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MEETING OF THE
**Budget and Finance
Subcommittee**

MEETING DATE	June 4, 2009
TIME	11:30 a.m.
LOCATION	Valley Metro RPTA 302 N. 1 st Avenue Suite 700 Phoenix, AZ



May 28, 2009

Budget and Finance Subcommittee
302 N. 1st Avenue, Suite 700
Thursday, June 4, 2009
11:30 a.m.

Action
Recommended

1. Summary Meeting Minutes 1. For action

A. Summary minutes from the May 7, 2009 BFS meeting are presented for approval.

B. Summary minutes from the May 14, 2009 BFS meeting are presented for approval.

2. Transit Life Cycle Program (TLCP) Update 2. For action

Paul Hodgins, Manager of Capital Programming, will request the BFS approve alternative 1 as the placeholder for the 2009 TLCP update including operating funds for Arizona Avenue Bus Rapid Transit (BRT) and requiring a review and update of the placeholder by December 31, 2009; and forward the recommendation to the Board of Directors for consideration.

3. FY 2009/10 (July 1, 2009 thru June 30, 2010) Proposed Operating and Capital Budget 3. For action

Mike Taylor, Deputy Executive Director of Finance, will request the BFS approve the following and forward the recommendation to the Board of Directors for consideration:

- Revised FY 2008/09 Operating and Capital Budget ;
- Revised FY 2009/10 Operating and Capital Budget that includes an additional \$400,000 to carry forward funds for the cost of the Scottsdale Road Alternative Analysis Study;
- Revised Resolution delegating authority to the Executive Director regarding IGAs, TSAs, Contracts, Solicitations, and budget authority.

4. Public Comment

4. 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.

5. Future BFS Agenda Items Request and Next Meeting

5. For information

The next meeting of the BFS is scheduled for **September 3, 2009 at 11:30 a.m.** in the RPTA 7th floor conference rooms.

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.



Budget and Finance Subcommittee Information Summary

Agenda Item #1A

Date

May 28, 2009

Subject

Summary minutes from the May 7, 2009 meeting of the Budget and Finance Subcommittee (BFS).

Summary

The BFS met on May 7, 2009 and the summary minutes are presented for review and approval.

Fiscal Impact

None

Considerations

None

Prior Committee Action

None

Recommendation

It is recommended that the BFS approve the summary meeting minutes from the May 7, 2009 meeting.

Contact Person

Michael Taylor
Acting Deputy Executive Director of Finance
602-262-7433

Attachments

Summary Minutes



Summary Minutes
Budget and Finance Subcommittee
May 7, 2009
RPTA 7th Floor Conference Rooms
Phoenix, AZ
11:30 a.m.

BFS Members Present

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

Chairman Wayne Ecton called the meeting to order at 11:33 a.m.

1. **Summary Minutes**

Summary minutes from the March 5, 2009 meeting of the Budget and Finance Subcommittee (BFS) were presented for review and approval.

IT WAS MOVED BY COUNCILMAN CAVALIER, SECONDED BY COUNCILMAN PRESMYK AND UNANIMOUSLY CARRIED TO APPROVE THE MINUTES FROM THE MARCH 5, 2009 MEETING OF THE BFS.

3. **Bond Issuance**

Mike Taylor, Acting Deputy Executive Director of Finance, presented the following information and requested approval of the Master Resolution and First Supplemental Resolution, related to bond financing for RPTA and requested that the BFS forward this item to the Board for consideration.

Financing – Master Resolution – Supplemental Resolution #1

- RPTA hired a financial advisor (RBC Capital Markets) & a bond counsel (Squire, Sanders & Dempsey, L.L.P.)
- Develop a Master Resolution to guide the agency's financing plan

- Develop the First Supplemental Resolution authorizing the issuance of up to \$135,000,000 in bonds in 2009
- Senior Lien Bonds - \$135,000,000
 - METRO Rail - \$85,000,000 – Relocation of utilities, planning, acquisition, construction and equipment of expansions of the light rail system
 - RPTA (Bus Side) - \$50,000,000 – Bus transit centers, acquisition of buses and paratransit vehicles, acquisition, construction and equipment of park and ride facilities and related capital costs
 - Estimated total interest of \$68,274,726
 - Estimated true Interest Cost (TIC) of 4.943%
 - Issuance will be secured by the Public Transportation Funds (PTF)
 - Bus PTF share of interest is estimated at \$25,287,570
 - METRO Rail PTF share of interest is estimated at \$42,987,156
- Master Resolution – Key Points
 - Sets forth the policies under which all future financings may be conducted
 - Mirrors the Master Resolution for the Arizona Department of Transportation's Regional Area Road Fund (RARF) financings
 - RPTA grants a first lien on all Transportation Excise Taxes received by RPTA and deposited into a Bond Account established under the Master Resolution (the "Pledged Funds"), as security for payment of its 2009 Bonds
 - Describes the requirements which RPTA must meet to issue additional Bonds. These included a financial test that the amount of Transportation Excise Taxes received in any 12 consecutive months out of the most recent 18 months prior to the issuance of the additional Bonds is not less than: (1) 200% of the maximum debt service on all Senior Lien Bonds during any future Bond Year and (2) 120% of maximum debt service on all Senior and subordinated Bonds
 - Expressly states that all Bonds are limited obligations of RPTA payable solely from the Pledged Revenues, and RPTA has no obligation to pay the Bonds from any other source of funds which it may have

Councilman Aames asked for a definition of Senior Lien. Mr. Taylor said it obligates the PTF in a first position.

- First Supplemental Resolution – Key Points
 - Authorizes the issuance of up to \$135,000,000 in Senior Lien Bonds, the proceeds of which will be used by RPTA and METRO to fund capital projects outlined in the Regional Transportation Plan
 - Delegates to Executive Director and CFO of RPTA the authority to negotiate the sale of the 2009 Bonds to a group of underwriters to be selected by the RPTA officers from among the pool of underwriters which has previously been qualified by ADOT for its financings and other financings by the State of Arizona
 - RPTA officers are also authorized to: prepare a Preliminary Official Statement and a final Official Statement describing the 2009 Bonds and

their security for distribution by the Underwriters to prospective purchasers of the 2009 Bonds; negotiate the form of a Bond Purchase Agreement with the Underwriters; and enter into other customary financing documents

- Specifies limits or parameters on the financial terms of the 2009 bonds, including; aggregate principal not to exceed a specified dollar amount; interest rate not to exceed specified rate; final maturity date not to exceed July 1, 2025; and Underwriter's compensation not to exceed a specified amount
- Authorizes RPTA to spend proceeds of 2009 Bonds for the 2009 Project
- Authorizes RPTA to take all actions necessary to comply with Bond Resolutions and other bond documents

➤ Recommendation

- It is recommended that the BFS approve the Master Resolution and First Supplemental Resolution, authorizing the issuance of Senior Lien Bonds not to exceed \$135,000,000 and forward this item to the Board of Directors for consideration

Councilman Cavalier said the resolution authorized RPTA to spend the proceeds of the 2009 bonds on 2009 projects and asked if it was the same for 2010. Mr. Taylor said the bond proceeds will be used to reimburse the agency for projects in 2009 for PTF already spent and also in 2010.

Councilman Cavalier asked for an explanation of the requirements that the RPTA must meet which say that the issuance of bonds must not be less than 200% of maximum debt.

Kurt Freund, RBC Capital Markets, said the master resolution lays out a set of rules to be followed each time bonds are issued. Each supplemental issue requires there be some security for initial bond holders to be assured the value of their bonds will be maintained at a 2:1 ratio. He said the resolution is drafted so that senior lien bonds and subordinate lien bonds can be issued, but that typically, in order to obtain the best interest rates, the agency would only issue senior lien bonds.

Councilman Ecton said to keep in mind bonding comes with a price in the form of interest owed.

Councilman Aames asked if the bonding would be a negotiated sale or if it was going out to bid. Mr. Freund said with the volatile markets, a negotiated sale would be best.

Councilman Aames asked if the interest rate is 3.9%, how much would the interest costs drop and if it would be a noticeable amount. Mr. Freund said it would be noticeable and the estimates used were very conservative for planning purposes.

Councilman Ecton said the interest costs would be approximately \$55 million, as a rough calculation.

Councilman Johnson asked if RBC Capital Markets is a local company. Mr. Freund said it is.

Councilman Johnson asked if local companies would be utilized in order to keep local business and tax base.

Councilman Johnson asked if city staff and bus people would be briefed on this item before it goes before the board. Mr. Taylor said they would be briefed.

IT WAS MOVED BY COUNCILMAN AMES, SECONDED BY COUNCILMAN PRESMYK AND UNANIMOUSLY CARRIED TO APPROVE THE MASTER RESOLUTION AND FIRST SUPPLEMENTAL RESOLUTION, AUTHORIZING THE ISSUANCE OF SENIOR LIEN BONDS NOT TO EXCEED \$135,000,000 AND TO FORWARD THIS ITEM TO THE BOARD OF DIRECTORS FOR CONSIDERATION.

2. Transit Life Cycle Program (TLCP) Annual Update Recommendation

Councilman Ecton said for the purposes of this discussion, Dave Meinhart will be representing the interests of the City of Scottsdale.

Dave Boggs said the forecasted revenues for the combined bus and light rail programs is approximately \$1 Billion short with regard to sales taxes, \$570 Million on the bus side and \$430 Million on the rail side. Metro is running parallel with RPTA and will have a board action in June, just before the RPTA board action. Without changing the implementation schedule, the bus program will be in a deficit by 2013 and significant changes are needed to balance the program by 2026.

Paul Hodgins, Manager of Capital Programming, reviewed four (4) potential alternatives for the annual update of the TLCP.

➤ TLCP History

- Original model adopted in June 2005
 - Extensive stakeholder input on policies
- First model update led to TLCP Review
 - Review adopted in March 2007
 - Set the baseline for TLCP projects
 - Based on adopted and voter approved plans
- Second model update adopted in April 2008
 - Cuts two contingencies and some projects
 - No change in operations implementation from baseline

➤ TLCP Guiding Principles

- A defined and consistent process will be established to implement the voter approved Plan
- 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

➤ TLCP Process

Board of Directors delegated to the Budget and Finance Subcommittee the authority to guide the TLCP Update process

From the September 18, 2008 minutes of the Board of Directors meeting:

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, DELIBERATE 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

➤ TLCP Process

- Review model impacts with staff committees, based on policy changes and guidance
- Finalize program changes based on input
- Bring program changes to subcommittee
- Subcommittee to make policy recommendations to the Board

➤ Fleet Life Options

- Suggested by Budget and Finance Subcommittee
- Extend fleet life with mid-life rebuilds

Table 1: Alternative Fixed Route Fleet Replacement Cycles

	12-Year	15-Year	16-Year	17-Year	18-Year
Replace	\$1,105,336,206	\$1,010,168,162	\$913,601,645	\$918,425,620	\$876,293,617
Expand	\$525,526,018	\$466,269,108	\$463,734,862	\$448,825,983	\$415,667,772
Mid-Life	\$0	\$110,369,055	\$110,369,055	\$110,369,055	\$108,774,725
Contingency	\$55,641,417	\$53,989,321	\$50,273,043	\$49,894,859	\$47,011,688
Total	\$1,686,503,642	\$1,640,795,646	\$1,537,978,604	\$1,527,515,516	\$1,447,747,803

Source: HDR|SR Beard, 2009

- Savings in capital program
 - Dependent on using federal funds for rehabilitation program
- May impact operating costs
 - Fleet is not like new
 - Ongoing maintenance costs
 - Fleet image and reliability
- Recommend to continue studying impact on operations
 - Not use this option in the model for approval in June

Councilman Premyk asked if the fleet life extensions are just capital costs regarding cost savings to the plan. Mr. Hodgins said they are just capital costs.

Councilman Presmyk asked if the increase in operations costs would override the savings in capital costs. Mr. Hodgins said there may not be a savings in ongoing operating costs as compared to buying a new piece of equipment since the mid-life rebuilds would not restore the equipment to new condition.

Councilman Presmyk asked what the mid-life rebuild included. Mr. Hodgins said it included engine, transmission, powertrain and perhaps paint and seats as well as possible air condition overhaul.

Councilman Presmyk asked what causes higher maintenance costs after the rebuild. Mr. Hodgins said because of the sophistication of the buses, the computer systems will start to fail requiring repair/replacement. Councilman Presmyk asked why those systems wouldn't be included in the mid-life rebuild. Mr. Hodgins said it would become cost prohibitive to re-build a bus to new condition and at that point, it would make more sense from a cost perspective to purchase new buses.

Councilman Ecton said once re-building begins, it begins to impact service, with buses breaking down more frequently, etc.

Councilman Cavalier said the newer buses are built better mechanically today than 10 years ago.

Mr. Boggs said based on his experience, he does not believe extending the life of the buses was the best alternative.

Mr. Hodgins said there will be additional study done regarding this.

Mr. Presmyk said he would like to see some numbers showing the effect on the operating side if the bus life is extended in addition to the capital costs and/or savings.

Councilman Johnson said he is concerned about re-building as the technology changes and improves and if parts are necessarily available when the re-build time comes.

➤ Financial Model Update

- Transit Life Cycle Program (TLCP) Updated to Reflect Current ADOT Revenue Projections and Board Requested Adjustments
 - Operating rates
 - Variable inflation rates
 - Federal revenue project matching
 - Revenue shortfall measures
- Public Transportation Fund (PTF) Sales Tax Revenues Down 20.8% or \$574.1 million from Previous Year's Estimate
- All Elements of the Program will be Impacted to Balance the 2009 TLCP Update

- Financial Model Update
 - Revenue Adjustments
 - Adjusted ADOT Public Transportation Fund Estimates Bus
 - ✓ FY 2008 Update Bus Program value = \$2.76 Billion
 - ✓ FY 2009 Update Bus Program value = \$2.18 Billion
 - ✓ Program Loss of **\$.58** Billion
 - Adjusted Fare Revenue Projections
 - ✓ FY 2008 Update = 25% each year
 - ✓ FY 2009 Update = 29.9% in FY 2010 with linear decline to 25% FY 2018
 - Adjusted Federal Bus Section 5307 & 5309 Projections
 - ✓ FY 2008 Update = \$1.85 Billion
 - ✓ FY 2009 Update = varies by alternative
 - ✓ Program Loss of revenue reflects region's reduced local match capabilities
 - Expenditure Adjustments – General
 - Adjusted Inflation Rates By Category
 - ✓ Previous updates used 3% annual inflation rate for all categories
 - ✓ Inflation rates adjusted to more accurately reflect specific markets

Category	FY 2010	FY 2011	FY 2012	FY 2013+
Vehicles	1.50%	2.00%	2.5%	3.00%
Facilities	4.40%	4.40%	4.40%	3.00%
Operations	Budgeted	5.81%	5.81%	3.00%
Other	1.50%	2.00%	2.50%	3.00%

- Expenditure Adjustments – Operations
 - Regional Services Reduced
 - ✓ FY 2008 Update Regional Services Cost = \$205.5 million
 - ✓ FY 2009 Update Regional Services Cost = \$197.5 million
 - ✓ Program savings of \$8 million
 - Operations Rate per Revenue Mile Adjusted
 - ✓ Includes separate rates for Supergrid and Express
 - ✓ Adjusted for new inflation factor

Councilman Aames asked if average contract rates were higher or lower. Mr. Hodgins said the average rates were higher this year due in part to fuel costs, labor costs and inflation rates built into the contracts. He said additional research can be done. Mr. Boggs said an analysis of the contract rates is forthcoming.

- Alternative 1
 - Expenditure Adjustments – Operations
 - All Fixed Route Bus Operations Beginning FY 2010 Impacted to Meet Positive Cash Flow Goals
 - Future PTF funded routes that exist today

- ✓ Funded at current weekday and weekend levels
 - Planned New PTF Funded Routes (Express & Supergrid)
 - ✓ Delayed up to four years
 - ✓ Exception – routes where a 4 year delay would result in implantation beyond 2026
 - ✓ Reduced headway to 60 minutes, 7 days a week on Supergrid routes
 - ✓ Reduced to 8 daily trips on express routes
 - Planned Arterial Bus Rapid Transit (BRT) Routes
 - ✓ Delayed beyond 2026
- Expenditure Adjustments – Capital
 - After Funding Reduced Operations Program the Available Local Match for Capital is Reduced
 - ✓ FY 2008 Update PTF Transfer to Capital for Local Match = \$.52 Billion
 - ✓ FY 2009 Update PTF Transfer to Capital for Local Match = \$.27 Billion
 - Fleet Requirements Reduced Corresponding with Operations
 - Capital Revenues Available to Support Currently Committed Capital Facilities Projects Only
- Key Points
 - Minimum service levels in all corridors
 - Arterial BRT service delayed, by underlying Supergrid maintained
 - PTF funds existing service on schedule, no impact to city budgets
 - This alternative maintains the most funding for service and the least amount of capital projects
 - ✓ New services would operate without supporting facilities
- Committee Comments
 - Unacceptable because it creates inequities
 - Preferable because it keeps the most service in the plan
 - 60 minute headways are not considered good service and the plan should deliver quality, not just quantity

Councilman Aames asked how inequities were created. Mr. Hodgins said some cities receive less than what was originally funded.

➤ Alternative 2

- Expenditure Adjustments – Operations
 - All Fixed route Bus Operations Beginning FY 2010 Impacted to Meet Positive Cash Flow Goals
 - Future PTF funded routes that exist today
 - ✓ Funded at current weekday and weekend levels, delayed by 2-4 years
 - Planned New PTF Funded Routes (Express & Supergrid)
 - ✓ Delayed two years or more depending on available revenues
 - ✓ Headway at 30 minutes, 7 days a week on Supergrid routes
 - ✓ Four supergrid routes delayed beyond 2026
 - ✓ Two express routes delayed beyond 2026

- Planned Arterial Bus Rapid Transit (BRT) Routes
 - ✓ Two routes delayed beyond 2026 (S Central and Chandler Blvd)
- Expenditure Adjustments – Capital
 - After Funding Reduced Operations Program the Available Local Match for Capital is Reduced
 - ✓ FY 2008 Update PTF Transfer to Capital for Local Match = \$.52 Billion
 - ✓ FY 2009 Update PTF Transfer to Capital for Local Match = \$.34 Billion
 - Fleet Requirements Reduced Corresponding with Operations
 - ✓ 16 year extended fleet life option
 - Capital Revenues Available to Support currently Committed capital Facilities Projects and Improvements for two BRT corridors
- Key Points
 - No minimum service levels in all corridors, some routes delayed beyond 2026
 - Arterial BRT service maintained in three corridors
 - PTF funds for existing service delayed, impact to future city budgets
 - This alternative contains less funding for service to accommodate arterial BRT improvements
 - ✓ New services would operate without supporting facilities
- Committee Comments
 - Unacceptable because it creates inequities
 - Concern about how much additional funding will be required by the cities to maintain current service

Mr. Hodgins said this alternative extends the bus life to 16 years from 12.

➤ Alternative 3

- Available revenues
 - FY 2010 through FY 2026 revenues allocated by mode
 - Regional Services costs removed from bus allocation
 - Remaining bus PTF allocation distributed by Jurisdictional Equity category and jurisdiction
- Project Costs
 - Jurisdictions' projects listed with estimated FY 2010 through FY 2026 costs
 - Jurisdictions would prioritize projects to use only available revenues
 - Financial model would be re-balanced to account for new priorities

Fountain Hills

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.115%	0.013%	0.082%	0.000%		
\$1,236,879	\$57,003	\$190,851	\$0	\$1,484,733	\$1,484,733

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
512	Existing	NA		\$ 529,208	\$ 529,208	
PEORIA SHEA	2015	NA		\$ 4,950,739	\$ 5,479,947	
Net Operations Costs Total				\$5,479,947		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	First Funds	Funds	Affecting Other	(FY10 - FY26)	Total Cost	Priority
Regional Transit Fleet Allocation	NA	NA	No	\$38,592		
Capital Costs Total				\$38,592		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$190,851

Total Estimated Project Costs	\$5,709,389
Total Estimated Equity Available	\$1,484,733
Net Difference	-\$4,224,657

- Key Points
 - May significantly change the nature of the plan and violate Board guidelines
 - Requires additional work to ensure cities' priorities are compatible and to ensure that model can be balanced
 - Cities have flexibility to direct funding to highest priority projects
 - Sets precedent to use this method for every update
 - May be hardest alternative to return to adopted baseline should revenues increase
- Committee Comments
 - Most equitable for all
 - Unacceptable because it basically destroys the plan
 - Difficult for outlying cities to get what they need, they rely on others to share priorities for service
 - Not a regional approach

Mr. Hodgins said this alternative focuses on jurisdictional equity.

➤ Alternative 4

- Expenditure Adjustments – Operations Continued

- All Fixed Route Bus Operations Beginning FY 2010 Impacted to Meet Positive Cash Flow Goals
- Future PTF funded routes
 - ✓ 30 minute weekday and 60 minute weekend headways (unless currently better)
 - ✓ Delayed 12 years
 - ✓ 14 Supergrid routes delayed beyond 2026
 - ✓ 9 express routes delayed beyond 2026
- Planned Arterial Bus Rapid Transit (BRT) Routes
 - ✓ One route delayed beyond 2026 (Chandler Blvd)
- Expenditure Adjustments – Capital
 - After Funding Reduced Operations Program the Available Local Match for Capital is Increased, average Federal Participation is Decreased
 - ✓ FY 2008 Update PTF Transfer to Capital for Local Match = \$.52Billion
 - ✓ FY 2009 Update PTF Transfer to Capital for Local Match = \$.77 Billion
 - Fleet Requirements Reduced Corresponding with Operations
 - ✓ Standard replacement cycle of 12 years
 - Capital Revenues Available to Support Capital Projects
 - ✓ Three park-and-rides delayed beyond 2026
 - ✓ Two transit centers delayed beyond 2026
 - ✓ Two maintenance facilities delayed beyond 2026
- Key Points
 - Standard service levels in all corridors, many routes delayed beyond 2026
 - Arterial BRT service maintained in four corridors
 - PTF funds for existing service delayed, impact to future city budgets
 - This alternative contains the least funding for service to accommodate additional capital improvements
 - ✓ New services would have supporting facilities
- Committee Comments
 - Unacceptable because it creates inequities
 - The service delays are excessive, too many routes are delayed outside the plan
 - Significant cost to the cities to maintain existing services for 12 additional years

Mr. Hodgins said this alternative focuses on delaying service and capital evenly.

Mr. Aames asked if, in the case there was no funding, would the project not occur after 2026. Mr. Hodgins said yes.

Mr. Aames asked if this alternative included federal sharing. Mr. Hodgins said yes.

- Recommendation
 - Staff recommends moving forward with Alternative 2, which will be refined and brought forward for final adoption in June

- Next Steps
 - Guidance on preferred alternative or approach
 - Appropriate mix of operations and capital
 - Model future system performance for preferred alternative
 - Approval of final TLCP model Update
 - May 26 Valley Metro Operations and Capital Committee
 - May 26 Finance Oversight Advisory Committee
 - June 3 Transit Management Committee
 - June 4 Budget and Finance Subcommittee
 - June 18 Board of Directors
 - Regional Transportation Plan Update and 2009 Annual Report

Councilman Ecton said the Board of Directors instructed this committee to bring forward to them an alternative, not 3 or 4. He said the goal is to maintain a regional system and what is good for the entire system and not just one or two communities.

Mr. Meinhart said the plan is trying to address regional needs and it's also trying to balance equity issues. One of the biggest challenges is that the capital in many of the options is capital subservient and there are some communities that approached this plan when it was developed by focusing a lot of their regional funding in the capital area partly because they have their own local taxes for transportation and transit and this regional tax was seen as part of a larger picture. He said for Scottsdale, based on their own transportation master plan, quality service that has appropriate infrastructure to support that service is very important and it's difficult to separate service and quality. He said that's where option one has been misstated as it's carrying forward as business has been done in the past which is focusing more on geographic distribution and less on the quality of services and having the supporting infrastructure. So from Scottsdale's perspective, it doesn't address the quality issue enough. He said Scottsdale's concern with option 2 is it's a little too arbitrary in deciding which projects stay and which ones go, without input from individual communities. Scottsdale, as with other communities, funds their supergrid routes and it affects their budget if that has to continue. He asked if there was a way to develop an option that reduces operating and capital at a comparable rate.

Councilman Johnson agrees that Phoenix would like to see an alternative somewhere between alternatives 2 and 3 with some community input.

Councilman Aames requested information regarding distribution by jurisdiction. He said he is concerned about West Valley tax payers contributing to Proposition 400 without seeing any benefit.

Councilman Cavalier asked which alternative would offer the most services for the cities. Mr. Hodgins said alternative 2 is the staff recommendation at this point, although

it does not offer the most service, it does have at least 30 minute headways on all of the routes so there is a little better quality than in alternative 1.

Councilman Cavalier asked why alternative 1 is not the best option. Mr. Hodgins said it has the most service, but some of the routes only get one trip per hour and historically, it's not reliable for the passengers.

Councilman Cavalier asked, in areas that have a transit tax and a transit system set up, how does Proposition 400 impact those areas that have a system in place. Mr. Hodgins said routes with regional significance, multi-jurisdictional and how they supported regional mobility were identified. He said the idea was the region takes over all supergrid route funding, but the cities would take over the funding on the local routes.

Mr. Meinhart said Scottsdale's transportation master plan set a clear policy that savings generated on existing routes by Proposition 400 would be put back into additional transit improvements in the community, but every community treats that savings a little differently.

Councilman Cavalier asked, in alternative 2, how much of the service to further out cities such as Surprise and Goodyear will not come under the present funding from Proposition 400, how much will we assume will have to be under a new tax and will those cities lose anything that is planned now? Mr. Hodgins said there are several routes that are delayed beyond the program. They stay in the Regional Transportation Plan (RTP), but they aren't funded until a renewed tax or an additional tax comes about.

Councilman Ecton said when the plan was set out, there were choices made by certain cities whether they wanted roads or transit services. That got divided up and some of the cities elected more money going to roads and less to the transit services and asked, in some cases, if that's why the transit service is later in the plan. Mr. Hodgins said yes.

Councilman Presmyk said he would like to see a blending of alternatives 2 and 3, or a compromise still providing some opportunities or some certain amount of monies for various communities. He said he would like some more time to compare amounts and projects to see if we can arrive at something that gets us not the best of all worlds, but an opportunity to have some specific input and still try to build the regional plan as best we can.

Councilman Aames asked if alternatives 1 & 2 could be adjusted, removing the 60 minute headways. He said he thinks alternative 3 is not viable as it becomes a free for all and gets rid of the regional system.

Councilman Ecton said he believes we would need a legal opinion regarding alternative 3 because he thinks it potentially violates the board guidelines that were set forth. He asked staff to put forth another option to stick with the regional plan which was build the plan and look at it quite simply to assure that every project is there, everything just gets moved out, but it can change every year based on the money that is available. He suggests making adjustments year by year automatically to fit the economic circumstances of the time.

Mr. Boggs said in 2007 some flaws in the plan were detected and so we went out to all the cities, independently and came up with a benchmark that is presently in place and that is the adopted plan. He said it would be very difficult to go out and do that again as it was a nine month process and he is not sure it could be done now from a practical standpoint.

Councilman Johnson asked which alternatives best fit the adopted plan. Councilman Ecton said the new plan that he is recommending is taking the build the plan and simply moving it based upon the funds that we've projected are going to be available from time to time. Things may get delayed 2 years, or 4 years, based upon the funds available. He said he believes a combination of alternatives 2 and 3, or just 3, will create a situation where we have to approve the budget without having the TLCP decided in addition to determining if we're violating the legal and audit aspects.

Councilman Aames asked if he was suggesting moving beyond 2026. Councilman Ecton said to move it out as far as it takes to get it done, as a technical adjustment is made every year, to move the regional plan forward.

Councilman Aames said clear quality of service should be maintained.

Councilman Presmyk said we need to look at what guidelines the Board adopted and continue to build the plan until the Board changes the guidelines. He said alternative 1 has unacceptable service levels and also alternative 4 is not acceptable.

Councilman Ecton said if it can be agreed that alternative 4 is not acceptable, it can be removed from consideration at the next meeting. He said the committee should meet again in a week to discuss the alternative suggested, according to build the plan. He said leaving alternative 3 in serves the purpose of showing how it violates the baseline.

Councilman Presmyk said he would like legal council to look at alternative 3 to determine what policies and guidelines would need to be changed.

Councilman Aames asked for the percentages and how they were derived for alternative 3. Mr. Boggs said a comparative jurisdictional equity table would be provided for the next meeting.

Mr. Boggs said for the next meeting, alternatives 1 and 4 would be removed, alternative 2 would be modified changing the fleet life and alternative 3 would remain.

4. Draft FY 2009/2010 Operating and Capital Budget

Mr. Boggs suggested the budget item be postponed to the May 14th meeting and asked if there were any questions, that they be submitted prior to the meeting.

Mr. Boggs said the discretionary portion of the budget is \$11.6 million, the balance is TLCP. Last summer the budget was cut 20% including salary freezes, travel cuts, salary range freezes and position freezes.

Councilman Ecton agrees and says some cities have reduced salaries. He asked about an error in the consultant line item. Mr. Taylor said a correction was sent out stating the consultant budget on the operating budget decreased \$1 million, while the consultant budget on the capital side did increase because of the Arizona Avenue and the Main Street BRT.

Councilman Ecton asked staff to think about what the next steps might be if revenues do decrease further. Mr. Boggs said he is very reluctant to reduce staff since we are not overstaffed to begin with.

Mr. Boggs asked for any further questions to be submitted.

5. FY 2008/09 Budget vs. Actual Report

For information only and self explanatory.

6. Future BFS Agenda Items Request

Councilman Ecton said the agenda items for the next meeting are the changes to the proposed TLCP alternatives.

7. Public Comment

None

8. Next Meeting

The next meeting of the BFS is scheduled for May 14, 2009 at 10:30 in the 7th floor conference rooms. Meeting materials will be sent out May 8, 2009.

WITH NO FURTHER DISCUSSION, THE MEETING WAS ADJOURNED AT 1:45 P.M.



Budget and Finance Subcommittee Information Summary

Agenda Item #1B

Date

May 28, 2009

Subject

Summary minutes from the May 14, 2009 meeting of the Budget and Finance Subcommittee (BFS).

Summary

The BFS met on May 14, 2009 and the summary minutes are presented for review and approval.

Fiscal Impact

None

Considerations

None

Prior Committee Action

None

Recommendation

It is recommended that the BFS approve the summary meeting minutes from the May 14, 2009 meeting.

Contact Person

Michael Taylor
Acting Deputy Executive Director of Finance
602-262-7433

Attachments

Summary Minutes



Summary Minutes
Budget and Finance Subcommittee
May 14, 2009
RPTA 7th Floor Conference Rooms
Phoenix, AZ
10:30 a.m.

BFS Members Present

Councilman Wayne Ecton, City of Scottsdale, Chairman
Councilman Ron Aames, City of Peoria (via conference call)
Councilman Frank Cavalier, City of Goodyear
Councilman Les Presmyk, Town of Gilbert

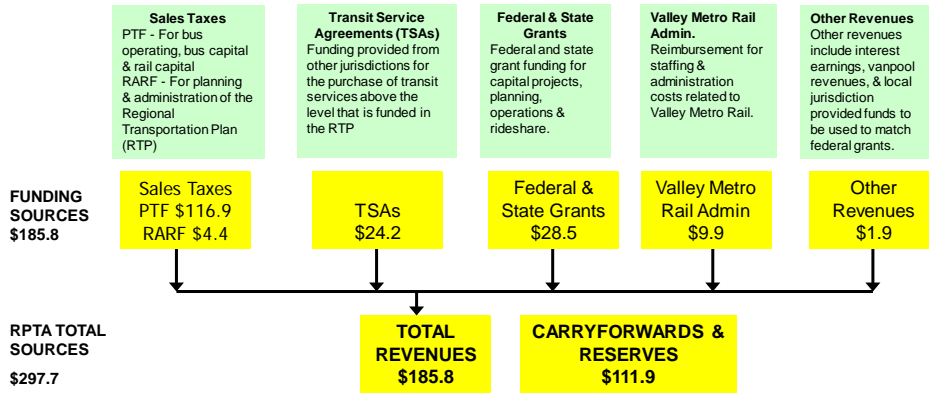
Chairman Wayne Ecton called the meeting to order at 10:35 a.m.

2. **Draft FY 2009/2010 Operating and Capital Budget**

Mike Taylor, Acting Deputy Executive Director of Finance, gave a brief presentation regarding the FY 09/10 budget, which included the following:

- Key Points in the Preliminary FY 2009/10 Operating & Capital Budget
 - \$116.9 million funded with Proposition 400 Public Transportation Funds (PTF) revenues (\$66.3 million for bus operating and bus capital and \$50.6 million in light rail capital)
 - No new positions being requested and leaves the total RPTA positions at 127
 - No compensation increases which encompasses merit as well as longevity pay. Salary ranges will not be increased.
 - No cost of living (COLA) increases, or step increases
- Flow of Funding Sources (in millions)

Flow of Funding Sources (in millions)



Note:
 Of the total \$185.8 million revenues there are lead agency disbursements of \$66.7 million (pass thru funding).
 •Valley METRO Rail - \$50.6 million PTF, \$0.5 million RARF
 •Other lead agencies - \$15.6 million

PTF = Public Transportation Funds
 RARF = Regional Area Road Funds

- Sources of Funds

Sources of Funds: (in thousand)

Public transportation funds (PTF)	\$ 116,850
Transit service agreements (TSA)	24,211
Federal grants	27,710
Valley METRO Rail reimbursement (VMR)	9,858
Regional area road funds (RARF)	4,389
Other revenues	2,741
Subtotal	\$ 185,759
Carryforwards and reserves (CF and Res.)	111,925
Total	\$ 297,684

- Sources of Funds - Major Changes

- FY 08/09 Total Sources - \$319.0M
- FY 09/10 Major changes in funding:
 - Public Transportation Fund (PTF) revenues (\$16.7M decrease)
 - Carry Forwards & Reserves (\$66.3M increase)
 - Increase in federal grants (\$10.6M)
 - Bond Proceeds (\$80.0M decrease)

- Other Revenues, Interest, TSAs, VMR Reimb. (\$1.5M decrease)
- FY 09/10 Total Sources - \$297.7M

- Uses of Funds

Uses of Funds: (in thousands)

Lead agency disbursements (PTF and RARF) \$	66,683
Transit service contracts	66,807
Capital	40,635
Personnel costs	19,132
Contractual agreements	7,040
Lead agency bond disbursement	70,300
Other costs	22,311
Subtotal	\$ 292,908
Carryforwards and reserves (CF and Res.)	4,776
Total	\$ 297,684

- Uses of Funds - Major Changes
 - FY 08/09 Total Uses - \$319.0M
 - Major changes in uses of funds:
 - Salaries & fringe benefits decreased \$200,000
 - No compensation increases which encompasses merit as well as longevity payments
 - Salary ranges will not be increased
 - No cost of living (COLA) increases, or step increases
 - Lead agency disbursements decreased \$53.5M
 - Transit service contracts increased \$7.5M
 - Bond proceeds disbursement to METRO increased \$44.2M
 - Other expenses net increase of \$9.6M
 - Carry forwards & Reserves decreased \$28.9M
 - FY 09/10 Total Uses - \$297.7M
- Budget Goals
 - Balanced and fiscally sound
 - \$10.6 million of PTF undesignated fund balance will be drawn down to fund capital projects that are programmed in the TLCP
 - \$135.0 million of bond proceeds to fund capital projects for both RPTA & Valley METRO Rail for FY 2008/09 and 2009/2010.
 - Aligned and Includes all adopted Transit Life Cycle Program (TLCP) projects for FY 09/10
 - All PTF bus revenues have been programmed for FY 09/10

- Valley METRO Rail funding: \$50.6M PTF and \$0.5M RARF
- \$4.0 million is not part of the TLCP and are projects that are funded by member cities, fare revenue, State and Federal grants and also \$24 million that is funded by member cities for transit service.
- Transit Life Cycle Program (TLCP)
 - Bus Operating Program
 - New for FY 09/10
 - Supergrid Route: 136 Gilbert Road (at current level of service)
 - Continuation of current levels of funding for:
 - Local, express, and bus rapid transit (BRT) routes
 - Fixed route rural service to Wickenburg and Gila Bend
 - Demand Response ADA Trips
 - Sun Cities Area Transit Demand Response
 - Bus Capital Program
 - 110 replacement buses
 - 9 expansion buses for local, express and supergrid fixed routes
 - 79 Paratransit fleet replacements and expansion
 - 75 Vanpool vehicle replacement and expansion
 - Bus stop passenger shelters and benches
 - Design, right-of-way, and site work for dedicated BRT, funds for park-and-ride lots and transit centers
 - Rail capital (\$50.6M PTF passed through to Valley METRO Rail)
- Key Decisions
 - Possible action
 - Budget and Finance Subcommittee for review May 14, 2009
 - VMOCC and FOAC for review and action May 19, 2009
 - Board to review at May 21, 2009 meeting. TMC approval on June 3 and BFS approval on June 4, 2009. Board adoption to occur on June 18, 2009.

Councilman Presmyk asked Mr. Taylor to define longevity pay. Mr. Taylor said it is an annual payment equal to \$150 per year for each year of service payable to those employees who have “topped out” in their salary range.

Councilman Aames asked what is driving the transit service contracts. Mr. Taylor said the transit service contracts make up RPTA's budget includes fixed route bus and Paratransit contracts. Also included is the PTF funds paid to the cities of Phoenix and Tempe for bus operations.

Councilman Aames asked if there is more service. Mr. Taylor said the increase is made up of the additional supergrid routes that we're funding for next year: route 136 for Gilbert, contractor increases (cost per mile) for RPTA, City of Phoenix and the City of Tempe and also for the first time for FY 2010, we split out the

contractor rates for local service and express service and that impacted the PTF by approximately \$1.5 million.

Councilman Aames asked if there is an increase in cost for these services. Mr. Taylor said we have 3% built into our budget just in case as a conservative measure.

Councilman Ecton said he felt the members didn't have enough time to review the budget information and it is important to provide feedback to RPTA staff prior to the next BFS meeting.

Councilman Cavalier asked if there is anything budgeted in the reserve fund. Mr. Taylor said yes; (1) there is always a 12% reserve of cash of our operating budget, (2) there is an operations contingency which is built into the budget, and (3) there are contingency funds for the capital projects.

Councilman Cavalier asked about the contingency balance for the end of this fiscal year. Mr. Taylor said 12% in operating reserve, which comes to approximately \$11 million as cash.

1. Transit Life Cycle Program (TLCP) Annual Update Recommendation

Paul Hodgins, Manager of Capital Programming, presented the following information for the fifth alternative to the TLCP Update:

➤ Alternative 5

- Expenditure Adjustments – Operations
- All Fixed Route Bus Operations Beginning FY 2010 Impacted to Meet Positive Cash Flow Goals
- Future PTF funded routes
 - 30 minute weekday and 60 minute weekend headways (unless currently better)
 - Delayed 4 to 18 years
 - 18 Supergrid routes delayed beyond 2026
 - 10 express routes delayed beyond 2026
- Planned Arterial Bus Rapid Transit (BRT) Routes
 - Two routes delayed beyond 2026 (S Central and Chandler Blvd)
- Expenditure Adjustments – Capital
- After Funding Reduced Operations Program, the Available Local Match for Capital is Increased, Average Federal Participation is Decreased

- FY 2008 Update PTF Transfer to Capital for Local Match = \$.52 Billion
 - FY 2009 Update PTF Transfer to Capital for Local Match = \$.77 Billion
- Fleet Requirements Reduced Corresponding with Operations
 - Standard replacement cycle of 12 years
- Capital Revenues Available to Support Capital Projects
 - Five park-and-rides delayed beyond 2026
 - Five transit centers delayed beyond 2026
 - Four maintenance facilities delayed beyond 2026
- Key Points
 - Standard service levels in all corridors, many routes delayed beyond 2026
 - Projects are implemented in order, based on 2007 TLCP Review
 - Arterial BRT service maintained in three corridors
 - PTF funds for existing service delayed, impact to future city budgets
 - This alternative contains the least funding for service to accommodate additional capital improvements
 - ✓ New services would have supporting facilities
 - Ensures that funding beyond 2026 is adequate to support operations
- Recommendation
 - Staff recommends moving forward with Alternative 5, which will be refined and brought forward for final adoption in June
 - Alternative 5 maintains the priorities for project implementation and can be updated each year based on available and projected revenues
- Next Steps
 - Guidance on preferred alternative or approach
 - Appropriate mix of operations and capital
 - Model future system performance for preferred alternative
 - Approval of final TLCP Model Update
 - May 26 Valley Metro Operations and Capital Committee
 - May 26 Finance Oversight Advisory Committee
 - June 3 Transit Management Committee
 - June 4 Budget and Finance Subcommittee
 - June 18 Board of Directors

- Regional Transportation Plan Update and 2009 Annual Report

Councilman Ecton said the purpose that we're discussing all this is because the board authorized unanimously to ask the BFS to come forward to them with recommendations on how we might proceed this year with the TLCP and that the committee needs to advise Mr. Boggs what it would like him to take forward to the board next week and whether we want any of the alternatives eliminated. He said Councilman Johnson is not present for today's meeting but that he provided a letter which has been submitted to the committee and will be made part of the record.

Councilman Ecton said in the document that Councilman Johnson provided, he made the following proposal:

I propose the Valley Metro Board of Directors move forward with the FY 2009-10 budget with no new or expanded services or new capital projects that are not now in their design or construction. Also, to be budgeted would be service now in operation and scheduled to be shifted to Prop 400 funding in FY 2009-10 at the current service levels or those in the TLCP whichever is lower. All other funds that were to be allocated to new or expanded service or capital projects should be set aside in budget reserve to be allocated by the Board of Directors after a complete rebalancing of the TLCP. That rebalancing should be completed in collaboration with the members by October 2009.

I am confident that working with members and their consultants, RPTA staff can find a way to keep all the services and projects in as placeholders now in order to allow a more reasoned reprogramming to move forward.

Councilman Ecton asked Mr. Hodgins to explain how that impacts what is being presently discussed.

Mr. Hodgins said the key words are regarding RPTA staff and finding a way to keep all the services and projects in as placeholders. He said he understands that to be keeping the projects in the same year, as the plan is now, but in order to do that and have a balanced regional plan by either cutting the level of services funded or there needs to be some funding from somewhere else, primarily the cities, to make up the deficit.

Mr. Boggs introduced Laurie Wingenroth from the City of Phoenix to provide clarification on Councilman Johnson's statement. She said he is not proposing that they all have to stay in the same year, he's proposing that all projects and all service appear somewhere in the 20 year life of the tax itself so that they're all still included so that no project has fallen out of the scope of the 20 years.

Mr. Hodgins said it still requires coming up with a way to breach the deficit and that there's going to have to be some sort of cost sharing in this interim plan at least in terms of what we give MAG in the regional plan.

Councilman Cavalier said he thinks what Councilman Johnson is saying is to keep things in line and budget next year accordingly as it's possible that within the next 3-5 years, the economy will rebound. Let's continue and take this into the next budget year and then look at the next budget year this time next year and see where we are and continue making adjustments.

Mr. Hodgins said the TLCP has to be through the end of the tax. Councilman Cavalier asked if it could be changed on an annual basis. Mr. Hodgins said yes. Mr. Boggs said there is an annual model update every year.

Councilman Presmyk said he thinks the committee needs to send forward to the full board at least alternative 3 because that's going to be a question that will be raised. He proposes that the alternative that is sent is the one that most closely matches the existing regional plan before the economic recession so that when things do improve, we're not having to recreate an entirely new plan, but just modifying it because of cash flow and then it's the easiest one to return to when revenues increase.

Councilman Ecton said he is comfortable moving forward to the board with alternative 2 and alternative 5. Alternative 3 is okay to move to the board, but he thinks it will be too complex and we will not have the ability to sort through it in time to prepare our report for MAG. Mr. Hodgins said the report needs to be drafted by June

Councilman Presmyk said given the time frame, what Councilman Johnson has proposed is going to take a lot more time. He said his approach in either alternative 2 or alternative 5 is that those maintain the plan as it is now.

Councilman Aames asked if that would cut money out of the current year. Councilman Presmyk said money would have to be cut out of the current year.

Councilman Ecton said we've spent months putting together the alternatives that we have in front of us. If we put in the Councilman Johnson proposal, then we're not ready to move it forward. We don't have that information. We don't have it ready and we need to make a decision at the board meeting in June.

Councilman Aames said he thought the West Valley would like to see alternative 1 moved forward. Councilman Cavalier said he thinks all West Valley cities would like to see it included.

Councilman Ecton said what will be presented at the next board meeting is an update on what the BFS has been working on. There will be no decision made at that meeting. We will be listening to what everybody's opinions are, which is part of our process, and this will come back to this subcommittee and we will make a decision to bring forward a proposal for the board to consider.

Mr. Boggs said the committee would move forward alternatives 1, 2, 3 & 5 for information and possible action.

Mr. Hodgins said the memo will go out and it will mention that there was an alternative 4 and it will include Councilman Johnson's proposal.

3. Next Meeting and Future Agenda Items

The next meeting of the BFS is scheduled for June 4, 2009 at 11:30 a.m. in the 7th floor conference rooms.

4. Public Comment

None

WITH NO FURTHER DISCUSSION, THE MEETING WAS ADJOURNED AT 11:45 A.M.

May 13, 2009

The Honorable Wayne Ecton
Chairman, Valley Metro Budget and Finance Subcommittee
302 North 1st Avenue, Suite 700
Phoenix, Arizona 85003

Re: Written Comments for the May 14, 2009 Budget and Finance Subcommittee

Dear Chairman Ecton:

Unfortunately I am unable to attend the special Budget and Finance Subcommittee on May 14, 2009. As a result, I am submitting these written comments and request that they be shared and entered into the record during the meeting.

At this time, Phoenix Transit staff is reviewing the materials released Tuesday, May 12, 2009. An initial evaluation seems to show there are large deviations from a jurisdictional based allocation in Alternative 5. In some instances cities are gaining or losing 50% to 1000+% of their share of the bus program. Also, written descriptions of the changes as well as route listings raise questions about how costs of individual routes are allocated. I understand that the details needed to evaluate these cost allocations was requested by Deputy Public Transit Director Reed Caldwell, a Phoenix Valley Metro Operations and Capital Committee (VMOCC) member, at the April 21, 2009 joint VMOCC and Finance Oversight Advisory Committee (FOAC) meeting and has not yet been provided.

Valley Metro, as well as most municipal transit organizations are facing difficult and complex decision in addressing budget shortfalls. I believe the current examination of the Transit Life Cycle Program (TLCP) cannot be characterized as a routine update to the TLCP due to the large magnitude of the fiscal change involved. A thoughtful, balanced and collaborative approach is needed to develop a responsible plan in this environment. As Phoenix has had to revamp its transit tax plans, many of the other member cities have had to make difficult decisions to balance their budgets. Moving forward with incomplete information and without adequate time and opportunity to discuss and work together as a region is a mistake that will harm the future of transit.

I believe the only viable solution to meet the critical timeline of adopting a Valley Metro FY 2010 budget and meet the requirements of a balanced TLCP is to move forward with an interim option which keeps everything within the current tax. This would then be followed by a renewed collaborative effort to revamp the plan through detailed policy driven discussions.

PROPOSAL FOR CONSIDERATION

I propose the Valley Metro Board of Directors move forward with the FY 2009-10 budget, with no new or expanded services or new capital projects that are not now in there design or construction. Also, to be budgeted would be service now in operation and scheduled to be shifted to Prop 400 funding in FY 2009-10 at the current service levels or those in the TLCP whichever is lower. All other funds that were to be allocated to new or expanded service or capital projects should be set aside in a budget reserve to be allocated by the Board of Directors after a complete rebalancing of the TLCP. That rebalancing should be completed in collaboration with the members by October 2009.

I am confident that working with members and their consultants, RPTA staff can find a way to keep all the services and projects in as placeholders now in order to allow a more reasoned reprogramming to move forward.

Sincerely,

A handwritten signature in black ink that reads "Michael E. Johnson". The signature is written in a cursive style with a long horizontal line extending to the right.

Michael Johnson
Councilman – District 8
City of Phoenix

CC: Budget and Finance Subcommittee



Budget and Finance Subcommittee

Information Summary

Agenda Item #2

Date

May 28, 2009

Subject

Transit Life Cycle Program (TLCP) Changes

Summary

The State Transportation Board on November 14, 2008 approved the recent update to the Maricopa County Transportation Excise Tax forecast. ADOT revises the forecast annually through a risk analysis process that includes prominent economists and transportation experts. Subsequent to that, ADOT staff revised the forecast again due to the continued decline in current revenues. The draft revision is included in the preliminary update.

The draft revision dramatically reduces the expected revenues for the remaining life of the tax. In total, the forecast for FY 2009 through FY 2026 has decreased by more than \$3.0 billion from the previous forecast. The Public Transportation Fund (PTF) receives 33.3% of those revenues which are used to implement the transit portion of the Regional Transportation Plan, as approved in Proposition 400 in November 2004.

The Budget and Finance Sub-Committee reviewed four alternatives presented at the May 7 meeting. The Chair asked for another alternative that would allow operations and capital projects to be implemented when funds were available and to extend the cash flow model to determine in which year each project can be implemented. The Sub-Committee eliminated alternative four at its meeting on May 14.

Fiscal Impact

The decline in forecasted revenues for transit is slightly more than \$1 billion through the life of the tax. This amount is further allocated to bus, which declined by \$568.4 million, and rail, which declined by \$433.6 million. The decline in forecasted revenues has severely impacted the Transit Life Cycle Program. Both the bus and rail components were balanced in the 2008 Update, but did not show significant surpluses. The loss in forecasted revenues mean that projects will need to be delayed, modified or deleted in order to balance the TLCP in 2009.

Considerations

TLCP Model – Alternative 1

This alternative followed the guidance developed through the committee process, with one exception. The step by step approach is outlined in the attachment. Generally, the alternative maintains the implementation schedule for existing routes, but when those routes become supergrid there is no or little improvement over existing service levels. The funding is taken over by the region. New routes are implemented with a four year delay and at service levels that are 30 minutes or 60 minutes, except that no route is delayed beyond 2026.

Fleet is purchased to support operations and is mostly replacement fleet based on a 12 year life. There is some expansion to accommodate the minimal additional service in the plan. Capital facility projects are all delayed beyond 2026, except for projects which have been committed by the Board of Directors in an inter-governmental agreement.

The biggest change, and the exception to the guidance, is that all arterial Bus Rapid Transit (except for Mesa Main Street, which is committed and operating) is delayed beyond 2026. In maintaining existing implementation and ensuring that there is minimal service in each corridor, there are little operating funds left for the arterial BRT service. Since this service is an overlay to existing local service, delaying it does not violate the goal of maintaining some minimal service in the corridor and provides significant cost savings in both operations and capital.

TLCP Model – Alternative 2

This alternative delays projects in order, but gives precedence to operations projects. The goal was to minimize delays to operations implementation, which meant more significant delays to capital projects. This involved a two step approach. The first step was to adjust operations projects in order to ensure that operating costs do not exceed revenues in any year. Existing service was maintained at existing levels and new routes were implemented at 30 minute headways. Full service levels were nearly impossible to achieve due to the constrained operating revenues. Most routes ended up with delays of 2 to 4 years. Four express/BRT routes and four supergrid routes were delayed beyond 2026, effectively putting them out of the funded program. These will remain in the Regional Transportation Plan subject to continued funding beyond 2026.

Fleet purchases continue at a level to support funded operations. HDR used the 16 year fleet life for this alternative, allowing for fewer delays in projects. Funding for capital facilities is maintained for projects that are currently committed. American Recovery and Reinvestment Act (ARRA) funds have been added to support approved projects. The majority of future capital facilities have been delayed beyond 2026. See the attached summary of Alternative 2 for details by project.

TLCP Model – Alternative 3

The third alternative requested by the committees was to distribute available revenues using the jurisdictional equity percentages in the adopted TLCP policies and allow each city to prioritize their own projects. Available revenues for FY 2010 through FY 2026 were allocated by percentage to each category of expenditures and then further by jurisdiction. Regional costs were taken off the top prior to making the allocations, since by policy the regional costs are excluded from jurisdictional equity calculations.

The allocated revenues were then compared to the costs for projects by city. The projects are listed with estimated expenditures for FY 2010 through FY 2026. The operations costs are net of fare revenues. The fleet acquisition costs are estimated at the 20 percent local share. Capital facilities are listed at their full (or capped) costs. Cities could choose to allocate only the local share of capital facilities to the PTF, but would then take on the risk of federal funds availability. If federal funds did not become available, then the city and not the PTF would need to fund the shortfall.

Many of the projects are multi-jurisdictional. It would take some effort to reconcile the priorities for each city for those multi-jurisdictional projects, and to ensure that the cities' priorities can be funded within each year (especially for operations) of the TLCP. Moving forward with this option would likely require a commitment by the committee to meet more frequently and individually to develop a balanced program. This may require a change in TLCP policies if jurisdictions shift funds between categories, such as from bus operations to ADA, and may not be consistent with the first Guiding Principle which is to build the plan. However, given the magnitude of the revenue problem, completion of the plan as presented to voters may not be possible. See the attachment for the jurisdictional allocations and projects by city.

TLCP Model – Alternative 4

Alternative four was eliminated by the Budget and Finance Sub-Committee at its meeting on May 14.

TLCP Model – Alternative 5

The Sub-Committee Chair requested a fifth alternative that mirrors somewhat alternative 2. The difference would be that operations implementation does not take precedence over capital projects. Unlike alternative 4 where all projects are delayed equally, this alternative delays projects only as needed to meet the cash flow. As a result, projects are delayed anywhere from four to 18 years. Earlier projects are delayed less, and as the operations component grows the delays become larger as the cost for operations takes a significant portion of the revenues.

Based on current revenue assumptions, all projects would be implemented by 2042. That assumes the Transportation Excise Tax is extended for another 20 years and that transit continues to receive one third of the revenues.

The advantage of this alternative is that it maintains the implementation order for projects. Future updates will maintain the same order, but projects may be advanced or delayed based on updated revenue forecasts at the time.

System Performance

The Regional Transportation Plan contains performance goals, objectives and measures for system-wide performance. To date, the transit performance has been limited to measuring performance on existing service. The Maricopa Association of Governments (MAG) is looking at future system performance and including estimated future impacts on system performance in the decision making process. MAG has contacted RPTA to include transit changes in that process.

It is unlikely that any of the alternatives presented can be modeled in time for Board approval in June. However, MAG may require that future changes to the TLCP be modeled and the impacts on system performance be presented as part of the decision making process. This was one of the findings in the 2005 performance audit of the Regional Freeway System (RFS) and will likely be looked at during the 2010 performance audit for all modes. Decisions made solely for financial reasons without regard for system performance may be a finding during the audit, based on previous audits of the RFS.

Committee Action Process

Valley Metro Operations and Capital Committee, May 26, 2009 for action

- Approved the following motion by a vote of 8-4: "Approve option 1 as the placeholder for the 2009 TLCP update including operating funds for Arizona Avenue BRT and requiring a review and update of the placeholder by December 31, 2009."

Finance Oversight Advisory Committee, May 26, 2009 for action

- Approved the following motion by a vote of 8-4: "Approve option 1 as the placeholder for the 2009 TLCP update including operating funds for Arizona Avenue BRT and requiring a review and update of the placeholder by December 31, 2009."

Transit Management Committee, June 3, 2009 for action

Budget and Finance Subcommittee, June 4, 2009 for action

Board of Directors, June 18, 2009 for action

Recommendation

It is recommended that the BFS approve alternative 1 as the placeholder for the 2009 TLCP update including operating funds for Arizona Avenue Bus Rapid Transit (BRT) and requiring a review and update of the placeholder by December 31, 2009; and forward this recommendation to the Board of Directors for consideration.

Contact Person

Paul Hodgins

Manager of Capital Programming

602-262-7433

Attachments

Alternative 1 Summary

Alternative 2 Summary

Alternative 3 Summary

Alternative 5 Summary

PTF Jurisdictional Allocations

Alternative 1 Summary

The initial work consisted of inserting the current revenue forecast, adjusting for the new inflation policy, adjusting for actual expenditures, removing the regional office center costs and adjusting the contract rates. With those initial changes, there is not enough revenue to cover just the operating costs beginning in FY 2013. Because we cannot finance to operate, there must be changes to the operating program.

Based on guidance from the Budget and Finance Subcommittee, a step by step approach was used to identify changes to the program to balance the model. Additionally, every attempt was made to not recommend changes that shift costs to the cities. Following is a summary of the step by step approach.

Base – The base used is the adopted 2008 TLCP Update. The update was balanced year by year and the program had a small surplus of approximately \$140,000 at the end of the plan.

Step 1 – The bonding assumptions were eliminated and the February 2009 ADOT forecast was input. The result is deficits each year with an ending deficit of \$306.6 million.

Step 2 – Operating contract rates were adjusted with current estimates for FY 2009 and FY 2010. The ending deficit increased to \$393.7 million.

Step 3 – The fleet plan was updated to reflect changes in replacement and expansion plans and to reflect actual purchases through FY 2009. In addition, vehicle prices were increased to reflect the recently completed fleet procurement. The program ending deficit increased to \$537.2 million.

Step 4 – The costs for the Regional Office Center were removed and lease rates were put back into the model, without an assumed increase in space requirements. In addition, the fare revenue assumptions were modified based on the current fare policy recommendation. The fare recovery is assumed to increase to approximately 30 percent in FY 2010 and gradually fall back to 25 percent by FY 2018. This reduced the deficit to \$496.7 million.

Step 5 – The newly adopted inflation policy was input to the model. The inflation rates used are attached. Due to the severe decline in both the Producer Price Index and the Consumer Price Index in recent months, the adjusted inflation rates actually reduce the deficit. Additionally, the adjusted regional services costs were included, increased by only inflation with no adjustments for service changes. The deficit was reduced to \$378.4 million.

Step 6 – Peak services were eliminated from future improvements. The amount gained by delaying a year was minor and eventually all peak services were eliminated. They are not restored at any point in the program. This step only reduced the deficit to \$342.6 million.

Step 7 – Service improvements were delayed by 4 years. This includes only service improvements. The PTF continues to assume funding for existing services on the original implementation schedule. The savings by delaying service improvements is not as significant as a result. The deficit was reduced to \$288.9 million.

Step 8 – The arterial Bus Rapid Transit (BRT) projects were deferred beyond FY 2026. Because the deficit was still so significant, and the arterial BRT program is an enhancement to existing service (in all cases there is underlying local service), these projects, with the exception of Main Street (Mesa) which is already operating, will be deferred beyond the life of the program. This saves both capital and operating funds. The deficit is reduced to \$67 million.

Step 9 – Eliminate regional funding for capital projects. In effect, all capital facilities and supporting capital are eliminated from the program except for projects that have been completed or are under construction. Several projects have signed Intergovernmental Agreements (IGA) and these will be examined to determine if the projects and IGAs should be cancelled. The determination will be negotiated with the affected jurisdiction. The reduction in capital expenses necessitates a reduction in federal revenues to a reasonable percentage. The deficit is reduced to \$19.2 million.

Step 10 – With no capital left to eliminate, assuming that fleet is needed to maintain the level of service anticipated, the final option is to further reduce service. New routes are assumed to operate at less than the base 30 minute headways. Although 60 minute headways are not desirable, this step is necessary to ensure that there is at least a minimum of service on each line on the map. Bonding was restored to the plan to ensure that each year is balanced. This results in a surplus of \$55.8 million at the end of the program.

Economic Recovery Funds (Stimulus) – The project listing for economic stimulus funds has not been finalized and therefore no funds have been programmed in the update. However, due to the severity of the cuts needed, a change in the recommended stimulus project list will be made. The Arizona Avenue BRT project will be removed and replaced with other Prop 400 projects. The park-and-rides in Surprise, Scottsdale (Scottsdale/Loop 101) and Mesa (US60/Country Club) will be recommended for funding assuming that the environmental work needed can be completed in time for the second phase of obligations. When the project list is finalized, the funds will be added to the model prior to final adoption. Although the addition of federal stimulus funds may make the final surplus higher, it is recommended that the project modifications not be changed at this time.

Jurisdictional Equity – The estimated jurisdictional equity based on the preliminary 2009 TLCP Update is attached. This is preliminary and may change based on some further analysis of the impacts of the recommended project changes.

TLCP Operations Project Implementation Schedule

Projects are Implemented at Beginning of Fiscal Year

<u>BRT/Express Routes</u>	<u>Route Name</u>	<u>Baseline</u>		<u>2009 Update</u>	
		<u>Year</u>	<u>Trips</u>	<u>Year</u>	<u>Trips</u>
Ahwatukee Connector		2017	8	2021	8
Ahwatukee Express	RAPID I-10 East	2008	28	2008	28
Anthem Express		2018	10	2022	7.5
Apache Junction Express		2011	8	2015	8
Arizona Avenue Arterial BRT		2011	40	2011	40
Avondale Express		2020	16	2024	8
Black Canyon Freeway Connector		2016	16	2020	8
Buckeye Express		2015	6	2017	6
Chandler Boulevard Arterial BRT		2024	48	NA	0
Deer Valley Express	RAPID I-17	2008	30	2008	39
Desert Sky Express	RAPID I-10 West	2008	24	2008	25
East Loop 101 Connector	Route 511	2009	8	2009	10
Grand Avenue Limited		2013	24	2017	24
Loop 303 Express		2023	8	2026	8
Main Street Arterial BRT		2009	40	2009	50
North Glendale Express	Route 573	2008	16	2008	12
North I-17 Express		2022	10	2026	8
North Loop 101 Connector	Route 572	2008	12	2008	12
Papago Freeway Express	Route 562	2009	8	2009	8
Peoria Express		2014	12	2018	8
Pima Express		2013	8	2017	8
Red Mountain Express	Route 535/536	2009	8	2009	11
Red Mountain Freeway Connector		2019	16	2023	8
Santan Express		2018	20	2022	8
Scottsdale/Rural Arterial BRT		2014	48	NA	0
South Central Avenue		2015	48	2019	48
South Central Avenue Arterial BRT		2016	40	NA	0
SR 51 Express	RAPID SR-51	2008	20	2008	25
Superstition Freeway Connector		2012	6	2016	6
Superstition Springs Express		2019	20	2023	8
West Loop 101 Connector	Route 575/576	2009	12	2009	16

<u>Supergrid Routes</u>	<u>Route Name</u>	<u>Baseline</u>		<u>2009 Update</u>	
		<u>Year</u>	<u>Headways</u>	<u>Year</u>	<u>Headways</u>
Scottsdale Road	Route 72	2007	20/10	2007	30/15
Chandler Boulevard	Route 156	2008	30/15	2008	30
Glendale Avenue	Route 70	2008	30/15	2008	30/15
Southern Avenue	Route 61	2009	30/15	2009	30/15
Dobson Road	Route 96	2009	30/15	2009	30/15
Main Street	Route 40	2009	30/15	2009	30
Gilbert Road		2010	30	2010	30
Power Road		2010	30	2014	60
Baseline Road		2011	30/15	2011	30
Arizona Avenue/Country Club		2012	30/15	2012	30
University Drive		2012	30/15	2012	30
Broadway Avenue		2013	30/15	2013	30
Camelback Road		2013	30/15	2013	30
Elliot Road		2013	30/15	2013	30
Alma School Rd.		2014	30/15	2014	30
McDowell/McKellips Road		2014	30/15	2014	30
Dysart Road		2015	60	2015	60
Hayden/McClintock		2015	30/15	2015	30
Peoria/Shea Avenue		2015	20	2015	20
Ray Road		2016	30	2020	60
Bell Road		2019	30/15	2019	30
Queen Creek Road		2019	30	2023	60
59th Avenue		2020	30	2020	30
Indian School Road		2020	30/15	2020	30
Tatum Boulevard/44th Street		2020	30/15	2020	30
Thomas Road		2020	30/15	2020	30
Van Buren		2020	30/15	2020	30
Waddell Road/Thunderbird		2020	30	2020	30
99th Avenue		2021	30	2025	60
Buckeye Road		2021	30	2021	30
Dunlap/Olive Avenue		2021	30/15	2021	30
Greenfield Road		2022	30	2026	60
83rd Avenue/75th Avenue		2023	30	2026	60
Litchfield Road		2024	30	2026	60

<u>Rural Routes</u>	<u>Baseline</u>		<u>2009 Update</u>	
	<u>Year</u>	<u>Trips</u>	<u>Year</u>	<u>Trips</u>
Ajo/Gila Bend Connector	2006	8	2006	8
Wickenburg Connector	2007	8	2007	8

TLCP Capital Project Changes

		Fiscal Year of Completion		
		Baseline		
		Plan	2008 Update	2009 Update
Capital Facilities				
Bus Maintenance Facilities	East (Tempe)	2007	2007	2007
Bus Maintenance Facilities	Southwest	2007	2007	2007
Transit Centers (4 Bay)	Chandler South	2008	2008	Beyond 2026
Park & Ride Lots	Grand/Surprise	2008	2008	2011
Park & Ride Lots	Cactus/101 (Scottsdale/101)	2009	2009	2010
Park & Ride Lots	Happy Valley/I-17	2009	2009	2010
Arterial BRT ROW Improvements	Main Street Arterial BRT	2009	2009	2009
Transit Centers (6 Bay)	Phoenix (19th Ave/Camelback)	2009	2009	2009
Park & Ride Lots	Price/202 (Germann/202)	2009	2009	2009
Transit Centers (4 Bay)	South Tempe	2009	2009	2009
Transit Centers (4 Bay)	Chandler Downtown	2010	2010	Beyond 2026
Transit Centers (6 Bay)	Mesa	2010	2010	Beyond 2026
Arterial BRT ROW Improvements	Arizona Avenue Arterial BRT	2011	2011	2011
Park & Ride Lots	Country Club/US 60	2011	2011	Beyond 2026
Park & Ride Lots	East Buckeye	2011	2011	2011
Transit Centers (Major Activity Centers)	Phoenix (Metrocenter)	2011	2011	Beyond 2026
DAR & Rural Bus Maintenance Facilities	DAR Facility #1 (Phoenix)	2013	Beyond 2026	Beyond 2026
Park & Ride Lots	Glendale/Grand	2013	2013	Beyond 2026
Transit Centers (4 Bay)	Glendale/Grand	2013	2013	Beyond 2026
Park & Ride Lots	Peoria	2013	2013	Beyond 2026
Bus Maintenance Facilities	Heavy Maintenance (Phoenix)	2014	2014	Beyond 2026
Transit Centers (Major Activity Centers)	Phoenix (Central Station)	2014	2014	Beyond 2026
Arterial BRT ROW Improvements	Scottsdale/Rural Arterial BRT	2014	2014	Beyond 2026
Park & Ride Lots	Camelback/101	2015	2015	Beyond 2026
Transit Centers (4 Bay)	Peoria	2015	2015	Beyond 2026
Transit Centers (6 Bay)	Phoenix (44th/Cactus)	2015	2015	Beyond 2026
Bus Maintenance Facilities	Rehab Mesa Facility	2015	2015	Beyond 2026
Bus Maintenance Facilities	Rehab South Facility	2015	2015	Beyond 2026
Transit Centers (4 Bay)	Scottsdale Airpark	2015	2015	Beyond 2026
Arterial BRT ROW Improvements	South Central Avenue Arterial BRT	2015	2015	Beyond 2026
Park & Ride Lots	Laveen/59th Ave	2016	2016	Beyond 2026
Park & Ride Lots	Elliot/I-10	2017	2017	Beyond 2026
DAR & Rural Bus Maintenance Facilities	DAR Facility #2 (EVDAR)	2018	2018	Beyond 2026
DAR & Rural Bus Maintenance Facilities	Rural Bus Facility	2018	Beyond 2026	Beyond 2026
Park & Ride Lots	Val Vista/202	2018	2018	Beyond 2026
Transit Centers (6 Bay)	Arrowhead	2019	2019	Beyond 2026
Transit Centers (Major Activity Centers)	Tempe	2019	2019	Beyond 2026
Vanpool Maintenance Facility		2020	Beyond 2026	Beyond 2026
Park & Ride Lots	Arrowhead	2023	2023	Beyond 2026
Arterial BRT ROW Improvements	Chandler Boulevard Arterial BRT	2024	2024	Beyond 2026
Bus Stop Pullouts/Improvements	Annual commitments	2026	2026	2009
ITS/VMS	Annual commitments	2026	2026	2009
Systemwide Capital Contingencies	Annual commitments	2026	2026	2009
Bus Maintenance Facilities	Northwest	2026	Beyond 2026	Beyond 2026

PTF and Federal Bus Capital Grants Jurisdictional (\$ in year of expenditure)

Jurisdiction	Bus PTF Net Cost		Bus Cap PTF		TLCF Policy	TLCF Policy	Calculated	TLCF Policy	
	Calculated	TLCF Policy	Calculated	TLCF Policy	ADA PTF	LRT/HC PTF	Total	Total	
Avondale	\$31,879,730	\$25,230,008	\$1,724,969	\$1,892,676	\$4,750,180	\$0	\$38,354,879	\$31,872,865	
Buckeye	\$13,357,158	\$1,382,275	\$19,804	\$21,729	\$174,271	\$0	\$13,551,234	\$1,578,276	
Carefree	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cave Creek	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Chandler	\$150,694,993	\$157,886,515	\$9,262,377	\$9,782,717	\$29,963,220	\$0	\$189,920,590	\$197,632,451	
El Mirage	\$5,274,625	\$3,825,690	\$190,452	\$208,969	\$687,404	\$0	\$6,152,481	\$4,722,063	
Fountain Hills	\$3,806,954	\$1,605,673	\$32,182	\$35,310	\$198,476	\$0	\$4,037,612	\$1,839,459	
Gila Bend	\$3,445,968	\$3,001,910	\$4,951	\$5,432	\$45,988	\$0	\$3,496,908	\$3,053,331	
Gilbert	\$67,899,582	\$103,056,276	\$5,260,790	\$5,519,413	\$20,047,533	\$0	\$93,207,905	\$128,623,222	
Glendale	\$141,955,149	\$98,323,031	\$2,527,975	\$2,773,754	\$20,413,958	\$33,964,707	\$198,861,789	\$155,475,450	
Goodyear	\$12,538,329	\$5,124,191	\$14,853	\$16,297	\$563,962	\$0	\$13,117,143	\$5,704,449	
Guadalupe	\$1,782,637	\$125,661	\$3,961	\$4,346	\$24,204	\$0	\$1,810,802	\$154,212	
Litchfield Park	\$7,175,351	\$4,440,035	\$24,755	\$27,162	\$527,655	\$0	\$7,727,761	\$4,994,851	
Maricopa County ⁴	\$23,951,602	\$7,735,155	\$1,074,698	\$1,179,183	\$3,853,511	\$0	\$28,879,811	\$12,767,849	
Mesa	\$277,885,756	\$324,834,609	\$21,804,734	\$17,566,686	\$66,510,646	\$88,311,562	\$454,512,698	\$497,223,503	
Paradise Valley	\$5,130,357	\$10,541,592	\$66,073	\$72,497	\$1,147,287	\$0	\$6,343,717	\$11,761,375	
Peoria	\$29,730,099	\$37,558,784	\$1,870,217	\$2,052,046	\$6,740,915	\$0	\$38,341,231	\$46,351,745	
Phoenix	\$266,105,684	\$300,861,215	\$190,423,024	\$199,823,966	\$0	\$1,365,371,226	\$1,821,899,934	\$1,866,056,407	
Queen Creek	\$0	\$1,186,802	\$9,902	\$10,865	\$135,544	\$0	\$145,447	\$1,333,211	
Scottsdale	\$157,263,198	\$170,690,011	\$9,032,156	\$9,432,065	\$37,739,711	\$0	\$204,035,065	\$217,861,787	
Surprise	\$19,897,195	\$4,537,771	\$32,182	\$35,310	\$539,783	\$0	\$20,469,159	\$5,112,864	
Tempe	\$162,473,576	\$127,462,504	\$28,188,968	\$21,104,025	\$55,852,218	\$174,844,258	\$421,359,020	\$379,263,005	
Tolleson	\$9,748,103	\$6,115,519	\$34,657	\$38,027	\$638,995	\$0	\$10,421,756	\$6,792,541	
Wickenburg	\$2,030,897	\$404,909	\$4,951	\$5,432	\$60,511	\$0	\$2,096,359	\$470,852	
Youngtown	\$2,210,360	\$307,172	\$7,427	\$8,149	\$45,988	\$0	\$2,263,775	\$361,309	
Sub Total	\$1,396,237,307	\$1,396,237,307	\$271,616,056	\$271,616,056	\$250,661,962	\$1,662,491,752	\$3,581,007,077	\$3,581,007,077	
PTF, RARF & Operations/Planning Grant Regional Expenditures									
Bus PTF	\$1,396,237,307		\$0		\$0	\$0	\$1,396,237,307		
Bus Cap PTF	\$0		\$271,616,056		\$0	\$0	\$271,616,056		
LRT/HC PTF	\$0		\$0		\$0	\$1,662,491,752	\$1,662,491,752		
ADA PTF	\$0		\$0		\$250,661,962	\$0	\$250,661,962		
Regional ADA	\$0		\$0		\$14,924,534	\$0	\$14,924,534		
SCAT	\$0		\$0		\$0	\$0	\$4,057,112		
RPTA Planning & Administration	\$0		\$0		\$0	\$0	\$139,090,905		
Regional Services	\$0		\$0		\$0	\$0	\$197,547,891		
Regional Admin Office	\$0		\$0		\$0	\$0	\$0		
Operating Reserve	\$0		\$0		\$0	\$0	\$25,150,710		
Net Cost of Bonding	\$0		\$0		\$0	\$0	\$26,818,186		
Total Expenditures							\$3,988,596,415		

Alternative 2 Summary

Arizona Department of Transportation's 2010 sales tax revenue projections for the Public Transportation Fund (PTF) indicate a significant reduction in projected revenues for public transit. The projected revenues for the 20-year program are down by \$568.4 million. Following the methodology requested by the Regional Public Transportation Authority (RPTA) Board of Directors, an initial Transit Life Cycle Program (TLCP) model run was executed to develop a financially balanced program. This memo documents the results of an alternative model run requested by the Valley Metro Operations and Capital Committee (VMOCC) and the Financial Oversight Advisory Committee (FOAC).

The primary objective of this alternative model run was to delay projects incrementally based on programmed year of implementation. However, operations and capital obligations impact the combination of projects programmed for funding each year. First, the financial model structure requires that cash flow for the operations element be annually balanced. Second, local revenues (non-federal) must be available to match federal grant funded capital expenditures.

The adjustments included in the alternative model run can be classified in four primary categories; financial, operations, vehicle investments, and capital facilities.

Financial

Financial adjustments include incorporating additional revenue associated with the American Recovery and Reinvestment Act (ARRA) and the inclusion of bonding. A total of \$39.9 million (ARRA Funding) was included in FY 2010 to be applied to the projects identified in Table 1.

Table 1: ARRA Funded Projects

Project	ARRA Funds
Arizona Ave\Country Club Dr BRT ROW Improvements	\$15,000,000
Central Station Refurbishments	\$5,000,000
Country Club Dr\US 60 PNR	\$9,400,000
Happy Valley PNR	\$5,500,000
Scottsdale/101 PNR	\$5,000,000
Total	\$39,900,000

Financing (bonding) is a practical tool to assist with the advancement and development of capital projects. Generally, costs associated with financing are not desirable when overall revenues are declining; however, with significant capital obligations in the next three years, financing will be necessary. In years 2009 through 2011, total revenues available for the capital program are less than expenditures. Postponing the capital projects programmed for these years, which includes the replacement of regional vehicles and reimbursement for the Tempe East Valley Operations & Maintenance Facility may not be feasible or desired. To ensure adequate cash flow and local match for federal grants, two bond issues are included in the TLCP. Bonding information is included in Table 2.

Table 2: TLCP Alternative Bonding Requirements

No.	Fiscal Year	Bond Amount	Rate	Repayment Cost
1	2009	\$58,000,000	4.91%	\$29,067,148
2	2011	\$69,500,000	4.91%	\$30,509,835
Total		\$127,500,000		\$59,576,982

Operations

The TLCP financial model is set up to utilize PTF revenues to fund operations first, with any remaining revenues applied to the capital program. Projected PTF revenues negatively impact the ability to implement the TLCP operations program on the currently adopted schedule. The available PTF revenues and the current operating cost and programmed service level assumptions result in negative cash flow during some years. Based on the objective of this alternative, the following principles were assumed when assessing the potential adjustments:

- All future PTF funded services, including services that are currently funded by local jurisdictions, were considered for delay to balance annual cash flow
- All services that are currently funded by local jurisdictions will remain at current service levels, which reduces fleet expansion requirements.
- All services to be implemented with minimum 30 minute headways unless previously programmed at a lower level of service

Generally, most routes are delayed 2 to 4 years; however, depending upon operating cost or associated capital investments (BRT right-of-way or vehicles), a route may not have been delayed or dropped out of the program in order of initial year of service. The following table identifies the operations adjustments included in this alternative.

TLCP Operations Project Implementation Schedule

Projects are Implemented at Beginning of Fiscal Year

<u>BRT/Express Routes</u>	<u>Route Name</u>	<u>Baseline</u>		<u>2009 Update</u>	
		<u>Year</u>	<u>Trips</u>	<u>Year</u>	<u>Trips</u>
Ahwatukee Express	RAPID I-10 East	2008	28	2008	28
Deer Valley Express	RAPID I-17	2008	30	2008	39
Desert Sky Express	RAPID I-10 West	2008	24	2008	25
North Glendale Express	Route 573	2008	16	2008	12
North Loop 101 Connector	Route 572	2008	12	2008	12
SR 51 Express	RAPID SR-51	2008	20	2008	25
East Loop 101 Connector	Route 511	2009	8	2009	10
Main Street Arterial BRT		2009	40	2009	50
Papago Freeway Express	Route 562	2009	8	2009	8
Red Mountain Express	Route 535/536	2009	8	2009	11
West Loop 101 Connector	Route 575/576	2009	12	2009	16
Apache Junction Express		2011	8	2016	8
Arizona Avenue Arterial BRT		2011	40	2011	40
Superstition Freeway Connector		2012	6	2016	6
Grand Avenue Limited		2013	24	2016	24
Pima Express		2013	8	2016	8
Peoria Express		2014	12	2017	12
Scottsdale/Rural Arterial BRT		2014	48	2023	48
Buckeye Express		2015	6	2016	6
South Central Avenue		2015	48	2018	48
Black Canyon Freeway Connector		2016	16	2019	8
South Central Avenue Arterial BRT		2016	40	Beyond 2026	40
Ahwatukee Connector		2017	8	2020	8
Anthem Express		2018	10	2022	10
Santan Express		2018	20	2021	20
Red Mountain Freeway Connector		2019	16	2022	16
Superstition Springs Express		2019	20	2022	20
Avondale Express		2020	16	2026	16
North I-17 Express		2022	10	Beyond 2026	10
Loop 303 Express		2023	8	Beyond 2026	8
Chandler Boulevard Arterial BRT		2024	48	Beyond 2026	48

<u>Supergrid Routes</u>	<u>Route Name</u>	<u>Baseline</u>		<u>2009 Update</u>	
		<u>Year</u>	<u>Headways</u>	<u>Year</u>	<u>Headways</u>
Scottsdale Road	Route 72	2007	20/10	2007	30/15
Chandler Boulevard	Route 156	2008	30/15	2008	30
Glendale Avenue	Route 70	2008	30/15	2008	30/15
Southern Avenue	Route 61	2009	30/15	2009	30/15
Dobson Road	Route 96	2009	30/15	2009	30/15
Main Street	Route 40	2009	30/15	2009	30
Gilbert Road		2010	30	2013	30
Power Road		2010	30	2013	30
Baseline Road		2011	30/15	2014	30
Arizona Avenue/Country Club		2012	30/15	2015	30
University Drive		2012	30/15	2015	30
Broadway Avenue		2013	30/15	2016	30
Camelback Road		2013	30/15	2016	30
Elliot Road		2013	30/15	2016	30
Alma School Rd.		2014	30/15	2017	30
McDowell/McKellips Road		2014	30/15	2017	30
Dysart Road		2015	60	2018	60
Hayden/McClintock		2015	30/15	2018	30/15
Peoria/Shea Avenue		2015	20	2018	20
Ray Road		2016	30	2019	30
Bell Road		2019	30/15	2022	30
Queen Creek Road		2019	30	2022	30
59th Avenue		2020	30	2023	30
Indian School Road		2020	30/15	2026	30/15
Tatum Boulevard/44th Street		2020	30/15	2023	30
Thomas Road		2020	30/15	2026	30
Van Buren		2020	30/15	2023	30
Waddell Road/Thunderbird		2020	30	2023	30
99th Avenue		2021	30	2024	30
Buckeye Road		2021	30	2026	30
Dunlap/Olive Avenue		2021	30/15	2028	30
Greenfield Road		2022	30	2028	30
83rd Avenue/75th Avenue		2023	30	2028	30
Litchfield Road		2024	30	2028	30

<u>Rural Routes</u>	<u>Baseline</u>		<u>2009 Update</u>	
	<u>Year</u>	<u>Trips</u>	<u>Year</u>	<u>Trips</u>
Ajo/Gila Bend Connector	2006	8	2006	8
Wickenburg Connector	2007	8	2007	8

Vehicles

The regional fleet program, including dial-a-ride, vanpool, rural connector and fixed route vehicles represents approximately two-thirds of the TLCP capital expenditures. Currently, the programmed fleet replacement cycle for heavy-duty fixed route transit vehicles is 12 years. This alternative assumes an extended fixed-route bus fleet replacement cycle of 16 years and a mid-life vehicle rehabilitation to extend the service life of the regional fixed route fleet. The mid-life vehicle rehabilitation includes an engine rebuild, transmission rebuild, exterior paint and interior upholstery. FY 2009 costs for each mid-life rehabilitation were assumed to be \$48,000 for 40' vehicles and \$92,000 for 60' vehicles. While a mid-life vehicle rehabilitation will be completed for each fixed route vehicle, this option could have negative impacts including increased maintenance costs and reduced service reliability. Finally, the capacity to perform the mid-life rehabilitation program must also be considered as several years will have a significant number of vehicles (100+) that will require rehabilitation services.

Capital Facilities and Infrastructure

Capital facilities and infrastructure include passenger facilities, operations and maintenance facilities, right-of-way (ROW) improvements for BRT and Intelligent Transportation Systems/Vehicle Management Systems.

Passenger Facilities and Operations and Facilities

To balance annual cash flow, many passenger facility projects have been delayed to a year out of the program. The following table identifies the adjustments included in this alternative

TLCP Capital Project Changes

		Fiscal Year of Completion		
		Baseline		
		Plan	2008 Update	2009 Update
Capital Facilities				
<i>Bus Maintenance Facilities</i>	<i>East (Tempe)</i>	2007	2007	2007
<i>Bus Maintenance Facilities</i>	<i>Southwest</i>	2007	2007	2007
Transit Centers (4 Bay)	Chandler South	2008	2008	Beyond 2026
Park & Ride Lots	Grand/Surprise	2008	2008	2011
Park & Ride Lots	Cactus/101 (Scottsdale/101)	2009	2009	2010
Park & Ride Lots	Happy Valley/I-17	2009	2009	2010
<i>Arterial BRT ROW Improvements</i>	<i>Main Street Arterial BRT</i>	2009	2009	2009
Transit Centers (6 Bay)	Phoenix (19th Ave/Camelback)	2009	2009	2009
<i>Park & Ride Lots</i>	<i>Price/202 (Germann/202)</i>	2009	2009	2009
Transit Centers (4 Bay)	South Tempe	2009	2009	2009
Transit Centers (4 Bay)	Chandler Downtown	2010	2010	Beyond 2026
Transit Centers (6 Bay)	Mesa	2010	2010	Beyond 2026
Arterial BRT ROW Improvements	Arizona Avenue Arterial BRT	2011	2011	2011
Park & Ride Lots	Country Club/US 60	2011	2011	Beyond 2026
Park & Ride Lots	East Buckeye	2011	2011	2011
Transit Centers (Major Activity Centers)	Phoenix (Metrocenter)	2011	2011	Beyond 2026
DAR & Rural Bus Maintenance Facilities	DAR Facility #1 (Phoenix)	2013	Beyond 2026	Beyond 2026
Park & Ride Lots	Glendale/Grand	2013	2013	Beyond 2026
Transit Centers (4 Bay)	Glendale/Grand	2013	2013	Beyond 2026
Park & Ride Lots	Peoria	2013	2013	Beyond 2026
Bus Maintenance Facilities	Heavy Maintenance (Phoenix)	2014	2014	Beyond 2026
Transit Centers (Major Activity Centers)	Phoenix (Central Station)	2014	2014	Beyond 2026
Arterial BRT ROW Improvements	Scottsdale/Rural Arterial BRT	2014	2014	2023
Park & Ride Lots	Camelback/101	2015	2015	Beyond 2026
Transit Centers (4 Bay)	Peoria	2015	2015	Beyond 2026
Transit Centers (6 Bay)	Phoenix (44th/Cactus)	2015	2015	Beyond 2026
Bus Maintenance Facilities	Rehab Mesa Facility	2015	2015	Beyond 2026
Bus Maintenance Facilities	Rehab South Facility	2015	2015	Beyond 2026
Transit Centers (4 Bay)	Scottsdale Airpark	2015	2015	Beyond 2026
Arterial BRT ROW Improvements	South Central Avenue Arterial BRT	2015	2015	Beyond 2026
Park & Ride Lots	Laveen/59th Ave	2016	2016	Beyond 2026
Park & Ride Lots	Elliot/I-10	2017	2017	Beyond 2026
DAR & Rural Bus Maintenance Facilities	DAR Facility #2 (EVDAR)	2018	2018	Beyond 2026
DAR & Rural Bus Maintenance Facilities	Rural Bus Facility	2018	Beyond 2026	Beyond 2026
Park & Ride Lots	Val Vista/202	2018	2018	Beyond 2026
Transit Centers (6 Bay)	Arrowhead	2019	2019	Beyond 2026
Transit Centers (Major Activity Centers)	Tempe	2019	2019	Beyond 2026
Vanpool Maintenance Facility		2020	Beyond 2026	Beyond 2026
Park & Ride Lots	Arrowhead	2023	2023	Beyond 2026
Arterial BRT ROW Improvements	Chandler Boulevard Arterial BRT	2024	2024	Beyond 2026
Bus Stop Pullouts/Improvements	Annual commitments	2026	2026	2009
ITS/VMS	Annual commitments	2026	2026	2009
Systemwide Capital Contingencies	Annual commitments	2026	2026	2009
Bus Maintenance Facilities	Northwest	2026	Beyond 2026	Beyond 2026

Bus Stops

The FY 2008 TLCP update included \$40.5 million for bus stops. The bus stop program was retained in this alternative but at a level equivalent to about 25% of the previous update. A total of \$10.9 million is programmed over the life of the TLCP.

ITS/VMS

A total of \$15.6 million between FY 2009 and FY 2015, was retained in the "Vehicle Upgrades includes ITS/VMS" category.

Summary

The alternative TLCP model run summarized in this memo illustrates the level of measures required to balance annual cash flow. Balancing the program cannot be accomplished without either delaying or modifying the scope of operations. In addition, the capital program must also be revised to ensure that there are adequate local matching funds to leverage federal transit grants.

PTF and Federal Bus Capital Grants Jurisdictional (\$ in year of expenditure)

Jurisdiction	Bus PTF Net Cost		Bus Cap PTF		TLCF Policy	TLCF Policy	Calculated	TLCF Policy	
	Calculated	TLCF Policy	Calculated	TLCF Policy	ADA PTF	LRT/HC PTF	Total	Total	
Avondale	\$17,101,059	\$23,996,051	\$1,966,209	\$2,363,817	\$4,750,180	\$0	\$23,817,449	\$31,110,048	
Buckeye	\$13,609,762	\$1,314,670	\$1,270,218	\$27,138	\$174,271	\$0	\$15,054,251	\$1,516,080	
Carefree	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cave Creek	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Chandler	\$168,714,353	\$150,164,551	\$17,162,153	\$12,217,908	\$29,963,220	\$0	\$215,839,726	\$192,345,680	
El Mirage	\$2,815,646	\$3,638,582	\$217,087	\$260,987	\$687,404	\$0	\$3,720,137	\$4,586,973	
Fountain Hills	\$3,006,495	\$1,527,142	\$36,682	\$44,100	\$198,476	\$0	\$3,241,653	\$1,769,718	
Gila Bend	\$3,445,968	\$2,855,092	\$5,644	\$6,785	\$45,988	\$0	\$3,497,600	\$2,907,865	
Gilbert	\$77,689,959	\$98,015,967	\$6,222,092	\$6,893,349	\$20,047,533	\$0	\$103,959,585	\$124,956,849	
Glendale	\$130,805,845	\$93,514,217	\$4,681,958	\$3,464,218	\$20,413,958	\$33,964,707	\$189,866,468	\$151,357,101	
Goodyear	\$9,859,595	\$4,873,575	\$16,930	\$20,353	\$563,962	\$0	\$10,440,486	\$5,457,890	
Guadalupe	\$1,476,951	\$119,515	\$4,515	\$5,428	\$24,204	\$0	\$1,505,670	\$149,147	
Litchfield Park	\$3,931,585	\$4,222,880	\$28,217	\$33,923	\$527,655	\$0	\$4,487,457	\$4,784,458	
Maricopa County ⁴	\$20,454,652	\$7,356,841	\$1,214,195	\$1,472,715	\$3,853,511	\$0	\$25,522,358	\$12,683,068	
Mesa	\$281,721,916	\$308,947,496	\$27,058,673	\$21,939,525	\$66,510,646	\$88,311,562	\$463,602,796	\$485,709,229	
Paradise Valley	\$3,343,579	\$10,026,020	\$74,774	\$90,543	\$1,147,287	\$0	\$4,565,640	\$11,263,850	
Peoria	\$22,264,456	\$35,721,847	\$2,119,194	\$2,562,857	\$6,740,915	\$0	\$31,124,565	\$45,025,619	
Phoenix	\$251,464,241	\$286,146,600	\$220,827,212	\$249,565,738	\$0	\$1,365,371,226	\$1,837,662,679	\$1,901,083,565	
Queen Creek	\$0	\$1,128,757	\$11,287	\$13,570	\$135,544	\$0	\$146,831	\$1,277,871	
Scottsdale	\$132,774,635	\$162,341,850	\$16,649,683	\$11,779,970	\$37,739,711	\$0	\$187,164,029	\$211,861,531	
Surprise	\$15,847,772	\$4,315,837	\$1,153,264	\$44,100	\$539,783	\$0	\$17,540,818	\$4,899,719	
Tempe	\$157,471,365	\$121,228,528	\$38,455,288	\$26,357,407	\$55,852,218	\$174,844,258	\$426,623,128	\$378,282,411	
Tolleson	\$6,809,153	\$5,816,420	\$39,504	\$47,492	\$638,995	\$0	\$7,487,652	\$6,502,907	
Wickenburg	\$2,030,897	\$385,105	\$5,644	\$6,785	\$60,511	\$0	\$2,097,052	\$452,401	
Youngtown	\$1,309,810	\$292,149	\$8,465	\$10,177	\$45,988	\$0	\$1,364,263	\$348,314	
Sub Total	\$1,327,949,694	\$1,327,949,694	\$339,228,887	\$339,228,887	\$250,661,962	\$1,662,491,752	\$3,580,332,296	\$3,580,332,296	
PTF, RARF & Operations/Planning Grant Regional Expenditures									
Bus PTF	\$1,327,949,694	\$0	\$0	\$0	\$0	\$0	\$1,327,949,694	\$1,327,949,694	
Bus Cap PTF	\$0	\$339,228,887	\$0	\$0	\$0	\$0	\$339,228,887	\$339,228,887	
LRT/HC PTF	\$0	\$0	\$0	\$0	\$1,662,491,752	\$0	\$1,662,491,752	\$1,662,491,752	
ADA PTF	\$0	\$0	\$0	\$250,661,962	\$0	\$0	\$250,661,962	\$250,661,962	
Regional ADA	\$0	\$0	\$0	\$14,924,534	\$0	\$0	\$14,924,534	\$14,924,534	
SCAT	\$0	\$0	\$0	\$0	\$0	\$0	\$4,057,112	\$4,057,112	
RPTA Planning & Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$139,090,905	\$139,090,905	
Regional Services	\$0	\$0	\$0	\$0	\$0	\$0	\$197,547,891	\$197,547,891	
Regional Admin Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$25,407,763	\$25,407,763	
Net Cost of Bonding	\$0	\$0	\$0	\$0	\$0	\$0	\$60,052,058	\$60,052,058	
Total Expenditures							\$4,021,412,558		

Alternative 3 Summary

Attached are individual spreadsheets for each jurisdiction that show allocated PTF funds and estimated project costs for the years FY 2010 through FY 2026. Jurisdictions would be asked to prioritize their projects and the updated TLCP would be developed based on those priorities.

Available revenues for FY 2010 through FY 2026 were allocated by percentage to each category of expenditures and then further by jurisdiction. Regional costs were taken off the top prior to making the allocations, since by policy the regional costs are excluded from jurisdictional equity calculations.

The allocated revenues were then compared to the costs for projects by city. The projects are listed with estimated expenditures for FY 2010 through FY 2026. The operations costs are net of fare revenues. The fleet acquisition costs are estimated at the 20 percent local share. Capital facilities are listed at their full (or capped) costs.

Avondale

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
1.807%	0.697%	1.884%	0.000%		
\$19,435,128	\$3,055,423	\$4,384,917	\$0	\$26,875,469	\$26,875,469

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
560	Existing	2019	No	\$503,310	\$503,310	
685 Gila Bend Connector	Existing	NA	No	\$978,915	\$1,482,225	
Buckeye Express	2013	NA	No	\$949,038	\$2,431,262	
MCDOWELL MCKELLIPS	2014	NA	No	\$13,179,396	\$15,610,658	
DYSART	2015	NA	No	\$11,071,055	\$26,681,713	
Avondale Express	2020	NA	No	\$1,230,279	\$27,911,992	
99th Ave	2020	NA	Yes	\$1,857,428	\$29,769,420	
INDIAN SCHOOL RD	2020	NA	No	\$4,056,888	\$33,826,308	
THOMAS	2020	NA	No	\$6,066,673	\$39,892,981	
VAN BUREN	2020	NA	No	\$5,852,313	\$45,745,294	
Loop 303 Express	2023	NA	No	\$345,959	\$46,091,254	
BUCKEYE RD	2021	NA	No	\$4,417,043	\$50,508,297	
Net Operations Costs Total				\$50,508,297		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$2,068,560	\$2,068,560	
Capital Costs Total				\$2,068,560		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$4,384,917

Total Estimated Project Costs \$56,961,775

Total Estimated Equity Available	\$26,875,469
Net Difference	-\$30,086,306

Buckeye

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.099%	0.008%	0.072%	0.000%	\$1,267,446	\$1,267,446
\$1,064,791	\$35,078	\$167,576	\$0		

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modification Affect Other Jurisdictions	ILCP Total Net Cost (FY10 - FY26) ¹	Cumulative Total Cost	Local Priority
685 Gila Bend Connector	Existing	NA	Yes	\$5,145,582	\$5,145,582	
Papago Freeway Connector (562)	2009	NA	No	\$4,654,627	\$9,800,209	
Buckeye Express	2013	NA	No	\$3,808,359	\$13,608,568	
Net Operations Costs Total				\$13,608,568		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	First Funds	Funds	Affecting Other	(FY10 - FY26)	Total Cost	Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$23,748	\$23,748	
East Buckeye PNR	2009	2011		\$5,452,614	\$5,476,363	
Capital Costs Total				\$5,476,363		

ADA

Project	ILCP Total Net Cost (FY10 - FY26)
	\$167,576

Total Estimated Project Costs	\$19,252,507
Total Estimated Equity Available	\$1,267,446
Net Difference	-\$17,985,061

Chandler

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
11.308%	3.602%	11.979%	0.000%		
\$121,622,818	\$15,792,631	\$27,880,533	\$0	\$ 165,295,981	\$165,295,981

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Rt. 112	Existing	2012		\$ 388,386	\$ 388,386	
Rt. 104	Existing	2014		\$ 988,769	\$ 1,377,155	
Rt. 81	Existing	2015		\$ 900,637	\$ 2,277,792	
540	Existing	2018		\$ 502,640	\$ 2,780,432	
541	Existing	2018		\$ 910,441	\$ 3,690,873	
SCOTTSDALE/RURAL (Rt 72)	Existing	NA		\$ 13,290,644	\$ 16,981,517	
CHANDLER BLVD (Rt 156)	Existing	NA		\$ 44,105,438	\$ 61,086,955	
BASELINE SOUTHERN DOBSON (Dobson Rd)	Existing	NA		\$ 27,002,424	\$ 88,089,379	
East Loop 101 Connector (RT 511)	Existing	NA		\$ 2,267,046	\$ 90,356,425	
GILBERT RD	2010	NA		\$ 19,416,967	\$ 109,773,392	
Arizona Ave Dedicated BRT	2011	NA		\$ 9,188,030	\$ 118,961,422	
ARIZONA AVE COUNTRY CLUB	2012	NA		\$ 23,808,451	\$ 142,769,873	
ELLIOT RD	2013	NA		\$ 8,513,370	\$ 151,283,243	
ALMA SCHOOL RD	2014	NA		\$ 17,408,653	\$ 168,691,896	
Scottsdale/Rural Rd Dedicated BRT	2014	NA		\$ 3,509,960	\$ 172,201,856	
HAYDEN MCCLINTOCK	2015	NA		\$ 6,213,576	\$ 178,415,432	
RAY RD	2016	NA		\$ 16,919,474	\$ 195,334,906	
San Tan Express	2018	NA		\$ 5,197,401	\$ 200,532,307	
QUEEN CREEK RD	2019	NA		\$ 9,363,304	\$ 209,895,611	
Chandler Blvd Dedicated BRT	2024	NA		\$ 3,846,275	\$ 213,741,886	
Net Operations Costs Total				\$213,741,886		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$ 10,691,812	\$ 10,691,812	
Price/202 PNR	2009	2009	No	\$ 5,006,949	\$ 15,698,760	
South Chandler Transit Center	2009	2010	Yes	\$ 4,290,152	\$ 19,988,912	
Arizona Ave Dedicated BRT	2010	2011	No	\$ 15,781,477	\$ 35,770,390	
Scottsdale/Rural Rd Dedicated BRT	2013	2014	Yes	\$ 6,337,575	\$ 42,107,964	
Chandler Blvd Dedicated BRT	2023	2024	Yes	\$ 29,918,526	\$ 72,026,491	
EVDAR O&M Facility	2017	2018	No	\$ 1,820,752	\$ 73,847,243	
Capital Costs Total				\$73,847,243		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$27,880,533

Total Estimated Project Costs	\$315,469,662
Total Estimated Equity Available	\$165,295,981
Net Difference	-\$150,173,680

El Mirage

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.274%	0.077%	0.284%	0.000%	\$3,945,340	\$3,945,340
\$2,946,998	\$337,346	\$660,996	\$0		

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Grand Ave Limited	2013	2027		\$ 1,958,802	\$ 1,958,802	
WADELL THUNDERBIRD	2020	2027		\$ 2,752,309	\$ 4,711,111	
DUNLAP OLIVE	2021	2027		\$ 2,177,246	\$ 6,888,357	
Net Operations Costs Total				\$6,888,357		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	First Funds	Funds	Affecting Other	(FY10 - FY26)	Cost	Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$228,388		
Capital Costs Total				\$228,388		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$660,996

Total Estimated Project Costs	\$7,777,741
Total Estimated Equity Available	\$3,945,340
Net Difference	-\$3,832,401

Fountain Hills

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.115%	0.013%	0.082%	0.000%		
\$1,236,879	\$57,003	\$190,851	\$0	\$1,484,733	\$1,484,733

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
512	Existing	NA		\$ 529,208	\$ 529,208	
PEORIA SHEA	2015	NA		\$ 4,950,739	\$ 5,479,947	
Net Operations Costs Total				\$5,479,947		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	First Funds	Funds	Affecting Other	(FY10 - FY26)	Cost	Priority
Regional Transit Fleet Allocation (2)	NA	NA	No	\$38,592		
Capital Costs Total				\$38,592		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$190,851

Total Estimated Project Costs	\$5,709,389
Total Estimated Equity Available	\$1,484,733
Net Difference	-\$4,224,657

Gila Bend

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.215%	0.002%	0.019%	0.000%	\$2,365,417	\$2,365,417
\$2,312,425	\$8,770	\$44,222	\$0		

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
685 Gila Bend Connector	Existing	2012		\$ 3,137,548		
Net Operations Costs Total				\$3,137,548		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year	Fiscal Year Final	Modify without	TLCP Total Net Cost	Cumulative	Local
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$5,937		
Capital Costs Total				\$5,937		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$44,222

Total Estimated Project Costs	\$3,187,707
Total Estimated Equity Available	\$2,365,417
Net Difference	-\$822,290

Gilbert

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
7.381%	2.032%	7.967%	0.000%	\$106,839,109	\$106,839,109
\$79,386,100	\$8,910,209	\$18,542,800	\$0		

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
531	Existing	NA		\$ 794,303	\$ 794,303	
CHANDLER BLVD (Rt 156)	Existing	NA		\$ 32,107,264	\$ 32,901,567	
GILBERT RD	2010	NA		\$ 16,550,262	\$ 49,451,828	
POWER RD	2010	NA		\$ 7,586,646	\$ 57,038,475	
Arizona Ave Dedicated BRT	2011	NA		\$ 601,414	\$ 57,639,889	
ARIZONA AVE COUNTRY CLU	2012	NA		\$ 1,542,651	\$ 59,182,540	
ELLIOT RD	2013	NA		\$ 24,226,974	\$ 83,409,514	
RAY RD	2016	NA		\$ 13,853,637	\$ 97,263,151	
San Tan Express	2018	NA		\$ 2,766,534	\$ 100,029,685	
QUEEN CREEK RD	2019	NA		\$ 7,386,793	\$ 107,416,478	
GREENFIELD RD	2022	NA		\$ 7,127,381	\$ 114,543,859	
Chandler Blvd Dedicated BRT	2024	NA		\$ 1,896,465	\$ 116,440,324	
Net Operations Costs Total				\$116,440,324		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation	NA	NA	No	\$6,032,325	\$6,032,325	
Arizona Ave Dedicated BRT	2010	2011	No	\$1,035,265	\$7,067,590	
Val Vista/202 PNR	2016	2018	Yes	\$6,835,926	\$13,903,516	
Chandler Blvd Dedicated BRT	2023	2024	No	\$14,725,525	\$28,629,040	
EVDAR O&M Facility	2017	2018	No	\$1,210,937	\$29,839,977	
Capital Costs Total				\$29,839,977		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$18,542,800

Total Estimated Project Costs	\$164,823,101
Total Estimated Equity Available	\$106,839,109
Net Difference	-\$57,983,991

Glendale

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
7.042%	1.021%	8.155%	2.043%		
\$75,739,997	\$4,477,781	\$18,980,361	\$31,242,373	\$99,198,139	\$130,440,512

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
471 Grand Ave Limited (371)	Existing	2013	No	\$ 295,722	\$ 295,722	
570	Existing	2013	Yes	\$ 67,921	\$ 363,643	
Rt. 106	Existing	2015	No	\$ 1,015,241	\$ 1,378,885	
Rt. 59	Existing	2020	Yes	\$ 7,076,111	\$ 8,454,995	
Rt. 67	Existing	NA	Yes	\$ 7,817,657	\$ 16,272,652	
581	Existing	NA	Yes	\$ 495,100	\$ 16,767,752	
660 Wickenburg Connector	Existing	NA	No	\$ 218,375	\$ 16,986,127	
GLENDALE AVE (Rt 70)	Existing	NA	Yes	\$ 59,474,568	\$ 76,460,695	
North Glendale Express (Rt 573)	Existing	NA	Yes	\$ 3,976,270	\$ 80,436,966	
North Loop 101 Connector (Rt 572)	Existing	NA	Yes	\$ 3,651,871	\$ 84,088,837	
Northwest Valley Express - B Pattern (576)	Existing	NA	Yes	\$ 2,465,838	\$ 86,554,675	
Northwest Valley Express - A Pattern (575)	Existing	NA	Yes	\$ 1,479,914	\$ 88,034,589	
CAMELBACK	2013	NA	No	\$ 14,214,167	\$ 102,248,756	
Grand Ave Limited	2013	NA	No	\$ 4,727,794	\$ 106,976,550	
Peoria Express	2014	NA	No	\$ 1,184,801	\$ 108,161,351	
PEORIA SHEA	2015	NA	No	\$ 8,494,399	\$ 116,655,750	
BELL RD (VIA 303)	2019	NA	No	\$ 6,980,027	\$ 123,635,777	
59th AVE	2020	NA	Yes	\$ 13,689,868	\$ 137,325,645	
WADELL THUNDERBIRD	2020	NA	No	\$ 2,452,600	\$ 139,778,245	
DUNLAP OLIVE	2021	NA	No	\$ 4,947,028	\$ 144,725,272	
99TH AVE	2021	NA	No	\$ 3,072,568	\$ 147,797,840	
83RD 75TH AVE	2023	NA	No	\$ 5,212,631	\$ 153,010,472	
Loop 303 Express	2023	NA	No	\$ 540,747	\$ 153,551,219	
LITCHFIELD RD	2024	NA	No	\$ 2,217,925	\$ 155,769,144	
Net Operations Costs Total				\$155,769,144		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$3,031,515	\$3,031,515	
Glendale Grand PNR	2011	2013	Yes	\$13,819,879	\$16,851,394	
Loop 303 PNR	2021	2023	Yes	\$7,924,712	\$24,776,106	
Glendale/Grand 4-bay TC	2011	2013	Yes	\$2,503,559	\$27,279,665	
Bell-101 6-bay TC	2017	2019	Yes	\$4,296,024	\$31,575,688	
Capital Costs Total				\$31,575,688		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$18,980,361

Total Estimated Project Costs	\$206,325,193
Total Estimated Equity Available	\$99,198,139
Net Difference	-\$107,127,054

Goodyear

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.367%	0.006%	0.233%	0.000%		
\$3,947,256	\$26,308	\$542,296	\$0	\$4,515,861	\$4,515,861

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
685 Gila Bend Connector	Existing	2012	No	\$ 2,221,386	\$ 2,221,386	
560	Existing	2020	No	\$ 6,147	\$ 2,227,533	
Papago Freeway Connector (562)	Existing	NA	No	\$ 2,847,920	\$ 5,075,453	
Buckeye Express	2013	NA	No	\$ 1,592,565	\$ 6,668,018	
MCDOWELL MCKELLIPS	2014	NA	Yes	\$ 3,183,273	\$ 9,851,291	
DYSART	2015	NA	No	\$ 3,645,210	\$ 13,496,502	
INDIAN SCHOOL RD	2020	NA	No	\$ 1,437,133	\$ 14,933,635	
VAN BUREN	2020	NA	Yes	\$ 937,993	\$ 15,871,628	
THOMAS	2020	NA	Yes	\$ 176,317	\$ 16,047,945	
Avondale Express	2020	NA	No	\$ 71,450	\$ 16,119,395	
BUCKEYE RD	2021	NA	Yes	\$ 124,487	\$ 16,243,882	
Loop 303 Express	2023	NA	No	\$ 671,961	\$ 16,915,843	
LITCHFIELD RD	2024	NA	Yes	\$ 2,313,275	\$ 19,229,118	
Net Operations Costs Total				\$19,229,118		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$17,811		
Capital Costs Total				\$17,811		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$542,296

Total Estimated Project Costs	\$19,789,226
Total Estimated Equity Available	\$4,515,861
Net Difference	-\$15,273,365

Guadalupe

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.009%	0.002%	0.010%	0.000%		
\$96,799	\$7,016	\$23,275	\$0	\$127,089	\$127,089

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
BASELINE SOUTHERN DOBSON (Baseline Rd)	2011	NA		\$ 410,763	\$ 410,763	
ELLIOT RD	2013	NA		\$ 3,139,378	\$ 3,550,141	
Net Operations Costs Total				\$3,550,141		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	First Funds	Funds	Affecting Other	(FY10 - FY26)	Total Cost	Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$4,750		
Capital Costs Total				\$4,750		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$23,275

Total Estimated Project Costs	\$3,578,165
Total Estimated Equity Available	\$127,089
Net Difference	-\$3,451,075

Litchfield Park

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.318%	0.010%	0.218%	0.000%	\$3,971,471	\$3,971,471
\$3,420,238	\$43,848	\$507,384	\$0		

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
CAMELBACK	2013	2027		\$ 4,698,377	\$ 4,698,377	
DYSART	2015	2027		\$ 2,419,290	\$ 7,117,667	
INDIAN SCHOOL RD	2020	2027		\$ 2,913,298	\$ 10,030,966	
LITCHFIELD RD	2024	2027		\$ 1,014,998	\$ 11,045,964	
Net Operations Costs Total				\$11,045,964		

* Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year	Fiscal Year Final	Modify without	TLCP Total Net Cost	Cumulative Total	Local
Regional Transit Fleet Allocation	NA	NA	No	\$29,686		
Capital Costs Total				\$29,686		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$507,384

Total Estimated Project Costs	\$11,583,034
Total Estimated Equity Available	\$3,971,471
Net Difference	-\$7,611,563

Maricopa County

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.554%	0.434%	1.518%	0.000%		
\$5,958,529	\$1,903,603	\$3,533,070	\$0	\$11,395,202	\$11,395,202

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Rt. 106	Existing	2015	No	\$ 1,617,627	\$ 1,617,627	
660 Wickenburg Connector	Existing	2012	No	\$ 1,684,465	\$ 3,302,091	
North Loop 101 Connector (Rt 572)	Existing	NA	No	\$ 1,519,124	\$ 4,821,215	
MCDOWELL MCKELLIPS	2014	NA	No	\$ 11,533,576	\$ 16,354,791	
PEORIA SHEA	2015	NA	No	\$ 13,384,437	\$ 29,739,228	
HAYDEN MCCLINTOCK	2015	NA	No	\$ 3,062,279	\$ 32,801,507	
BELL RD (VIA 303)	2019	NA	No	\$ 5,426,742	\$ 38,228,249	
WADELL THUNDERBIRD	2020	NA	No	\$ 3,858,436	\$ 42,086,685	
99TH AVE	2021	NA	No	\$ 5,398,691	\$ 47,485,376	
DUNLAP OLIVE	2021	NA	No	\$ 996,988	\$ 48,482,364	
Loop 303 Express	2023	NA	No	\$ 211,049	\$ 48,693,413	
LITCHFIELD RD	2024	NA	No	\$ 2,484,209	\$ 51,177,622	
Net Operations Costs Total				\$51,177,622		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation (20%)	NA	NA	No	\$1,288,763		
Capital Costs Total				\$1,288,763		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$3,533,070

Total Estimated Project Costs	\$55,999,455
Total Estimated Equity Available	\$11,395,202
Net Difference	-\$44,604,254

Mesa

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
23.265%	6.467%	26.213%	5.312%		
\$250,225,934	\$28,358,604	\$61,009,467	\$81,233,229	\$339,594,004	\$420,827,233

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
533	Existing	2011	Yes	\$ 86,935	\$ 86,935	
Rt. 112	Existing	2012	Yes	\$ 857,120	\$ 944,055	
532	Existing	2014	Yes	\$ 594,007	\$ 1,538,062	
541	Existing	2018	No	\$ 606,960	\$ 2,145,022	
531	Existing	NA	No	\$ 2,956,727	\$ 5,101,749	
CHANDLER BLVD (Rt 156)	Existing	NA	Yes	\$ 1,093,291	\$ 6,195,040	
BASELINE SOUTHERN DOBSON (Southern Ave)	Existing	NA	Yes	\$ 40,109,034	\$ 46,304,073	
Main St Dedicated BRT	Existing	NA	Yes	\$ 38,984,128	\$ 85,288,201	
MAIN ST (Rt 40)	Existing	NA	Yes	\$ 29,240,974	\$ 114,529,176	
BASELINE SOUTHERN DOBSON (Dobson Rd)	Existing	NA	Yes	\$ 19,110,799	\$ 133,639,975	
Red Mountain Express - A Pattern (535)	Existing	NA	No	\$ 2,413,785	\$ 136,053,760	
Red Mountain Express - B Pattern (536)	Existing	NA	No	\$ 2,011,140	\$ 138,064,900	
POWER RD	2010	NA	Yes	\$ 26,220,635	\$ 164,285,534	
GILBERT RD	2010	NA	Yes	\$ 14,873,693	\$ 179,159,227	
Arizona Ave Dedicated BRT	2011	NA	Yes	\$ 4,911,612	\$ 184,070,839	
BASELINE SOUTHERN DOBSON (Baseline Rd)	2011	NA	Yes	\$ 3,976,389	\$ 188,047,228	
Apache Junction Express	2011	NA	Yes	\$ 3,546,592	\$ 191,593,821	
UNIVERSITY	2012	NA	Yes	\$ 41,220,103	\$ 232,813,924	
ARIZONA AVE COUNTRY CLUB	2012	NA	Yes	\$ 15,919,101	\$ 248,733,025	
Superstition Freeway Connector	2012	NA	No	\$ 1,727,632	\$ 250,460,657	
BROADWAY	2013	NA	Yes	\$ 32,090,926	\$ 282,551,582	
ELLIOT RD	2013	NA	Yes	\$ 4,064,240	\$ 286,615,822	
MCDOWELL MCKELLIPS	2014	NA	Yes	\$ 36,618,779	\$ 323,234,601	
ALMA SCHOOL RD	2014	NA	Yes	\$ 24,202,503	\$ 347,437,105	
RAY RD	2016	NA	Yes	\$ 2,492,601	\$ 349,929,705	
San Tan Express	2018	NA	Yes	\$ 649,674	\$ 350,579,379	
Superstition Springs Express	2019	NA	No	\$ 4,623,949	\$ 355,203,329	
Red Mountain Freeway Connector	2019	NA	No	\$ 4,563,211	\$ 359,766,539	
GREENFIELD RD	2022	NA	Yes	\$ 6,178,481	\$ 365,945,021	
Chandler Blvd Dedicated BRT	2024	NA	Yes	\$ 269,623	\$ 366,214,644	

Net Operations Costs Total				\$366,214,644	
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¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$19,199,135	\$19,199,135	
Country Club/US60 PNR	2009	2010	Yes	\$5,222,811	\$24,421,945	
Mesa Downtown 6-bay	2009	2011	Yes	\$3,326,730	\$27,748,675	
Arizona Ave Dedicated BRT	2010	2011	No	\$8,433,622	\$36,182,297	
Chandler Blvd Dedicated BRT	2023	2024	Yes	\$2,103,646	\$38,285,943	
EVDAR O&M Facility	2017	2018	No	\$3,984,206	\$42,270,149	
RPTA/Mesa O&M Facility Rehab	2014	2015	No	\$13,666,719	\$55,936,868	
Capital Costs Total				\$55,936,868		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$61,009,467

Total Estimated Project Costs	\$483,160,978
Total Estimated Equity Available	\$339,594,004
Net Difference	-\$143,566,974

Paradise Valley

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.755%	0.027%	0.474%	0.000%	\$9,340,624	\$9,340,624
\$8,120,377	\$117,035	\$1,103,212	\$0		

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Scottsdale/Rural Rd Dedicated	2014	2027		\$ 1,615,228		
TATUM 44TH ST	2020	2027		\$ 5,376,177		
Net Operations Costs Total				\$6,991,404		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation	NA	NA	No	\$79,234		
Capital Costs Total				\$79,234		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$1,103,212

Total Estimated Project Costs	\$8,173,850
Total Estimated Equity Available	\$9,340,624
Net Difference	\$1,166,774

Peoria

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
2.690%	0.755%	2.785%	0.000%	\$38,726,856	\$38,726,856
\$28,932,206	\$3,312,700	\$6,481,950	\$0		

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
471 Grand Ave Limited (371)	Existing	2013		\$ 108,520	\$ 108,520	
Rt. 106	Existing	2015		\$ 1,391,726	\$ 1,500,246	
660 Wickenburg Connector	Existing	2012		\$ 279,242	\$ 1,779,488	
North Glendale Express (Rt 573)	Existing	NA		\$ 3,404,269	\$ 5,183,757	
North Loop 101 Connector (Rt 5)	Existing	NA		\$ 590,402	\$ 5,774,159	
Grand Ave Limited	2013	NA		\$ 4,219,542	\$ 9,993,701	
Peoria Express	2014	NA		\$ 1,025,598	\$ 11,019,299	
PEORIA SHEA	2015	NA		\$ 11,894,698	\$ 22,913,997	
BELL RD (VIA 303)	2019	NA		\$ 3,022,078	\$ 25,936,075	
WADELL THUNDERBIRD	2020	NA		\$ 4,163,866	\$ 30,099,941	
DUNLAP OLIVE	2021	NA		\$ 6,269,343	\$ 36,369,284	
99TH AVE	2021	NA		\$ 2,065,738	\$ 38,435,023	
83RD 75TH AVE	2023	NA		\$ 7,776,747	\$ 46,211,770	
Loop 303 Express	2023	NA		\$ 105,341	\$ 46,317,110	
Net Operations Costs Total				\$46,317,110		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation	NA	NA	No	\$2,242,740		
Peoria Grand PNR	2011	2013	Yes	\$5,895,168		
Peoria 4-bay	2013	2015	Yes	\$2,656,727		
Capital Costs Total				\$10,794,634		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$6,481,950

Total Estimated Project Costs	\$63,593,695
Total Estimated Equity Available	\$38,726,856
Net Difference	-\$24,866,839

Phoenix

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
21.548%	73.569%	0.000%	82.128%		
\$231,758,797	\$322,583,823	\$0	\$1,255,934,227	\$554,342,621	\$1,810,276,848

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
533	Existing	2011		\$ 145,315	\$ 145,315	
685 Gila Bend Connector	Existing	2012		\$ 489,458	\$ 634,773	
570	Existing	2013		\$ 335,269	\$ 970,042	
471 Grand Ave Limited (371)	Existing	2013		\$ 315,744	\$ 1,285,786	
532	Existing	2014		\$ 489,669	\$ 1,775,455	
541	Existing	2018		\$ 2,171,782	\$ 3,947,237	
540	Existing	2018		\$ 1,142,794	\$ 5,090,030	
560	Existing	2020		\$ 1,339,440	\$ 6,429,470	
590	Existing	NA		\$ 8,186,443	\$ 14,615,913	
582	Existing	NA		\$ 7,431,084	\$ 22,046,997	
531	Existing	NA		\$ 5,936,067	\$ 27,983,064	
581	Existing	NA		\$ 5,139,459	\$ 33,122,523	
521	Existing	NA		\$ 3,691,980	\$ 36,814,503	
520	Existing	NA		\$ 2,748,381	\$ 39,562,883	
512	Existing	NA		\$ 1,954,659	\$ 41,517,543	
510	Existing	NA		\$ 1,220,595	\$ 42,738,137	
SCOTTSDALE/RURAL (Rt 72)	Existing	NA		\$ 9,499,919	\$ 52,238,056	
Deer Valley Express 480 I-17 RAPID	Existing	NA		\$ 32,852,967	\$ 85,091,023	
Ahwatukee Express 450 I-10 East RAPID	Existing	NA		\$ 21,422,822	\$ 106,513,845	
SR51 Express 400 SR51 RAPID	Existing	NA		\$ 18,324,495	\$ 124,838,340	
CHANDLER BLVD (Rt 156)	Existing	NA		\$ 16,137,731	\$ 140,976,071	
Desert Sky Express 460 I-10 West RAPID	Existing	NA		\$ 9,071,163	\$ 150,047,234	
North Glendale Express (Rt 573)	Existing	NA		\$ 8,037,342	\$ 158,084,576	
North Loop 101 Connector (Rt 572)	Existing	NA		\$ 7,391,639	\$ 165,476,215	
Northwest Valley Express - B Pattern (576)	Existing	NA		\$ 6,084,223	\$ 171,560,438	
Northwest Valley Express - A Pattern (575)	Existing	NA		\$ 4,971,318	\$ 176,531,756	

Papago Freeway Connector (562)	Existing	NA		\$ 4,590,534	\$ 181,122,290	
Red Mountain Express - A Pattern (535)	Existing	NA		\$ 1,697,187	\$ 182,819,476	
East Loop 101 Connector (RT 511)	Existing	NA		\$ 149,756	\$ 182,969,232	
Apache Junction Express	2011	NA		\$ 2,127,857	\$ 185,097,089	
Grand Ave Limited	2013	NA		\$ 6,656,532	\$ 191,753,621	
Buckeye Express	2013	NA		\$ 2,569,033	\$ 194,322,654	
Pima Express	2013	NA		\$ 1,951,399	\$ 196,274,052	
Peoria Express	2014	NA		\$ 6,582,819	\$ 202,856,871	
South Central Express	2015	NA		\$ 11,998,452	\$ 214,855,323	
South Central Dedicated BRT A	2016	NA		\$ 5,714,174	\$ 220,569,497	
South Central Dedicated BRT B	2016	NA		\$ 5,221,993	\$ 225,791,490	
Black Canyon Freeway Connector	2016	NA		\$ 4,474,538	\$ 230,266,028	
Ahwatukee Connector	2017	NA		\$ 1,170,965	\$ 231,436,993	
San Tan Express	2018	NA		\$ 7,353,963	\$ 238,790,956	
Anthem Express	2018	NA		\$ 6,522,045	\$ 245,313,000	
BELL RD (VIA 303)	2019	NA		\$ 20,454,279	\$ 265,767,279	
Superstition Springs Express	2019	NA		\$ 4,004,616	\$ 269,771,895	
WADELL THUNDERBIRD	2020	NA		\$ 19,628,759	\$ 289,400,654	
59th AVE	2020	NA		\$ 6,130,206	\$ 295,530,860	
Avondale Express	2020	NA		\$ 3,644,246	\$ 299,175,106	
BUCKEYE RD	2021	NA		\$ 18,597,555	\$ 317,772,661	
99TH AVE	2021	NA		\$ 3,089,925	\$ 320,862,586	
DUNLAP OLIVE	2021	NA		\$ 2,850,693	\$ 323,713,279	
North I-17 Express	2022	NA		\$ 4,205,362	\$ 327,918,641	
Loop 303 Express	2023	NA		\$ 925,886	\$ 328,844,527	
Net Operations Costs Total				\$328,844,527		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$218,393,347	\$218,393,347	
Happy Valley-I-17 PNR	2009	2009	Yes	\$5,001,899	\$223,395,246	
19thAveCamelback 6-bay	2009	2009	Yes	\$3,054,953	\$226,450,199	
Metrocenter TC Rehab	2009	2011	Yes	\$8,069,534	\$234,519,733	
Phoenix Heavy O&M	2011	2014	No	\$63,887,567	\$298,407,300	
Central Station Rehab	2013	2014	Yes	\$8,916,909	\$307,324,209	
Camelback/101 PNR	2013	2015	Yes	\$6,255,841	\$313,580,049	
44th Cactus 6-bay	2013	2015	Yes	\$3,816,961	\$317,397,011	
South Central Dedicated BRT	2014	2015	No	\$22,930,833	\$340,327,844	
Rehab Phx-South O&M	2014	2015	No	\$13,666,719	\$353,994,563	
Laveen/59th Ave PNR	2014	2016	Yes	\$6,443,516	\$360,438,078	
Elliot/I-10 PNR	2015	2017	Yes	\$6,636,821	\$367,074,900	
New Phoenix O&M	2024	2026	No	\$91,425,573	\$458,500,473	
Capital Costs Total				\$458,500,473		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$0

Total Estimated Project Costs	\$787,345,000
Total Estimated Equity Available (Bus Program Only)	\$554,342,621
Net Difference	-\$233,002,379

Queen Creek

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.085%	0.004%	0.056%	0.000%		
\$914,215	\$17,540	\$130,337	\$0	\$1,062,092	\$1,062,092

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
No operations projects defined in TLCP	NA	NA		11874.60104		
Net Operations Costs Total				\$0		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year	Fiscal Year Final	Modify without	TLCP Total Net Cost	Cumulative	Local
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$11,875		
Capital Costs Total				\$11,875		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$130,337

Total Estimated Project Costs	\$142,212
Total Estimated Equity Available	\$1,062,092
Net Difference	\$919,880

Scottsdale

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
12.225%	3.473%	15.068%	0.000%		
\$131,485,581	\$15,226,560	\$35,070,028	\$0	\$181,782,169	\$181,782,169

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Rt. 50	Existing	2013	Yes	\$ 321,526	\$ 321,526	
Rt. 50 SATURDAY	Existing	2013	Yes	\$ 13,218	\$ 334,744	
Rt. 106	Existing	2015	Yes	\$ 2,243,691	\$ 2,578,435	
512	Existing	NA	No	\$ 1,331,557	\$ 3,909,991	
510	Existing	NA	Yes	\$ 882,015	\$ 4,792,007	
SCOTTSDALE/RURAL (Rt 72)	Existing	NA	No	\$ 48,528,179	\$ 53,320,185	
North Loop 101 Connector (Rt 572)	Existing	NA	No	\$ 970,185	\$ 54,290,370	
East Loop 101 Connector (RT 511)	Existing	NA	No	\$ 5,049,290	\$ 59,339,660	
CAMELBACK	2013	NA	Yes	\$ 15,088,126	\$ 74,427,786	
Pima Express	2013	NA	Yes	\$ 3,802,854	\$ 78,230,640	
MCDOWELL MCKELLIPS	2014	NA	No	\$ 9,269,438	\$ 87,500,078	
Scottsdale/Rural Rd Dedicated BRT	2014	NA	Yes	\$ 8,004,761	\$ 95,504,839	
HAYDEN MCCLINTOCK	2015	NA	Yes	\$ 32,705,891	\$ 128,210,730	
PEORIA SHEA	2015	NA	No	\$ 29,075,261	\$ 157,285,991	
Anthem Express	2018	NA	No	\$ 362,834	\$ 157,648,825	
BELL RD (VIA 303)	2019	NA	Yes	\$ 15,064,898	\$ 172,713,723	
INDIAN SCHOOL RD	2020	NA	Yes	\$ 6,750,138	\$ 179,463,861	
THOMAS	2020	NA	Yes	\$ 5,652,673	\$ 185,116,534	
WADELL THUNDERBIRD	2020	NA	Yes	\$ 497,148	\$ 185,613,681	
Net Operations Costs Total				\$185,613,681		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation (20% of)	NA	NA	No	\$10,308,575	\$10,308,575	
Scottsdale/101 PNR	2009	2009	Yes	\$5,006,949	\$15,315,523	
Scottsdale/Rural Rd Dedicated BRT	2013	2014	Yes	\$17,363,218	\$32,678,742	
Scottsdale 4-bay	2013	2015	Yes	\$2,656,727	\$35,335,468	
EVDAR O&M Facility	2017	2018	No	\$2,290,319	\$37,625,787	
Capital Costs Total				\$37,625,787		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$35,070,028

Total Estimated Project Costs	\$258,309,496
Total Estimated Equity Available	\$181,782,169
Net Difference	-\$76,527,327

Surprise

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.325%	0.013%	0.212%	0.000%		
\$3,495,527	\$57,003	\$493,420	\$0	\$4,045,949	\$4,045,949

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
660 Wickenburg Connector	Existing	NA	No	\$ 4,945,301	\$ 4,945,301	
North Loop 101 Connector (Rt 572)	Existing	NA	No	\$ 2,461,119	\$ 7,406,420	
Grand Ave Limited	2013	NA	No	\$ 2,621,058	\$ 10,027,478	
BELL RD (VIA 303)	2019	NA	No	\$ 10,489,537	\$ 20,517,015	
WADELL THUNDERBIRD	2020	NA	No	\$ 1,242,162	\$ 21,759,178	
Loop 303 Express	2023	NA	No	\$ 895,209	\$ 22,654,387	
LITCHFIELD RD	2024	NA	No	\$ 2,926,528	\$ 25,580,915	
Net Operations Costs Total				\$25,580,915		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$38,592		
Grand/Surprise PNR	2009	2009	Yes	\$4,880,402		
Capital Costs Total				\$4,918,994		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$493,420

Total Estimated Project Costs	\$30,993,329
Total Estimated Equity Available	\$4,045,949

Net Difference

-\$26,947,380

Tempe

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
9.129%	7.770%	22.463%	10.517%		
\$98,186,656	\$34,069,073	\$52,281,526	\$160,830,171	\$184,537,255	\$345,367,426

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Rt. 56	Existing	NA	Yes	\$ 2,989,781	\$ 2,989,781	
521	Existing	NA	Yes	\$ 2,961,424	\$ 5,951,205	
531	Existing	NA	No	\$ 2,283,973	\$ 8,235,178	
520	Existing	NA	Yes	\$ 2,064,101	\$ 10,299,280	
Rt. 92	Existing	NA	No	\$ 1,849,363	\$ 12,148,643	
Rt. 61	Existing	2011	No	\$ 293,415	\$ 12,442,058	
533	Existing	2011	No	\$ 92,415	\$ 12,534,473	
532	Existing	2014	No	\$ 193,770	\$ 12,728,243	
Rt. 81	Existing	2015	No	\$ 1,707,255	\$ 14,435,498	
Rt. 81 SATURDAY	Existing	2015	No	\$ 173,129	\$ 14,608,626	
541	Existing	2018	No	\$ 1,251,857	\$ 15,860,483	
540	Existing	2018	No	\$ 1,062,180	\$ 16,922,663	
SCOTTSDALE/RURAL (Rt 72)	Existing	NA	No	\$ 44,263,615	\$ 61,186,279	
MAIN ST (Rt 40)	Existing	NA	No	\$ 10,624,021	\$ 71,810,300	
East Loop 101 Connector (RT 511)	Existing	NA	No	\$ 1,952,466	\$ 73,762,766	
Red Mountain Express - B Pattern (536)	Existing	NA	No	\$ 956,894	\$ 74,719,660	
Red Mountain Express - A Pattern (535)	Existing	NA	No	\$ 688,762	\$ 75,408,422	
BASELINE SOUTHERN DOBSON (Baseline Rd)	2011	NA	No	\$ 18,037,164	\$ 93,445,586	
Apache Junction Express	2011	NA	No	\$ 1,667,496	\$ 95,113,082	
UNIVERSITY	2012	NA	No	\$ 14,603,154	\$ 109,716,236	
Superstition Freeway Connector	2012	NA	No	\$ 702,230	\$ 110,418,466	
ELLIOT RD	2013	NA	No	\$ 13,290,381	\$ 123,708,847	
BROADWAY	2013	NA	No	\$ 12,397,455	\$ 136,106,302	
Pima Express	2013	NA	No	\$ 1,334,013	\$ 137,440,315	
Scottsdale/Rural Rd Dedicated BRT	2014	NA	No	\$ 10,939,096	\$ 148,379,411	
HAYDEN MCCLINTOCK	2015	NA	No	\$ 25,964,202	\$ 174,343,613	

RAY RD	2016	NA	No	\$ 877,381	\$ 175,220,995	
South Central Dedicated BRT B	2016	NA	No	\$ 771,221	\$ 175,992,216	
Ahwatukee Connector	2017	NA	No	\$ 1,343,995	\$ 177,336,210	
San Tan Express	2018	NA	No	\$ 2,078,960	\$ 179,415,170	
Superstition Springs Express	2019	NA	No	\$ 3,139,177	\$ 182,554,348	
Red Mountain Freeway Connector	2019	NA	No	\$ 1,121,269	\$ 183,675,617	
TATUM 44TH ST	2020	NA	No	\$ 4,983,821	\$ 188,659,438	
Net Operations Costs Total				\$188,659,438		

Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$23,065,195	\$23,065,195	
Scottsdale/Rural Rd Dedicated BRT	2013	2014	No	\$19,707,253	\$42,772,448	
South Tempe 4-bay	2013	2015	Yes	\$2,126,773	\$44,899,220	
College/ASU Expansion/Rehab	2016	2019	Yes	\$10,329,960	\$55,229,181	
EVDAR O&M Facility	2017	2018	No	\$3,414,357	\$58,643,538	
Capital Costs Total				\$58,643,538		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$52,281,526

Total Estimated Project Costs	\$295,462,319
Total Estimated Equity Available	\$184,537,255
Net Difference	-\$110,925,064

Tolleson

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.438%	0.014%	0.264%	0.000%	\$5,386,729	\$5,386,729
\$4,710,894	\$61,388	\$614,447	\$0		

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
685 Gila Bend Connector	Existing	NA	No	\$ 577,309	\$ 577,309	
560	Existing	2019	No	\$ 254,767	\$ 832,076	
MCDOWELL MCKELLIPS	2014	NA	No	\$ 3,251,747	\$ 4,083,822	
DYSART	2015	NA	No	\$ 4,900,839	\$ 8,984,661	
99TH AVE	2019	NA	No	\$ 1,874,787	\$ 10,859,449	
VAN BUREN	2020	NA	No	\$ 3,778,345	\$ 14,637,794	
BUCKEYE RD	2021	NA	No	\$ 2,229,780	\$ 16,867,573	
Net Operations Costs Total				\$16,867,573		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year First Funds Programmed	Fiscal Year Final Funds Programmed	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$41,560		
Capital Costs Total				\$41,560		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$614,447

Total Estimated Project Costs	\$17,523,580
Total Estimated Equity Available	\$5,386,729

Net Difference

-\$12,136,851

Wickenburg

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.029%	0.002%	0.025%	0.000%		
\$311,909	\$8,770	\$58,186	\$0	\$378,865	\$378,865

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
660 Wickenburg Connector	2007	NA	Yes	\$ 1,864,625	\$ 1,864,625	
Net Operations Costs Total				\$1,864,625		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	Fiscal Year	Fiscal Year Final	Modify without	TLCP Total Net Cost	Cumulative Total	Local
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$5,937		
Capital Costs Total				\$5,937		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$58,186

Total Estimated Project Costs	\$1,928,748
Total Estimated Equity Available	\$378,865
Net Difference	-\$1,549,884

Youngtown

FY 2010 through FY 2026

Jurisdictional Equity					
Bus Operations	Bus Capital	ADA	LRT/HCT	Total (Bus Operations + Bus Capital + ADA)	Total With LRT/HCT
0.022%	0.003%	0.019%	0.000%		
\$236,620	\$13,155	\$44,222	\$0	\$293,997	\$293,997

Operations

Route	Fiscal Year Start	Fiscal Year Terminate	Modify without Affecting Other Jurisdictions	TLCP Total Net Cost (FY10 - FY26)	Cumulative Total Cost	Local Priority
PEORIA SHEA	2015	NA	No	\$ 2,492,767	\$ 2,492,767	
WADELL THUNDERBIRD	2020	NA	No	\$ 213,213	\$ 2,705,981	
DUNLAP OLIVE	2021	NA	No	\$ 568,582	\$ 3,274,562	
Net Operations Costs Total				\$3,274,562		

¹ Operating cost is net of fares and includes allocation for Safety & Security Fund and contingency

Capital

Project	First Funds	Funds	Affecting Other	(FY10 - FY26)	Cost	Priority
Regional Transit Fleet Allocation (20% Match)	NA	NA	No	\$8,906		
Capital Costs Total				\$8,906		

ADA

Project	TLCP Total Net Cost (FY10 - FY26)
	\$44,222

Total Estimated Project Costs	\$3,327,690
Total Estimated Equity Available	\$293,997
Net Difference	-\$3,033,693

Alternative 5 Summary

The Transit Life Cycle Program (TLCP) Alternative model run #5 balances annual cash flow by delaying operations and capital projects in chronological order to the earliest year possible in which all projects from the same base year can be implemented together. This approach ensures that linked operations and capital projects are implemented together and minimizes delays to the shortest amount of time possible. In addition, the model was expanded to FY 2046 to identify when projects delayed beyond 2026 can be implemented.

This memo documents the basic financial adjustments, operations and capital adjustments and jurisdictional allocations associated with Alternative #5.

FINANCIAL ADJUSTMENTS

The current regional transportation sales tax is programmed to expire in January 2026. To determine a year beyond 2026 in which projects could be implemented, general assumptions for revenues were incorporated into the TLCP financial model, including:

- Extend regional transportation sales tax to year 2046. Revenues were calculated based on an annual growth rate of 6.57%, which is consistent with the current regional sales tax estimates.
- Extend federal formula and discretionary revenues to 2046 based on the same revenue growth assumptions included in the first 20 years of the TLCP.
- Continued the regional transit fleet replacement program through 2046.
- Jurisdictional allocations are only calculated for years 2006 through 2026.5, as there are no policies developed for a potential new revenue source.

In addition to the inclusion of revenues beyond year 2026.5, revenues associated with the American Recovery and Reinvestment Act (ARRA) funds and capital financing (bonding) are included in Alternative #5.

A total of \$39.9 million (ARRA Funding) was included in FY 2010 to be applied to the projects, identified in Table 1.

Table 1: ARRA Funded Projects

Project	ARRA Funds
Arizona Ave\Country Club Dr BRT ROW Improvements	\$15,000,000
Central Station Refurbishments	\$5,000,000
Country Club Dr/US 60 PNR	\$9,400,000
Happy Valley PNR	\$5,500,000
Scottsdale/101 PNR	\$5,000,000
Total	\$39,900,000

Financing (bonding) is a practical tool to assist with the advancement and development of capital projects. Generally, costs associated with financing are not desirable when overall revenues are declining; however, with significant capital obligations in the next three years, financing will be necessary. In years 2009 through 2011, total revenues available for the capital program are less than expenditures. Postponing the capital projects programmed for these years, which includes the replacement of regional vehicles and reimbursement for the Tempe East Valley Operations & Maintenance Facility may not be feasible or desired. To ensure adequate cash flow and local match for federal grants, two bond issues are included in the TLCP. Alternative #5 bonding information is included in Table 2.

Table 2: TLCP Alternative Bonding Requirements

No.	Fiscal Year	Bond Amount	Rate	Repayment Cost
1	2009	\$50,000,000	4.91%	\$28,487,148
2	2011	\$54,000,000	4.91%	\$30,354,835
Total		\$104,000,000		\$58,841,982

OPERATIONS & CAPITAL ADJUSTMENTS

Operations Adjustments

The following operations adjustments were assumed for Alternative #5:

- Updated the Glendale Ave Supergrid (Route 70) to remove allocation for deviation to 19th Ave & Montebello Light Rail Transit (LRT) station.
- Service level assumptions for all new routes (not currently in operation today) include 30 minute weekday headways and 60 minute weekend headways.
- Service level assumptions for all existing routes that will be supported in a future year by Public Transportation Fund (PTF) revenues are programmed at existing weekday and weekend service levels.
- Routes currently operating with 60 minute headways during weekdays are programmed to operate at 30 minute headways.
- Existing routes that do not operate on weekends are programmed in the update to operate service with 60 minute headways.
- New freeway express routes programmed to operate two-way service are programmed to operate one-way peak direction service only.
- Only two additional services are programmed to be supported by PTF revenues in 2010: Gilbert Rd Supergrid (Route 136) and the expansion of the Papago Freeway Connector (Route 562).
- The expansion of the Papago Freeway Connector will serve the new Buckeye Park-and-ride beginning in January, 2010. The current Route 562 is programmed to include two AM inbound and two PM outbound trips. The expanded service to the Buckeye PNR is programmed under a separate route number (563). Two AM inbound and two PM outbound trips are programmed each weekday for this route, which will serve the Buckeye and Goodyear PNR facilities. With both routes operating, the Goodyear PNR

will be served by a total of four daily inbound trips and four daily outbound trips (weekdays only).

Based on the operations adjustments included in the model, the shortest length of time any programmed transit service or capital project is delayed is four (4) years; while the longest delay is eighteen (18) years. The length of delay increases as more operations projects are funded and incur on-going costs. The schedule of operations adjustments is identified in Table 3.

Table 3: TLCP Alternative Operations Adjustments

Route	FY 2008 TLCP Initial Service Year	Years Delayed	Alternative Initial Service Year
<i>Express</i>			
Arizona Ave Dedicated BRT	2011	0	2011
Apache Junction Express	2011	5	2016
Superstition Freeway Conn	2012	4	2016
Buckeye Express	2013	7	2020
Grand Ave Limited	2013	7	2020
Pima Express	2013	7	2020
Peoria Express	2014	12	2026
Scottsdale/Rural Dedicated BRT	2014	12	2026
South Central Express	2015	14	2029
South Central Dedicated BRT	2016	13	2029
Black Canyon Freeway Conn	2016	13	2029
Ahwatukee Connector	2017	12	2029
Anthem Express	2018	16	2034
San Tan Express	2018	16	2034
Red Mountain Freeway Conn	2019	18	2037
Superstition Springs Express	2019	18	2037
Avondale Express	2020	18	2038
North I-17 Express	2022	17	2039
Loop 303 Express	2023	16	2039
Chandler Blvd Dedicated BRT	2024	16	2040
<i>Supergrid</i>			
GILBERT RD	2010	0	2010
POWER RD	2010	4	2014
BASELINE RD	2011	5	2016
ARIZONA AVE COUNTRY CLUB	2012	4	2016
UNIVERSITY	2012	4	2016
CAMELBACK	2013	7	2020
ELLIOT RD	2013	7	2020
BROADWAY	2013	7	2020
ALMA SCHOOL RD	2014	12	2026
MCDOWELL MCKELLIPS	2014	12	2026
DYSART	2015	14	2029
HAYDEN MCCLINTOCK	2015	14	2029
PEORIA SHEA	2015	14	2029
RAY RD	2016	13	2029
BELL RD (VIA 303)	2019	18	2037
QUEEN CREEK RD	2019	18	2037
59th AVE	2020	18	2038
TATUM 44TH ST	2020	18	2038
VAN BUREN	2020	18	2038
WADELL THUNDERBIRD	2020	18	2038
INDIAN SCHOOL RD	2020	18	2038

Route	FY 2008 TLCP Initial Service Year	Years Delayed	Alternative Initial Service Year
THOMAS	2020	18	2038
99TH AVE	2021	17	2038
BUCKEYE RD	2021	17	2038
DUNLAP OLIVE	2021	17	2038
GREENFIELD RD	2022	17	2039
83RD 75TH AVE	2023	16	2039
LITCHFIELD RD	2024	16	2040

Capital Adjustments

Capital facilities and infrastructure include vehicles, passenger facilities, operations and maintenance facilities, right-of-way (ROW) improvements for BRT and ITS/VMS.

To balance annual cash flow, passenger capital facility projects were delayed up to 18 years in chronological order of previously programmed implementation year. However, some facilities were not delayed as result of a pre-existing intergovernmental agreement to fund the project or if a project is supported with ARRA funds. Similar to Alternative #4, the standard 12-year fleet replacement cycle is included in this alternative. Table 4 identifies the capital projects schedule identified for alternative #5.

Table 4: TLCP Alternative Capital Facilities Adjustments

Capital Investment	FY 2008 TLCP Initial Service Year	Years Delayed	Alternative Initial Service Year
Park-and-Ride Facilities			
Price/202	2009	0	2009
Grand/Surprise	2009	0	2009
Happy Valley PNR (ARRA)	2010	0	2010
Scottsdale/101 PNR (ARRA)	2010	0	2010
Country Club Dr/US 60 PNR (ARRA)	2010	0	2010
East Buckeye	2011	0	2011
Glendale Grand	2013	7	2020
Peoria Grand	2013	7	2020
Camelback/101	2015	14	2029
Laveen/59th Ave	2016	13	2029
Elliot/I-10	2017	12	2029
Val Vista/202	2018	16	2034
Loop 303	2023	16	2039
Transit Centers			
South Tempe 4-bay	2009	5	2014
19thAveCamelback 6-bay	2009	5	2014
Downtown Chandler 4-bay	2010	4	2014
South Chandler (formerly Chan Mall TC)	2010	4	2014
Mesa Downtown 6-bay	2011	5	2016
Metrocenter TC Rehab	2011	5	2016
Central Station Rehab (ARRA)	2013	-3	2010
Glendale/Grand 4-bay	2013	7	2020
Peoria 4-bay	2015	14	2029
44th Cactus 6-bay	2015	14	2029
Scottsdale 4-bay	2015	14	2029
Bell-101 6-bay	2019	18	2037
College/ASU Expansion/Rehab	2019	18	2037
BRT ROW Improvements			

Arizona Ave BRT (ARRA)	2011	0	2011
Scottsdale/Rural BRT	2014	12	2026
South Central BRT	2015	14	2029
Chandler Blvd BRT	2024	16	2040
Operations & Maintenance Facilities			
Phoenix Heavy	2014	12	2026
Rehab - Mesa	2015	14	2029
Rehab Phx-South	2015	14	2029
Paratransit EVDAR	2018	16	2034
New Phoenix Fixed Route	2026	16	2042
Paratransit Phoenix	Beyond 2026	7	2020
Rural Facility	Beyond 2026	16	2034
Vanpool	Beyond 2026	18	2038

Jurisdictional Allocations

Based on current Arizona Department of Transportation (ADOT) revenue projections, the total value of the Public Transportation Fund is estimated at \$3.844 billion. To identify the status of jurisdictional allocations, the same federal capital match assumptions included in Alternative #4 were included in this alternative. These assumptions include:

- Bus stop allocations are assumed to use 100% PTF
- Capital facilities including transit centers, park-and-rides, and operations and maintenance facilities are allocated at 50% PTF (50% are assumed to be federal funds)
- ARRA funds are not included as part of jurisdictional equity

Tables 5 and 6 identify the estimated PTF allocations by jurisdiction.

Table 5: Alternative #5 Estimated Jurisdictional Allocations through Year 2026.5 (\$)

Jurisdiction	Bus PTF Net Cost ⁵		Bus Cap PTF		TLCP Policy	TLCP Policy	Calculated ¹	TLCP Policy ²	
	Calculated ¹	TLCP Policy ²	Calculated ¹	TLCP Policy	ADA PTF	LRT/HC PTF ³	Total	Total	
Avondale	\$3,743,985	\$18,787,557	\$2,863,202	\$4,325,567	\$4,750,180	\$0	\$11,357,368	\$27,863,304	
Buckeye	\$8,260,188	\$1,029,313	\$3,137,303	\$49,660	\$174,271	\$0	\$11,571,762	\$1,253,245	
Carefree	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cave Creek	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Chandler	\$122,995,472	\$117,570,392	\$29,048,914	\$22,357,647	\$29,963,220	\$0	\$182,007,606	\$169,891,259	
El Mirage	\$1,105,640	\$2,848,805	\$316,123	\$477,582	\$687,404	\$0	\$2,109,167	\$4,013,791	
Fountain Hills	\$636,857	\$1,195,666	\$53,417	\$80,699	\$198,476	\$0	\$888,749	\$1,474,841	
Gila Bend	\$3,647,713	\$2,235,376	\$8,218	\$12,415	\$45,988	\$0	\$3,701,920	\$2,293,780	
Gilbert	\$66,640,997	\$76,740,986	\$8,460,978	\$12,614,194	\$20,047,533	\$0	\$95,149,509	\$109,402,713	
Glendale	\$110,133,310	\$73,216,369	\$10,014,803	\$6,339,201	\$20,413,958	\$33,962,694	\$174,524,765	\$133,932,222	
Goodyear	\$4,208,555	\$3,815,735	\$24,653	\$37,245	\$563,962	\$0	\$4,797,170	\$4,416,942	
Guadalupe	\$665,376	\$93,574	\$6,574	\$9,932	\$24,204	\$0	\$696,154	\$127,710	
Litchfield Park	\$1,752,794	\$3,306,277	\$41,090	\$62,076	\$527,655	\$0	\$2,321,539	\$3,896,008	
Maricopa County ⁴	\$15,629,918	\$5,759,993	\$1,730,088	\$2,694,933	\$3,853,511	\$0	\$21,213,518	\$12,308,437	
Mesa	\$232,547,537	\$241,888,502	\$53,250,674	\$40,147,310	\$66,510,646	\$88,306,330	\$440,615,187	\$436,852,788	
Paradise Valley	\$200,079	\$7,849,810	\$106,986	\$165,686	\$1,147,287	\$0	\$1,454,351	\$9,162,782	
Peoria	\$14,344,111	\$27,968,196	\$7,171,235	\$4,689,793	\$6,740,915	\$0	\$28,256,262	\$39,398,904	
Phoenix	\$199,355,594	\$224,036,683	\$399,583,374	\$456,682,320	\$0	\$1,365,290,333	\$1,964,229,301	\$2,046,009,337	
Queen Creek	\$12,283	\$883,753	\$16,436	\$24,831	\$135,544	\$0	\$164,263	\$1,044,129	
Scottsdale	\$86,722,277	\$127,104,532	\$28,349,824	\$21,556,261	\$37,739,711	\$0	\$152,811,811	\$186,400,503	
Surprise	\$9,669,716	\$3,379,057	\$2,831,403	\$80,699	\$539,783	\$0	\$13,040,902	\$3,999,539	
Tempe	\$153,971,039	\$94,915,114	\$73,664,258	\$48,231,629	\$55,852,218	\$174,833,899	\$458,321,415	\$373,832,860	
Tolleson	\$1,392,682	\$4,553,929	\$57,526	\$86,907	\$638,995	\$0	\$2,089,203	\$5,279,831	
Wickenburg	\$2,070,570	\$301,516	\$8,218	\$12,415	\$60,511	\$0	\$2,139,299	\$374,442	
Youngtown	\$3,179	\$228,736	\$12,327	\$18,623	\$45,988	\$0	\$61,495	\$293,348	
Sub Total	\$1,039,709,872	\$1,039,709,872	\$620,757,625	\$620,757,625	\$250,661,962	\$1,662,393,256	\$3,573,522,715	\$3,573,522,715	
PTF, RARF & Operations\Planning Grant Regional Expenditures									
Bus PTF	\$1,039,709,872	\$0	\$0	\$0	\$0	\$0	\$1,039,709,872	\$1,039,709,872	
Bus Cap PTF	\$0	\$620,757,625	\$0	\$0	\$0	\$0	\$620,757,625	\$620,757,625	
LRT/HC PTF	\$0	\$0	\$0	\$0	\$1,662,393,256	\$0	\$1,662,393,256	\$1,662,393,256	
ADA PTF	\$0	\$0	\$0	\$250,661,962	\$0	\$0	\$250,661,962	\$250,661,962	
Regional ADA	\$0	\$0	\$0	\$14,924,534	\$0	\$0	\$14,924,534	\$14,924,534	
Regional Services	\$0	\$0	\$0	\$0	\$0	\$0	\$196,681,693	\$196,681,693	
Regional Admin Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Cost of Bonding	\$0	\$0	\$0	\$0	\$0	\$0	\$59,404,814	\$59,404,814	
Total Expenditures								\$3,844,533,756	

Financial Analysis of Alternative

Alternative #5 provides for a balanced Transit Life Cycle Program; however, annual carry-over funds are incurred as a measure to preserve revenues to fund capital projects. Figure 1 illustrates the annual cumulative balance for the first 20 years of the program (through year 2026.5). Figure 2 illustrates the annual cumulative balance for years 2026.5 through 2046. Detailed operations and capital program cash flow tables for Alternative #5 are provided in Attachment's 1 through 4.

Figure 1: TLCP Net Annual Cumulative Balance - Years 2006 through 2026.5

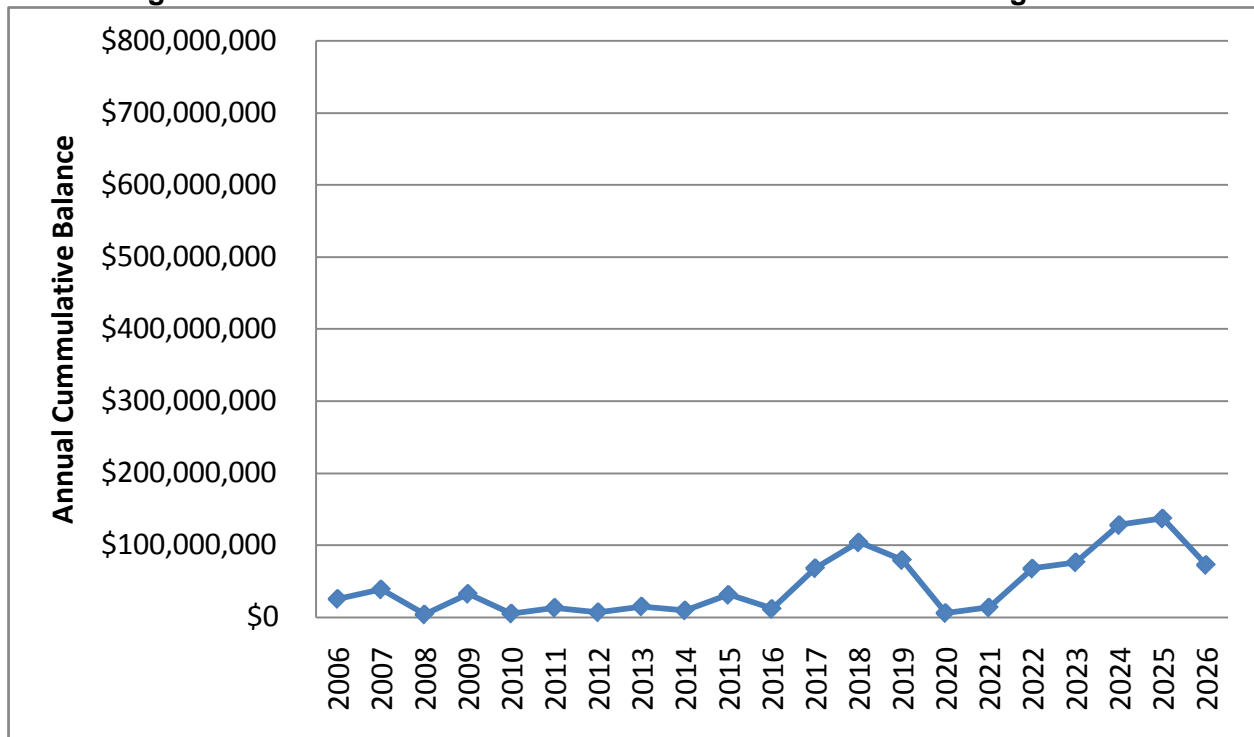
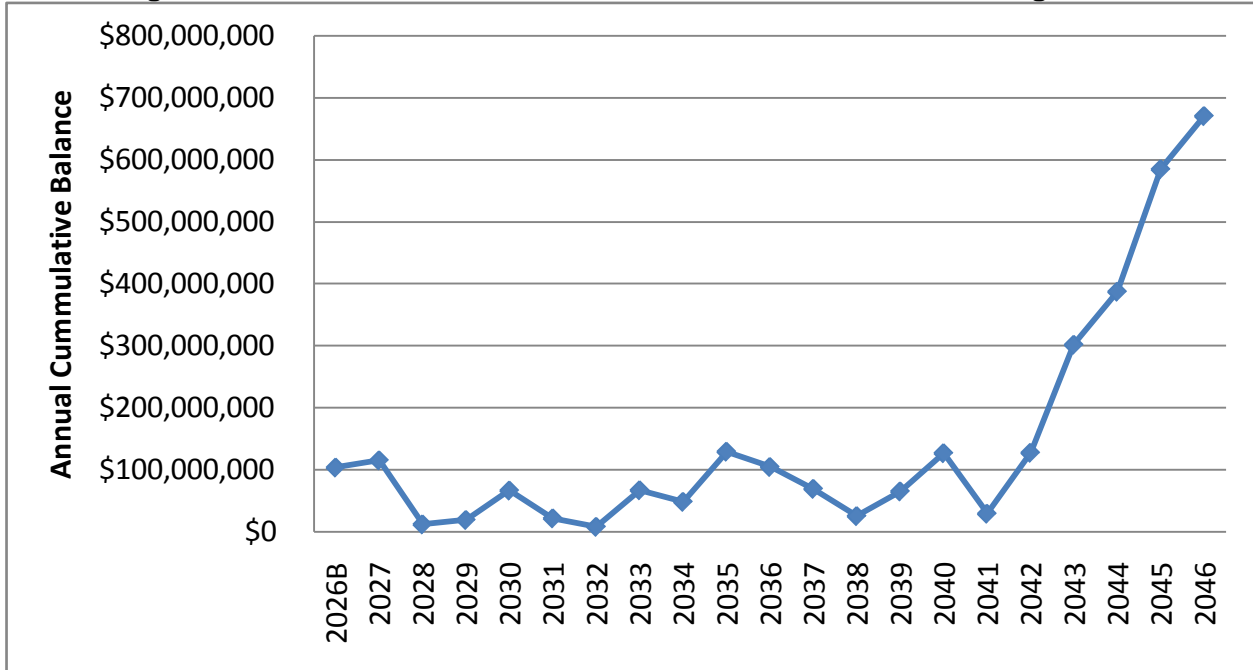


Figure 2: TLCP Net Annual Cumulative Balance - Years 2026.5 through 2046



PTF Jurisdictional Allocations

Jurisdiction	Original RTP (2002 dollars)		Original RTP (YOE dollars)		2007 TLCP Update (YOE dollars)	
	Dollars	Percentage	Dollars	Percentage	Dollars	Percentage
Avondale	\$23,760,688	0.86%	\$40,964,978	0.93%	\$51,888,391	1.09%
Buckeye	\$1,120,089	0.04%	\$1,900,629	0.04%	\$9,727,494	0.20%
Chandler	\$146,149,676	5.29%	\$239,009,298	5.44%	\$285,742,275	6.02%
El Mirage	\$3,487,914	0.13%	\$5,573,260	0.13%	\$7,164,071	0.15%
Fountain Hills	\$1,308,537	0.05%	\$2,220,398	0.05%	\$5,530,026	0.12%
Gila Bend	\$2,094,075	0.08%	\$3,553,342	0.08%	\$2,976,224	0.06%
Gilbert	\$94,467,482	3.42%	\$157,584,810	3.58%	\$144,816,017	3.05%
Glendale	\$108,008,538	3.91%	\$169,252,186	3.85%	\$220,659,246	4.64%
Goodyear	\$3,992,949	0.14%	\$6,775,457	0.15%	\$17,141,140	0.36%
Guadalupe	\$110,099	0.00%	\$186,822	0.00%	\$422,051	0.01%
Litchfield Park	\$3,512,813	0.13%	\$5,960,736	0.14%	\$11,046,906	0.23%
Maricopa County	\$10,073,686	0.36%	\$17,561,895	0.40%	\$48,635,616	1.02%
Mesa	\$365,252,929	13.22%	\$580,878,365	13.21%	\$596,142,035	12.55%
Paradise Valley	\$8,260,309	0.30%	\$14,016,550	0.32%	\$6,551,889	0.14%
Peoria	\$34,244,991	1.24%	\$57,565,727	1.31%	\$54,605,163	1.15%
Phoenix	\$1,495,131,065	54.10%	\$2,372,530,733	53.96%	\$2,432,739,685	51.21%
Queen Creek	\$942,073	0.03%	\$1,598,562	0.04%	\$206,014	0.00%
Scottsdale	\$160,727,464	5.82%	\$255,368,961	5.81%	\$262,919,111	5.53%
Surprise	\$3,577,547	0.13%	\$6,070,580	0.14%	\$24,403,490	0.51%
Tempe	\$291,860,477	10.56%	\$449,556,136	10.22%	\$546,477,504	11.50%
Tolleson	\$4,758,604	0.17%	\$8,074,663	0.18%	\$15,674,730	0.33%
Wickenburg	\$339,324	0.01%	\$575,784	0.01%	\$1,967,477	0.04%
Youngtown	\$254,648	0.01%	\$432,100	0.01%	\$3,032,223	0.06%
Total	\$2,763,435,975	100.00%	\$4,397,211,972	100.00%	\$4,750,468,775	100.00%

Regional Sub-Totals

East Valley	\$1,069,079,046	38.69%	\$1,700,419,902	38.67%	\$1,848,806,922	38.92%
West Valley	\$186,718,781	6.76%	\$306,699,442	6.97%	\$420,286,555	8.85%
Phoenix	\$1,495,131,065	54.10%	\$2,372,530,733	53.96%	\$2,432,739,685	51.21%
Others *	\$10,073,686	0.36%	\$17,561,895	0.40%	\$48,635,616	1.02%

* Others includes Maricopa County, Gila Bend and Wickenburg.

PTF Jurisdictional Allocations

Jurisdiction	2009 TLCP Update Draft Alt 1 (YOE dollars)		2009 TLCP Update Draft Alt 2 (YOE dollars)		2009 TLCP Update Draft Alt 4 (YOE dollars)		2009 TLCP Update Draft Alt 5 (YOE dollars)	
	Dollars	Percentage	Dollars	Percentage	Dollars	Percentage	Dollars	Percentage
Avondale	\$38,354,879	1.07%	\$23,817,449	0.67%	\$12,008,099	0.34%	\$11,357,368	0.32%
Buckeye	\$13,551,234	0.38%	\$15,054,251	0.42%	\$11,624,115	0.33%	\$11,571,762	0.32%
Chandler	\$189,920,590	5.30%	\$215,839,726	6.03%	\$176,307,443	4.94%	\$182,007,606	5.09%
El Mirage	\$6,152,481	0.17%	\$3,720,137	0.10%	\$1,334,475	0.04%	\$2,109,167	0.06%
Fountain Hills	\$4,037,612	0.11%	\$3,241,653	0.09%	\$1,056,696	0.03%	\$888,749	0.02%
Gila Bend	\$3,496,908	0.10%	\$3,497,600	0.10%	\$3,708,434	0.10%	\$3,701,920	0.10%
Gilbert	\$93,207,905	2.60%	\$103,959,585	2.90%	\$86,415,266	2.42%	\$95,149,509	2.66%
Glendale	\$198,861,789	5.55%	\$189,866,468	5.30%	\$173,000,118	4.85%	\$174,524,765	4.88%
Goodyear	\$13,117,143	0.37%	\$10,440,486	0.29%	\$4,973,641	0.14%	\$4,797,170	0.13%
Guadalupe	\$1,810,802	0.05%	\$1,505,670	0.04%	\$503,863	0.01%	\$696,154	0.02%
Litchfield Park	\$7,727,761	0.22%	\$4,487,457	0.13%	\$1,171,141	0.03%	\$2,321,539	0.06%
Maricopa County	\$28,879,811	0.81%	\$25,522,358	0.71%	\$21,465,029	0.60%	\$21,213,518	0.59%
Mesa	\$454,512,698	12.69%	\$463,602,796	12.95%	\$410,689,520	11.50%	\$440,615,187	12.33%
Paradise Valley	\$6,343,717	0.18%	\$4,565,640	0.13%	\$1,459,597	0.04%	\$1,454,351	0.04%
Peoria	\$38,341,231	1.07%	\$31,124,565	0.87%	\$48,239,074	1.35%	\$28,256,262	0.79%
Phoenix	\$1,821,899,934	50.88%	\$1,837,662,679	51.33%	\$2,006,979,733	56.22%	\$1,964,229,301	54.97%
Queen Creek	\$145,447	0.00%	\$146,831	0.00%	\$165,031	0.00%	\$164,263	0.00%
Scottsdale	\$204,035,065	5.70%	\$187,164,029	5.23%	\$153,624,421	4.30%	\$152,811,811	4.28%
Surprise	\$20,469,159	0.57%	\$17,540,818	0.49%	\$12,033,887	0.34%	\$13,040,902	0.36%
Tempe	\$421,359,020	11.77%	\$426,623,128	11.92%	\$438,495,081	12.28%	\$458,321,415	12.83%
Tolleson	\$10,421,756	0.29%	\$7,487,652	0.21%	\$2,320,385	0.06%	\$2,089,203	0.06%
Wickenburg	\$2,096,359	0.06%	\$2,097,052	0.06%	\$2,143,186	0.06%	\$2,139,299	0.06%
Youngtown	\$2,263,775	0.06%	\$1,364,263	0.04%	\$145,364	0.00%	\$61,495	0.00%
Total	\$3,581,007,077	100.00%	\$3,580,332,296	100.00%	\$3,569,863,600	100.00%	\$3,573,522,715	100.00%

Regional Sub-Totals

East Valley	\$1,375,372,856	38.41%	\$1,406,649,059	39.29%	\$1,268,716,919	35.54%	\$1,332,109,046	37.28%
West Valley	\$354,854,475	9.91%	\$310,498,198	8.67%	\$272,701,920	7.64%	\$255,970,850	7.16%
Phoenix	\$1,821,899,934	50.88%	\$1,837,662,679	51.33%	\$2,006,979,733	56.22%	\$1,964,229,301	54.97%
Others *	\$28,879,811	0.81%	\$25,522,358	0.71%	\$21,465,029	0.60%	\$21,213,518	0.59%

* Others includes Maricopa County, Gila Bend and Wickenburg.



Budget and Finance Subcommittee Information Summary

Agenda Item #3

Date

May 28, 2009

Subject

FY 2009/10 (July 1, 2009 thru June 30, 2010) Proposed Operating and Capital Budget

Summary

The proposed FY 2009/10 combined operating and capital budget (the budget) is \$297.7 million. Of this total, \$116.9 million is funded with Proposition 400 Public Transportation Fund (PTF) revenues (\$66.3 million for bus operating and bus capital and \$50.6 million in light rail capital). Additional revenues include transit service agreements (\$24.2 million), federal grants (\$27.7 million), Valley METRO Rail reimbursements (\$9.9 million), Regional Area Road Funds (\$4.4 million), carry forwards and reserves (\$111.9 million), and other revenues (\$2.7 million) that include interest earnings, IRS alternative fuel tax credits and Vanpool fare revenue.

The total operating budget of \$96.6 million represents an \$8.7 million (10%) increase over the previous year's operating budget of \$87.9 million. The increase is attributable mainly to funding of additional bus service in FY 09/10 and an increase in the transit service rates.

For FY 09/10, there are no new positions being requested which leaves the total RPTA Board approved positions at 127.

Other key compensation and fringe benefit changes for FY 09/10 are as follows:

- The Arizona State Retirement System (ASRS) contribution will decrease 0.05 percent on July 1, 2009. This will make the total to be a 9.40 percent contribution by both RPTA and the employee.
- For FY 09/10, there are no compensation increases which encompasses merit as well as longevity payments.
- Salary ranges will not be increased for FY 2009/10.
- For FY 09/10, there are no cost of living (COLA) increases, or step increases.

The Regional Services proposed budget for FY 2009/10 is \$8.36 million and is funded with: PTF - \$8.1 million, Federal Transit Administration (FTA), Job Access Reverse Commute (JARC) - \$100,000, and METRO Rail - \$150,258. The proposed FY 2009/10 Regional Services budget is \$700,000 less compared to what is being funded with PTF in FY 2008/09.

The total capital budget of \$201.1 million represents a \$30.0 million (13%) decrease from the previous year's capital budget of \$231.1 million. The capital budget was developed based on projects in the Transit Life Cycle Program (TLCP) for FY 09/10.

The Valley METRO Rail capital program costs, includes the proposed addition of 4 new Valley METRO Rail staff positions increasing total staff to 96 from 92 in the prior year. All Valley METRO Rail staff related costs are reimbursed in full by Valley METRO Rail, Inc. The 4 positions will be considered for approval by the Valley METRO Rail Board. If these positions are approved, RPTA will be fully reimbursed for the related increases in staffing and administrative costs.

Explanations of the major budget changes are discussed in the attached "Budget Analysis" document.

Fiscal Impact

The proposed FY 2009/10 operating and capital budget has been prepared with the goal of delivering a fiscally prudent, balanced budget using carry forwards, and reserves and is aligned with the TLCP update for FY 2009/10. The proposed FY 2009/10 combined operating and capital budget is \$297.7 million and includes all the projects in the TLCP for FY 2009/10.

Considerations

Approval of the budget will provide funding for all TLCP projects and allow RPTA to implement capital and operating projects approved by voters in Prop. 400 State statutes require annual Board adoption of the budget.

Committee Action Process

Transit Management Committee (TMC) – May 6, 2009 – For Information

Budget & Finance Subcommittee (BFS) – May 14, 2009 – For Information

Board of Directors – May 21, 2009 – For Information

Valley Metro Operations & Capital Committee (VMOCC) and Finance Oversight Advisory Committee (FOAC) – May 26, 2009 – Approved

Transit Management Committee (TMC) – June 3, 2009 – For Action

Budget & Finance Subcommittee (BFS) – June 4, 2009 – For Action

Board of Directors – June 18, 2009 – For Action

Recommendation

It is recommended the BFS approve the following and forward to the Board of Directors for consideration:

- Revised FY 2008/09 Operating and Capital Budget ;
- Revised FY 2009/10 Operating and Capital Budget that includes an additional \$400,000 to carry forward funds for the cost of the Scottsdale Road Alternative Analysis Study;
- Revised Resolution delegating authority to the Executive Director regarding IGAs, TSAs, Contracts, Solicitations, and budget authority.

Contact Person

Michael Taylor
Acting Deputy Executive Director of Finance
602-256-4302

Attachments

- ✓ Revised Resolution for Delegated Authority to Executive Director
- ✓ FY 2009/10 Proposed Operating and Capital Budget Analysis and Overview
- ✓ FY 2009/10 Proposed Operating and Capital Budget Presentation
- ✓ FY 2009/10 Proposed Operating & Capital Budget
(this document is available upon request)

**DELEGATED AUTHORITY TO EXECUTIVE DIRECTOR
REGARDING IGAs, TSAs, CONTRACTS AND BUDGET AUTHORITY**

BE IT RESOLVED, that the Executive Director of the Regional Public Transportation Authority (“**RPTA**”) is hereby authorized to execute on behalf of the RPTA any Intergovernmental Agreement (“**IGA**”) and Transit Service Agreement (“**TSA**”) by and between the RPTA and each of its member public agencies provided that: (i) any funds committed to be expended pursuant to such IGA or TSA have been authorized for expenditure in a budget approved by the RPTA Board of Directors and (ii) the actions to be taken pursuant to such IGA or TSA are authorized in the current Transit Life Cycle Program as approved by the RPTA Board of Directors or (in the case of actions not included in the Transit Life Cycle Program) otherwise approved by the RPTA Board.

BE IT RESOLVED FURTHER, that the Executive Director of the RPTA is authorized to initiate competitive solicitations pursuant to the ~~RPTA Procurement Policies~~ **Board adopted Annual Operating & Capital Budget.**

BE IT RESOLVED FURTHER, that the Executive Director is authorized to sign IGAs and TSAs of the RPTA as authorized by these resolutions, and the Executive Director is authorized to execute other contracts of the RPTA provided that such contracts have been procured in accordance with the RPTA Procurement Policies and in accordance with these resolutions, but any expenditure under such IGAs, TSAs or contracts (when aggregated with other expenditures in a budget year) cannot exceed the total annual budget for the applicable year that is approved by the RPTA Board (“**Board-Approved Budget**”). Expenditures in excess of the Board-Approved Budget require the approval of the RPTA Board of Directors, except that transfers of fund appropriations between departments within a specific fund may be made upon the Executive Director’s approval.

Valley Metro
Regional Public Transportation Authority
FY 2009/10 Preliminary Operating & Capital Budget
(In thousands)

	2009/10 Preliminary Budget	2008/09 Adopted Budget	2008/09 Revised Budget	Amount Increase/ (Decrease)	Percent Increase/ (Decrease)	** Note
Sources of funds						
Revenues:						
Public transportation funds (PTF)	116,850	\$ 133,500	\$ 115,118	\$ (16,650)	-12%	(1)
Transit service agreements	24,211	24,123	23,944	88	0%	
Federal grants	27,710	17,134	22,855	10,576	62%	(2)
VMR staff & administration reimbursement	9,858	10,088	10,088	(230)	-2%	
Regional area road funds (RARF)	4,389	4,292	4,277	97	2%	
Interest & other revenues	1,390	3,373	2,183	(1,983)	-59%	(3)
Local participation	519	-	436	519	100%	(4)
State & local grants	832	847	847	(15)	-2%	
Total revenues	185,759	193,357	179,748	(7,598)	-4%	
Bond proceeds	-	80,000	136,336	(80,000)	-100%	(5)
Carryforwards & reserves	111,925	45,664	12,464	66,261	145%	(6)
Total revenues & other sources of funds	\$ 297,684	\$ 319,021	\$ 328,548	\$ (21,337)	-7%	
Uses of funds by category						
Expenses:						
Lead agency PTF disbursements	\$ 66,183	\$ 119,650	\$ 80,810	\$ (53,467)	-45%	(7)
Transit service contracts	66,807	59,351	60,621	7,456	13%	(8)
Capital outlay	40,635	36,575	34,922	4,060	11%	(9)
Salary & fringe benefits	19,132	19,331	19,271	(199)	-1%	
Bond interest expense & issuance costs	6,468	2,400	1,336	4,068	170%	(10)
Consultants & contracts	7,040	5,598	6,212	1,442	26%	(11)
Contingency	7,124	7,104	400	20	0%	
Rent & utilities	3,015	2,502	2,253	513	21%	(12)
Advertising	1,372	1,701	1,406	(329)	-19%	(13)
Bus book, outreach materials & website	895	1,043	803	(148)	-14%	(14)
Insurance & risk management	440	480	455	(40)	-8%	(15)
Safety & security	1,214	957	357	257	27%	(16)
Lead agency RARF disbursements	500	500	500	-	0%	
Other administrative costs	1,783	2,051	2,025	(268)	-13%	(17)
Lead agency bond disbursement	70,300	26,100	14,700	44,200	169%	(18)
Total expenses	292,908	285,343	226,071	7,565	3%	
Carryforwards & contributions to reserves	4,776	33,678	102,477	(28,902)	-86%	(19)
Total expenses & other uses of funds	\$ 297,684	\$ 319,021	\$ 328,548	\$ (21,337)	-7%	
Unprogrammed PTF bus revenues	\$ -	\$ -	\$ -	\$ -	0%	
Uses of funds by department						
Operating:						
Operations	79,763	\$ 72,281	\$ 71,424	\$ 7,482	10%	(20)
Marketing	6,364	6,982	6,376	(618)	-9%	(21)
Planning	3,063	3,880	3,301	(817)	-21%	(22)
Finance & Management Services	1,416	1,842	1,428	(426)	-23%	(23)
Executive Director's Office	1,284	1,247	1,227	37	3%	(24)
Non-Departmental	4,700	1,655	1,230	3,045	184%	(25)
Total Operating Budget	96,590	87,887	84,986	8,703	10%	
Capital:						
Valley Metro Rail	127,112	94,413	75,065	32,699	35%	(26)
Bus and other transit	73,982	136,721	168,497	(62,739)	-46%	(27)
Total Capital Budget	201,094	231,134	243,562	(30,040)	-13%	
Total Operating & Capital Budget	\$ 297,684	\$ 319,021	\$ 328,548	\$ (21,337)	-7%	

Valley Metro
Regional Public Transportation Authority (RPTA)
FY 2009/10 Proposed Operating & Capital Budget Overview

Budget Analysis

The following is an analysis of the major changes in the FY 09/10 Preliminary Budget versus the FY 08/09 Adopted Budget. Additionally, explanations for revisions to the FY 08/09 budget have been included as applicable. The number in the "Note" column corresponds to the "Note" column of the "FY 2009/10 Preliminary Operating & Capital Budget" (page 1).

Sources Of Funds:

Note	Explanation																																																						
(1)	The 12% decrease (\$16.7 million) in Public Transportation Fund (PTF) revenue for FY 09/10 was determined using the revised revenue estimates from ADOT. The FY 08/09 PTF revenue adopted budget was revised downward from \$133.5 million to \$115.1 million due to revised revenue estimates from ADOT. The decrease in revenues was allocated as follows: Rail (\$8.0 million); Bus (\$10.4 million).																																																						
(2)	The 62% increase in Federal Grants is due to the additional funds from the American Recovery and Reinvestment Act (ARRA). RPTA will be receiving \$15.9 million in ARRA funds in FY 2009/10.																																																						
(3)	Interest and other revenues decreased 59% (\$2.0 million) over the prior year due to decreased interest earnings on PTF and the decrease of Alternative Fuel Tax rebate revenue from the IRS.																																																						
(4)	The 100% increase (\$519,000) in local participation is due to the increase in funding for planning studies that are funded with local monies and funding from METRO Rail for customer service personnel.																																																						
(5)	Bond proceeds of \$135.0 million to fund capital projects for both RPTA and METRO Rail for FY 08/09 and 09/10. Staff is working with a Financial Advisor and Bond Counsel to arrange a bond financing program to include both RPTA and Valley METRO Rail. Planned bond proceeds will be received in June 2009.																																																						
(6)	<p>Detail of "sources of funds - carryforwards and reserves" is as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;">2009/10 Preliminary Budget</th> <th style="text-align: center;">2008/09 Adopted Budget</th> <th style="text-align: center;">2008/09 Revised Budget</th> <th style="text-align: center;">Amount Increase/ (Decrease)</th> <th style="text-align: center;">Percent Increase/ (Decrease)</th> </tr> </thead> <tbody> <tr> <td colspan="6"><i>Detail of "Uses of carryforwards and reserves" Category</i></td> </tr> <tr> <td>Bus refurbishment reserve</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">0%</td> </tr> <tr> <td>Capital & vanpool reserve</td> <td style="text-align: right;">101,231,948</td> <td style="text-align: right;">45,265,723</td> <td style="text-align: right;">619,334</td> <td style="text-align: right;">55,966,225</td> <td style="text-align: right;">124%</td> </tr> <tr> <td>ASRS carryforward</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">0%</td> </tr> <tr> <td>Undesignated fund balance (RARF)</td> <td style="text-align: right;">61,271</td> <td style="text-align: right;">398,379</td> <td style="text-align: right;">1,224,971</td> <td style="text-align: right;">(337,108)</td> <td style="text-align: right;">-85%</td> </tr> <tr> <td>Undesignated fund balance (PTF)</td> <td style="text-align: right;">10,631,566</td> <td style="text-align: right;">-</td> <td style="text-align: right;">10,619,805</td> <td style="text-align: right;">10,631,566</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>Debt service reserve</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">0%</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;"><u>111,924,785</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>45,664,102</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>12,464,110</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>66,260,683</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>145%</u></td> </tr> </tbody> </table> <p>For the Revised FY 08/09 Budget, \$10.6 million of PTF fund balance will be used to fund capital projects and \$1.2 million of Regional Area Road Funds (RARF) fund balance to fund planning & administrative capital outlay projects. For FY09/10, \$101.2 million of Capital reserves (Bond Proceeds) will be used to fund Capital projects that were carried forward from FY 08/09 and to fund additional Capital projects for FY 09/10 for both RPTA & METRO Rail.</p>		2009/10 Preliminary Budget	2008/09 Adopted Budget	2008/09 Revised Budget	Amount Increase/ (Decrease)	Percent Increase/ (Decrease)	<i>Detail of "Uses of carryforwards and reserves" Category</i>						Bus refurbishment reserve	-	-	-	-	0%	Capital & vanpool reserve	101,231,948	45,265,723	619,334	55,966,225	124%	ASRS carryforward	-	-	-	-	0%	Undesignated fund balance (RARF)	61,271	398,379	1,224,971	(337,108)	-85%	Undesignated fund balance (PTF)	10,631,566	-	10,619,805	10,631,566	100%	Debt service reserve	-	-	-	-	0%		<u>111,924,785</u>	<u>45,664,102</u>	<u>12,464,110</u>	<u>66,260,683</u>	<u>145%</u>
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Valley Metro
Regional Public Transportation Authority (RPTA)
FY 2009/10 Proposed Operating & Capital Budget Overview

Note	Explanation															
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(7)	<p>The \$66.2 million in lead agency PTF disbursements represents the passing through of PTF to “lead agencies” that will directly oversee certain projects. For FY 09/10, PTF will be passed through to Valley METRO Rail, Inc. for rail capital projects, and will also be passed through to various local jurisdictions to fund vehicle purchases, transit centers, park and rides, bus stop passenger amenities and locally operated ADA services.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Description</u></th> <th style="text-align: right;"><u>FY 2008/09</u></th> <th style="text-align: right;"><u>FY 2009/10</u></th> </tr> </thead> <tbody> <tr> <td>Valley METRO Rail, Inc. capital program</td> <td style="text-align: right;">\$57,725,400</td> <td style="text-align: right;">\$46,453,666</td> </tr> <tr> <td>ADA reimbursements**</td> <td style="text-align: right;">2,329,414</td> <td style="text-align: right;">1,287,275</td> </tr> <tr> <td>Capital reimbursements</td> <td style="text-align: right;">59,595,119</td> <td style="text-align: right;">18,442,016</td> </tr> <tr> <td style="padding-left: 20px;">Total Lead Agency Disbursements</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$119,649,933</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$66,182,957</td> </tr> </tbody> </table> <p>** Eligibility requirements must be met to draw full amount; funds not drawn at year end will be carried forward to subsequent years.</p>	<u>Description</u>	<u>FY 2008/09</u>	<u>FY 2009/10</u>	Valley METRO Rail, Inc. capital program	\$57,725,400	\$46,453,666	ADA reimbursements**	2,329,414	1,287,275	Capital reimbursements	59,595,119	18,442,016	Total Lead Agency Disbursements	\$119,649,933	\$66,182,957
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(8)	Transit service contracts increased 13% (\$7.5 million) over the prior year, primarily due to additional miles, the increase in service rates and the splitting of express and local rates which are no longer averaged by each bus contracting agency. Route 136 Gilbert Road will be funded with PTF at its current service levels beginning in FY 09/10.															
(9)	Capital outlay increased 11% (\$4.1 million) over the prior year; largely due to the Mesa Main Street & Arizona Ave. Bus Rapid Transit (BRT) construction projects.															
(10)	Bond interest expense of \$6.5 million. This is the interest expense that will be incurred for RPTA and METRO Rail for the bond proceeds as explained in Note 5 above.															
(11)	Consultant & contracts in the Operating Budget decreased 25% (\$1.0 million) over the prior year. The decrease is attributable to the decrease in planning studies and a decrease in consultants in the Finance & Management Services. The Consultant & contracts in the Capital Budget increased \$2.3 million mainly due to the TLCP approved BRT projects.															
(12)	Rent and Utilities increased 21% (\$513,000) from the previous year mainly due to additional maintenance on the East Valley Operations & Maintenance facility.															
(13)	Advertising decreased 19% (\$329,000) from the prior year because of the decrease in marketing campaigns for FY 09/10.															
(14)	Bus Book, outreach materials, and website expenses decreased by 14% (\$148,000) mainly due to a decrease in the quantity of bus books printed for FY 09/10.															
(15)	Insurance & risk management decreased by 8% (\$40,000) mainly due to lower liability insurance rates.															
(16)	Safety and Security is a TLCP allocation based on the FY 09/10 TLCP operating program, and this item increased 27% (\$257,000). The allocation percentage increased with the FY 09/10 TLCP update.															
(17)	Other Administrative costs decreased 13% (\$268,000). Costs included in this category include legal fees, audit fees, printing, copies, postage, delivery service fees, telephones, payroll outsourcing fees, staff development, travel, training, equipment rental and maintenance.															
(18)	Lead agency bond proceeds disbursement to Valley METRO Rail. See Note 5 above for explanation of bonding requirements for FY 08/09 & FY 09/10.															

Valley Metro
Regional Public Transportation Authority (RPTA)
FY 2009/10 Proposed Operating & Capital Budget Overview

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(20)	The Operations Department budget has increased 10% (\$7.5 million) from the prior year due primarily to the increase in transit service rates programmed in the FY 09/10 TLCP update.																																				
(21)	The Marketing Department budget has decreased 9% (\$618,000) over the prior year. This is due to a decrease in advertising campaigns, a decrease in the quantity of bus books printed and also a decrease in other printing costs.																																				
(22)	The Planning Department budget has decreased 21% (\$817,000) over the prior year due to a decrease in planning studies and consultants for FY 09/10.																																				
(23)	The Finance and Management Services Department budget has decreased 23% (\$426,000) over the prior year due primarily to a decrease in consultants and organizational development & training.																																				
(24)	The Executive Director’s Office budget has increased 3% (\$37,000) over the prior year due to consolidating all conference and travel budgets under this department.																																				
(25)	The non-department budget is used to track activity that is not directly attributable to a departmental budget. Items recorded in this budget include carryforwards and contributions to reserves, and contingencies. This budget will fluctuate from year-to-year depending on the activities in the cost categories.																																				

Valley Metro
Regional Public Transportation Authority (RPTA)
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<u>Description</u>	<u>FY 2008/09</u>	<u>FY 2009/10</u>																			
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(27)	<p>The total RPTA Capital Budget for FY 09/10 is \$74.0 million; however \$18.4 million of this consists of Lead Agency Disbursements [see note (7)]. The capital budget was developed based on projects in the Board adopted FY 09/10 TLCP.</p>																				

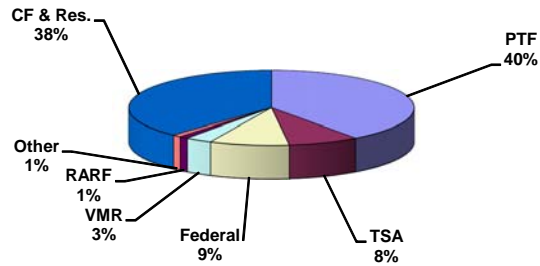
FY 2009/10 Total Financial Program

The Valley Metro Regional Public Transportation Authority (RPTA) FY 09/10 combined operating and capital budget (the budget) is \$297.7 million and includes all the projects funded with Proposition 400 Public Transportation Fund (PTF) revenues (\$116.9 million). Of the \$116.9 million PTF, \$66.3 million is for bus operating and bus capital and \$50.6 million is for light rail/high capacity capital. The total operating budget of \$96.6 million represents an \$8.7 million (10%) increase over the previous year's operating budget of \$87.9 million. The total capital budget of \$201.1 million represents a \$30.0 million (13%) decrease under the previous year's capital budget of \$231.1 million. The major reason for the increase in operations is directly related to the projects that are in the Board adopted Transit Life Cycle Program (TLCP) for FY 09/10.

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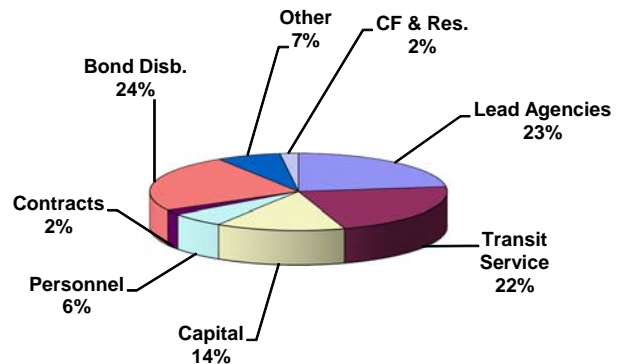
Sources of Funds: (in thousand)

Public transportation funds (PTF)	\$ 116,850
Transit service agreements (TSA)	24,211
Federal grants	27,710
Valley METRO Rail reimbursement (VMR)	9,858
Regional area road funds (RARF)	4,389
Other revenues	2,741
Subtotal	\$ 185,759
Carryforwards and reserves (CF and Res.)	111,925
Total	\$ 297,684



Uses of Funds: (in thousands)

Lead agency disbursements (PTF and RARF)	\$ 66,683
Transit service contracts	66,807
Capital	40,635
Personnel costs	19,132
Contractual agreements	7,040
Lead agency bond disbursement	70,300
Other costs	22,311
Subtotal	\$ 292,908
Carryforwards and reserves (CF and Res.)	4,776
Total	\$ 297,684



Budget Development

The FY 09/10 Operating and Capital Budget has been prepared with the goal of delivering a fiscally prudent, balanced budget. The budget was developed in compliance with all the Board of Directors' adopted financial policies and is aligned with the FY 2009/10 Transit Life Cycle Program (TLCP) update. Administrative, planning & regional services budget has not been increased above the current reduced FY 2008/09 budget. Projects that are included in the budget and are not part of the TLCP total \$4.0 million (1.4% of total budget). These programs are funded by member cities, fare revenue, State and Federal grants. These projects include Transportation Demand Management, Vanpool Operations, & the Alternative Transportation program.

RPTA's primary revenue source is the PTF. The PTF FY 2009/10 revenue estimate of \$116.9 million was developed using the Arizona Department of Transportation (ADOT) sales tax revenue revised forecast. These funds are restricted to the implementation of the transit element of the Regional Transportation Plan (RTP). Other key estimates in the budget are based on contractual information and historical trends.

Organizational Staffing

For FY 09/10, there are no new positions being requested and leaves the total RPTA positions at 127.

Other key compensation and fringe benefit changes for FY 09/10 are as follows:

- The Arizona State Retirement System (ASRS) contribution will decrease 0.05 percent on July 1, 2009. This will make the total to be 9.40 percent contribution by both RPTA and the

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longevity payments.

- Salary ranges will not be increased for FY 2009/10.
- For FY 09/10, there are no cost of living (COLA) increases, or step increases.

Transit Life Cycle Program (TLCP)

In 2005, the RPTA initiated the development of the 20-year TLCP to provide management and oversight for the implementation of the transit component of the Regional Transportation Plan, including bus operating and bus capital projects, and rail capital projects. The Board of Directors adopted the TLCP financial model and TLCP guiding principles in June 2005 and adopted the TLCP policies in October 2005. This budget includes all the projects that are in the adopted TLCP for FY 09/10. Major TLCP projects included in the proposed FY 09/10 budget include the following:

TLCP Bus Operating Program

The FY 09/10 TLCP bus operating program includes funding for RTP Supergrid services (Route 40 Main Street, 61 Southern Avenue, 70 Glendale Avenue, Route 72 Scottsdale/Rural, Route 96 Dobson Road, Route 136 Gilbert Road, and Route 156 Chandler Boulevard), freeway bus rapid transit (BRT) routes (East Loop 101 Connector, Red Mountain, Northwest and Papago Freeway, North Loop 101 Connector and North Glendale Express), local and express routes, fixed route rural service to Wickenburg and Gila Bend, demand response Americans with Disabilities Act (ADA) trips, and funding to support Sun Cities Area Transit demand response services.

TLCP Bus Capital Program

The FY 09/10 TLCP Bus Capital Program includes funding for 110 replacement buses and 9 expansion buses for local, express, BRT, and supergrid fixed route, 79 paratransit fleet replacements and expansions, 75 vanpool vehicle replacement and expansion, funds for design, right-of-way, and site work for BRT projects, funds for park-and-ride lots and transit centers, plus bus stop passenger shelters and benches.

TLCP Rail Capital Program

The FY 09/10 TLCP Rail Capital Program includes utility relocation reimbursements and reimbursements to Mesa, Phoenix, and Tempe for regional capital expenses. PTF of \$50.6 million (43.24% of FY 09/10 PTF revenues) is passed through as a "lead agency disbursement" to Valley METRO Rail, Inc., the designated lead agency on the rail project, to carry out the FY 09/10 adopted TLCP rail capital program.

Major Projects and Studies

RPTA will undertake a number of key projects during FY 09/10, as the agency continues the implementation of the TLCP operating and capital projects. Funding for these projects and studies comes from a combination of sales tax revenues (PTF and Regional Area Road Funds [RARF]) and federal grants. The major projects and studies included in the FY 09/10 budget include the following:

Long Range Planning

Update and/or produce information for the Long Range Transit Plan for Maricopa County, and annual update to the transit element of the Maricopa Association of Government's (MAG) Regional Transportation Plan. Provide transit data to MAG in updating the regional travel demand model, provide technical support to MAG on commuter rail planning. Participate in public meetings and open house workshops to solicit public review and comment. Provide for support in the development and administration of stakeholder communications, public meetings, and public outreach as required to collect and analyze opinions and input into system, corridor and capital planning programs, the transit lifecycle program, service adjustments, purchases and other agency programs and projects. [RARF \$86,416, FTA-Planning Program \$88,350].

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Short Range Planning

Annual update for the Maricopa Association of Government's (MAG) Annual Transportation Report and preparation of Annual Transit Performance Report. In addition, coordinate with all transit providers and funders in the MAG area on service and route planning activities including Supergrid, Arterial and Freeway Bus Rapid Transit (BRT), Express Bus routes, and Rural Connector routes. Collect and analyze information from operators and area communities to develop a Short Range Transit Plan that details regionally funded transit investments that will occur within the five year horizon of the Plan. Assist with the review and recommendation of grant applications for federal Elderly and Persons with Disabilities Transportation Program funds to the MAG Regional Council for ADOT special transportation capital assistance. [RARF \$241,087, FTA-Planning Program \$67,035].

Valley METRO Rail RTP Planning Funds

RPTA is providing Valley METRO Rail, Inc. with \$500,000 to be used for rail specific Regional Transportation Plan (RTP) planning needs. This money is restricted for the planning and administration of projects in the RTP and cannot be used for any other purpose. [RARF \$500,000].

Transit Research and Survey - Develop, implement, and provide analysis for comprehensive transit research surveys and studies. Information from the surveys will be used to produce a database for transit planning purposes, including route evaluation and service adjustments. Survey information derived from the Origins and Destinations Survey will be used to calibrate the MAG travel model insuring that model outputs provide a more accurate projection of mode split and travel behavior. The inclusion of customer satisfaction questions will assist in monitoring the quality of the services provided on an ongoing basis. Annual passenger satisfaction surveys will be conducted to monitor changing customer opinions from the baseline survey instrument. [RARF \$185,700, FTA \$553,600, METRO Rail \$163,000].

Capital Planning

Coordinate, manage, develop and update the transit element of the Maricopa Association of Government's (MAG) Transportation Improvement Program (TIP) on behalf of Valley Metro members and non-members. The TIP requires description of all transit capital projects in the region which will utilize federal funds as well as most locally funded projects. The TIP provides a method to assess short range improvement potential and funding requirements. [RARF \$501,383, FTA – Planning Program \$58,700].

Operations Planning

Provide staff support to VMOCC technical advisory committee on development of recommendations to integrate paratransit operations to improve service to riders and service efficiencies. In partnership with Valley Metro Rail (METRO), develop an alternatives analysis for the Scottsdale/Rural Road that will define a locally preferred high capacity transit alternative for this corridor. Develop final design, construction documents, and fleet requirements for Arizona Avenue/Country Club BRT line. Update Short Range Transit Plan. Provide operations planning assistance to RPTA member agencies upon request. [RARF \$391,758, PTF \$100,000].

Project Management

Provides project management in the implementation of the 20 year capital program identified in the RTP. Unless otherwise indicated, RPTA is the designated lead agency for development of transit capital and operating projects identified in the Regional Transportation Plan and funded through the 1/2 cent sales tax extension authorized by Proposition 400. Project management for design and construction of facilities and associated support infrastructure. [RARF \$81,662, PTF \$94,715].

Regional Marketing Program

Bus Book Development and Printing: The Bus Book is the primary route and schedule communications vehicle for Valley Metro bus riders. The Bus Book is being expanded to include full information on Valley METRO Rail and links to bus service. It is developed and distributed twice a

Valley Metro
Regional Public Transportation Authority (RPTA)
FY 2009/10 Proposed Operating & Capital Budget Overview

year. [Regional Services PTF Allocation = \$550,000].

Printed Communications Tools and Signage: Various forms of printed materials are essential for providing transit related information to transit users, non-users, key stakeholders, and partners. This includes brochures, passenger notices, car cards, newsletters, printed guides, kiosk signage, schedules and system maps. [Regional Services PTF Allocation = \$239,500].

Web Site Design and Navigation: The mission of ValleyMetro.org is to provide up-to-date information needed to use Valley Metro's services, educating the public about what services are available and the benefits of using those services, and promoting alternative modes of transportation in an effort to minimize the impact of single-occupancy vehicle usage in the Valley. With the significant increase in services and information needed to be communicated to the public, ValleyMetro.org requires significant changes to the site design and navigation. Aside from basic Web site navigation features, interactive features such as the Online Trip Planner, the Commuting Cost Calculator, the Click Poll and periodic interactive contests will be enhanced for educational purposes and as an incentive to promote the use of alternative modes. ShareTheRide.com is RPTA's tool for carpool and vanpool matching, and is linked to ValleyMetro.org. Information for the Valley METRO Rail is also highlighted. Over time the site design and navigation are essential to delivering a "transit portal" for the entire region. [Regional Services PTF Allocation = \$295,000].

Valley Metro Communications Campaign: Valley Metro and our contracted public relations firm, R&R Partners, plan to continue to implement a campaign designed to promote Valley Metro as the transportation solutions provider that makes the Valley a better place to live, work, play, and visit. This includes public relations support, creative design and development, and various forms of media purchase and placement including print, radio and online advertising over the 12 month Fiscal 2010 year. [Regional Services PTF Allocation = \$522,000].

Regional Ridesharing Program

The Regional Ridesharing Program promotes and provides ridesharing services to the general public and over 1,200 Valley employers involved in the Trip Reduction Program. Services include a computerized matching system for carpooling, vanpooling transit, and bicycle partner opportunities; vanpool program marketing; and, assistance with implementing a variety of Transportation Demand Management (TDM) programs such as compressed work weeks and telecommuting programs. A public awareness program, the Clean Air Campaign, is administered by the RPTA. This program is a private/public partnership encouraging participation in alternate modes of transportation, alternate work schedules, and other pollution reducing measures. [Federal & State = \$2,344,380].



FY 2009/10 Proposed Operating and Capital Budget

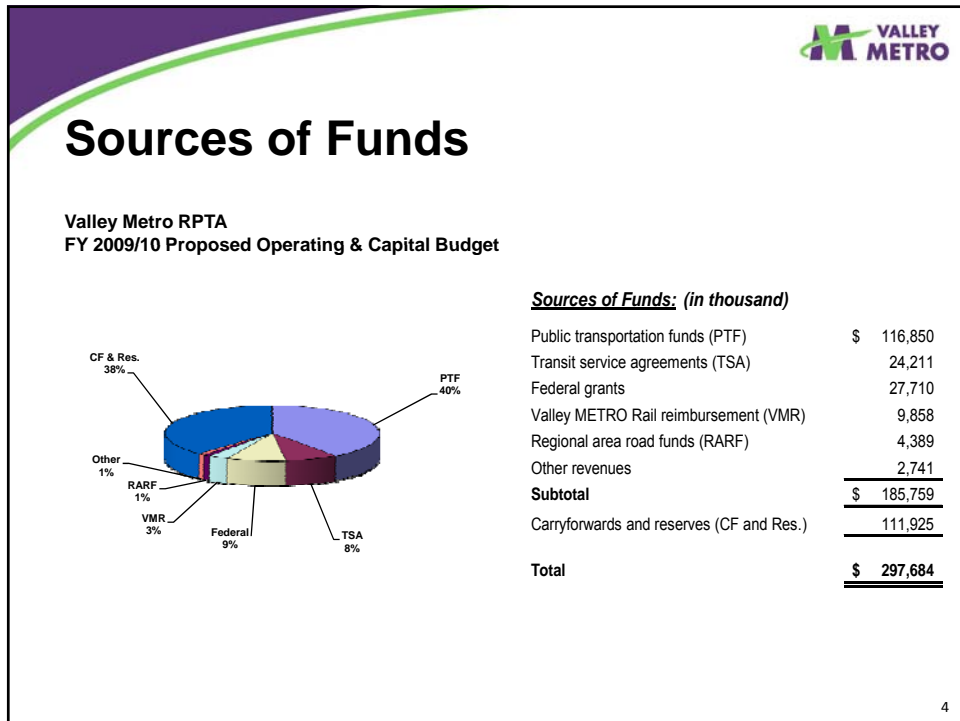
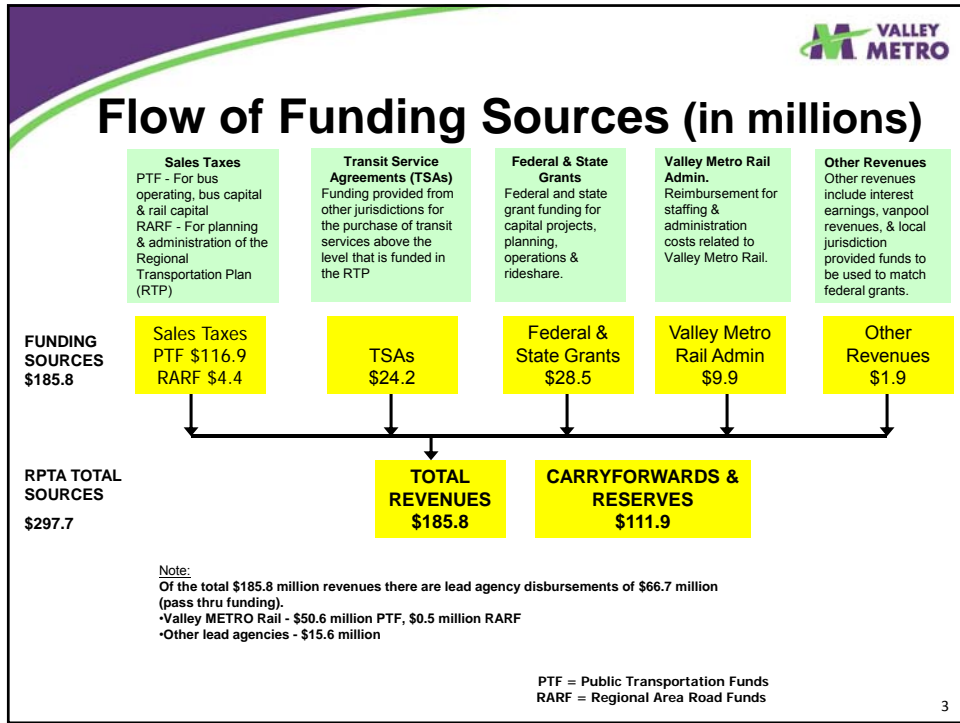
Budget and Finance Subcommittee

June 4, 2009



Key Points in the Preliminary FY 2009/10 Operating & Capital Budget

- **\$116.9 million funded with Proposition 400 Public Transportation Funds (PTF) revenues (\$66.3 million for bus operating and bus capital and \$50.6 million in light rail capital)**
- **No new positions being requested and leaves the total RPTA positions at 127**
- **No compensation increases which encompasses merit as well as longevity pay. Salary ranges will not be increased.**
- **No cost of living (COLA) increases, or step increases**





Sources of Funds - Major Changes

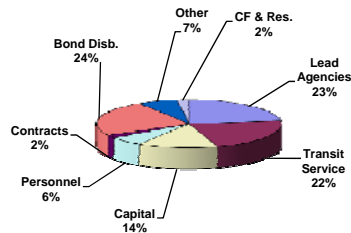
- FY 08/09 Total Sources - \$319.0M
- FY 09/10 Major changes in funding:
 - Public Transportation Fund (PTF) revenues (\$16.7M decrease)
 - Carry Forwards & Reserves (\$66.3M increase)
 - Increase in federal grants (\$10.6M)
 - Bond Proceeds (\$80.0M decrease)
 - Other Revenues, Interest, TSAs, VMR Reimb. (\$1.5M decrease)
- FY 09/10 Total Sources - \$297.7M

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Uses of Funds

Valley Metro/RPTA
FY 2009/10 Proposed Operating & Capital Budget



Uses of Funds: (in thousands)

Lead agency disbursements (PTF and RARF)	\$ 66,683
Transit service contracts	66,807
Capital	40,635
Personnel costs	19,132
Contractual agreements	7,040
Lead agency bond disbursement	70,300
Other costs	22,311
Subtotal	\$ 292,908
Carryforwards and reserves (CF and Res.)	4,776
Total	\$ 297,684

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Uses of Funds - Major Changes

- FY 08/09 Total Uses - \$319.0M
- Major changes in uses of funds:
 - Salaries & fringe benefits decreased \$200,000
 - No compensation increases which encompasses merit as well as longevity payments
 - Salary ranges will not be increased
 - No cost of living (COLA) increases, or step increases
- Lead agency disbursements decreased \$53.5M

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Uses of Funds - Major Changes

- Transit service contracts increased \$7.5M
- Bond proceeds disbursement to METRO increased \$44.2M
- Other expenses net increase of \$9.6M
- Carry forwards & Reserves decreased \$28.9M
- FY 09/10 Total Uses - \$297.7M

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Budget Goals

- **Balanced and fiscally sound**
 - \$10.6 million of PTF undesignated fund balance will be drawn down to fund capital projects that are programmed in the TLCP
 - \$135.0 million of bond proceeds to fund capital projects for both RPTA & Valley METRO Rail for FY 2008/09 and 2009/2010.

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Budget Goals

- **Aligned and Includes all adopted Transit Life Cycle Program (TLCP) projects for FY 09/10**
 - All PTF bus revenues have been programmed for FY 09/10
 - Valley METRO Rail funding: \$50.6M PTF and \$0.5M RARF
 - \$4.0 million is not part of the TLCP and are projects that are funded by member cities, fare revenue, State and Federal grants and also \$24 million that is funded by member cities for transit service.

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Transit Life Cycle Program (TLCP)

- Bus Operating Program
 - New for FY 09/10
 - Supergrid Route: 136 Gilbert Road (at current level of service)
 - Continuation of current levels of funding for:
 - Local, express, and bus rapid transit (BRT) routes
 - Fixed route rural service to Wickenburg and Gila Bend
 - Demand Response ADA Trips
 - Sun Cities Area Transit Demand Response

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TLCP (continued)

- Bus Capital Program
 - 110 replacement buses
 - 9 expansion buses for local, express and supergrid fixed routes
 - 79 Paratransit fleet replacements and expansion
 - 75 Vanpool vehicle replacement and expansion
 - Bus stop passenger shelters and benches
 - Design, right-of-way, and site work for dedicated BRT, funds for park-and-ride lots and transit centers
- Rail capital (\$50.6M PTF passed through to Valley METRO Rail)

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Key Decisions

- Action
 - It is recommended that the BFS approve:
 - 1. The revised FY 2008/09 Operating and Capital Budget
 - 2. The revised FY 2009/10 Operating and Capital Budget that includes an additional \$400,000 to carry forward funds for the cost of the Scottsdale Road Alternative Analysis Study.
 - 3. The Resolution delegating authority to the Executive Director regarding IGAs, TSAs, Contracts, Solicitations, and budget authority
 - 4. Forwarding this action to the Board for consideration.



Budget and Finance Subcommittee

Information Summary

Agenda Item #4

Date

May 28, 2009

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



Budget and Finance Subcommittee

Information Summary

Agenda Item #5

Date

May 28, 2009

Subject

Next Meeting and Future Agenda Items

Summary

Chairman Ecton will request future BFS agenda items from the committee members. The next meeting is scheduled for **Thursday, September 3, 2009 at 11:30 a.m.**

Fiscal Impact

None

Considerations

None

Prior Committee Action

None

Recommendation

None

Contact Person

Michael Taylor
Acting Deputy Director of Finance
602-262-7433

Attachments

None