



Board of Directors Meeting Packet

NEXT MEETING OF THE **Board of Directors**

MEETING DATE	November 20, 2008
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TIME	12:45 p.m.
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LOCATION	MAG Saguaro Room 302 N. 1 st Avenue Suite 200 Phoenix
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Regional Public Transportation Authority

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

602-262-7433, Fax 602-495-0411

November 13, 2008

TO: Members of the Valley Metro RPTA Board of Directors

FROM: David Boggs
Executive Director

RE: November 20, 2008 Board Packet Notes

Attached is the November 20, 2008 Board Meeting agenda and supporting information. The meeting is scheduled to begin at 12:45 p.m. This meeting will be held at MAG in the Saguaro Room at 302 N. 1st Avenue, Suite 200. This meeting can be attended via teleconference, please contact Rosalia Lopez (602-262-7433) for the call information.

If you have any questions regarding the information in this packet, please let me know.



Regional Public Transportation Authority

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

602-262-7433, Fax 602-495-0411

November 13, 2008

**Board of Directors
MAG – Saguaro Room
302 N. 1st Avenue, Suite 200
Thursday, November 20, 2008
12:45 p.m.**

	<u>Action Recommended</u>
1. <u>Consent Agenda</u>	1. For action
The Board will consider items A through C on consent. Items B and C have been approved by the Transit Management Committee at their November 5, 2008 meeting.	
A. <u>Summary Minutes</u>	A. For action
Summary minutes from the September 18, 2008 Board meeting are presented for approval.	
B. <u>Mesa Main Street Bus Rapid Transit (BRT) Construction Contracts Award</u>	B. For action
Staff will request Board approval of the following contracts for the construction, construction design and training, and project management of the Mesa Main Street BRT project:	
<ul style="list-style-type: none">• SDB Contractors in the amount of \$5,158,294.00• Ry-Tan Contractors in the amount of \$2,275,000.00• PinnacleOne, an Arcadis Company, in the amount of \$126,000.00• TranSystems Inc. in the amount of \$478,951.00	

C. Approval of Town of Buckeye Park-and-Ride Intergovernmental Agreement (IGA) and Advancement of Funding for Land Acquisition

C. For Action

Staff will request approval of the RPTA – Town of Buckeye Park-and-Ride Lot IGA along with a provision to advance repayment of land acquisition to Fiscal Year (FY) 2009 by amending the RPTA FY09 budget.

2. Fare Policy Program

2. For action

David Boggs, Executive Director, will introduce Mario Diaz, Chief Marketing Officer, who will update the Board on the Fare Policy Program that affects fixed route and dial-a-ride services and request Board approval of the recommended fare policy change scenario.

3. Transit Life Cycle Program Review

3. For information

David Boggs, Executive Director, will introduce Paul Hodgins, Senior Management Analyst, who will provide the Board with a brief review of the Transit Life Cycle Program for Board information.

4. Transit Life Cycle Program (TLCP) Policy Considerations

4. For information

David Boggs, Executive Director, will introduce Paul Hodgins, Senior Management Analyst, who will update the Board on the list of 12 issues from the Budget and Finance Subcommittee meeting on October 2, 2008.

5. Board Requested Agenda Items

5. For information

A. Valley Metro RPTA and Valley Metro Rail Merger

A. For information and possible action

At the September 18, 2008 Board meeting Councilman Ecton requested to have this item on the agenda for Board member discussion.

6. Executive Director's Report 6. For information

David Boggs, Executive Director, will brief the Board on agency issues.

7. Future Board Agenda Items 7. For information

Chairwoman Scruggs will request future Board agenda items from the committee members.

8. Public Comment 8. For information

An opportunity for general public comment on issues related to Valley Metro RPTA. Up to three (3) minutes will be provided for each speaker.

9. Next Meeting 9. For information

The next meeting of the Board is scheduled for **December 18, 2008 at 12:45 p.m.** at MAG in the Saguaro Room.

To attend this meeting via teleconference, contact Rosalia Lopez at 602-262-7433 for the dial-in information.

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.



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

Board of Directors Information Summary

Agenda Item #1

Date

November 13, 2008

Subject

Consent Agenda

Summary

The Board will consider the following items A through C on consent.

Fiscal Impact

Please refer to individual items for this information.

Considerations

Please refer to individual items for this information.

Prior Committee Action

Please refer to individual items for this information.

Recommendation

It is recommended that the Board approve the items listed on the consent agenda.

Contact Person

David Boggs
Executive Director

Attachments

None



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

Board of Directors Information Summary

Agenda Item #A

Date

November 13, 2008

Subject

Summary Minutes

Summary

Minutes from the September 18, 2008 Board meeting are presented for review and approval.

Fiscal Impact

None

Considerations

None

Committee Action Process

None

Recommendation

It is recommended that the Valley Metro RPTA Board of Directors approve the minutes from the September 18, 2008 Board meeting.

Contact Person

David Boggs
Executive Director
602-262-7433

Attachments

September 18, 2008 Board Meeting Minutes Summary



Regional Public Transportation Authority

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

602-262-7433, Fax 602-495-0411

MINUTES OF THE
VALLEY METRO RPTA
BOARD OF DIRECTORS
Thursday, September 18, 2008
12:45 p.m.

Meeting Participants

Mayor Elaine Scruggs, Chair, City of Glendale
Councilmember Wayne Ecton, Vice Chair, City of Scottsdale
Councilmember Claude Mattox, City of Phoenix (12:50 p.m. – 12:55 p.m.)
Councilmember Michael Johnson, Treasurer, City of Phoenix (12:55 p.m.)
Vice Mayor Shana Ellis, Secretary, City of Tempe
Mayor Marie Rogers, City of Avondale
Councilmember Trinity Donovan, City of Chandler
Mayor Fred Waterman, City of El Mirage
Councilmember Les Presmyk, Town of Gilbert
Supervisor Mary Rose Wilcox, Maricopa County
Councilmember Scott Somers, City of Mesa
Councilmember Ron Aames, City of Peoria
Vice Mayor Gail Barney for Mayor Art Sanders, Town of Queen Creek, via telephone
Councilmember Frank Cavalier, City of Goodyear
Councilmember Joe Johnson, City of Surprise

Vice Chair Ecton called the meeting to order at 12:50 p.m.

1. Consent Agenda

The Board was asked to consider the following items on consent:

- a. Summary Minutes from July 17, 2008
- b. Office Space Lease Extension
- c. Interactive Voice Response System for East Valley Dial-a-Ride Program Request for Proposals
- d. Automatic Fuel Management System and WEB Access System Request for Proposals
- e. Vanpool Vans Request for Proposals
- f. AzTech Transit and Roadway Data Integration Proposal
- g. Potential Volunteer Driver Mileage Reimbursement Request for Proposals

IT WAS MOVED BY COUNCILMEMBER PRESMYK, SECONDED BY COUNCILMEMBERS AMES AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

2. Revision of the FY 2007/08 and FY 2008/09 Operating and Capital Budgets

David Boggs, Executive Director, said the Board adopted the FY 2008/09 operating and capital budget concurrently with a revision of the FY 2007/08 operating and capital budget. He said the FY 2007/08 budget was reduced in transit operations and maintenance facilities in anticipation that the City of Tempe would not request a \$14,817,500 partial reimbursement for its operations and maintenance facility and this amount was carried over to the 2008/09 budget. Valley Metro RPTA staff approved on June 12, 2008 a Tempe request for this reimbursement.

Mr. Boggs said therefore, the 2007/08 budget needs to be increased by \$14,817,500 and the 2008/09 budget needs to be reduced by the same amount so that we are not over budget in 2007/08. He said this adjustment has no impact on other projects in the budget. Mr. Boggs said information has been provided to the Board members outlining safeguards for the future.

IT WAS MOVED BY COUNCILMAN PRESMYK, SECONDED BY SUPERVISOR WILCOX AND UNANIMOUSLY CARRIED TO APPROVE THE REVISION OF THE FY 2007/08 AND FY 2008/09 OPERATING AND CAPITAL BUDGETS.

3. Quorum Requirements

Bill Sims, Valley Metro RPTA legal counsel, said the current Administrative Code includes a two part quorum requirement. He said under this requirement a quorum exists only if a majority of the totally authorized number of Board members is in attendance and a majority of the population as represented by Board members is also in attendance. Mr. Sims provided alternative language which reads:

“Matters proposed to the Board shall be approved based upon the affirmative vote of a majority of quorum then in attendance (see: Art. III – 7) provided, however, that if a member of the Board eligible to vote requests a weighted vote, then approval shall be based upon the affirmative vote of a majority of the represented population (as determined by A.R.S. Section 48-5105.D) of all Board members whether or not all Board members are then present. **“Population”** is defined as the total population of the municipality members of the RPTA plus the unincorporated portions of Maricopa County, as determined in accordance with A.R.S. Section 28-6531.”

IT WAS MOVED BY COUNCILMAN ECTON, SECONDED BY COUNCILMAN MICHAEL JOHNSON AND UNANIMOUSLY CARRIED TO APPROVE THE NEW LANGUAGE FOR THE QUORUM REQUIREMENTS FOR THE ADMINISTRATIVE CODE.

Mayor Scruggs thanked the Board members and staff for their work on this item.

4. Succession Plan for Board Officers

Mr. Sims said when the Board adopted changes to the Administrative Code in June 2008, staff was asked to present a policy in which the positions of Chair, Vice Chair, Secretary and Treasurer would be filled sequentially, with a person first being appointed to the fill the office of Treasurer or Secretary. Mr. Sims said when the Board created the nominating committee in June, the Board elected to leave to the Board's discretion the power to identify persons to be elected to each of the four RPTA Board officer positions each year.

The Board discussed this issue and how it would impact the need for the nomination committee that would oversee the process for the election of Board officers.

IT WAS MOVED BY COUNCILMAN PRESMYK AND SECONDED BY COUNCILMAN JOE JOHNSON TO NOT CHANGE THE ADMINISTRATIVE CODE TO ALLOW FOR A SUCCESSION PLAN FOR THE ELECTION OF BOARD OFFICERS.

COUNCILMAN MICHAEL JOHNSON OFFERED A SUBSTITUTE MOTION WHICH WAS, SECONDED BY MAYOR ROGERS TO INCLUDE AN AMENDMENT TO ALLOW PRIORITY CONSIDERATION TO OFFICERS THAT HAVE ALREADY BEEN SERVING ON THE BOARD.

The Board discussed the need for interested Board members to submit letters of interest for serving as a Board officer and that by offering priority to current officers there would be no need for the nominating committee.

Mayor Scruggs called for the question on the substitute motion offered by Councilman Michael Johnson. The motion failed by a voice of vote against adding a priority consideration to current Board officers.

Mayor Scruggs called for the question on the original motion that would not change the Administrative Code. The motion passed by voice vote

5. Valley Metro Transit System Identity Program

Mr. Boggs said the Board approved the color palette and requested the following items be brought back for discussion:

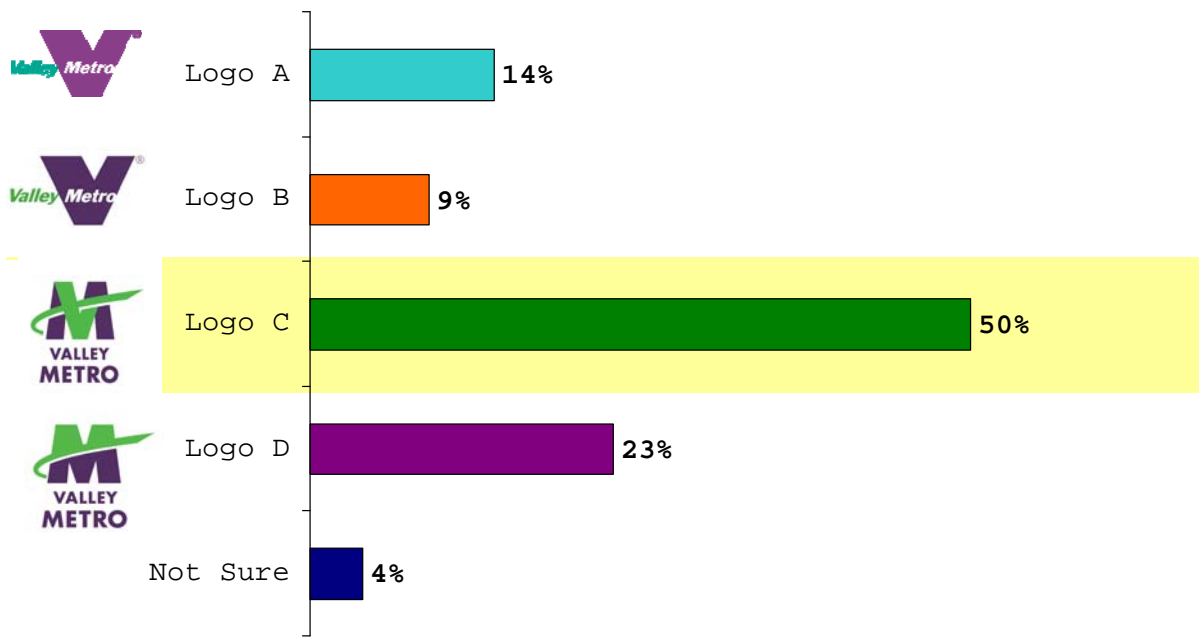
- Demonstrate the new color palette on the Mesa Main Street BRT project.
- Obtain public preference input on the current and new logo designs.

Mr. Boggs introduced Mario Diaz, Chief Marketing Officer, who provided a presentation regarding the new paint scheme and logo information.

Mr. Diaz said the color application for the Mesa Bus Rapid Transit is:



Mr. Diaz said an Email survey was conducted 8/22/08 - 8/29/08 and asked participants **“Which logo represents an updated, progressive, transportation system?”** The survey was sent to a 2,800 email database comprised of: Transit Coordinators, Educators, general public, Valley Bike Month, and Bus Book survey card respondents. He said 649 completed the survey. The results showed:



Mr. Boggs said there would be no cost associated with implementing the new color scheme or the logo. Mr. Boggs said the paint will be applied to the new buses that have been ordered and the current fleet will be painted at midlife or if major repairs warrant the need to repaint the bus. Mr. Boggs also noted that current collateral material and items like letterhead will be used and then re-ordered with the new logo and colors.

IT WAS MOVED BY SUPERVISOR WILCOX, SECONDED BY COUNCILMAN ECTON AND UNANIMOUSLY CARRIED TO APPROVE LOGO C FOR THE NEW VALLEY METRO LOGO.

6. Transit Life Cycle Program Policies

Councilman Ecton, Chair of the Budget and Finance Subcommittee, said the BFS did not try to stop the process during the last update to the Transit Life Cycle Program (TLCP) but did ask staff to spend more time over the summer reviewing comments made by the Board to generate a list of policy issues. Mr. Ecton said there are 12

issues that need to be discussed and possibly combined and then prioritized. He said these issues will require the entire Board to be engaged in the discussion and the decisions to be made.

Mr. Ecton said the Public Transportation Fund could be below budget by an estimated \$18 million for this fiscal year. He also noted that federal funds which support about ¾ of our capital needs, is also being impacted by the economy. He said the RPTA needs to be in a better position to produce a viable TLCP.

Councilman Ecton asked the Board to consider allowing the Budget and Finance Subcommittee to take the lead in developing the recommendations for the policy direction on these issues. He said the next meeting of the subcommittee is scheduled for October 2 and the subcommittee will begin discussion on the issues and attempt to frame the policy questions. He said the technical committees will have an opportunity to provide input on these issues.

Councilman Ecton said it is his goal to come back to the Board in January to ask for decisions on most of the issues that will allow for a viable plan.

Mayor Scruggs thanked Councilman Ecton for his continued time and work on the subcommittee.

Councilmember Somers asked if the problem becomes larger if the Board waits until January to make decisions regarding the TLCP. Councilman Ecton said by discussing the policy issues now it will put the TLCP in a better position.

Supervisor Wilcox said she agreed with the proposed process. She requested that meeting summaries be provided to the Board members so that they can remain informed on the progress being made.

Councilman Michael Johnson said he also agrees with the proposed process and asked that the Subcommittee consider an increase in fares.

Councilman Presmyk suggested an educational retreat be scheduled for the Board so that all Board members are ready to discuss the policy recommendations that will be forthcoming from the Subcommittee.

Vice Mayor Ellis asked for more details regarding the process that will be used.

Mr. Boggs said the Board has three full months to discuss the assumptions that will be used to run the next financial model that is due to MAG in March. Mr. Boggs said if the financial model is not ready at that time he will request an extension from MAG.

Mayor Rogers also agreed with the process and the retreat.

Councilman Cavalier asked if the model is due to MAG in March, can adjustments be made. Mr. Boggs said yes. Mr. Boggs also noted that the budget and the TLCP financial model will be done in parallel.

Vice Mayor Ellis asked for the term limits of the subcommittee members and for a future discussion of increasing the number of members on the subcommittee.

IT WAS MOVED BY COUNCILMAN PRESMYK, SECONDED BY COUNCILMAN SOMERS AND UNANIMOUSLY CARRIED TO DIRECT THE BUDGET AND FINANCE SUBCOMMITTEE TO DEFINE THE TLCP POLICY ISSUES AND THEN GATHER STAFF COMMITTEE INPUT, DELIBRATE AND MAKE RECOMMENDATIONS TO THE BOARD REGARDING THE FUTURE POLICY DIRECTION OF THE TLCP AND TO PROVIDE WRITTEN UPDATES TO THE BOARD FOLLOWING EACH MEETING OF THE BUDGET AND FINANCE SUBCOMMITTEE.

7. Executive Director's Report

Mr. Boggs provided an update on the following issues:

- Local Government Investment Pool
- Potential Fare Increase
- BRT Federal Grant Submittal's & Letters of No Prejudice
- Transit Framework Study
- Regional Paratransit Update
- Ridership Update
- Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting
- New Safety and Security Manager
- New Bus Viewing

8. Future Board Agenda Items Request

Councilman Ecton requested a discussion of combining Valley Metro Rail and Valley Metro RPTA into one agency. He said this item was also suggested at the METRO Board meeting.

The October 16, 2008 Board meeting was cancelled. The next scheduled Board meeting is Thursday, November 20, 2008 at 12:45 p.m. and will be held at MAG in the Saguaro Room.

9. Public Comment

None.

With no further discussion the meeting adjourned at 2:20 p.m.



Board of Directors Information Summary

Agenda Item #B

Date

November 13, 2008

Subject

Mesa Main Street Bus Rapid Transit (BRT) Construction Contracts Award

Summary

Mesa Main Street BRT is Valley Metro's first arterial street BRT project in the Transit Life Cycle Program. It will be a bus extension of light rail transit along Main Street from the Sycamore Street transit center to Power Road where it will go south to the Superstition Springs Mall Transit Center and Park-and-Ride.

The Mesa Main Street BRT project accepted competitive bids for construction October 1, 2008. The project was divided into two separate construction projects because of the natural divisions of location and nature of the work.

The first project was the BRT Implementation and included the construction of 26 stations and improvements along Main Street and Power Road. There were four contractors that submitted bids (*see attached spreadsheet of the Tabulation of Bids*) and the lowest responsible and responsive bidder was **SDB Contractors with a bid of \$5,158,294.00**. This is based on the base bid and including alternatives 1, 2 and 3. Alternative 4 was not selected. **The Engineers Estimate for the project was \$7,016,186.00**

The second construction project was the Superstition Springs Transit Center. This includes bus parking and circulation, expanded auto parking, and a driver comfort station. There were ten contractors that submitted bids (*see attached spreadsheet of the Tabulation of Bids*) and the lowest responsible and responsive bidder was **Ry-Tan Contractors with a bid of \$2,275,000.00**. This is based on the base bid and includes alternative 1 and 3. Alternative 2 was not selected. **The Engineers Estimate for this project was \$3,759,474.00**.

Attendant with the Mesa Main Street BRT construction contracts is a requirement for construction services. PinnacleOne, an Arcadis Company, has been selected to provide Construction Phase Project Management services for a fee of **\$126,000.00**. PinnacleOne has a specialty in Construction Management and is available to the RPTA through the Mojave County mutual aid contract. They assisted RPTA in the Construction Manager at Risk

process and thus have a very good background in the project and considerable experience in the capacity of owner-representative.

TranSystems Inc. (the design architects and engineers) has been selected to provide Architect's Construction Phase Design and Training Services for a fee of **\$478,951.00**. These services are needed to ensure successful prosecution of the construction contracts, compliance with the design drawings, and providing training for new equipment and traffic signalization installations. These items were not included in the original design contract but were always budgeted for the project. Continued contracting with TranSystems also provides for "cradle to grave" risk management.

Both of the construction projects were also bid to conform to Federal Transit Administration (FTA) guidelines using Davis Bacon wage rates and a specific Disadvantaged Business Enterprise (DBE) requirement. Conforming to the FTA requirements resulted in an average increase of 3% in the bid price. If the project were to be selected for FTA funding, that federal funding would not be available for 18 months. The award of the construction contract would need to be delayed until the federal funding is available. It would not be prudent to delay the construction for that period since fuel increases and material costs could eliminate the benefit of federal funding.

Fiscal Impact

All of the funds required for these activities are Public Transportation Funds (PTF) and are included in the Dedicated BRT Right-of-Way and Improvements Project 9420 for the current budget and fiscal year. The total budgeted amount for this project is \$15,471,786.

Considerations

The construction bids were below the Engineer's Estimate and the amounts budgeted by the RPTA. They are also considerably below the guaranteed maximum price received during the Construction Manager at Risk process the RPTA undertook and subsequently rejected in June 2008. The construction phase services for architectural and project management are within the budgeted set asides for those activities.

Committee Action Process

The following are the scheduled dates the item will be reviewed by the respective committees:

VMOCC – October 21, 2008 - approved
TMC – November 5, 2008 – approved
Board of Directors – November 20, 2008

Recommendation

It is recommended that the Board authorize the Executive Director to enter into the contracts for the construction, construction design and training, and project management of the Mesa Main Street BRT project:

- **SDB Contractors in the amount of \$5,158,294.00**
- **Ry-Tan Contractors in the amount of \$2,275,000.00**
- **PinnacleOne, an Arcadis Company, in the amount of \$126,000.00**
- **TranSystems Inc. in the amount of \$478,951.00**

Contact Person

Jim Book
RPTA Project Manager
602-495-0586

Attachments

Tabulation of Bids Spreadsheet

TABULATION OF BIDS

PROJECT: Mesa - BRT
Mesa, AZ

BID DATE:	October 1, 2008 @ 3:00 PM	ABACUS	SDB	NORQUAY	BANICKI	HUNTER	WESPAC	HUNTER	RY-TAN	VISUS INC	DBA CONST	CS CONST
BIDDER												
BID PACK NO. 1: MESA MAIN STREET BRT - IMPLEMENTATION												
Apparent Low												
BASE BID	\$5,001,451	\$3,970,690	\$4,633,000	\$5,292,840	\$5,561,300							
ALTERNATE No.1 -	\$1,486,372	\$1,043,476	\$1,133,000	\$1,441,584	\$1,231,300							
ALTERNATE No.2 -	\$388,095	\$108,604	\$168,000	\$223,530	\$218,400							
ALTERNATE No.3 -	\$140,268	\$35,524	\$153,000	\$79,674	\$74,400							
ALTERNATE No.4 -	\$238,884	\$281,982	\$287,000	\$323,624	\$256,100							
TOTAL	\$7,255,070	\$5,440,276	\$6,374,000	\$7,361,252	\$7,341,500							
Award is Base Bid, plus Alternatives #1, #2, and #4												
BASE BID	\$7,016,186	\$5,158,294.00										
ALTERNATE No.1 -	\$192,283											
ALTERNATE No.2 -	(\$416,516)											
ALTERNATE No.3 -	\$24,501											
TOTAL	\$3,342,958											
Award is Base Bid plus Alternatives #1 and #4												
BASE BID	\$3,542,690	\$2,067,000	\$2,051,937	\$2,229,000	\$2,355,202	\$2,337,131	\$2,700,400	\$2,052,000	\$2,215,000	\$2,843,420	\$4,564,954	
ALTERNATE No.1 -	\$192,283	\$240,000	\$288,168	\$235,000	\$219,640	\$248,683	\$223,300	\$170,000	\$227,000	\$297,000	\$818,000	
ALTERNATE No.2 -	(\$416,516)	(\$60,000)	NO CHANGE	\$24,000	(\$28,628)	\$48,673	(\$208,100)	\$675,000	\$500,000	\$240,000	\$300,000	
ALTERNATE No.3 -	\$24,501	\$77,000	\$71,342	\$65,000	\$59,198	\$63,740	\$183,000	\$53,000	\$52,500	\$87,200	\$65,500	
TOTAL	\$3,342,958	\$2,324,000	\$2,411,447	\$2,553,000	\$2,605,412	\$2,698,167	\$2,898,600	\$2,950,000	\$2,994,500	\$3,467,620	\$5,738,454	
Award is Base Bid plus Alternatives #1 and #4												
BASE BID	\$3,759,474											
ALTERNATE No.1 -												
ALTERNATE No.2 -												
ALTERNATE No.3 -												
ALTERNATE No.4 -												
TOTAL	\$3,759,474											

MESA MAIN STREET - BRT - IMPLEMENTATION

ALTERNATE BID #1 - Add (6) six complete stations
ALTERNATE BID #2 - Add Near Level Boarding at 22 Stations
ALTERNATE BID #3 - Add Sandblast Finish to concrete Surfaces
ALTERNATE BID #4 - Add Photovoltaic : Add Photovoltaic System

MESA MAIN STREET - BRT - SUPERSTITIION SPRINGS

ALTERNATE BID #1 - Add Parking Lot
ALTERNATE BID #2 - Culvert System: Substitute Dble-Barrel Culvert w/ Precast Concrete System
ALTERNATE BID #3 - Add Driver Relief Station



Board of Directors Information Summary

Agenda Item #C

Date

November 13, 2008

Subject

Buckeye Park and Ride Intergovernmental Agreement (IGA)

Summary

Construction of a park and ride lot in east Buckeye is programmed in the Transit Life Cycle Program beginning in FY 2009. RPTA and Town of Buckeye staffs have developed an inter-governmental agreement to allow for the reimbursement to Buckeye of Public Transportation Funds for the construction of the facility.

The Town of Buckeye has requested that the funds programmed in FY 2010 for land acquisition be advanced to FY 2009. The TLCP has programmed approximately \$1.6 million for land acquisition. The Town has identified one or two parcels that are their preferred location and is within budget.

Considerations

The advancement of funds for land acquisition could be a concern given the current economic conditions. However, either site is the preferred alternative and is within the TLCP budget. Not advancing the purchase could result in a less desirable site for the facility that may be more costly. The current RPTA budget has \$9.7 million for park and ride projects. Some of the park and ride projects budgeted in this fiscal year are being delayed, which will free up enough in the budget to allow for this expenditure.

The Transit Management Committee asked that the budget be adjusted down for the Surprise Park and ride to accommodate the increase for the Buckeye Park and ride. The recommendation has been modified to reflect the TMC motion.

Committee Action Process

VMOCC approved on October 21, 2008

Transit Management Committee approved on November 5, 2008

Board of Directors – November 20, 2008, for action

Recommendation

It is recommended that the IGA with Buckeye and the advancement of funds for land acquisition, with an associated reduction in budget for the Surprise Park and ride, be approved.

Contact Person

Paul Hodgins
Senior Management Analyst
602-262-4069

Attachments

Draft IGA for Buckeye Park and Ride
Letter from Buckeye requesting advancement

AGREEMENT NO 166-35-2008

INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY
AND
TOWN OF BUCKEYE
FOR
EAST BUCKEYE PARK AND RIDE FUNDING
FOR FISCAL YEARS 2008-09 THROUGH 2010-11

THIS INTERGOVERNMENTAL AGREEMENT (“Agreement”) is made and entered into this ___ day of _____, 2008, by and between the Regional Public Transportation Authority, a public agency duly organized and existing under the laws of the State of Arizona (hereinafter referred to as “RPTA”) and the Town of Buckeye, a municipal corporation duly organized and existing under the laws of the State of Arizona (hereinafter referred to as “TOWN”); and

WHEREAS, TOWN has statutory authority to enter into agreements with other entities within the Phoenix Urban Area to provide transit services [A.R.S. § 11-951, et seq.]; and

WHEREAS, RPTA is a political subdivision of the state of Arizona, i.e., a public improvement district, established for the purpose of planning and providing public transportation services [A.R.S. §48-5101, et seq.]; and

WHEREAS, as a political subdivision of the state of Arizona, RPTA “may contract and enter into stipulations of any nature to do all acts necessary and convenient for the full exercise of” its powers granted under A.R.S. § 48-5101, et seq. [A.R.S. §48-5123], including entering into intergovernmental agreements [A.R.S. § 11-951, et seq.); and

WHEREAS, RPTA is the designated recipient of Public Transportation Funds (PTF) under the Regional Transportation Plan (RTP) and is charged with distributing PTF funds to local recipients such as TOWN ; and

WHEREAS, TOWN ’s proposed Park and Ride facility is eligible for PTF funds (to be used as the local match) together with Federal Transit Administration (FTA) grant funds for acquisition, design, and/or construction of the aforementioned project; and

WHEREAS, the Transit Life Cycle Plan is a 20 year plan adopted by RPTA and its member agencies setting forth RPTA’s allocation of funds to TOWN and RPTA’s other constituent agencies; and

WHEREAS, the TOWN’s aforementioned project is a project approved for RPTA contribution in the Transit Life Cycle Plan; and

WHEREAS, TOWN has been authorized by its Town Council and RPTA has been authorized by its Board of Directors to enter into this Agreement; and

WHEREAS, the sums set forth herein have been approved for disbursement in RPTA's annual budget.

NOW, THEREFORE, IT IS HEREBY AGREED, by and between the parties, as follows:

SECTION 1. TOWN 's Obligations. TOWN shall:

- A. Construct its Park and Ride facility located in the Town of Buckeye, Arizona (hereinafter sometimes referred to herein as "the Project"). Attached hereto, and by this reference incorporated herein, are the following /Attachments:

Attachment A	Draft Design Concept Report
Attachment B	RPTA Reimbursement Request Form

- B. As TOWN funds are expended on the Project, submit to RPTA a request for reimbursement on RPTA's Reimbursement Request Form (Attachment B to this Agreement) and provide an update on Project status.
- C. Keep and maintain for a period of five (5) years after Project completion all books and records reasonably necessary to support the reimbursement sought from RPTA. If requested by RPTA, such records shall be made available to RPTA for annual audit, upon not less than fourteen (14) calendar days prior written notice to TOWN , at TOWN 's offices, during normal business hours. RPTA shall be solely responsible for any and all costs associated with such audits.
- D. Be solely responsible for obtaining all approvals and permits necessary.
- E. TOWN shall comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments. In performing hereunder, TOWN shall adhere to RPTA's Transit Life Cycle Program and its approved policies, as the Transit Life Cycle Program and policies may be amended from time to time, (collectively referred to as the "TLCP"), including but not limited to:
- (1) TOWN shall act as Lead Agency (as that term is defined in the TLCP policies) and fulfill Lead Agency responsibilities.
 - (2) TOWN shall ensure that a Design Concept Report (Exhibit A) is completed and approved through the RPTA committee process prior to start of construction.
 - (3) TOWN shall either through its own funds or through other funding sources be responsible for all Project costs above the allocated amounts set forth in Exhibit "A" unless a change in the TLCP is requested and approved.
 - (4) As the procuring entity, the TOWN shall be responsible for all aspects of the Project described herein.

(5) To the fullest extent allowable under law, TOWN shall indemnify, defend, save and hold harmless RPTA (as” “indemnitee”) and its directors, officers, agents and employees from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney’s fees) (hereinafter collectively referred to as “Claims”) arising solely out its providing funding to TOWN under this Agreement. TOWN ’s indemnification under this Agreement extends to the bodily injury of any person (including death) or property damage, to the extent, but only to the extent, that such Claims result in vicarious/derivative liability to the Indemnitee and are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

F. Provide quarterly reports to RPTA summarizing the previous quarter’s activities. The quarterly reports shall be due to RPTA 15 days after the end of the quarter.

G. Be required to undertake its obligations under this Section 1 only to the extent the PTF Funds provided in Section 2(A) below are available and approved for disbursement to TOWN in RPTA’s annual budget for the applicable budget year.

SECTION 2. RPTA’s Obligations. RPTA shall:

A. (1) Disburse PTF funds to TOWN, as approved in the Transit Life Cycle Plan and in RPTA’s annual budget, according to the following schedule:

Pre Design	(FY 2008-09)	\$95,930
Design	(FY 2009-10)	\$278,689
Land	(FY 2009-10)	\$1,583,463
Construction	(FY 2010-11)	\$2,898,201

To the extent practicable, and as supported by actual expenditures, disbursements shall be made within fifteen (15) days of receipt of a completed Reimbursement Request Form, Attachment B. PROVIDED, however, that: (1) expenditures eligible for reimbursement that are in excess of the amount authorized for that year’s reimbursement, shall be carried forward to future years until either reimbursement shall have been made or until all allocated sums have been disbursed; and, (2) authorized but unexpended reimbursements shall be carried forward to future years until all allocated sums have been disbursed.

(2) Upon request by TOWN for either (i) advance funding from one FY to an earlier FY, or (ii) a reallocation of funding from one category to another category, RPTA will use its best efforts to accommodate such request. Any request by TOWN for any change in funding shall be made in compliance with Guiding Principle 2 of RPTA’s Transit Life Cycle Policies adopted March 16, 2007. In the event the Town does not utilize any such change in funding, the funding available and approved for disbursement to the Town will be carried forward to the following FY.

- B. Be solely responsible for any and all costs associated with audits of TOWN expenditures as specified in Section 2(A), above.
- C. To the fullest extent allowable under law, indemnify, defend, save and hold harmless TOWN (as "indemnitee") and its officials, agents and employees from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising solely out its construction of a park and ride facility under this Agreement. RPTA's indemnification under this Agreement extends to the bodily injury of any person (including death) or property damage, to the extent, but only to the extent, that such Claims result in vicarious/derivative liability to the Indemnitee and are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officials, agents, employees, or volunteers.

SECTION 3. Statutorily Required Provisions. The following provisions are included herein to satisfy the requirements of A.R.S. § 11-952:

- A. Duration. The term of this Agreement shall commence on the date that it is fully executed by the parties and properly filed and/or recorded. It expires on whichever of the following shall occur later: (a) completion and acceptance of the Project and (b) full payment of all sums due as and for the Project's local match pursuant to Section 2.A. In addition, this Agreement may terminate by amendment canceling the Project and RPTA's obligations hereunder. This Agreement may be extended for up to four (4) one (1) year options periods.
- B. Purpose: To provide local funding for the work described in Section 2(A) hereof and Attachments "A", hereto.
- C. Budget. Sums paid by RPTA hereunder come from Public Transportation Funds (PTF) under the Regional Transportation Plan (RTP) as approved for RPTA contribution in the Transit Life Cycle Plan. Further, sums payable hereunder are annually approved by RPTA's Board of Directors when it approves its annual budget, and this Agreement and annual appropriations are subject to RPTA Board approval.
- D. Ownership, Operation and Maintenance. The Project is the property of TOWN, and RPTA claims no interest therein by virtue of its financial participation pursuant to the terms of this Agreement. Further, TOWN shall be responsible for operating and maintaining the Project, and RPTA has no operation or maintenance responsibilities. TOWN cannot sell property or convert to an alternate use for twenty (20) years beyond completion without approval from RPTA. If TOWN sells or converts the use of the park and ride with RPTA's approval, then RPTA must be reimbursed with interest.
- E. Payment. RPTA's payment obligation shall persist until whichever of the following shall first occur: (a) completion and acceptance of the Project and full payment of all sums due as and for the Project's local matches; (b) by amendment canceling the Project and

RPTA's obligations hereunder; or (c) upon the failure of the RPTA Board of Directors to appropriate funds, pursuant to Section 3.C. and Section 4.F.

SECTION 4. General Provisions. The following provisions are material and essential to the parties' entry in to this Agreement. A breach of any of the provisions of this Section shall constitute a material breach of contract.

- A. Entire Agreement; Modification (No Oral Modification). This Agreement, and any Exhibits, Attachments, or Schedules attached hereto, constitute the full and complete understanding and agreement of the parties. It supersedes and replaces any and all previous representations, understandings, and agreements, written or oral, relating to its subject matter. This Agreement, and its terms, may not be modified or changed except in writing signed by both parties. There shall be no oral alteration or modification of this Agreement.
- B. Invalidity of Any Provisions. This Agreement shall remain in full force and effect even if one or more of its terms or provisions have been held to be invalid or unenforceable. Such a holding shall result in the offending term or provision being ineffective to the extent of its invalidity or unenforceability without invalidating the remaining terms and provisions hereof; this Agreement shall thereafter be construed as though the invalid or unenforceable term or provision were not contained herein.
- C. Applicable Law and Litigation. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Arizona. Any and all litigation between the parties arising from this Agreement shall be litigated solely in the appropriate state court located in Maricopa County, Arizona.
- D. Conflicts of Interest. All parties hereto acknowledge that this Agreement is subject to cancellation pursuant to the provisions of § 38-511, Arizona Revised Statutes.
- E. Non-waiver. Should either party fail or delay in exercising or enforcing any right, power, privilege or remedy under this Agreement such failure or delay shall not be deemed a waiver, release or modification of the requirements of this Agreement or of any of the terms or provisions thereof.
- F. Notice. Any notice, consent, or other communication ("NOTICE") required or permitted under this Agreement shall be in writing and either delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, or deposited with any commercial air courier or express service addressed as follows:

If intended for RPTA: David Boggs, Executive Director.
Regional Public Transportation Authority
302 North First Avenue, Suite 700,

Phoenix, AZ 85003
Telephone: (602) 262-7433
FAX: (602) 495-0411

If intended for TOWN: Jeanine Guy, Town Manager
Town of Buckeye
1101 E. Ash Avenue
Buckeye, Arizona 85326
Telephone: (623) 349-6000
FAX: (623) 349-6099

Notice shall be deemed received at the time it is personally served or, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express service or, if mailed, ten (10) days after the notice is deposited in the United States mail as above provided. Any time period stated in a notice shall be computed from the time the notice is deemed received. Either party may change its mailing address, FAX number, or the person to receive notice by notifying the other party as provided in this section.

Notice sent by facsimile transmission shall also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by facsimile transmission.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the _____ day of _____, 2008.

Town of Buckeye

Regional Public Transportation Authority

By:

By:

Jackie A. Meck
Mayor

David A. Boggs
Executive Director

ATTEST:_____
Linda Garrison
Town Clerk

ATTEST:_____
Jon Medwin
Manager of Contracts and
Procurement

ATTEST:_____
Christopher Curcio
Deputy Executive Director
Finance

INTERGOVERNMENTAL AGREEMENT DETERMINATION

In accordance with the requirements of §11-952(D), Arizona Revised Statutes, each of the undersigned attorneys acknowledge: (1) that they have reviewed the above Agreement on behalf of their respective clients; and, (2) that, as to their respective clients only, each attorney has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

Scott W. Ruby, Town Attorney

Attorney for RPTA

ATTACHMENT A DESIGN CONCEPT FORM

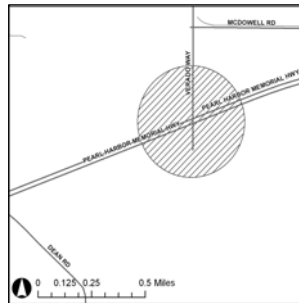
Design Concept Report

Project Description

Project Name	East Buckeye Park-and-Ride
Facility Type	Park-and Ride
MAG Project #	
RTP Phase	1 & 2
Year Open for Service	FY 2011
Advancement or Deferral?	Advancement - 2005 TLCF Capital Model Spreadsheet identified facility construction in FY 2024
PAR Preparer	Scott Miller (HDR S.R. Beard & Associates)
Preparation Date	6/8/2007
Last Update	6/28/2007
Proposed Schedule (FY)	
Pre-Design	2009
Design	2010
Land	2010
Construction	2011
Project Objective	Site, design and construct a regional park-and-ride facility to support the following passenger services: Papago Fwy Connector (2009) and Buckeye Express (2015)

Site Location and Background

RTP Location	Interstate 10 & Verado Way
RTP Location City	Buckeye
Selected Site Location	TBD
Selected Site Address	Buckeye, AZ (update with site address)
Section, Township & Range	
Original Land Owner	TBD
Final Land Owner	TBD
Land Owned or Leased for Final Use	TBD
Final Purchase Date (if applicable)	TBD
Lease Dates (if applicable)	TBD
Site Size (acres)	TBD
Current Land Use	TBD
General Plan Land Use	TBD
Zoning	TBD
Zoning Amendment Required	TBD
Zoning Amendment Date	TBD



Existing Conditions **TBD** (identify existing structures, character of nearby land uses, environmental issues, topography and drainage, pedestrian/vehicle access, etc.)

Design

Project Elements	Quantity/Size	Standard or Enhanced Materials	Comments
Total Parking Spaces	TBD	TBD	
Covered Parking Spaces	TBD	TBD	
Site Lighting Fixtures	TBD	TBD	
Security Cameras	TBD	TBD	
Passenger Platforms	TBD	TBD	
Passenger Shelters	TBD	TBD	
Drinking Fountains	TBD	TBD	
Passenger Information Kiosks	TBD	TBD	
Security/Passenger Buildings	TBD	TBD	
Landscaping (acreage)	TBD	TBD	
Signage	TBD	TBD	
Special Features (i.e. frwy ramp)	TBD	TBD	

Project Budget

Programmed Budget (year of expenditure)	Total	Public Transportation Fund (PTF)	Federal ¹
Pre-Design (FY 2009)	\$95,930	\$95,930	\$0
Design (FY 2010)	\$278,689	\$278,689	\$0
Land (FY 2010)	\$1,583,463	\$1,583,463	\$0
Construction (FY 2011)	\$2,898,201	\$2,898,201	\$0
Total	\$4,856,283	\$4,856,283	\$0

¹ Federal funding is in 2008-12 TIP at 80% federal participation one year in arrears

Preliminary Design Cost Estimate	
Site Preparation	TBD
Irrigation	TBD
Landscaping	TBD
Site Features/Amenities including construction	TBD
Traffic Control Devices	TBD

**ATTACHMENT B
RPTA REIMBURSEMENT REQUEST FORM**

Regional Public Transportation Authority PTF Expenditure Reimbursement Request					
The information provided will be used by the Regional Public Transportation Authority (RPTA) to monitor designated lead agency cash flow to ensure compliance with ARS 48-5103. No further monies may be paid out under this program unless this report is completed and filed as required.					
RECIPIENT ORGANIZATION NAME AND ADDRESS			PROJECT AGREEMENT NUMBER		REQUEST NO.
			REPORTING PERIOD (Dates)		
			FROM:		TO:
		TOTAL		PTF SHARE	
TOTAL ELIGIBLE COSTS		\$	-	\$	-
TOTAL PREVIOUS PAYMENTS		\$	-	\$	-
CURRENT PAYMENT REQUESTED		\$	-	\$	-
REMAINING FUNDING		\$	-	\$	-
<u>REQUIRED SIGNATURE</u>					
This document must be signed by the recipient's Chief Financial Officer or their designated representative.					
<u>CERTIFICATION</u>					
I certify the financial expenditures submitted for reimbursement with this report, including supporting documentation, are eligible and allowable expenditures consistent with the project goals and requirements, have not been previously requested, and that payment is due. I also certify that all matching requirements have been met and sufficient documentation exists in our files and are available upon request or in the event of an audit.					
SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL				DATE REQUEST SUBMITTED	
TYPED OR PRINTED NAME AND TITLE				TELEPHONE	
<i>Instructions</i>					
1. Keep a copy of everything submitted.					
2. All project records, including financial records, must be maintained for 3 years beyond project completion.					
<i>For RPTA use only</i>					
Date request received:			Life cycle compliance review (signature/date)		
Approved for funds availability (signature/date)			Date of funds transfer (signature/date)		
Comments					
Project	WBS	Phase	Activity	GL Account (Finance Only)	Amount
			7901		
			7901		
			7901		
			7901		



Town of Buckeye

Office of the Town Manager

October 1, 2008

Mr. David Boggs
Executive Director
Regional Public Transportation Authority
302 N. 1st Ave., Suite 700
Phoenix, AZ 85003

Dear Mr. Boggs:

The Town of Buckeye hereby requests advancement of the reimbursement funding for land procurement described in Intergovernmental Agreement (IGA) No. 166-35-2008 between the Town and the Regional Public Transportation Authority (RPTA) for East Buckeye Park and Ride Funding, currently in the approval process, in the amount of \$1,583,463 to be available for reimbursement to the Town in Fiscal Year 2008-09 rather than in FY 2009-10 as currently described in the IGA.

The Town is seeking to advance reimbursement for land procurement because the Town expects to purchase land for the East Buckeye Park and Ride facility in FY 2008-09 to avoid a costly rise in land prices and to enable pre-design and design of the facility to begin as soon as possible. Once the land purchase is completed the Town will submit to RPTA a request for reimbursement in accordance with the provisions of the IGA.

Sincerely,


Jeanine Guy
Town Manager



Board of Directors Information Summary

Agenda Item #2

Date

November 13, 2008

Subject

Regional Fare Policy Program

Summary

In 2007, Valley Metro conducted a fare policy study which resulted in a recommended regional integrated fare structure that was adopted by the City of Phoenix and the Valley Metro Board. The new fare structure was implemented in December 2007. Due to the current economic condition of increasing costs and decreasing revenues, RPTA has launched a study to consider fare policy adjustments.

The new rail service presents opportunities to consider fare policies to attract additional riders to both bus and rail while providing benefits for Valley Metro and METRO light rail operations. Valley Metro/RPTA's purpose in undertaking this study is to evaluate and recommend fare policies (including pricing) to streamline transit use by developing:

- A policy for large volume users (e.g., universities/colleges/technical schools, employers, and conventions)
- A program for major sports/cultural events along the rail line
- A policy that will meet the Board approved 25% farebox revenue recovery target

Booz Allen Hamilton has been contracted to work with Valley Metro to identify and recommend fare policies that achieve these objectives. The Booz Allen proposed scope of work, staffing, schedule and budget was presented to the VMOCC for informational purposes on September 16, 2008.

With the recent large increases in operating costs, Valley Metro service providers are evaluating service reductions and fare increases. The City of Phoenix has requested RPTA's assistance in modeling pricing changes to existing fare products available to the general public, in anticipation of a fare adjustment in July 2009.

RPTA worked with the Valley Metro Fare Policy Committee to discuss proposed fare changes and to obtain their input on the alternatives to be modeled. This meeting took

place on October 14. Based on the committee input, the recommended fare policies and pricing strategies were presented to the VMOCC and FOAC for consideration. The FOAC recommended moving forward the Fare Policy Program proposal to the Transit Management Committee (TMC) with several modifications.

The TMC reviewed the revised program proposal and made additional modifications to reflect comments by several members. The TMC has approved moving forward to the Valley Metro Board the revised proposal for review and approval to take the proposal through the public hearing process in January 2009. If the Board approves, the public hearing process will take place and the results will be brought back to Valley Metro committees and the Valley Metro Board for final approval of the Fare Policy adjustments in February 2009.

The following outlines the schedule and process to implement a fare change by July 2009 or earlier.

1. RPTA and City of Phoenix staff jointly develop proposed fare policy scenarios – *early October*
2. RPTA convenes the Regional Fare Policy Committee to discuss proposed alternatives – *October 14, 2008*
3. Booz Allen to run fare policy model scenarios based on input from the Regional Fare Policy Committee – *October 15-20, 2008*
4. Valley Metro Operations and Capital Committee (VMOCC) and FOAC considers recommended fare policy scenario – *October 21, 2008*
5. Valley Metro Transit Management Committee considers recommended fare policy scenario – *November 5, 2008*
6. Valley Metro Board considers the regional fare policy scenario and directs staff to conduct public meetings on the proposed fare policy – *November 20, 2008*
7. Public hearing process – *January 2009 (The Federal Transit Administration requires 30-day advance public notice prior to convening the public hearings)*
8. VMOCC is apprised of public hearing process input – *January 2009*
9. Valley Metro Transit Management Committee considers public hearing input on proposed fare policy – *February 4, 2009*
10. Valley Metro Board of Directors considers approval of new fare policy – *February 19, 2009*
11. Scheidt Bachman, a regional fare system vendor, re-programs the fare tariff – *February thru May 2009 (Scheidt Bachman has indicated that a complex fare change could require up to four months to program and roll out to buses and fare vending machines throughout the region.)*
12. Conduct public information campaign and order new fare media if required.
13. Implementation of new fare policy – *July 2009 or earlier*

Fiscal Impact

The investment to conduct the study and recommendations to implement a policy for large volume users (e.g., universities/colleges/technical schools, employers, and conventions) and a ticketing program for major sports/cultural events along the rail line is \$49,999. The costs are to be paid evenly by METRO and RPTA.

The cost to model and recommend fare pricing changes is not to exceed \$22,900. RPTA budgeted funds will be transferred from the remaining consultant funds for the financial system to Regional Marketing. This will be funded with Regional Area Road Funds (RARF).

Considerations

Due to large increases in operating costs and the significant reduction of tax revenue, Valley Metro service providers are evaluating service reductions and fare increases. Without the fare increase, Valley Metro service providers may be forced to implement significant service reductions. Although a fare increase will reduce the level of service reductions, it will not eliminate the need to reduce service.

With committee, and Board approvals by November 2008, RPTA can conduct public hearings in January 2009 and implement the new fare policy by July 2009 or earlier.

Committee Action Process

- VMOCC tabled the original proposal – June 25, 2008
- VMOCC informational presentation – September 16, 2008
- Fare Policy Committee review and input – October 14, 2008
- VMOCC: On October 21, 2008, the VMOCC motioned to recommend the fare policy change scenario and to forward the item to the TMC. The motion failed with a vote of 5 in favor and 7 against.
- FOAC: On October 21, 2008, the FOAC motioned to recommend the fare policy change scenario and to forward the item to the TMC with changes. The motion was approved by a vote of 7 in favor and 6 against. The changes were:
 - Exclude recommendations for ASU, Special Events and Conventions
 - Increase 31-day pass to \$50 for local and \$76 for express
- TMC: On November 5, 2008 the TMC motioned to recommend the fare policy change scenario and to forward the item to the TMC with changes. The motion was approved by a vote of 7 in favor and 6 against. The changes were:
 - Implement the first phase adjustment July 2009 or earlier. Monitor conditions and implement the second phase if necessary.
 - ADA paratransit strategies remain within each jurisdiction.
- Board for consideration – November 20, 2008
- VMOCC apprised of public hearing process input – January, 2009
- TMC for consideration – February 4, 2009
- Board for consideration – February 19, 2009

Recommendation

It is recommended that the Board approve the recommended fare policy change scenario only for the purpose of authorizing the Executive Director to hold public hearings regarding the fare policy change. The public comments will be returned for Board consideration in advance of any approved fare change.

The fare policy recommendation is included in the attached Regional Fare Program presentation by Booz Allen Hamilton.

Contact Person

Mario Diaz
Chief Marketing Officer
602-534-7391

Attachments

Regional Fare Policy Program presentation by Booz Allen Hamilton which includes the fare policy recommendation.

Valley Metro Board of Directors

Regional Fare Policy Program

Phoenix
November 20, 2008

This document is confidential and is intended solely for the use and information of the client to whom it is addressed.



Booz | Allen | Hamilton

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Contents

- ▶ Regional Fare Study Objectives
- ▶ Regional Fare Policy Proposal
- ▶ Next Steps and Program Schedule
- ▶ Appendix – Peer Data



Booz | Allen | Hamilton

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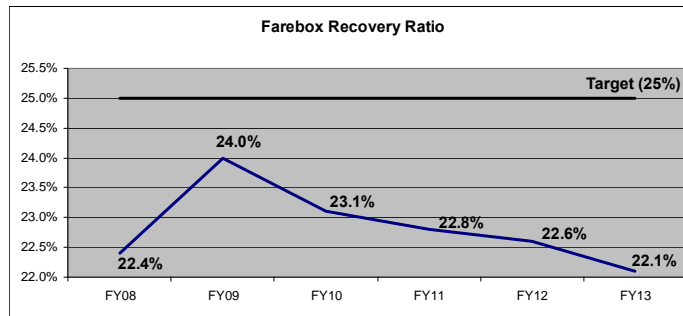
Regional fare study objectives

- ▶ Overall goal: Recommend fare policies that facilitate boarding and partner with Valley businesses to encourage transit use, while maintaining or exceeding Board-adopted average farebox recovery target [25%]
- ▶ Develop and recommend regional pricing strategies for a fare change by July 2009 or earlier
- ▶ Establish regional fare policies for ADA Paratransit services
- ▶ Revise fare pricing strategies for Rural Route services
- ▶ Define fare policies for large volume users:
 - Employers
 - Universities/colleges/technical schools
 - Ticketing for major sports/cultural events and venues, conventions
- ▶ Fare Policy Committee, Finance Oversight Advisory Committee, Valley Metro Operations and Capital Committee, and Transit Management Committee provided input to finalize recommendations

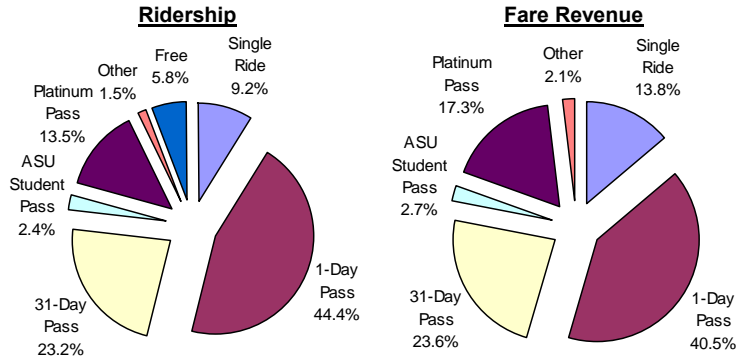


The regionwide farebox recovery ratio is projected to decline

- ▶ In 2007, the Board adopted a regionwide 25% farebox recovery target
- ▶ With the 2007 fare change and ridership growth, farebox recovery is projected to approach the target in FY 2009. In subsequent years, farebox recovery is projected to drop annually
- ▶ Annual cost growth assumptions: 5% for bus, 4% for rail



Ridership and fare revenue by fare type



Source: Valley Metro/RPTA and City of Phoenix. Based on data from after the Dec 2007 fare change, through Sep-08. "Other" includes the 3-Day Pass, 7-Day Pass, and Semester Pass

- ▶ Since the Dec 2007 fare change, Day Pass ridership increased from just 0.9% of ridership to 44.4% of ridership – making it Valley Metro’s most popular fare instrument. About 90% of Day Pass sales currently take place on-board the vehicle



Valley Metro fixed route fares are low compared to 11 peers

	Valley Metro	Peer Average / Range
Local Cash Fare	\$1.25	\$1.84 Range: \$1.25 - \$2.25
Express Premium	\$0.50	\$1.36 Range: \$0.00 - \$2.75
1-Day Pass	\$2.50	\$4.73 Range: \$2.50 - \$6.00
1-Day Pass breakeven	2.0 trips	2.6 trips Range: 2.0 – 4.0 trips
31-Day Pass	\$45.00	\$66.07 Range: \$40.00 - \$85.00
31-Day Pass breakeven	36.0 trips	36.2 trips Range: 28.4 – 49.6 trips

Additional peer data available in the appendix



Recommendations: Phased increases FY10, and FY11 if necessary

- ▶ Base fare is a cash fare valid for a single local boarding
- ▶ FY10 fare increase implemented by July 2009. The FY11 increase recommendation will be part of FY11 budget process
- ▶ Base fare is \$1.50 in FY10 and if necessary, \$1.75 in FY11
- ▶ Express cash fare is base fare + \$1.00 premium
- ▶ Reduced cash fare is one-half the local cash fare, rounded down to the nearest \$0.05
- ▶ 1-day pass:
 - Local: 3.0 times the base fare, rounded down to the nearest \$0.25 (except in FY11, when the price is \$5.00)
 - Express: \$2.00 premium over local day pass
 - Reduced: one-half the local day pass, rounded down to the nearest \$0.25
 - Off-board sales provide \$0.75 discount on local 1-day passes, \$0.50 on reduced 1-day passes
- ▶ 3- and 7-day passes are 2.5 times the base fare, times number of days of validity (i.e., 3 or 7)
- ▶ 31-day pass:
 - Local: \$50 in FY10 and \$55 in FY11
 - Express: \$76 in FY10 and \$85 in FY11
 - Reduced: one-half the local 31-day pass, rounded down to the nearest dollar

Fare Element	Current	FY2010 (July 2009)	FY2011 (July 2010) *
Local			
Cash	\$1.25	\$1.50	\$1.75
1-Day	\$2.50		
On-board	N/A	\$4.50	\$5.00
Off-board	N/A	\$3.75	\$4.50
3-Day	\$7.50	\$11.25	\$13.00
7-Day	\$17.50	\$26.25	\$30.50
31-Day	\$45.00	\$50.00	\$55.00
Express			
Cash	\$1.75	\$2.50	\$2.75
1-Day	\$3.50		
On-board	N/A	\$6.50	\$7.25
Off-board	N/A	\$5.75	\$6.50
3-Day	N/A	N/A	N/A
7-Day	N/A	N/A	N/A
31-Day	\$68.00	\$76.00	\$85.00
Reduced			
Cash	\$0.60	\$0.75	\$0.85
1-Day	\$1.25		
On-board	N/A	\$2.25	\$2.50
Off-board	N/A	\$1.75	\$2.00
3-Day	\$3.75	\$5.50	\$6.50
7-Day	\$8.75	\$13.00	\$15.25
31-Day	\$22.50	\$25.00	\$27.00
Semester Pass			
Spring, Fall	\$160.00	\$175.00	\$195.00
Summer	\$105.00	\$115.00	\$125.00

* FY2011 fare change to be implemented only if determined to be necessary



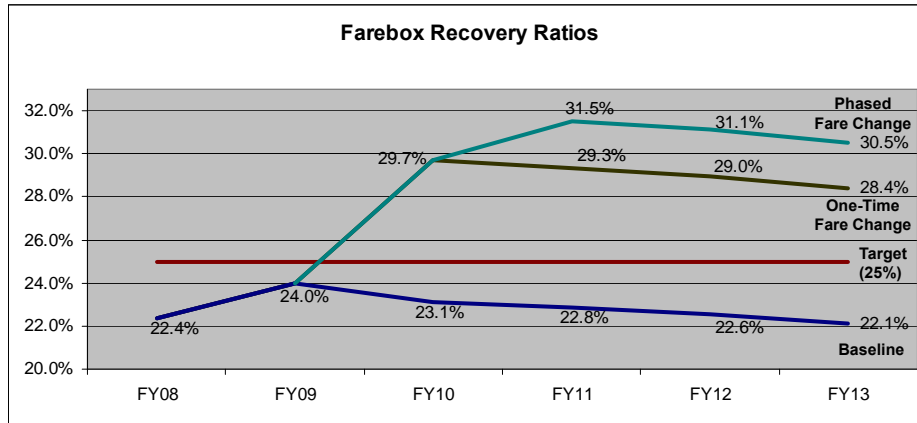
Estimated ridership and revenue effect

FARE STRUCTURE ALTERNATIVE	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Baseline: No Fare Change						
Ridership (# of Trips)	53,450,000	64,185,000	70,008,000	72,457,000	74,993,000	77,617,000
Annual Change, %		20.1%	9.1%	3.5%	3.5%	3.5%
Fare Revenue	\$39,046,000	\$47,739,000	\$52,069,000	\$53,891,000	\$55,777,000	\$57,728,000
Annual Change, %		22.3%	9.1%	3.5%	3.5%	3.5%
Farebox Recovery	22.4%	24.0%	23.1%	22.8%	22.6%	22.1%
Average Fare per Trip	\$0.73	\$0.74	\$0.74	\$0.74	\$0.74	\$0.74
SINGLE CHANGE: \$1.50 Base Fare, Day Pass at \$4.50 (\$3.75 off-board), \$50 31-Day Pass						
Ridership (# of Trips)	53,450,000	64,185,000	64,248,000	66,497,000	68,825,000	71,234,000
Annual Change, %		20.1%	0.1%	3.5%	3.5%	3.5%
Fare Revenue	\$39,046,000	\$47,739,000	\$66,850,000	\$69,173,000	\$71,602,000	\$74,108,000
Annual Change, %		22.3%	40.0%	3.5%	3.5%	3.5%
Farebox Recovery	22.4%	24.0%	29.7%	29.3%	29.0%	28.4%
Average Fare per Trip	\$0.73	\$0.74	\$1.04	\$1.04	\$1.04	\$1.04
PHASED: \$1.50 in FY2010, \$1.75 in FY2011: Day Pass at \$5.00 in FY2011 (\$4.25 off-board), \$55 31-Day Pass						
Ridership (# of Trips)	53,450,000	64,185,000	64,248,000	64,359,000	66,612,000	68,943,000
Annual Change, %		20.1%	0.1%	0.2%	3.5%	3.5%
Fare Revenue	\$39,046,000	\$47,739,000	\$66,850,000	\$74,390,000	\$76,985,000	\$79,679,000
Annual Change, %		22.3%	40.0%	11.3%	3.5%	3.5%
Farebox Recovery	22.4%	24.0%	29.7%	31.5%	31.1%	30.5%
Average Fare per Trip	\$0.73	\$0.74	\$1.04	\$1.16	\$1.16	\$1.16

- ▶ Ridership and revenue results will be monitored in FY2010 to assess the need for an additional fare change in FY2011



Farebox recovery ratios with the recommended fare policies



► Note: City of Tempe and RPTA farebox recovery ratios are lower than the regional average.



ADA paratransit fares

► ADA regulations allow providers of ADA complementary paratransit services to charge up to 2.0 times the cash fare for a comparable fixed route trip

► ADA fares are currently \$2.00 and \$2.50 in the Valley Metro service area, varying by community

Area	Paratransit Fare	Fixed Route Bus Fare	ADA Fare / Cash Fare
East Valley DAR	\$2.00	\$1.25	1.6
Phoenix DAR	\$2.50	\$1.25	2.0
Northwest Valley	\$2.00	\$1.25	1.6

► Among peers, the ADA fares average 1.7 times the cash fare. Four of nine are at the ADA-allowed 2.0

► The Valley Metro ADA Paratransit Study recommended increasing ADA fares regionally to 2.0 times the cash fare



Recommended changes to Phoenix and East Valley ADA paratransit fares

- ▶ TMC recommended that ADA fares should be decided by each community
- ▶ Staff recommendations:
 - Increase the Phoenix and East Valley ADA paratransit cash fare by \$0.50, effective July 2009
 - Communities with fares less than twice the local bus fare should increase their fares by \$0.25 per year until all areas have the same fare and the fare is twice the fixed route local cash fare
 - Phoenix should consider raising the price of the ADA paratransit monthly pass price to a minimum of 20.0 times the ADA cash fare (\$60, effective July 2009)
 - The four peers that do have ADA monthly passes price them at 25 to 40 times the ADA cash fare
 - The Phoenix paratransit monthly pass is currently priced at 13.6 times the cash fare
 - If an in-person eligibility determination process is implemented, provide a bus and rail pass for conditionally eligible ADA paratransit riders to use fixed route transit at no cost to the pass holder (needs program oversight finalization)



Recommended changes to Rural Route fares

- ▶ Ajo/Gila Bend Route 685 fares have remained the same since 1999 (Wickenburg Route 660 based on the 685)
- ▶ Labor and fuel costs have increased sharply for both routes
- ▶ Increasing fare would simplify the fare structures and enable the sale of prepaid fare media

Route 685- Gila Bend/Ajo Fare Structure - Current fare (Proposed fare)

REGULAR FARES	Ajo	Gila Bend	Buckeye	Avondale	Goodyear	Tolleson	Phoenix
Ajo	-----	\$3.00	\$5.00 (\$6.00)	\$6.00 (\$7.00)	\$6.00 (\$7.00)	\$7.00 (\$8.00)	\$7.00 (\$8.00)
Gila Bend	\$3.00	-----	\$2.00 (\$3.00)	\$3.00 (\$4.00)	\$3.00 (\$4.00)	\$4.00 (\$5.00)	\$4.00 (\$5.00)
Buckeye	\$5.00 (\$6.00)	\$2.00 (\$3.00)	-----	\$1.25 (\$2.00)	\$1.25 (\$2.00)	\$2.00 (\$3.00)	\$2.00 (\$3.00)
Avondale	\$6.00 (\$7.00)	\$3.00 (\$4.00)	\$1.25 (\$2.00)	-----	\$1.25 (\$2.00)	\$1.25 (\$2.00)	\$1.25 (\$2.00)
Goodyear	\$6.00 (\$7.00)	\$3.00 (\$4.00)	\$1.25 (\$2.00)	\$1.25 (\$2.00)	-----	\$1.25 (\$2.00)	\$1.25 (\$2.00)
Tolleson	\$7.00 (\$8.00)	\$3.00 (\$5.00)	\$2.00 (\$3.00)	\$1.25 (\$2.00)	\$1.25 (\$2.00)	-----	\$1.25 (\$2.00)
Phoenix	\$7.00 (\$8.00)	\$4.00 (\$5.00)	\$2.00 (\$3.00)	\$1.25 (\$2.00)	\$1.25 (\$2.00)	\$1.25 (\$2.00)	-----

Route 660 - Wickenburg Fare Structure - Current fare (Proposed fare)

REGULAR FARES	Wickenburg	Surprise	Glendale
Wickenburg	-----	\$3.00 (\$4.00)	\$3.00 (\$4.00)
Surprise	\$3.00 (\$4.00)	-----	\$1.25 (\$2.00)
Glendale	\$3.00 (\$4.00)	\$1.25 (\$2.00)	-----



Summary of fare policy recommendations:

- ▶ FY 2010 fare change = July 2009 or earlier; FY 2011 fare change (if necessary) = July 2010 or earlier
- ▶ Results of FY10 fare increase will be monitored and a recommendation on the FY11 increase will be part of the FY11 budget process
- ▶ Base fare is \$1.50, effective FY 2010, and \$1.75, effective FY 2011
- ▶ Express cash fare is base fare + \$1.00 premium
- ▶ Reduced cash fare is one-half the local cash fare, rounded down to the nearest \$0.05

▶ Pass prices:

Passes	Local		Express		Reduced	
	FY2010	FY2011	FY2010	FY2011	FY2010	FY2011
1-Day						
on-board	\$4.50	\$5.00	\$6.50	\$7.25	\$2.25	\$2.50
off-board	\$3.75	\$4.50	\$5.75	\$6.50	\$1.75	\$2.00
3-Day	\$11.25	\$13.00	N/A	N/A	\$5.50	\$6.50
7-Day	\$26.25	\$30.50	N/A	N/A	\$13.00	\$15.25
31-Day	\$50.00	\$55.00	\$76.00	\$85.00	\$25.00	\$27.00

- ▶ Adopt the recommended changes to the ADA paratransit fares
- ▶ Adopt the recommended changes to rural route fares



Next steps and program schedule:

- ▶ Continue discussions with ASU and special events/venues
- ▶ January 2009: Public hearings and report to VMOCC
- ▶ February 4, TMC: Consider public hearing input
- ▶ February 19, Valley Metro Board: Consider fare policy approval
- ▶ February thru May, Scheidt & Bachmann programs the new fare tariff
- ▶ Conduct public information campaign and order new fare media if required
- ▶ July 2009 (or earlier): Implement fare policy and pricing changes



Recommendation:

- ▶ It is recommended that the Board approve the recommended fare policy change scenario only for the purpose of authorizing the Executive Director to hold public hearings regarding the fare policy change.
- ▶ The public comments will be returned for Board consideration in advance of any approved fare change.



| Appendix – Peer Data



Eleven peer agencies were reviewed

- ▶ Nine agencies operate local bus and light rail services; two have traditionally been the region's bus peers (Las Vegas, Reno)
- ▶ Nine of the agencies' ADA paratransit fares were also reviewed

Agency	Fixed Route Services	ADA paratransit service
DART (Dallas, TX)	Bus, Light Rail	√
LACMTA (Los Angeles, CA)	Bus, Light Rail	√
Metro Transit (Minneapolis/St. Paul, MN)	Bus, Light Rail	√
MTS (San Diego, CA)	Bus, Light Rail	√
RT (Sacramento, CA)	Bus, Light Rail	√
RTC (Las Vegas, NV)	Bus	√
RTC (Reno, NV)	Bus	
RTD (Denver, CO)	Bus, Light Rail	√
SCVTA (San Jose, CA)	Bus, Light Rail	√
Tri-Met (Portland, OR)	Bus, Light Rail	
UTA (Salt Lake City, UT)	Bus, Light Rail	√



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Framework for peer comparisons

Agency	Fixed Route Services	Revenue Service Hours (000)	Boardings per RSH	Median Income	Cost of Living
DART (Dallas, TX)	Bus, Light Rail	2,222.6	33.8	\$54,730	-10%
LACMTA (Los Angeles, CA)	Bus, Light Rail	8,206.2	58.8	\$58,047	+48%
Metro Transit (Minneapolis/St. Paul, MN)	Bus, Light Rail	2,025.9	36.2	\$63,898	+9%
MTS (San Diego, CA)	Bus, Light Rail	1,309.2	44.9	\$61,794	+40%
RT (Sacramento, CA)	Bus, Light Rail	919.8	34.0	\$59,694	+25%
RTC (Las Vegas, NV)	Bus	1,474.8	40.6	\$55,996	+10%
RTC (Reno, NV)	Bus	279.8	31.2	\$54,322	+8%
RTD (Denver, CO)	Bus, Light Rail	2,961.9	28.8	\$58,875	+3%
SCVTA (San Jose, CA)	Bus, Light Rail	1,453.2	27.5	\$83,793	+55%
Tri-Met (Portland, OR)	Bus, Light Rail	2,209.6	45.5	\$55,387	+20%
UTA (Salt Lake City, UT)	Bus, Light Rail	1,140.0	32.3	\$57,294	-1%
Valley Metro (Phoenix, AZ)	Bus	2,000.8	31.1	\$54,250	base

Sources:

Revenue service hours and boardings from National Transit Database for FY2006, the most recent data currently available

Median Household Income: 2007 Community Survey for Metropolitan Statistical Areas

Cost of Living: Pay Scale Cost of Living Calculator based on American Chamber of Commerce Researchers Association data



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Seven peers have increased fares since 2006, or plan increases in January 2009 – two have done both

Agency	Fixed Route Services	Fare in Dec-06	Fare Change since 2006	Current Cash Fare	Planned Fare Change/s
DART (Dallas, TX)	Bus, Light Rail	\$1.25	\$0.25	\$1.50	
LACMTA (Los Angeles, CA)	Bus, Light Rail	\$1.25		\$1.25	
Metro Transit (Minneapolis/St. Paul, MN)	Bus, Light Rail	\$1.50	\$0.75	\$2.25	
MTS (San Diego, CA)	Bus, Light Rail	\$2.25		\$2.25	
RT (Sacramento, CA)	Bus, Light Rail	\$1.75	\$0.25	\$2.00	\$2.25
RTC (Las Vegas, NV)	Bus	\$1.25		\$1.25	\$1.75/\$2.00
RTC (Reno, NV)	Bus	\$2.00		\$2.00	
RTD (Denver, CO)	Bus, Light Rail	\$1.25	\$0.50	\$1.75	\$2.00
SCVTA (San Jose, CA)	Bus, Light Rail	\$1.75		\$1.75	
Tri-Met (Portland, OR)	Bus, Light Rail	\$1.70	\$0.30	\$2.00	
UTA (Salt Lake City, UT)	Bus, Light Rail	\$1.50	\$0.75	\$2.25	
Valley Metro (Phoenix, AZ)	Bus	\$1.25		\$1.25	\$1.50/\$1.75



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Peer fixed route pricing strategies

	Valley Metro	Las Vegas	Los Angeles (1)	Dallas	San Jose	Denver (3)	San Diego	Sacramento	Salt Lake (4)	Portland	Reno	Minneapolis (5)
Local Service												
Cash Fare	\$1.25	\$1.25	\$1.25	\$1.50	\$1.75	\$1.75	\$2.25	\$2.00	\$2.25	\$2.00	\$2.00	\$2.25
All Day Pass	\$2.50	\$2.50	\$5.00	\$3.00	\$5.00	\$5.25	\$5.00	\$5.00	\$5.50	\$4.75	\$5.00	\$6.00
<i>Day Pass breakeven</i>	<i>2.0</i>	<i>2.0</i>	<i>4.0</i>	<i>2.0</i>	<i>2.9</i>	<i>3.0</i>	<i>2.2</i>	<i>2.5</i>	<i>2.4</i>	<i>2.4</i>	<i>2.5</i>	<i>2.7</i>
31 Day Pass	\$45.00	\$40.00	\$62.00	\$50.00	\$61.25	\$60.00	\$64.00	\$85.00	\$74.50	\$75.00	\$70.00	\$85.00
<i>31-Day Pass breakeven</i>	<i>36.0</i>	<i>32.0</i>	<i>49.6</i>	<i>33.3</i>	<i>35.0</i>	<i>34.3</i>	<i>28.4</i>	<i>42.5</i>	<i>33.1</i>	<i>37.5</i>	<i>35.0</i>	<i>37.8</i>
Express/RAPID Service												
Cash Fare	\$1.75	N/A	\$1.85	\$2.50	\$3.50	\$3.00	\$5.00	\$2.00	\$5.00	N/A	N/A	\$3.00
<i>Express Premium</i>	<i>\$0.50</i>	<i>N/A</i>	<i>\$0.60</i>	<i>\$1.00</i>	<i>\$1.75</i>	<i>\$1.25</i>	<i>\$2.75</i>	<i>\$0.00</i>	<i>\$2.75</i>	<i>N/A</i>	<i>N/A</i>	<i>\$0.75</i>
All Day Pass	\$3.50	N/A	\$5.60	\$5.00	\$10.00	\$8.25	\$11.00	\$5.00	\$14.50	N/A	N/A	\$6.00
<i>Day Pass breakeven</i>	<i>2.0</i>	<i>N/A</i>	<i>3.0</i>	<i>2.0</i>	<i>2.9</i>	<i>2.8</i>	<i>2.2</i>	<i>2.5</i>	<i>2.9</i>	<i>N/A</i>	<i>N/A</i>	<i>2.0</i>
31 Day Pass	\$68.00	N/A	\$80.00	\$80.00	\$122.50	\$108.00	\$90.00	\$85.00	\$175.00	N/A	N/A	\$113.50
<i>31-Day Pass breakeven</i>	<i>38.9</i>	<i>N/A</i>	<i>43.2</i>	<i>32.0</i>	<i>35.0</i>	<i>36.0</i>	<i>18.0</i>	<i>42.5</i>	<i>35.0</i>	<i>N/A</i>	<i>N/A</i>	<i>37.8</i>



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Peer ADA paratransit pricing strategies

Paratransit Service	Valley Metro	Las Vegas	Los Angeles (1)	Dallas	San Jose	Denver	San Diego	Sacramento	Salt Lake (2)	Portland	Reno	Minneapolis (5)
Cash Fare	\$1.25	\$1.25	\$1.25	\$1.50	\$1.75	\$1.75	\$2.25	\$2.00	\$2.25	\$2.00	\$2.00	\$2.25
ADA Fare	\$2.50	\$1.50	\$1.80	\$2.75	\$3.50	\$3.50	\$4.50	\$4.00	\$2.75	\$1.80	\$1.75	\$4.00
ADA Fare / Cash Fare	2.0	1.2	1.4	1.8	2.0	2.0	2.0	2.0	1.2	0.9	0.9	1.8
ADA 31-Day Pass	\$34.00	\$60.00	N/A	N/A	N/A	N/A	N/A	\$100.00	\$92.00	\$50.00	N/A	N/A





Regional Public Transportation Authority
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Board of Directors Information Summary

Agenda Item #3

Date

November 13, 2008

Subject

Transit Life Cycle Program Review

Summary

The Board will be provided with a brief review of the Transit Life Cycle Program.

Fiscal Impact

None.

Considerations

None.

Prior Committee Action

None.

Recommendation

This item is presented for information only.

Contact Person

David Boggs
Executive Director

Attachments

None



Transit Life Cycle Program

November 20, 2008



House Bill 2292

- Passed in 2003 (regular session)
- Created MAG Transportation Policy Committee (TPC)
- Authorized TPC to develop multi-modal transportation plan
- Outlined approval process for plan



Regional Transportation Plan (RTP)

- Developed in 2003
- Guided by MAG TPC
- Included multi-modal approach
- Funded by proposed extension to Maricopa County Transportation Excise Tax

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Modes

- Freeways (56.2% of revenues)
 - New freeways
 - Additional capacity to existing freeways
 - New HOV lanes
- Streets (10.5% of revenues)
- Transit (33.3% of revenues)
 - Bus projects
 - Rail projects

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Call for Projects

- Estimated \$9 billion in revenues (2002 \$)
- \$500 million set aside for financing costs
- Remaining \$8.5 billion available for projects
- Stakeholders asked to submit projects

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Jurisdictional Allocations

- Project funding was allocated based on population
- Projects submitted exceeded funding available
- Jurisdictions were asked to prioritize needs
- Final project list negotiated based on priorities

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RTP Approval

- Final plan was approved by MAG in November 2003
- Plan was submitted to cities, towns, county, Indian communities, Arizona Department of Transportation (ADOT) and Regional Public Transportation Authority (RPTA)

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Transit Component of RTP

- Bus Operations
 - Supergrid bus service
 - Bus Rapid Transit (BRT)
 - Arterial BRT
 - Freeway BRT/Express service
 - Americans with Disabilities Act (ADA) complementary paratransit
 - Regional services

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Transit Component of RTP

- Bus Capital
 - Park and Rides
 - Transit Centers
 - Operations and Maintenance Facilities
 - Bus Stops and Amenities
 - Fleet
 - Buses
 - Paratransit
 - Vanpool

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Transit Component of RTP

- Rail Capital
 - Regional Assets for locally funded segments
 - Maintenance facility
 - Rail cars
 - Tempe Town Lake Bridge
 - Regional park and rides
 - Extensions
 - Utility relocation reimbursements

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House Bill 2456

- Passed in 2004 (regular session)
- Authorized referendum on tax extension to fund RTP
- Added requirement for performance audits
- Required “Life Cycle Program” for each mode

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Proposition 400

- Ballot measure in November 2004 general election
- Approved by voters
- Extended tax beginning January 1, 2006

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Transit Life Cycle Program (TLCP)

- Early attempts based on freeway and arterial life cycle programs
- Transit has unique issues due to operating component
- Discussions lacked focus
- Discussions were narrowed to “guiding principles”

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Guiding Principles

- High level principles to guide policy discussions
- Board approval of 6 guiding principles in June 2005

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TLCP Guiding Principles

- A defined and consistent process will be established to implement the voter approved Plan (Proposition 400 maps and capital improvements)
- A defined and consistent process for Plan amendments and changes will be established
- Funding allocations will be regularly monitored and managed
- A defined and consistent process will be established to ensure legislated compliance audit, reporting and performance requirements are met
- Budgeting and accounting systems will be established to manage Public Transportation Funds (PTF) and monitor and report results
- Jurisdictional equity will be monitored annually over 20 years

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Policies and Procedures

- Policies developed around each guiding principle
- Policies approved by Board in October 2005
- Procedures developed to support policies

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Financial Model

- RTP had summary financial plan
- RTP financial plan was based in 2002 dollars
- Developed a cash flow model for 20 year plan
- Inflated costs to “year of expenditure” dollars
- Estimated financing needs
- Approved by Board in June 2005

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Transportation Excise Tax Revenues

- Official revenue forecast completed by ADOT
- Completed annually in October or November
- Includes current fiscal year through life of tax
- Official forecast used to update RTP and consequently the TLCP

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TLCP Update - 2007

- RTP did not include details of operating plan
- Official documents included conflicting information
- RPTA hired HDR to review documentation and recommend baseline TLCP details
- HDR also updated financial model to reflect baseline plan
- Approved by Board in March 2007

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TLCP Update 2008

- Forecast revenues were lower, costs higher
- Capital projects were eliminated or reduced
- No changes to service implementation
- Approved by Board in April 2008

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TLCP Update 2009

- Forecast revenues will again be lower
- Budget and Finance Subcommittee is reviewing policies
- Financial Model Update process will begin in January
- Update guided by policy recommendations of Budget and Finance Subcommittee (BFS)
- Approval by Board in April 2009

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Questions

Staff Contacts

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Board of Directors Information Summary

Agenda Item #4

Date

November 13, 2008

Subject

Transit Life Cycle Program Policy Considerations

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, Valley Metro RPTA Board 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 this fall.

A list of 12 issues, or areas of concern, has been developed and is attached. With each area, there 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 items 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 Budget and Finance Subcommittee at their October 2 meeting. The Subcommittee reviewed the issues and prioritized them. The Subcommittee agreed to address the first six issues with the highest priority, with the view to resolving them prior to the next TLCP Update. The remaining six issues will be discussed and resolved either concurrently with or subsequent to the TLCP Update.

The first six issues to be resolved are: revenue shortfalls, inflation, contract rates, federal revenues, financing and regional services. The next set of issues, in priority order, is: contingencies, plan flexibility and jurisdictional equity, and RPTA staffing. The final issues, with the lowest priority, are: RPTA office space and lead agency commitments.

White papers for the first six issues will be developed and presented to the Subcommittee beginning in November. After input from the Subcommittee, the white papers will be distributed to the staff committees for discussion and input prior to the Subcommittee making any final recommendations to the Board of Directors.

Committee Action Process

Budget and Finance Subcommittee November 20, for discussion
Staff committees as needed for input and discussion
Budget and Finance Subcommittee January 8, 2009 for action
Board of Directors January 22, 2009 for action

Recommendation

For information only.

Contact Person

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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.

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.



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Board of Directors Information Summary

Agenda Item #5

Date

November 13, 2008

Subject

Board Requested Agenda Items

Summary

This item addresses those items that have been requested by Board members to placed on meeting agendas.

Fiscal Impact

None.

Considerations

None.

Prior Committee Action

None.

Recommendation

This item is presented for information only.

Contact Person

David Boggs
Executive Director

Attachments

None



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Board of Directors Information Summary

Agenda Item #5A

Date

November 13, 2008

Subject

Valley Metro RPTA and Valley Metro Rail Merger

Summary

At the September 18, 2008 Board meeting Councilman Ecton requested to have this item on the agenda for Board member discussion.

Fiscal Impact

None.

Considerations

None.

Prior Committee Action

None.

Recommendation

This item is presented for information only.

Contact Person

David Boggs
Executive Director

Attachments

None



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Board of Directors Information Summary

Agenda Item #6

Date

November 13, 2008

Subject

Executive Director's Report

Summary

David Boggs, Executive Director, will provide an update on agency issues.

Fiscal Impact

None

Considerations

None

Committee Action Process

None

Recommendation

No formal action is required

Contact Person

David Boggs
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Attachments

None



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Board of Directors Information Summary

Agenda Item #7

Date

November 13, 2008

Subject

Future Board Agenda Items Request

Summary

Chair Elaine Scruggs will request future Board agenda items from the Board members.

Fiscal Impact

None

Considerations

None

Prior Committee Action

None

Recommendation

None

Contact Person

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Attachments

None



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Board of Directors Information Summary

Agenda Item #8

Date

November 13, 2008

Subject

Public Comment

Summary

An opportunity for general public comment on issues related to Valley Metro RPTA. Up to three (3) minutes will be provided for each speaker.

Fiscal Impact

None

Considerations

None

Prior Committee Action

None

Recommendation

None

Contact Person

None

Attachments

None