transit vans approved in March 2021 by \$291,824, due to having to change vehicle chassis as a consequence of unavailability of the Ford Transit chassis.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to purchase up to 54 cutaway vans from Creative Bus Sales under ADOA Contract CTR054848-1 and to increase the contract authorization to complete the purchase of 26 vans approved in March 2021 at combined federal and local cost not to exceed \$4,543,514.

BACKGROUND | DISCUSSION | CONSIDERATION

Since July 2012, Valley Metro has required paratransit contract operators to provide the paratransit fleet. When purchased by the contractor, the amortized cost of the paratransit fleet is included in the contractors per trip rate and paid for entirely by the cities through their paratransit IGAs. In 2018, to reduce paratransit costs, Valley Metro amended its contract for paratransit operations so that Valley Metro took over the replacement of paratransit vehicles. Doing so made the vehicles' purchase eligible for 85% federal funding and shifted the remaining 15% to regional PTF, eliminating the passing through of vehicle costs to the cities and saving an estimated \$6.1 million over the full fleet replacement.

In FY 2021, the first of four anticipated replacement vehicle orders were placed -- Valley Metro purchased 25 Ford Transit vans from Creative Bus Sales. In March 2021, the Board approved the second order of 26 Ford Transit vans, however, due to the impact of the pandemic on manufacturing, the Ford Transit van chassis have not been produced and Create Bus Sales is unable to say when they will be available. As a result, to obtain the vehicles needed to maintain paratransit services, Valley Metro must switch its order to the Ford E-series chassis which is available. This change increases the cost of the order by 17% (\$291,824) resulting in a need to increase to contract authority for the purchase.



The third and fourth vehicle replacement orders were originally planned for FY 2023 and FY 2024, respectively. In September 2020, however, the Board of Directors authorized the CEO to Develop and Issue a Request for Proposals (RFP) for Valley Metro's Operation of Regional Paratransit, incorporating the administration of the RideChoice program. The new contract for the operations and maintenance of the regional paratransit service will start on October 1, 2022. As a result, Valley Metro must move up the purchase of 27 vehicles planned for FY 2024 to FY 2023 to ensure the vehicles are available for use by the new contractor.

As vehicle replacement costs are no longer included in the cities' IGAs, accelerating the fourth vehicle replacement purchase does not increase the costs paid by the cities.

This purchase will utilize the state of Arizona's competitively procured cooperative contract for Starcraft cutaway vans. The state's contract was procured for the purchase of large quantities of vehicles, and therefore provides more competitive pricing than Valley Metro could secure on its own. For the 54 replacement vehicles to be delivered before October 2022, they must be ordered in the current fiscal year due to the build time for the vehicles. They will be paid for upon their delivery in FY 2023.

COST AND BUDGET

For the Fiscal Year 2022, the RPTA contract obligation is approximately \$2,047,110, which is included in the adopted RPTA FY22 Operating and Capital Budget. Contract Obligations beyond FY22 will be incorporated into the Valley Metro Five-Year Operating Forecast and Capital Program (FY2023 thru FY2027). The source of funding is Federal and Prop 400.

COMMITTEE PROCESS

RTAG: December 14, 2021 for information

TMC: January 5, 2022 approved

Board of Directors: January 20, 2022 for action

CONTACT

Tom Young

Accessible Transit Services Manager

tyoung@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

January 12, 2022

AGENDA ITEM 2D**SUBJECT**

Recommended April 2022 Transit Service Changes

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to amend member agency Fiscal Year 2022 (FY22) Intergovernmental Agreements (IGAs) as necessary, and to execute change orders to the First Transit and Total Transit fixed route contracts to accommodate the recommended April 2022 service changes.

RECOMMENDATION

Staff recommends that the Board of Directors authorization for the CEO to amend member agency FY22 IGAs as necessary, and to execute change orders to the First Transit and Total Transit fixed route contracts to accommodate the recommended April 2022 service changes.

BACKGROUND | DISCUSSION | CONSIDERATION

Effective April 25, 2022 Valley Metro transit service changes are recommended throughout the region. Changes were coordinated and analyzed through the five-year Short Range Transit Program as well as the Board adopted Transit Standards and Performance Measures. In addition, the fixed route service changes were proposed and reviewed in coordination with the Valley Metro Service Planning Working Group, comprising representatives from Valley Metro member agencies. Valley Metro also worked with each affected member agency regarding the proposed changes and funding impacts prior to arriving at recommendations. Extensive public outreach was also conducted.

This summary includes recommended bus service changes for Valley Metro-operated services and routes, and routes funded through the regional Public Transportation Fund (PTF). Changes that only affect locally funded service operated by other agencies (e.g. Phoenix) are not addressed herein. Overall, the recommended changes include fixed route service improvement and routing modifications.

Recommended Route and Schedule Changes:

- Avondale—ZOOM Circulator: In Avondale, change routing near Thomas and 111th Ave.; change timepoint and layover locations to operate more efficiently.



- Route 128—Stapley Dr: Expand weekday service span to 5AM-10PM. Improve Saturday and Sunday service span to 6AM-9PM and increase frequency to 30 minutes.

Public Outreach

An extensive public outreach was conducted from November 8 through December 10, via online comment, email, social media and a remote public hearing via webinar. The outreach covered all proposed service changes regardless of funding source or operator.

- **Input Opportunities:**
 - Virtual public hearing conducted on November 16, 2021
 - Online comment card
 - Via email at input@valleymetro.org
 - Social media
- **Communication Channels:**
 - Six advertisements were placed in the *Arizona Republic* (2), *East Valley Tribune*, *La Prensa Hispana*, *La Voz* and *Arizona Informant*. They included information regarding the proposed route changes, public comment period and public hearing.
 - Transit vehicle announcements (Route Scout)
 - A-frame signage at key transit locations
 - Email notices to riders and Trip Reduction Program employers
 - Press release resulting in news coverage
 - Social media posts
 - Website ([valleymetro.org/service changes](http://valleymetro.org/service-changes))
 - Internal communication to staff and contractors

COST AND BUDGET

Items here include only service changes for Valley Metro-operated services and routes, and routes funded through the regional Public Transportation Fund (PTF). Costs for changes that do not impact Valley Metro-operated routes and routes not funded through PTF are excluded from this memorandum.

Contract adjustments for minor bus service changes that do not require an amendment to the IGAs will be made through the year-end reconciliation process. For paratransit changes, the budget impact will be determined during the IGA reconciliation process and the contractor change order.

**COMMITTEE PROCESS**

RTAG: December 14, 2021 for information

TMC: January 5, 2022 approved

Board of Directors: January 20, 2022 for action

CONTACT

Jim Hillyard

Chief Administrative Officer

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ATTACHMENT

None



Information Summary

DATE

January 12, 2022

AGENDA ITEM 3**SUBJECT**

Report on Current Events and Suggested Future Agenda Items

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

STRATEGIC PLAN ALIGNMENT

None

COMMITTEE PROCESS

None

CONTACT

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

January 12, 2022

Valley Metro Rail
Thursday, January 20, 2022
Boardroom/Webex
Valley Metro, 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 November 18, 2021 RPTA meeting are presented for approval.

2B. Small Business Financial Assistance Program Administrator Contract Extension

2B. For action

Staff recommends the Board of Directors authorize the CEO to execute the three-year contract extension with Prestamos CDFI for administration of the Small Business Financial Assistance Program in an amount not to exceed \$435,000 (\$145,000 per year for three years).

2C. Tempe Streetcar Construction Manager at Risk Contract Authority

2C. For action

Staff recommends the Board of Directors authorize the CEO to provide additional contract authority for the Tempe Streetcar CMAR contract with SWI for an amount not to exceed \$7,150,000 to complete construction of the Tempe Streetcar Project.



REGULAR AGENDA

3. I-10 West Extension – Amended Locally Preferred Alternative and Transit Type 3. For action

Staff recommends the Board of Directors approval of the extension to Desert Sky Transit Center (**Attachment A**) and reaffirm light rail as the transit type for the 10WEST amended Locally Preferred Alternative.

4. Valley Metro Rail Fiscal Year 2022 (FY22) Mid-Year Budget Adjustment 4. For action

Staff recommends the Board of Directors authorization for the Mid-Year Budget Adjustment update to the Valley Metro Rail Operating and Capital Budget for FY22.

Supporting information will be sent under separate cover.

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

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

6. Next Meeting 6. For information

The next meeting of the Board is scheduled for **Thursday, February 17, 2022 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

January 12, 2022

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
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ssmith@valleymetro.org

ATTACHMENT

None



Minutes

January 12, 2022

AGENDA ITEM 2A

Board of Directors

November 18, 2021

Boardroom/Webex

11:15 a.m.

Valley Metro Rail Participants

Councilmember Francisco Heredia, City of Mesa **Chair** (phone)

Steven Methvin for Councilmember Robin Arredondo-Savage, City of Tempe – **Vice Chair** (phone)

Councilmember Laura Pastor, City of Phoenix (phone)

Mayor Kevin Hartke, City of Chandler (phone)

Chair Heredia called the meeting to order at 12:05 p.m. welcomed members to the Valley Metro Rail meeting.

1. Public Comment

Chair Heredia said anyone from the public here to comment here. This is the time. Ms. Dillon?

Ms. Dillon said yes, Chair, we have a couple of people who would like to provide comment today. Blue Crowley is at the podium.

Chair Heredia said you've got three minutes, Blue.

Mr. Crowley said you got it. The incident table on the current quarter of the Valley Metro Light Rail document it has in here all the major events as, you know, the crimes that have been committed on the rail and one of the situations here is Code of Conduct and that's the major ones. Do you know what the Code of Conduct stuff is? I don't have the document here, but you can be cited for dawdling at the 19th and Dunlap station because it's -- the way you've made it is if you use the rail, you get to the station, you leave. You don't stay here. You don't check the yard out. You have to go. Another one. You have your radio on. I was talking to one of the staff of Tempe one day and pointed that out to them that you can't have your radio on if anybody can hear your radio, it's a citation of Code of Conduct.

I find them not to be what they should be, but when you list that there are 300 and some and then you list where they are could you also break it down on what they did? Because it's a big number and I'm glad that you get it done, but what can I say? Also, on that document of what's currently happening with Prop 400, I also asked to find out what was cut back from the rail, et cetera. Well, you say there's a \$2 billion shortfall then \$900 million of that would have been rail. Where are the \$900 million in cutbacks. And then when you say on the back of the document that these are not funded, but you're still progressing with them. A not funded bus route is what? Not done.



So when I see what you put out here, I find it to be smoke and mirrors and not what it should be that when you're talking about how well your security people are doing, like I said, that 300 number of Code of Conduct, could you break it down on each one of the violations. Because if somebody was dawdling at the 19th and Dunlap station and it's a Code of Conduct violation and that's the major area, you know, at the end of the line, what use are you?

I had a friend that you guys assaulted. He was sent to jail because they said he had assaulted them. What it was was he went to hand the card to them, it fell to the ground, he put his foot on it at the same time and you guys had him arrested for assaulting a police officer. Your Allied Burton aren't police officers, they're just wannabes just like yourself used to be.

Chair Heredia said okay. Mr. Crowley, thank you and just want to reiterate, try to be respectful with our comments here. Appreciate your comments, but let's try to be respectful.

Chair Heredia said Ms. Dillon, who else do we have?

Ms. Dillon said Trent Collicott.

Mr. Collicott said good afternoon, Board. Thank you for your time. My name is Trent Collicott. I'm the General Manager of the Residence Inn and Courtyard Marriott just down the street actually. I come to you to respectfully lodge some comments. You know, the pandemic in the hotel business really shutdown a lot of our revenue for the last year, year and a half and as we try to be a good neighbor to the light rail construction that's going on virtually right outside our front door and down the street, you know, I want to make sure that we continue to collaborate well and have an understanding that works for both parties. You know, as an entity, our ownership and myself supported publicly the light rail extension, voted thus for anyone who was local that could vote on it did. So you know, my comments are coming from a place from someone who is in support of the light rail extension.

What I would like the Board to recognize, however is that there's some scheduled work that's soon to be happening on the line, saw cutting on 1st Avenue and also on Central less than a half a block away from our properties that is scheduled to take place in the middle of the night. I understand that it's difficult to sawcut a track, you know, obviously, when trains are in -- needing that track during the day, but, you know, if we can find a way to -- find a resolution that's beneficial to both parties. If we could not have it happen at 2:00 in the morning. If we could, you know, if there's a ways to extend out the timeline of the work to have less of a hindrance of the overnight hours, I would respectfully request that.

The whole process really felt like it was kind of snuck in in the middle of the night. I received an email on October 30th which is a Saturday indicating that that work was scheduled to begin on Sunday, the night of the 31st, so I got zero days' notice that it



was happening. It didn't start when they said it was going to thankfully, so we did have an opportunity such as this to voice our concerns to you all.

So, you know, if we're going to have a collaborative relationship supporting each other and, you know, supporting the light rail, supporting our business, it would just be nice to have a relationship that doesn't feel like I'm not an equal partner or that, you know, I'm not beneficial to what's happening so thank you for your time.

Chair Heredia said thank you. Ms. Dillon, did say we someone else?

Ms. Dillon said yes. Billy Shields.

Chair Heredia said all right. Mr. Shields.

Mr. Shields said thank you, Chair Heredia and members of the Board. Look, I'm an investment partner with the Marriott Residence Inn that Trent is the General Manager of and as well as the Sing High building on 27 West Madison. For over ten years, I've served on the Board of the Downtown Partnership and the -- as co-chair of the Phoenix Community Alliance's Central City Planning and Development Committee. In all these roles -- it is in all these roles that I speak for many businesses and property owners in downtown Phoenix. I'm also a member of the North Central CAB, but I'm not here to speak in that role. But I mention it to you to let you know that I'm fully committed to your efforts to complete the rail and keep the businesses and the public safe and operating.

But I'm here to make you aware as Trent pointed out some, but there are a myriad of constant issues that arise for the downtown businesses along the construction route of the light rail. But mainly, the lack of communication, of accurate communications of the construction schedule as it applies to extreme noise and disruptive activities. But also, the lack of cooperation of Kiewit when we express concerns of our business operations. I would say that your contractor has a cavalier attitude to our concerns and I'm not alone in that assessment. I know that there are contract provisions that cause you and the taxpayers to pay the contractor for outreach and coordination activities with the affected businesses. I would say that for several years that was working as well as possible. We worked out many issues with the contractor early on. We were kept apprised of work that would disrupt our businesses and when we expressed concerns, staff worked with us as well as they could and this all came to an abrupt end last summer.

And after somehow surviving the pandemic shutdown, the businesses that survived are final able to see some daylight. This is a horrible time for Kiewit to change the practice of cooperation and not fulfill their contractual obligations to you the Board. So I ask you what changed? Why did that change? Why does the General Manager of a convention hotel get an email on a Saturday night that very loud and all night saw cutting will commence and last for a month or longer and that work will start the following day and that Kiewit would be kind enough to drop off a box of earplugs for his guests? Is that the business communication and coordination that you're paying them for through the contract? Why does the owner of the Bitter and Twisted Parlour on the hard corner of



the nighttime sawcutting get zero notice? Or the restaurant across the street? Why does the manager of the Palomar Hotel or the 200 apartments above it get 24 hour or no notice? Is that the business outreach that you expect for what you're paying for? The sawcutting as Trent pointed out was delayed after an uproar from stakeholders. And then we were told that it would happen over about a month starting next week.

When some of these businesses, the ones that found out about the saw cutting complained that it was too much, we were met with deaf ears by Kiewit. After such an uproar from business members, the Downtown Phoenix Inc. And Marcus Coleman from the City of Phoenix arranged a meeting last Monday with Kiewit for stakeholders to air their concerns and hopefully, find some resolutions. That meeting further confused us on the schedule, offered no apologies for short notice initially, but more importantly, offered zero intention to rearrange the schedule hours of work with the stakeholders in any way. Much of the meeting was consumed by Kiewit not listening to the issues, but correcting stakeholders on their faulty memories and putting the blame back on the stakeholders. This is a cavalier attitude I spoke of you, once again. Is that the business outreach and coordination that you're paying for in this contract?

The call ended with what I would call a threat. Kiewit managers said, if you work with us, we will work with you. Well, they're not working with us now so the only way one can interpret that is to say if you keep your mouth shut and absorb our damage to your businesses, we will consider working with you in the future. Others took it the same way and again, this is –

Ms. Dillon said Mr. Shields, I'm sorry to have to cut you off, but your time is up.

Mr. Shields said this is unacceptable. I'm asking the Board to investigate this and change back to the practice you're paying for of them communicating and working with the affected businesses. Thank you very much for your time.

Chair Heredia said thank you, Mr. Shields. And unfortunately, we can't comment on this based it's on agenda, but we'll definitely have -- I know in the previous meeting we -- there was talk on this and hopefully, we can have more conversations with staff and Phoenix and other folks involved in this to see what's -- what can be done so thank you.

Mr. Smith said and Chair Heredia, I will commit. I will follow up with both Mr. Collicott and Mr. Shields and with you. I'll report back to you on -- on that follow up.

Chair Heredia said perfect. Thank you.

The following public comment was submitted via email:

To whom it may concern, I'm a business owner with two businesses directly impacted by the current downtown hub operating. Bitter and Twisted sitting at Central and Jefferson that has been open for 7 years and Little Rituals located on the 4th floor of the Marriott courtyard on Central.



Which both operate from early evening into the late evening. And I am also a downtown resident living at cityscape directly above the construction. So I'm very aware of what is going on on a daily basis.

After closing my businesses responsibly during COVID and then reopened when we were allowed to do so to the public. The construction downtown has been 2 ft away from my door ever since. We have managed to navigate this the best we can, while still trying to recover from being closed for over half a year with mounted debt.

So any extended or increased noise outside directly affects my business with guests leaving due to previous work during business hours.

So when the contractors come with no compromise and no thought to the surrounding businesses, it really hurts and it can be very frustrating, when we are just trying to survive with current business levels, reduced tourism and convention business.

All avenues need to be pursued, whether that be prepping equipment off-site or doing as much work as can be during the day, especially now that the weather is very pleasant to reduce the effects of noisy work in the evening.

Needless to say, being surrounded by hotels and residents my like myself that can put up with the noise levels during the day but not so much when we're trying to sleep, with no end insight.

I have literally seen high rises go up in the time it's taken to put this uncompleted light rail station in on Central and Jefferson/ Washington. The time its taken them to get to where they are currently over three/four city blocks. With no word of when we will be returning pedestrians to this small section is a continuous frustration.

We get it. There's a lot of coordinating that needs to go into it, but it just can't be a one-way street with zero compromise when we're talking about people's businesses and livelihoods

Just to add, it was only 2 weeks ago. If they had their way. They would have had one lane on Jefferson and Central on a Friday and Saturday night over the weekend. If I hadn't stepped in and called the light rail representative Julie smith for assistance, which they had fixed. But once again they could have reopened the street by themselves, but they just weren't taking anything other than themselves into consideration and this needs to stop. They have an active duty to look after our interest as much as their own.

Thank you for your time.

Warm Regards,

Ross

🍹 Ross Simon | Drink Better 🍹

Drink Better Cocktails, 1 West Jefferson, Phoenix, 85003 | C: 602-321-0373 | W:
drinkbettercocktails.com | Instagram: drink_better |

2. Consent Agenda

Chair Heredia said the Consent Agenda is presented for action. Any of the Committee members have any questions or comments on the Consent Agenda? We have three items: our Minutes, our 2B Facilities Maintenance Contract Change Order and our Steel Rail Testing Service Contract.

I'll take a motion and a second to approve the Consent Agenda. Motion by Mayor Hartke, second by Mr. Paniagua.

Ask Pat to take a quick roll call.

Ms. Dillon said:
Mayor Kevin Hartke - yes
Councilmember Heredia - yes
Mr. Paniagua - yes
Mr. Methvin – yes

Ms. Dillon said motion passes, Chair.

Mr. Chair said thank you.

IT WAS MOVED BY MAYOR HARTKE, SECOND BY MR. PANIAGUA AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

3. Capitol Extension – Amended Locally Preferred Alternative and Funding Agreement

Mr. Smith said yes, Chair Heredia. I know we've been here a long time. This is a very, very exciting and simple ask. A couple weeks ago, the Phoenix City Council approved the locally approved alternative for the CAPEX project. This is being presented to you also you are required to approve that and also, approve an agreement with the City of Phoenix for planning monies, \$45.3 million, to begin the next stage of planning on this CAPEX Extension. So we strongly suggest you follow the lead and the example of the City of Phoenix Council and approve this. Any questions?

Mayor Hartke said Chair, I make a motion to approve.

Mr. Paniagua said Chair, this is Mario. I would second gladly and just say that we're very excited about moving this forward today. Thank you.



Ms. Dillon said Chair Heredia, would you like me to take a roll vote?
Chair Heredia said yes, sorry, Pat.

Ms. Dillon said that's okay.

Mayor Hartke - yes
Councilmember Heredia - yes
Mr. Paniagua - yes
Mr. Methvin – yes

Pat said motion passes, Chair.

Chair Heredia said perfect. Well, this is a great project. I was on mute. Sorry. Great project for definitely Phoenix, but the region so congrats.

IT WAS MOVED MOTION BY MAYOR HARTKE, SECOND BY MR. PANIAGUA AND UNANIMOUSLY CARRIED TO APPROVE THE 19TH AVENUE OPTION (APPENDIX A) AS THE AMENDED LPA FOR THE CAPEX PROJECT AND AUTHORIZE THE CEO TO ENTER INTO AN AGREEMENT WITH THE CITY OF PHOENIX TO FUND PROJECT ACTIVITIESTHROUGH THE FINAL DESIGN PHASE FOR AN AMOUNT NOT TO EXCEED \$45.3 MILLION.

4. Future Agenda Items Request and Report on Current Events

Chair Heredia said anyone have anything?

Mr. Paniagua said Chair Heredia, this is Mario.

Chair Heredia said all right, Mario.

Mr. Paniagua said yeah. Thank you very much. Just one comment on the last time that kind of relates to future items is would like to request that the outreach plan be presented on the Capital Extension project. We just want to have that presented to the Board (inaudible) future agenda meeting what they outreach plan is going to be.
Chair Heredia said okay.

Mr. Paniagua said and then the only other thing I was going to mention is just to tie back to the speaker comments that we had just a moment ago just to what Councilwoman Pastor mentioned early on just that any -- any communication on that be reported back to the Board as well. Just trying to tie her comments to the comments that were made here about the downtown stakeholders.

Chair Heredia said okay. Sounds good.

Mr. Paniagua said thank you.



5. Next Meeting

The next meeting of the Board of Directors is scheduled for Thursday, January 20, 2022, at 11:15 a.m.

The meeting was adjourned.

With no further discussion the meeting adjourned at 1:38 p.m.

Information Summary

DATE

January 12, 2022

AGENDA ITEM 2B**SUBJECT**

Small Business Financial Assistance Program Administrator Contract Extension

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute the three-year contract extension with Prestamos CDFI for administration of the Small Business Financial Assistance Program in an amount not to exceed \$435,000.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute the three-year contract extension with Prestamos CDFI for administration of the Small Business Financial Assistance Program in an amount not to exceed \$435,000 (\$145,000 per year for three years).

BACKGROUND | DISCUSSION | CONSIDERATION

The Small Business Financial Assistance Program (SBFAP) Pilot has been in operation since the initial contract award with Prestamos in January 2021 and its public launch in mid-March 2021. As of early January 2022, 59 businesses along the light rail construction projects in Phoenix have been awarded over \$333,000 in direct financial assistance through this program and the administration and support of Valley Metro, City of Phoenix and Prestamos staff.

The purpose of this program is to augment Valley Metro's overall Business Assistance (BA) Program to provide direct financial assistance to locally-owned, small businesses immediately adjacent to construction along the South Central Extension/Downtown Hub (SCE/DH) and Northwest Extension Phase II (NWEII) light rail corridors. This program was an outcome of the strong feedback we received from the business community on how our BA Program could better meet their needs. It is a first-of-its-kind program for Valley Metro and City of Phoenix and funded entirely local by Phoenix Transportation 2050 (T2050) and the Phoenix Community Development & Investment Corporation (PCDIC), with a total of \$2.3 million currently allocated to the SBFAP.

In December 2020, Valley Metro issued a request for proposals to identify a program administrator with the expertise, resources and bandwidth to connect and serve the unique needs of the small business communities along these construction corridors. Following an evaluation, Prestamos was awarded a one-year contract, with one, three-year option in January 2021, with the initial base term not exceeding \$145,000. Prestamos is responsible for all facets of program administration, including one-on-one



outreach, application intake and eligibility assessment, funds disbursement, tracking and reporting.

Since program rollout in March 2021, while the total volume of applications is lower than originally anticipated, the amount of time and effort needed to assist businesses through the application process is significantly higher than originally anticipated. For example, Prestamos averages slightly more than eight separate meetings or other “contact” (that is, in person or phone/email visits or conversations) per funded applicant – with 33 businesses requiring 10 or more separate meetings/contacts. Also unanticipated, Prestamos conducts investigation and coordination with business vendors, accountants and banks to assist businesses in providing documentation needed for eligibility. This high level of service is needed to serve the unique needs and characteristics of the business community along these corridors. And this level of service will continue to be needed through the remaining program years.

COST AND BUDGET

The pilot contract for SBFAP administration services, provided by Prestamos, was valued at \$145,000. For the three-year extension, beginning in January 2022, the not-to-exceed amount is \$435,000, contingent upon Phoenix City Council program funding approval anticipated at their February 2, 2022 meeting.

The source of funding is entirely local from the City of Phoenix (T2050 and PCDIC). The administrator fee is part of the overall program budget totalling \$2.3 million that is available across the four-year program. There are no regional Public Transportation Funds nor federal funds being used as part of this program.

This contract extension keeps the program active and available to businesses with Prestamos as the program administrator through 2024, which is the expected completion year of both capital projects, SCE/DH and NWEII.

COMMITTEE PROCESS

RTAG: December 14, 2021 for information

RMC: January 4, 2022 approved

Board of Directors: January 20, 2022 for action

CONTACT

Hillary Foose

Director, Communications & Strategic Initiatives

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hfoose@valleymetro.org

ATTACHMENT

None

Information Summary

DATE

January 13, 2022

AGENDA ITEM 2C**SUBJECT**

Tempe Streetcar Construction Manager at Risk Contract Authority

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to provide additional contract budget authority for the Tempe Streetcar Construction Manager at Risk (CMAR) contract with Stacy & Witbeck, Inc. (SWI) for an amount not to exceed \$7,150,000 to complete construction of the Tempe Streetcar Project.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to provide additional contract authority for the Tempe Streetcar CMAR contract with SWI for an amount not to exceed \$7,150,000 to complete construction of the Tempe Streetcar Project.

BACKGROUND | DISCUSSION | CONSIDERATION

The Tempe Streetcar project is approximately three miles in length extending along Rio Salado Parkway, through a one-way couplet loop in downtown Tempe on Mill and Ash Avenues, then on Mill Avenue south of University Drive, and east on Apache Boulevard to the current Dorsey Lane Light Rail Transit (LRT) station.

The initial contract for SWI to provide pre-construction services was authorized in February 2017. Early construction work packages were subsequently authorized in May 2017, September 2017.

Valley Metro then negotiated a Guaranteed Maximum Price (GMP) with SWI for the remainder of the construction work on the project. This GMP was based on a 90% design. Contract authority for the GMP was authorized by the Board in August 2018.

The project also included Concurrent Non-Project Activities (CNPA) to be funded entirely by the City of Tempe. CNPA work included a roundabout at 1st/Ash/Rio Salado and additional utility work requested by the City of Tempe



Authorizations amounts to date for the SWI contract are summarized below:

Date	Action	Cost	Contingency	Total Authority
Feb 2017	Pre-Construction Services	\$850,000	\$85,000	\$935,000
May 2017	Early Work Package 1 (downtown utility relocations)	\$2,143,920	\$214,392	\$2,358,312
Sep 2017	Early Work Package 2 (rail delivery & utilities relocations)	\$14,996,866	\$1,499,687	\$16,496,553
Aug 2018	CMAR Guaranteed Maximum Price (GMP)	\$86,623,225	\$8,662,323	\$95,285,548
				\$115,075,413

COST AND BUDGET

The initial contingency established for this project has been exhausted due to increased scope added to the project after establishment of the GMP including quantity adjustments associated with the issuance of the final construction drawings, powering of the switches at Dorsey and Apache, additional asphalt restoration work adjacent to the track slab, screen walls around TPSS#1 and 2, unknown utility conflicts, and necessary field adjustments.

This Board authorization request is for additional contract authority necessary to finalize construction change orders, asphalt overlay of adjacent roadways and for costs related to extended overhead for the CMAR due to delays in the delivery of the streetcar vehicles.

Items for Authorization	Cost
Additional Authorization	\$6,500,000
10% Contingency	\$650,000
TOTAL	\$7,150,000

The base amount needed for SWI's construction services and extended overhead is \$6,500,000. An additional 10% contingency, to be held by staff, in the amount of \$650,000 is also needed to address unforeseen changes and circumstances that may arise during construction and project closeout. The additional expenditure authorization requested herein is for \$7,150,000.

The total expenditure authorization requested for the CMAR contract, including previous Board authorizations, will be \$122,225,413.



The Tempe Streetcar project is funded by the Federal Transit Administration (FTA), the City of Tempe, regional Public Transportation Funds (PTF) and private participation. All costs identified herein are within the Tempe Streetcar's project cost forecast, as well as regional PTF funds supplanted by FTA American Rescue Plan Act (ARPA) funds. For FY22, VMR's estimated expenses are \$8,717,764.38. FY 2022 costs are funded within the VMR Adopted FY 2022 Operating and Capital Budget to \$360,000 and will require a mid-year adjustment of \$8,357,764.38. Contract Obligations beyond FY 2022 will be incorporated into the VMR Five-Year Operating Forecast and Capital Program (FY 2023 – FY 2027).

COMMITTEE PROCESS

RTAG: December 14, 2021 for information

TMC/RMC: January 5, 2022 for action

Board of Directors: January 20, 2022 for action

CONTACT

Henry Ikwut-Ukwa

Director, Capital Development

602-322-4420

hukwa@valleymetro.org

ATTACHMENTS

None



Information Summary

DATE

January 12, 2022

AGENDA ITEM 3

SUBJECT

I-10 West Extension – Amended Locally Preferred Alternative and Transit Type

PURPOSE

To request approval of the I-10 West Extension (10WEST) amended locally preferred alternative (LPA) and reaffirm light rail as the project's transit type.

RECOMMENDATION

Staff recommends the Board of Directors approval of the extension to Desert Sky Transit Center (**Attachment A**) and reaffirm light rail as the transit type for the 10WEST amended Locally Preferred Alternative.

BACKGROUND | DISCUSSION | CONSIDERATION

High-capacity transit (HCT) investment from downtown Phoenix into west Phoenix and the west valley along the I-10 West corridor was identified in the adopted 2040 Regional Transportation Plan. In 2012, the Phoenix City Council approved the current LPA as shown in **Attachment B**, extending light rail from downtown Phoenix to the 79th Avenue/I-10 Park-and-Ride (PNR). In 2016, the Council and Valley Metro Rail Board of Directors approved a phased approach to the project; Phase I would connect downtown Phoenix to the State Capitol Complex, and Phase II would extend the system farther west along I-10 to the 79th/I-10 Avenue PNR. In April 2019, City Council directed city and Valley Metro staff to consider other transit modes or solutions to serve the I-10 West corridor and to evaluate extending service to Desert Sky Transit Center. In 2021, Phase I was renamed to the Capitol Extension (or CAPEX) and Phase II was renamed to the I-10 West Extension (or 10WEST).

As part of the analysis of other transit types for 10WEST, staff considered other HCT types for the 10WEST corridor, including Bus Rapid Transit (BRT). Innovative technologies, such as automation and electric vehicle applications were also considered as possible enhancement to these other HCT types.

Staff looked at the following criteria in considering other transit types for 10WEST:

- Community input
- Ridership potential
- Capital and operating cost
- Constructability



- Operational characteristics
- Consistency with local plans
- Economic development

The technical analysis revealed that light rail is still warranted as the transit type for 10WEST. Light rail provides the highest ridership potential of all other HCT types considered, with approximately 50% more riders than BRT. Although more expensive initially, the lifecycle cost of light rail when accounting for all associated costs and total project ridership is comparable with an enhanced BRT project. Since most of the project corridor is not located within a roadway, traditional light rail constructability challenges, such as utility relocations and right of way acquisition are also limited significantly. This should produce cost savings and schedule improvements during construction, and improved travel time and reliability during operations.

Operationally, light rail would seamlessly integrate into the region's HCT system by connecting with the Capitol Extension just west of the State Capitol Complex, providing west Phoenix and west valley riders with a one-seat ride to notable destinations like Phoenix Sky Harbor International Airport and ASU Main Campus, among others. It also would be able to travel approximately 10% faster than other HCT types considered, while providing larger peak rider capacity. Lastly, the community has expressed support for light rail as the transit type for 10WEST, both during the community outreach summarized below and in local plans, such as the Maryvale Village Core Urban Design Plan and the Maryvale Character Area Plan. Both of these documents identify the associated economic development impacts that light rail can have over other HCT types as factors in their support.

Staff looked at the following criteria in considering the extension to Desert Sky Transit Center:

- Logical terminus
- Ridership potential
- Competitiveness for federal funding
- Connections to activity centers and other transit routes
- Consistency with local plans and public input

The technical analysis revealed that extending 10WEST service to Desert Sky Transit Center is warranted. This extended route has the potential of generating 18% more boardings for the project. This extended route will connect two regional activity centers: Ak-Chin Pavilion and Desert Sky Mall, both of which have been identified as community assets in the Maryvale Character Area Plan. This ridership potential is also supported by the proximity of existing and planned multi-family housing and two schools. Desert Sky Transit Center provides connectivity to existing and future transit service, including Routes 29, 75, 83 and 685, the MARY circulator and potential future Phoenix BRT route. Lastly, the community has expressed support for this extended service, both



during the community outreach summarized below and in the Maryvale Village Core Urban Design Plan.

Funding for the 10WEST project is expected to be a mix of local, regional, and federal dollars. Federal funding for fixed-guideway transit projects is generally provided through the Capital Investment Grant (CIG) program, a competitive grant program offered by the Federal Transit Administration. Based on current eligibility criteria and preliminary analysis, the 10WEST project remains competitive for federal funding through the CIG program.

In response to direction from the Phoenix City Council in April 2019, Valley Metro hosted two series of public meetings to engage the community and seek input on the CAPEX and 10WEST projects. Public input during this engagement was requested on three topics: 1) the CAPEX leading alignment option; 2) a potential 10WEST extension to Desert Sky Transit Center; and 3) options for high-capacity, high-frequency transit types in 10WEST.

In January 2020, Valley Metro held three public meetings (two in English and one in Spanish) to provide information and seek input on the project and in particular, a potential extension to Desert Sky Transit Center, phasing options to possibly accelerate completion of the project, and transit type options. Approximately 84 percent of the 183 surveys received favored the extension to Desert Sky Transit Center. Respondents also expressed interest in exploring different transit types.

In May and June of 2020, another phase of public outreach was conducted. Due to the COVID-19 pandemic, an online meeting was made available to the public from May 27, 2020 through June 30, 2020 via the project website. Questions and comments could be submitted at any time during that timeframe and all information was presented in English and Spanish. Additionally, four live (call-in) meetings were conducted (two in English and two in Spanish) on June 16, 2020 and June 20, 2020. In total, the online public meeting website was visited 1,355 times, and 334 people provided feedback, either via general questions or comments and/or through a feedback survey form.

At the May/June 2020 public meeting, Valley Metro provided information regarding a potential extension of 10WEST to Desert Sky Transit Center. In response, 77 percent of the 198 survey respondents felt positive about adding this extension to the project, with 14 percent neutral and 9 percent negative.

The survey also sought input on 10WEST transit type options (light rail compared to an exclusive busway). Of the 149 responses to this question, 75 percent stated they preferred light rail over exclusive busway, with 16 percent preferring the busway and 9 percent with no preference.



The amended LPA and reaffirmation of light rail as the project's transit type as now presented to the Board were approved by Phoenix City Council on November 3, 2021.

COST AND BUDGET

There is no impact to cost and budget.

COMMITTEE PROCESS

RTAG: December 14, 2021 for information

RMC: January 5, 2022 approved

Board of Directors: January 20, 2022 for action

CONTACT

Henry Ikwut-Ukwa

Director, Capital Development

602-322-4420

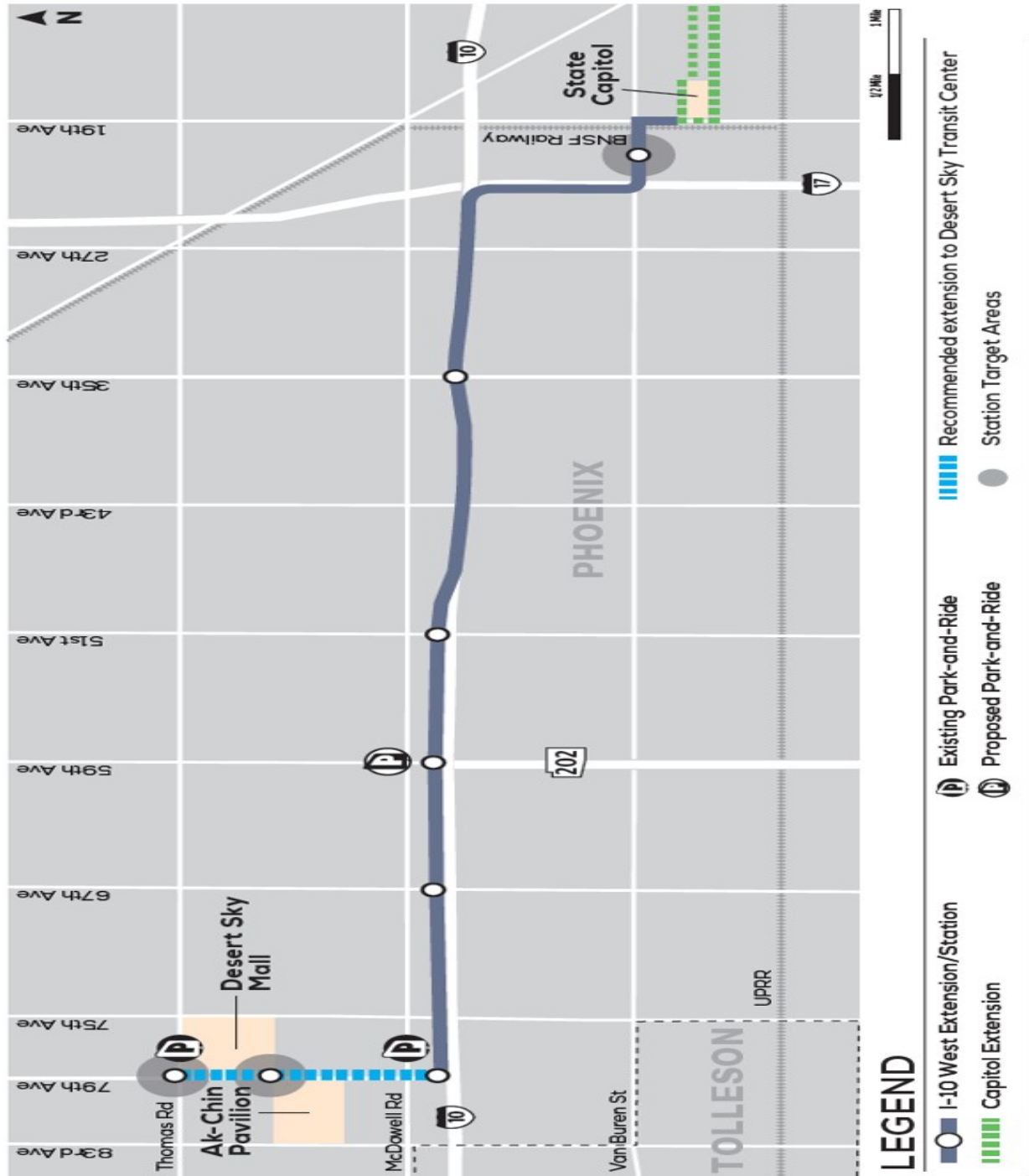
hukwa@valleymetro.org

ATTACHMENT

APPENDIX A: Amended 10WEST LPA Map

APPENDIX B: 2012 LPA Route Map

APPENDIX A Amended 10WEST LPA



APPENDIX B 2012 LPA Route Map



I-10 West Extension (10WEST)

Revised Alignment and Transit Type Recommendation

January 2022



1

Currently Adopted Regional High-capacity Transit



2

2

Project Purpose

- Provide alternatives to congested travel on Interstate 10
- Provide shorter, more reliable travel times
 - Currently, car and transit travel times are slow and unpredictable
 - Cars and Express bus: 40+ minutes in peak periods



3

3

2012 Approved Alignment



4

4

Project Activity



April 2019 Phoenix City Council Directive:

- Develop a **public hearings** schedule to discuss high-capacity transit in West Phoenix
 - Evaluate extending service to **Desert Sky Transit Center**
 - Consider **other transit modes** or commuter transit solutions
- Consider options to **accelerate completion** of the project
 - Examine **funding** for all potential options
 - Engage **other West Valley cities** to develop a regional approach

Activities to
Continue After
Approval of
Route and Mode

5

5

Public Outreach Summary



6

Public Outreach Strategy



7

7

Public and Stakeholder Outreach



• January 2020 Public Meetings:

- January 14, 2020 - Desert West Community Center
- January 15, 2020 - Isaac Middle School
- January 18, 2020 - Neighborhood Ministries



• Information presented and input sought:

- Project history and current status
- Potential extension to Desert Sky Transit Center
- Options to advance completion of project



8

8

Public and Stakeholder Outreach



- **May/June 2020 Public Meetings:**

- May 27 through June 30, 2020 – Website live
- Live call-in sessions (English & Spanish)
 - June 16, 2020
 - June 20, 2020



- **Information presented and input sought on:**

- Project history and current status
- Transit type analysis
- Extension to Desert Sky Transit Center



9

9

Extension to Desert Sky Transit Center



10

Technical Analysis

Access to more potential riders

Estimated 18% more daily riders

Service to Maryvale community

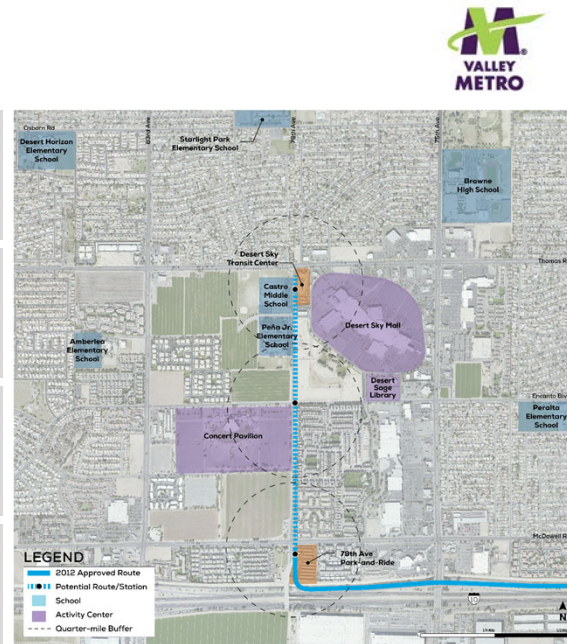
(in *Maryvale Village Core Urban Design Plan*, 2011)

Connection to activity centers

e.g., Desert Sky Mall, Ak-Chin Pavilion and schools, etc.

Connection to transit services

Existing future services, including Phoenix BRT



11

11

Community Input

January 2020



84%

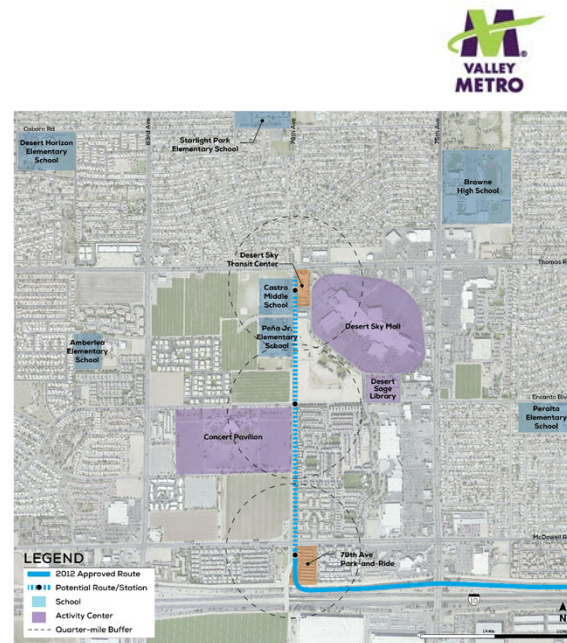
responded to the
specific question in
favor of extension
(183 respondents)

May/June 2020



77%

of respondents
were in favor of
extension
(198 respondents)

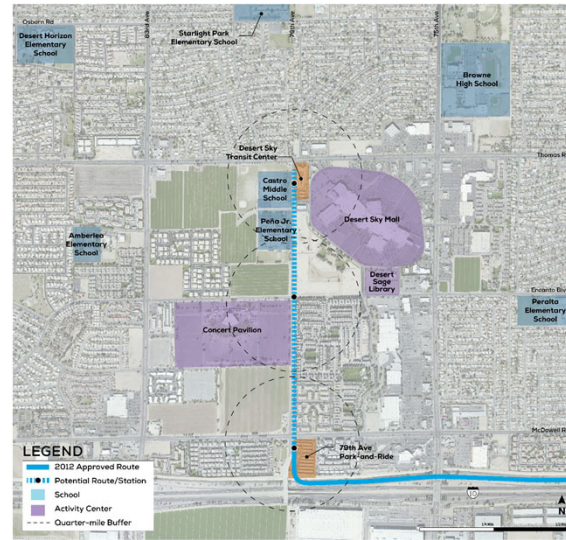


12

12

Recommendation

Based on the technical analysis and community input, the project team recommends extending the alignment to Desert Sky Transit Center.



13

Transit Type Analysis



14

Transit Types Considered in Analysis



Light Rail



Original preferred alternative (2012)

BRT



Exclusive busway for bus rapid transit

15

15

Technical Analysis



Ridership Potential

Light rail has higher ridership (50% more)

Local Plans and Policies

Light rail is consistent with local plans

Capital & Operating Costs

BRT has lower upfront costs

Economic Development

Light rail has higher development potential

Constructability

BRT has fewer construction challenges

Community Input

Community preference for light rail

Operational Characteristics

Light rail integrates into regional system

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Community Input



Do you prefer Light Rail Transit or Exclusive Busway for the Phase II route?

149 people responded.



75%

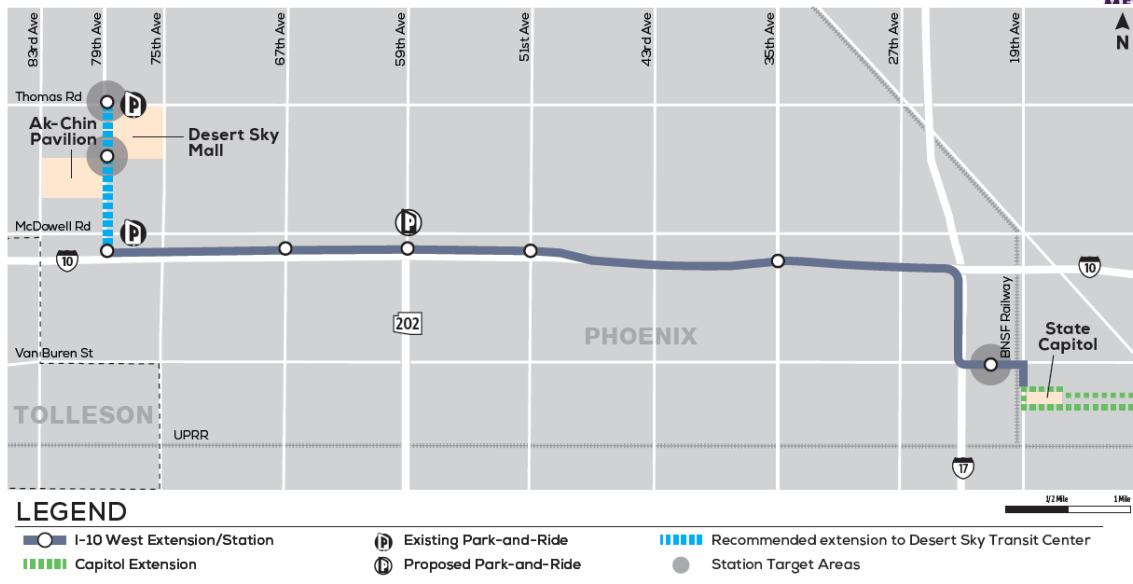
prefer light rail transit over exclusive busway for the Phase II route, 16% prefer exclusive busway, 8% had no preference and 1% prefer neither option.

From May/June 2020 outreach

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Revised Light Rail Alignment



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Recommendation



Staff recommends that the Board of Directors approve the extension to Desert Sky Transit Center and reaffirm light rail as the transit type for the 10WEST amended Locally Preferred Alternative.

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Information Summary

DATE

January 12, 2022

AGENDA ITEM 5**SUBJECT**

Report on Current Events and Suggested Future Agenda Items

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION

None

COMMITTEE ACTION

None

CONTACT

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ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date