



Budget and Finance Subcommittee Meeting Packet

NEXT MEETING OF THE

Budget and Finance Subcommittee

MEETING DATE

October 2, 2008

TIME

11:30 a.m.

LOCATION

Valley Metro RPTA
302 N. 1st Avenue
Suite 700
Phoenix, AZ



October 2, 2008

**Budget and Finance Subcommittee
Valley Metro RPTA
302 N. 1st Avenue, Suite 700
RPTA Administrative Conference Room 7A
Thursday, October 2, 2008
11:30 a.m.**

	<u>Action Recommended</u>
1. <u>Summary Minutes</u> Summary minutes from the June 16, 2008 meeting of the Budget and Finance Subcommittee (BFS) are presented for approval.	1. For action
2. <u>Transit Life Cycle Program Issues</u> Chris Curcio, Deputy Executive Director for Finance, will introduce Paul Hodgins, Senior Management Analyst, who will present the list of 12 issues for which the BFS was asked to provide policy guidance by the Board of Directors.	2. For information and possible action
3. <u>Public Comment</u> An opportunity for general public comment on issues related to Valley Metro RPTA. Up to three (3) minutes will be provided for each speaker.	3. For information
4. <u>Next Meeting and Future Agenda Items</u> Chairman Ecton will request future Budget and Finance Subcommittee agenda items from the committee members. The next meeting is scheduled for Thursday, November 6, 2008 from 11:30 – 2:00 a.m.	4. For information and possible action

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print, audio cassette or computer diskette) are available upon request. For further information, please call Nichole Myers, Valley Metro at 602-262-7433 or TDD at 602-495-0936.

The supporting information for this agenda can now be found on our website at www.ValleyMetro.org.



Regional Public Transportation Authority
302 N. First Avenue, Suite 700, Phoenix, Arizona 85003
602-262-7433, Fax 602-495-0411

Budget and Finance Subcommittee Information Summary

Agenda Item #1

Date

June 17, 2008

Subject

Summary Minutes from the Board Budget and Finance Subcommittee (BFS) Meeting of June 16, 2008.

Summary

The BFS met on June 16, 2008 and the summary minutes are presented for review and approval.

Fiscal Impact

None

Considerations

None

Prior Committee Action

None

Recommendation

Approve the meeting minutes from the June 16, 2008 Budget and Finance Subcommittee meeting.

Contact Person

Christopher F. Curcio
Deputy Executive Director of Finance
602-262-7433

Attachments

Board Budget and Finance Subcommittee Meeting Summary



Regional Public Transportation Authority

302 N. First Avenue, Suite 700, Phoenix, Arizona 85003

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Summary Minutes
Budget and Finance Subcommittee
June 16, 2008
Valley Metro RPTA
Conference Rooms
302 N. 1st Avenue, Suite 700
Phoenix, AZ
2:15 p.m.

Meeting Participants

Councilman Wayne Ecton, City of Scottsdale, Chairman
Councilman Ron Aames, City of Peoria
Councilman Frank Cavalier, City of Goodyear
Councilman Michael Johnson, City of Phoenix

Chairman Ecton called the meeting to order at 2:15 p.m.

1. Summary Minutes

The summary minutes from the May 8, 2008 meeting of the Budget and Finance Subcommittee were presented for approval.

IT WAS MOVED BY COUNCILMAN AAMES, SECONDED BY COUNCILMAN CAVALIER AND UNANIMOUSLY CARRIED TO APPROVE THE MINUTES FROM THE MAY 8, 2008 MEETING.

2. Fiscal Year 2008/09 Proposed Operating and Capital Budget

Chris Curcio, Deputy Executive Director of Finance, introduced Bryan Jungwirth, Chief of Staff, Ed King, Deputy Executive Director of Operations, Carol Ketcherside, Deputy Executive Director of Planning, Penny Lynch, Senior Manager of Management Services, and Mario Diaz, Chief Marketing Officer to answer questions from the Subcommittee regarding 2007/08 and 2008/09 Departmental Goals and Objectives as outlined in the 2008/09 Preliminary Operating and Capital Budget.

Chairman Ecton said he felt more specificity was required for measurable goals. He said originally, it wasn't clear if there were any goals, however after being supplied with the presentation in the meeting materials, he is satisfied that goals have been set but he would like to see the measurability of individual goals expanded.

Councilman Cavalier asked what the difference was between “met,” “ongoing,” and “in process.”

Councilman Johnson said the objectives need to be more goal oriented. He said if the goal says “met,” it can’t also be “ongoing,” or “in process.”

This item was presented for information. No action was taken.

Chris Curcio introduced Mario Diaz who presented a report prepared at the Subcommittee’s request on the Marketing Department’s 2008/09 Budget.

Regional Marketing Budget Overview

- Evolving to Meet Customer Needs
- Service Expansions 2007-2010
- FY 2009 RPTA Marketing Objectives
 - Help develop multi-modal transit products and services to meet the needs of the public
 - Implement communications strategies to promote transit to make it easy for the public to understand the transit system
 - Design and implement regional pricing strategies
 - Design and execute distribution strategies to enable easy access to fare media and transit information
- FY 2008/09 Marketing Budget Overview
- Advertising and Communications
- Bus Book
- ValleyMetro.org
- Printing and Postage
- Transit Education
- Transit Education Results
- Results and Measurement Example “Find Your Match”
- Program Measurements
- Accomplished by Integrated Campaign
- FY 09 Budget Change Summary
- Snapshot of results

Councilman Aames asked if the Trip Reduction Program was funded by a grant. Mr. Diaz said it is.

Councilman Aames commented that it appeared that METRO Light Rail was a recipient of a large amount of RPTA marketing. He asked if any of those monies were reimbursed by METRO.

Mr. Diaz said there was no reimbursement and that the marketing that was done was centered more towards how RPTA connects with the new METRO Rail services.

Chairman Ecton said with the increases in costs, fuel, etc., there needs to be an annual review of fares to stay within the 25% cost recovery established by the Board. He

suggested that perhaps fares be calculated based upon distance traveled instead of a flat rate.

Councilman Johnson asked what advertising communications outlets are.

Mr. Diaz said there is a media plan that determines the outlets. He said if it is general information, not localized, the advertising is placed in The Arizona Republic and on azcentral.com. Additionally, radio ads and television ads play a large part in marketing expenses. If the information is more localized, smaller local papers are utilized for advertising. He said the goal is for the largest broadest reach possible for the dollar invested. He said Valley Metro RPTA's advertising account presents an annual plan on how to most effectively spend the agency's \$200,000 advertising budget.

Councilman Johnson said he would like to see more advertising done in local papers because many people do not have access to the internet, and do not read The Arizona Republic.

Mr. Diaz said when there is new service, local papers are utilized. He said inserts are placed in the papers on a local level relevant to the area served by the route. Councilman Aames asked if the audience is targeted. Mr. Diaz said yes.

Councilman Aames asked what the proportion of Bus Book users vs. web users is.

Mr. Diaz said the majority of the audience does not have access to the web and therefore relies on the Bus Book.

Councilman Johnson asked why there was such a large amount of increases in the number of web views.

Mr. Diaz said that it was a combination of marketing efforts and increased ridership of patrons with internet access due to increased fuel prices.

Councilman Cavalier asked what the Bus Rapid Transit is.

Mr. Diaz described bus routes which do not access the freeway but have fewer stops along the route. He said the new Mesa route will extend service from the Light Rail in downtown Mesa out to Superstition Springs Mall.

Councilman Aames asked how much of the marketing budget increase is related to METRO Rail.

Mr. Diaz said some of it is how the bus service will connect with METRO Rail, but he doesn't have an exact figure readily available. He said he will research that information and get back to the Subcommittee.

Mr. Curcio introduced Mike Taylor, Finance and Budget Manager, who offered to make a presentation on the 2008/09 Operating and Capital Budget if the subcommittee needed an additional presentation.

Chairman Ecton said no presentation was necessary, but he did want to reiterate from the last meeting that he would like to see, possibly by the September Subcommittee meeting, some sort of back up plan should revenues decrease and expenses increase. He would like to see what areas could receive cuts and what those cuts might be.

IT WAS MOVED BY COUNCILMAN CAVALIER, SECONDED BY COUNCELMAN AAMES AND UNANIMOUSLY CARRIED TO FORWARD THE FY 2008/09 OPERATING AND CAPITAL BUDGET TO THE BOARD OF DIRECTORS.

3. Regional Bus Procurement Study

Chris Curcio introduced Jon Medwin, Procurement Manager, who reviewed the Regional Bus Procurement Study.

Chairman Ecton asked who participates in the procurement plan and how many buses are purchased.

Mr. Medwin said RPTA, Phoenix and Tempe participated in the plan and that 548 buses will be purchased over the next five years. RPTA and Tempe have contracted to purchase 379 buses on a joint contract and Phoenix will purchase 169 buses on their own contract.

Councilman Johnson asked if Valley Metro RPTA had already talked to Phoenix and Tempe.

Mr. Medwin said that Tempe participated in a recent Valley Metro RPTA bus RFP and that while Phoenix was invited, it did not want to participate at the present time.

Councilman Johnson suggested that the Regional Bus Procurement Study be tabled because the Board decided the Paratransit plan was the first priority.

Chairman Ecton suggested that there be some conversations between the three entities to explore future possibilities.

Councilman Johnson asked if RPTA currently purchases buses and if there was staff presently in place to utilize regional procurement.

Mr. Jungwirth said there was not a staff at the present time.

It was suggested that staff continue to explore the possibilities of regionalized bus procurement.

4. Public Comment

Marvin Rochelle, Phoenix – I have a question for you if I may. Are you familiar with any of the results on the testing of the new hydrogen buses? There are five that are being tested throughout the United States. Is it plausible to save money?

Mark Schmitt, Phoenix – I was wondering, in terms of the transit education that's being done, can someone answer to what is being done to reach out to the disabled community and educating them about the benefits of using buses or other modes of transportation being offered.

Mr. Jungwirth said that he would review both comments and bring the information back to the Subcommittee at its next meeting.

Mark Schmitt asked if 2008/09 Valley Metro budget information is available to anyone who asks.

Mr. Taylor answered that once the budget is adopted, it is public information.

5. Next Meeting

The next Subcommittee meeting is scheduled for September 4, 2008 at 11:30 a.m.

With no further discussion, the meeting was adjourned at 3:39 p.m.



Budget and Finance Subcommittee Information Summary

Agenda Item #2

Date

September 25, 2008

Subject

Transit Life Cycle Program Issues

Summary

Through the 2008 update of the Transit Life Cycle Program (TLCP) and the FY 2009 Budget process, the Board expressed concerns about the long term assumptions and viability of the transit program. Of particular concern is the rate at which costs have been escalating at a time when revenues are flat or declining. To better prepare for the 2009 TLCP update, Vice-Chair Ecton, acting as Chair of the Budget and Finance Subcommittee, asked staff to develop a list of TLCP issues for the Subcommittee to review in the fall.

A list of 12 issues, or areas of concern, has been developed and is attached. With each area is a background discussion and a general policy question that the Board may be asked to review and decide upon. Some of the issues may be combined during the issue development phase, as many are inter-related. All have some impact on the viability of the TLCP and the delivery of future transit services.

Considerations

These issues were presented to the Board of Directors at their September 18 meeting. The Board directed the subcommittee to take the lead on these issues and make recommendations to the Board as early as December 2008. With guidance from the subcommittee on the proper policy questions to address, staff will develop white papers for each. The subcommittee will also seek input from the various staff committees to ensure that all points of view have been heard.

Some of the issues may need to be resolved prior to the next update of the TLCP and those issues will have a higher priority through the committee process. Others may be delayed and discussed concurrently with the TLCP update. However, all of the issues are important and should be given the full attention of staff committees and Board members alike.

Committee Action Process

Staff committees as needed for input and discussion
Budget and Finance Subcommittee December 4, 2008 for action
Board of Directors December 18, 2008 for action

Recommendation

It is recommended that the Budget and Finance Subcommittee direct staff to develop white papers based on the policy questions developed.

Contact Person

Paul Hodgins
Senior Management Analyst
602-262-4069

Attachments

TLCP Issues and Policy Discussion

TLCP Issues and Policy Discussions

Inflation

Background

Inflation in the TLCP has been assumed at 3% per year over the life of the plan. This was based on historical inflation rates. Generally, in the 20 years preceding the TLCP, the average annual general inflation rate (CPI) was about 3%. Therefore, this was used as the annual average rate moving forward. Given some of the instability in the economy and some of the drastic changes in pricing, especially in energy, and also that the TLCP represents projects of different types (operations and construction), it makes sense to take a closer look at how inflation affects the different types of projects in the TLCP. Inflation rates are especially critical when every route and capital project, with the exception of park and ride lots and transit passenger facilities, is 100% funded by the Public Transportation Fund (PTF).

Staff will take a look at historical rates of inflation using various indexes, such as Consumer Price Index (CPI), Gross Domestic Product (GDP) deflator, and the Producer Price Index (PPI). We will also look at historical experience (especially for contract rates) to see if any particular index mirrors the local experiences. The goal is to find an index, or several indexes, that closely match our experience that can be forecast to better predict future costs. We may end up with a different inflation rate assumption for contract rates than for construction projects or bus purchases.

Policy Issue

The Board may be asked to approve a set of inflation indexes for variables such as labor, fuel and construction materials to use for various programs and projects in the TLCP, rather than a single average inflation rate as used in the current adopted financial model.

Priority

This issue is of importance to the TLCP financial model and should be resolved prior to the next TLCP Update.

Contract Rates

Background

There has been much discussion about the differences in the various contract rates. The Budget and Finance Subcommittee has asked RPTA staff to review and analyze the rates and to make some recommendations regarding how to best address the issue. An audit has been conducted of the various rates and some analysis has been done to better understand what makes up each agency's rate. Based on this analysis, staff may make some recommendations as to how to modify the rate structure to ensure that the rates are comparable.

Policy Issue

The Board may be asked to modify the cost allocation model used by RPTA to charge members (and the PTF) for services, based on the review of the allocation models used in the region, and/or discuss new contracting strategies.

Priority

This issue is of importance to the TLCP financial model and should be resolved prior to the next TLCP Update.

Revenue Shortfalls

Background

FY 2008 has seen a decline in sales tax revenues from the previous year which has not happened in Arizona in decades. During past economic downturns, population growth has been strong enough such that total revenues collected have still increased. This decrease in revenues will have a negative impact on the model. In combination with other decreases in revenues, it is highly likely that the next TLCP update will be as difficult, if not more difficult, than the FY 2008 Update. RPTA staff will need to look more aggressively at existing projects, existing services, and administrative costs and make some recommendations on how to make up the revenue shortfalls to ensure a balanced TLCP.

Policy Issue

The Board may be asked to approve strategies to reduce costs, including considering hiring freezes/other methods in use by member agencies.

As mentioned by the RPTA Executive Director at the September 18, 2008 Board meeting, the Board may also be asked to approve a fare increase to help offset the rising cost of providing service. A fare study currently underway will make a recommendation on whether an increase is warranted.

Priority

This issue is of importance to the TLCP financial model and the RPTA Budget and should be resolved prior to budget approval and the next TLCP Update.

Federal Revenues

Background

Federal revenues are a significant part of funding the capital program and are very uncertain; in fact, 72% of the capital program is premised on federal formula and discretionary funding. The urban area formula funds have been fairly consistent in the past and there is no reason to believe that Congress will greatly reduce or eliminate this program. The discretionary program, however, has been inconsistent in terms of the funds coming back to the Valley. The earmarks depend greatly on support from Arizona's Congressional delegation.

It is likely that the estimates for federal discretionary funds have been overly aggressive in the TLCP financial model. To date, the discretionary grants have not been received at the level that was estimated in the plan. For the next update, it may be prudent to reduce the estimated federal discretionary revenues. At the same time, staff will ensure that the formula program funds are still considered reasonable.

Complicating the discretionary program is the fact that local jurisdictions can also submit projects for discretionary funding which may not be part of the Regional Transportation Plan or the Transit Life Cycle Program. Funding non-RTP projects has the potential to take away from

potential federal funding for RTP projects, which may impact completion of the capital program.

A further complication is that the capital schedule is very aggressive; so much so that in the next five years not all of the projects will receive federal funds. This means that the remaining projects must get a higher percentage of federal funds in order to meet the overall federal participation percentage. After revising, or confirming, the estimates for federal funds, those funds will be allocated to individual projects in the next update. Revised allocations may affect the timing of transit service that directly relies on the availability of the capital investments

Policy Issue

The Board may be asked to approve a reduction in estimated federal revenues in the TLCP financial model. Further, the Board may be asked to consider a new policy regarding which projects should be endorsed by the region and moved forward for consideration by the Arizona Congressional delegation for Federal Transit Administration Section 5309 discretionary funding. The Board may also be asked to direct staff to expand legislative efforts to improve the level of transit funding that flows into the region.

Priority

The issue of estimating federal revenues is of importance to the TLCP financial model and should be resolved prior to the next TLCP Update. The potential new policy regarding regional support for federal discretionary funds is not critical to the update and may be discussed concurrently with or subsequent to the update. However, it is important as the Board will soon consider FY 2010 regional transit federal discretionary funding requests and the reauthorization of the national surface transportation program.

Contingencies

Background

The Board expressed concern about reducing contingencies during the 2008 TLCP Update and expressed a desire that contingencies be restored if and when revenues begin to exceed projections again. Staff will analyze the financial impact to the model of restoring the contingencies to their 2007 levels each year as part of the TLCP Update process.

Policy Issue

The Board may be asked to approve preferred contingency levels for different programs and projects in the TLCP and a plan to restore contingency funds to those preferred levels.

Priority

This issue is of importance to the TLCP financial model; however, resolution is not necessary prior to the next TLCP Update. This issue could be carried forward to next year's TLCP Update.

Financing

Background

The TLCP contains estimates for financing costs as a result of the aggressive schedule for capital projects. Financing cannot be used to pay operating expenses. The current adopted model has approximately \$200 million in financing costs for the bus program and

approximately \$180 million for the rail program. This far exceeds the amount anticipated when the RTP was created (\$500 million was set aside for financing costs for the entire RTP), but the financing is needed in order to meet the schedule in the TLCP. Although RPTA must legally issue the bonds for METRO, the METRO Board of Directors should be consulted for guidance on rail related financing.

In order to decrease the financing costs, changes to the program schedule would need to be made. Options include delaying service implementation which would also result in delaying bus purchases, or delaying or eliminating capital projects. Delaying service implementation would reduce the planned operating expenses leaving more PTF funds each year to be spent on capital, which in turn reduces the need to bond. It also means that expansion bus purchases would be delayed which in turn delays the purchase of their replacements 12 years later. Eventually, some replacements would drop off the plan resulting in decreased costs overall.

Delaying capital projects, such as park-and-ride construction, could come in two forms. First, the actual project could be delayed. This means that passenger facilities needed to support expanded services might not be built and might not be ready when needed. The second is to delay reimbursement to the cities, assuming that the cities are the Lead Agencies on the projects. The cities, then, would bear a carrying cost for building the project on time, while waiting perhaps years for reimbursement. The MAG arterial program, for cities that front the costs and receive delayed reimbursement, allows for interest expenses that accrue to be reimbursable to the cities. A similar policy could be adopted by the RPTA.

Policy Issue

The Board may be asked to consider a new policy that requires a pay-as-you-go strategy to pay for capital projects to minimize or eliminate the need for bond financing. Further, the Board may be asked to consider a new policy that provides greater encouragement for creating joint-use facilities or using other methods to reduce capital costs.

Priority

This issue is of importance to the TLCP financial model and should be resolved prior to the next TLCP Update.

Regional Services

Background

The Regional Services area provides services for the system such as Bus Book production, printing and distribution, Customer Service call center, marketing and some other projects. Historically, the regional services functions were funded by all agencies that funded fixed route bus service. An accounting of how many revenue miles of service was funded by each agency was kept and at the end of each year the costs were allocated and reconciled to the amounts paid (based on budget estimates). Included in the Regional Transportation Plan and Proposition 400 were allowances for the incremental costs for regional services attributed to the increased services in the plan. However, one of the first decisions made during the development of the TLCP was to eliminate this cost allocation method and simply have the PTF fund all of regional services. As a result, any increases in regional services, whether attributable to PTF funded services or not, are paid with PTF. The one exception is the increase in costs attributable to new rail service. METRO will be charged a portion of the

regional services costs based on the increase in staffing required to meet the anticipated call volume.

The TLCP bases its cost estimates on current budget with inflationary increases. There is no provision for additional staff even though there are large increases in service planned in the TLCP, not to mention additional service increases funded wholly by the cities. Staff will estimate the impact of the additional planned services and incorporate additional regional services costs into the TLCP model to better reflect what will happen in the future. This will have a negative impact on the model. If the impact is large, an option may be to revert to the cost allocation methodology of the past and have all agencies share in the costs.

Policy Issue

The Board may be asked to review the current policy that requires the Public Transportation Fund to pay for all regional services, even if increases in those services are a direct result of transit improvements funded wholly by member cities. Staff will present the cost implications of the current policy, given the established plans for increased transit services.

Should the Board change the policy and require cities to pay for a portion of regional services costs, the timing of the policy change should allow for the cities to properly budget the expense and/or should allow for alternatives such as utilizing jurisdictional savings from other RTP projects.

Priority

This issue is of importance to the TLCP financial model and should be resolved prior to the next TLCP Update.

RPTA Office Space

Background

RPTA is at capacity at its downtown Phoenix administrative offices. There was an on-going effort, in cooperation with MAG and METRO, to either construct or purchase a building that would serve as the administrative center for the three regional bodies. RPTA's share of the building's estimated cost was programmed in the TLCP financial model. In July, MAG Regional Council action eliminated the joint office building model and each agency must plan for its own future space needs. Staff will seek Board direction on office space and the TLCP financial model will be updated to reflect those decisions. The committees will be kept informed as this project progresses. Since the current financial picture for the PTF does not support staff expansion, office space needs should be less critical as long as the RPTA has the ability to stay in its current location.

Policy Issue

The Board may be asked to approve a new location for RPTA staff to use for future office space needs.

Priority

This issue is of importance to the TLCP financial model; however, RPTA has the ability to stay in the current space through December 2010. As a result, this issue does not need to be resolved prior to the next TLCP Update. In the interim, staff will remove the costs for the

Regional Office Center and include estimated lease costs instead. The issue of office space will be re-visited during FY 2009-10.

Plan Flexibility

Background

There has been some concern expressed internally and externally that the plan is not flexible. As gas prices have soared, demand for transit services has increased dramatically. For example:

The waiting list for new vanpools is over 40, with 50 vans on order. The TLCP does not have funds to increase the number of vans on order to meet the current waiting list, without accounting for any new requests that may come in during the fiscal year.

Demand for express bus service has increased dramatically, with many trips offering standing room only to the last passengers to board. Demand for fixed route service along many corridors has also grown at a rapid pace, with many routes experiencing overcrowding conditions at least portions of the day. RPTA has been unable to add service where needed to meet the additional demand because the additional trips are not planned for in the TLCP.

These are two current examples. It is not hard to imagine that another 5 to 10 years down the road, development patterns and commuting patterns will be greatly different from what was envisioned in 2002 when the plan was created. There needs to be some flexibility to allow the plan to change as demand changes and to encourage more cost effective methods of providing service. As an example, MAG has already worked with member agencies to make modifications to the Arterial Life Cycle Program to better reflect current conditions.

Policy Issue

The Board may be asked to consider a policy that sets aside resources to allow for some flexibility to adjust services based on demand or cost effectiveness, regardless of the service levels originally contemplated in the RTP. The Board may also be asked to re-examine the projects and schedules outlined in the TLCP to ensure that they continue to meet the needs of the region and the member agencies.

Priority

This issue is not of immediate importance to the TLCP financial model and does not need to be resolved prior to the next TLCP Update; however, the opportunity to demonstrate responsiveness to customer and community needs may never be greater.

Jurisdictional Equity

Background

Jurisdictional equity was a concept used during the creation of the Regional Transportation Plan, which required adoption by the MAG Regional Council and concurrence of the RPTA Board, to attempt to equitably distribute elements of the plan across all jurisdictions. It was intended to encompass all modes in the RTP. As a result, transit projects were allocated to cities during the planning process and a dollar value for the projects was assigned to each city. After the plan was approved and submitted to the Legislature, it was placed on the ballot for

voter approval. The ballot proposition did not discuss jurisdictional equity nor identify the dollar value that each city would receive, but rather focused on the projects that the plan would deliver.

As a result, some agencies that worked on the plan were adamant that they were promised a dollar amount, whereas others felt that the projects promised to voters took precedence. The compromise that was reached was that the priority for the TLCP was to deliver the projects and that the funds would be monitored and that funds would be spent in the cities as nearly as possible to what was promised while still delivering the projects. This compromise can be workable, but it is difficult.

Policy Issue

The Board may be asked to provide guidance on how jurisdictional equity should be considered as changes to the plan are made, either as a result of decreased revenues, changes in demand, or changes in actual costs.

Priority

This issue is not of immediate importance to the TLCP financial model and does not need to be resolved prior to the next TLCP Update.

Lead Agency Commitments

Background

There has been some concern expressed about ensuring that Lead Agencies, other than RPTA, be held accountable for completing projects in a timely manner. Staff is examining existing inter-governmental agreements to ensure that the appropriate language is included that allows RPTA the oversight to ensure that projects are completed. In addition, RPTA has begun a quarterly reporting process for capital projects that will alert staff if any projects appear to be stalled, underfunded, or have any other issues that must be addressed. With the policy change made in 2007 that caps PTF contributions for park and ride lots and transit passenger facilities, the potential for facing these issues is likely to increase.

Policy Issue

The Board may be asked to consider changes in the language included in inter-governmental agreements for TLCP projects. The changes to the language would be to strengthen RPTA's oversight of projects for which RPTA is not the lead agency.

Priority

This issue is not of immediate importance to the TLCP financial model and does not need to be resolved prior to the next TLCP Update.

RPTA Staffing

Background

Prior to 2006, RPTA was funded solely from the Regional Area Road Fund. When Proposition 300 passed in 1985, it allowed for \$5 million to be passed from the fund to RPTA for planning and implementing a regional system. It was intended as a starter to allow RPTA to be established. The \$5 million was inflated each year and is now approximately \$8 million. During the creation of the Regional Transportation Plan, RPTA staff anticipated that the funds

from RARF would continue and that those funds would be sufficient to pay for RPTA's staffing needs to implement the plan. However, the State Legislature subsequently amended the statute to divide the RARF allocation equally between RPTA and MAG and restricted its use to planning and administration of the RTP. The smaller allocation is no longer sufficient to meet RPTA's long term staffing needs.

In order to properly implement and administer the RTP, RPTA needs to increase staffing levels. However, the current economic situation does not support staffing increases, especially considering that projects in the TLCP may change, and member jurisdictions are looking closely at staffing. Increased staffing levels have not been included in the TLCP financial model to date. A staffing plan will be developed and incorporated into the TLCP model in order to assess the impact on the long term finances. This will not mean that new positions will be approved automatically, as Board approval each year is required as part of the budget process.

Policy Issue

The Board may be asked to consider a long range staffing plan. Staff will present the financial implications to the TLCP financial model.

Priority

This issue is not of immediate importance to the TLCP financial model and does not need to be resolved prior to the next TLCP Update.



Regional Public Transportation Authority
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602-262-7433, Fax 602-495-0411

Budget & Finance Subcommittee

Information Summary

Agenda Item #3

Date

September 18, 2008

Subject

Public Comment

Summary

Opportunity for general public comment on issues related to Valley Metro RPTA.

Fiscal Impact

None

Considerations

None

Prior Committee Action

None

Recommendation

No formal action is required

Contact Person

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Deputy Executive Director, Finance
(602) 262-7433

Attachments

None



Regional Public Transportation Authority
302 N. First Avenue, Suite 700, Phoenix, Arizona 85003
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Budget & Finance Subcommittee

Information Summary

Agenda Item #4

Date

October 2, 2008

Subject

Next Meeting and Future Agenda Items.

Summary

Next meeting is scheduled for Thursday, November 6, 2008 at 11:30 a.m. Chairman Ecton will request future Budget & Finance Subcommittee agenda items from the subcommittee members. The Subcommittee may wish to schedule additional meetings to review progress on the TLCP policy issues.

Fiscal Impact

None

Considerations

None

Prior Committee Action

None

Recommendation

No formal action is required

Contact Person

Christopher F. Curcio
Deputy Executive Director, Finance
(602) 262-7433

Attachments

None

