

# FOAC and VMOCC Meeting Packet



ValleyMetro.org | 302 N. First Avenue | Suite 700 | Phoenix, AZ 85003  
T 602.262.7433 F 602.495.0411 TTY 602.261.8208

## MEETING OF THE **Finance Oversight Advisory Committee & Valley Metro Operations and Capital Committee**

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MEETING DATE      May 26, 2009

TIME                      1:00 p.m.

LOCATION                **METRO Rail Offices  
13<sup>th</sup> Floor Board Room  
101 N. 1<sup>st</sup> Avenue  
Suite 1300  
Phoenix, AZ**



May 22, 2009

TO: Members of the Finance Oversight Advisory Committee (FOAC)  
Members of the Valley Metro Operations and Capital Committee (VMOCC)

FROM: Mike Taylor, Acting Deputy Executive Director of Finance  
Jim Wright, Acting Deputy Executive Director of Operations

RE: Meeting Notification and Transmittal of Agenda

**Joint Meeting of the FOAC and VMOCC  
METRO – Board Room  
101 N. 1<sup>st</sup> Avenue, Suite 1300  
Tuesday, May 26, 2009  
1:00 p.m.**

**Action  
Recommended**

1. Transit Life Cycle Program (TLCP) Update

1. For action

Paul Hodgins, Manager of Capital Programming, will request the FOAC and VMOCC approve Alternative 5 to balance the TLCP and Regional Transportation Plan (RTP), with the understanding that further work is needed on re-prioritizing the projects to meet current economic conditions, and forward the recommendation to the Transit Management Committee (TMC) for consideration.

2. Transit Life Cycle Program (TLCP) Update

2. For action

Mike Taylor, Deputy Executive Director of Finance, will request the FOAC and VMOCC approve the following and forward the recommendation to the TMC for consideration:

- Revised FY 2008/09 Operating and Capital Budget ;
- FY 2009/10 Operating and Capital Budget;
- Revised Resolution delegating authority to the Executive Director regarding IGAs, TSAs, Contracts, and budget authority.

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

The supporting information for this agenda can now be found on our website at [www.ValleyMetro.org](http://www.ValleyMetro.org).

3. Public Comment

3. 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.

4. Next FOAC Meetings

4. For information

The next meeting of the FOAC is scheduled for **August 19, 2009 at 1:00 p.m.** located at the **Valley Metro RPTA Offices** (302 N. 1<sup>st</sup> Avenue, Ste. 700).

5. Next VMOCC Meeting

5. For information

The next meeting of the VMOCC is scheduled for **August 18, 2009 at 10:00 a.m.** located at the **MAG Offices – Saguaro Room** (302 N. 1<sup>st</sup> Avenue, Ste. 200).

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print, audiocassette, 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.

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

The supporting information for this agenda can now be found on our website at [www.ValleyMetro.org](http://www.ValleyMetro.org).



# Finance Oversight Advisory Committee and Valley Metro Operations and Capital Committee Information Summary

Agenda Item #1

## **Date**

May 22, 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 discussed eliminating alternatives one and four, however the item was for information and discussion only. After consideration of alternative five, the Sub-Committee may wish to recommend eliminating some of the alternatives.

## **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

The Budget and Finance Sub-Committee eliminated Alternative 4 from further consideration.

### 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, April 21, 2009 for action

- No action taken, requested a fourth alternative

Finance Oversight Advisory Committee, April 21, 2009 for action

- No action taken, requested a fourth alternative

Transit Management Committee, May 6, 2009 for information

Budget and Finance Subcommittee, May 7, 2009 for information

Budget and Finance Subcommittee, May 14, 2009 for possible action

Board of Directors, May 21, 2009 for information

Valley Metro Operations and Capital Committee, May 19, 2009 for information

Finance Oversight Advisory Committee, May 19, 2009 for information

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

Finance Oversight Advisory Committee, May 26, 2009 for action

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 VMOCC and FOAC approve Alternative 5 to balance the TLCP and Regional Transportation Plan (RTP), with the understanding that further work is needed on re-prioritizing the projects to meet current economic conditions, and forward the recommendation to the Transit Management Committee (TMC) for consideration.

## **Contact Person**

Paul Hodgins

Manager of Capital Programming

602-262-7433

## **Attachments**

None



# Finance Oversight Advisory Committee and Valley Metro Operations and Capital Committee Information Summary

Agenda Item #2

## Date

May 22, 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 – For Action  
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 FOAC and VMOCC approve the following and forward to the TMC for consideration:

- Revised FY 2008/09 Operating and Capital Budget ;
- FY 2009/10 Operating and Capital Budget;
- Revised Resolution delegating authority to the Executive Director regarding IGAs, TSAs, Contracts, and budget authority.

**Contact Person**

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

**Attachments**

- ✓ 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 & 5-Year Capital Program  
(this document is available on the Valley Metro website at:  
[http://www.valleymetro.org/valley\\_metro/events/joint\\_meeting\\_of\\_the\\_FOAC\\_and\\_VMOCC5/](http://www.valleymetro.org/valley_metro/events/joint_meeting_of_the_FOAC_and_VMOCC5/))

**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.

**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 must (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
<b>Sources of funds</b>						
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%	
<b>Uses of funds by category</b>						
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%	
<b>Uses of funds by department</b>						
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 border="1" 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 &amp; 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 &amp; 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 &amp; 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>
	2009/10 Preliminary Budget	2008/09 Adopted Budget	2008/09 Revised Budget	Amount Increase/ (Decrease)	Percent Increase/ (Decrease)																																																		
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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>																																																		

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

Note	Explanation															
	<b><u>Uses of Funds by Category:</u></b>															
(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*

Note	Explanation																																				
(19)	<p>Detail of “uses of funds - carryforwards and contributions to reserves” is as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">2009/10 Adopted 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>Minimum cash balance requirement</td> <td style="text-align: right;">4,700,279</td> <td style="text-align: right;">1,230,256</td> <td style="text-align: right;">1,230,256</td> <td style="text-align: right;">3,470,023</td> <td style="text-align: right;">282%</td> </tr> <tr> <td>Vanpool capital reserve</td> <td style="text-align: right;">75,788</td> <td style="text-align: right;">32,253</td> <td style="text-align: right;">14,682</td> <td style="text-align: right;">43,535</td> <td style="text-align: right;">135%</td> </tr> <tr> <td>Compensated absences reserve</td> <td style="text-align: center;">-</td> <td style="text-align: right;">425,000</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(425,000)</td> <td style="text-align: right;">-100%</td> </tr> <tr> <td>Capital assets reserve</td> <td style="text-align: center;">-</td> <td style="text-align: right;">31,990,966</td> <td style="text-align: right;">101,231,948</td> <td style="text-align: right;">(31,990,966)</td> <td style="text-align: right;">-100%</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;"><u>4,776,067</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>33,678,475</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>102,476,886</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>(28,902,408)</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>-86%</u></td> </tr> </tbody> </table> <p>The minimum cash balance requirement is a Board adopted policy that requires an amount equal to 12% of the annual operating budget be available to meet cash needs. The amount budgeted for FY 09/10 is the TLCP financial model allocation based on the FY 09/10 TLCP operating program.</p> <p>Each year, excess vanpool revenues are reserved for future purchases of vanpool vans. For FY 09/10, the excess revenue amount has increased 135% (\$43,535) due to the increase in the demand of vanpools.</p> <p>The contribution to the compensated absences reserve has decreased 100% (\$425,000) due to an accounting rule that requires us to expenses short term PTO accruals due to our PTO pay out program.</p> <p>For FY 08/09, \$101,231,948 in capital assets reserve will be remaining from bond proceeds of \$135.0 million. This will be used for FY 09/10 to fund capital projects for both RPTA and METRO Rail.</p>		2009/10 Adopted Budget	2008/09 Adopted Budget	2008/09 Revised Budget	Amount Increase/ (Decrease)	Percent Increase/ (Decrease)	Minimum cash balance requirement	4,700,279	1,230,256	1,230,256	3,470,023	282%	Vanpool capital reserve	75,788	32,253	14,682	43,535	135%	Compensated absences reserve	-	425,000	-	(425,000)	-100%	Capital assets reserve	-	31,990,966	101,231,948	(31,990,966)	-100%		<u>4,776,067</u>	<u>33,678,475</u>	<u>102,476,886</u>	<u>(28,902,408)</u>	<u>-86%</u>
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	<b><u>Uses of Funds by Department:</u></b>																																				
(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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Note	Explanation																				
(26)	<p>The 35% increase (\$32.7 million) in Valley METRO Rail capital program costs over the prior year are mainly attributable to the additional bond proceeds in FY 09/10 to assist in the funding of their capital programs.</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>Lead agency PTF disbursements</td> <td style="text-align: right;">\$57,725,400</td> <td style="text-align: right;">\$46,453,666</td> </tr> <tr> <td>Lead agency RARF disbursements</td> <td style="text-align: right;">500,000</td> <td style="text-align: right;">500,000</td> </tr> <tr> <td>Staff &amp; administration</td> <td style="text-align: right;">10,087,924</td> <td style="text-align: right;">9,858,369</td> </tr> <tr> <td>Bond Proceeds</td> <td style="text-align: right;">26,100,000</td> <td style="text-align: right;">70,300,000</td> </tr> <tr> <td style="padding-left: 20px;">Total Valley METRO Rail budget</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$94,413,324</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$127,112,035</td> </tr> </tbody> </table> <p>** This budget only represents those costs that run through RPTA's budget. See the Valley METRO Rail, Inc. FY 09/10 budget for a complete picture of the light rail capital program budget.</p>			<u>Description</u>	<u>FY 2008/09</u>	<u>FY 2009/10</u>	Lead agency PTF disbursements	\$57,725,400	\$46,453,666	Lead agency RARF disbursements	500,000	500,000	Staff & administration	10,087,924	9,858,369	Bond Proceeds	26,100,000	70,300,000	Total Valley METRO Rail budget	\$94,413,324	\$127,112,035
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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>																				

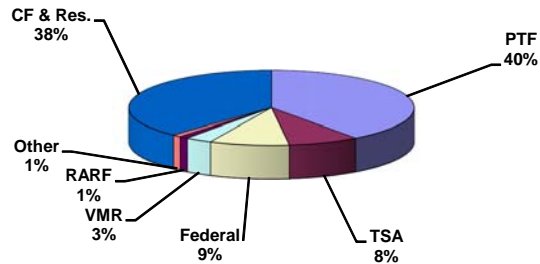
**FY 2009/10 Total Financial Program**

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.

**Valley Metro**  
**Regional Public Transportation Authority (RPTA)**  
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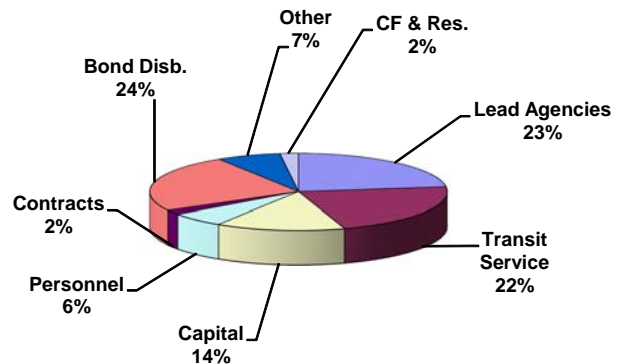
**Sources of Funds: (in thousand)**

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
<b>Subtotal</b>	<b>\$ 185,759</b>
Carryforwards and reserves (CF and Res.)	111,925
<b>Total</b>	<b>\$ 297,684</b>



**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
<b>Subtotal</b>	<b>\$ 292,908</b>
Carryforwards and reserves (CF and Res.)	4,776
<b>Total</b>	<b>\$ 297,684</b>



**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

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

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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].

**Valley Metro**  
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*FY 2009/10 Proposed Operating & Capital Budget Overview*

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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*

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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].



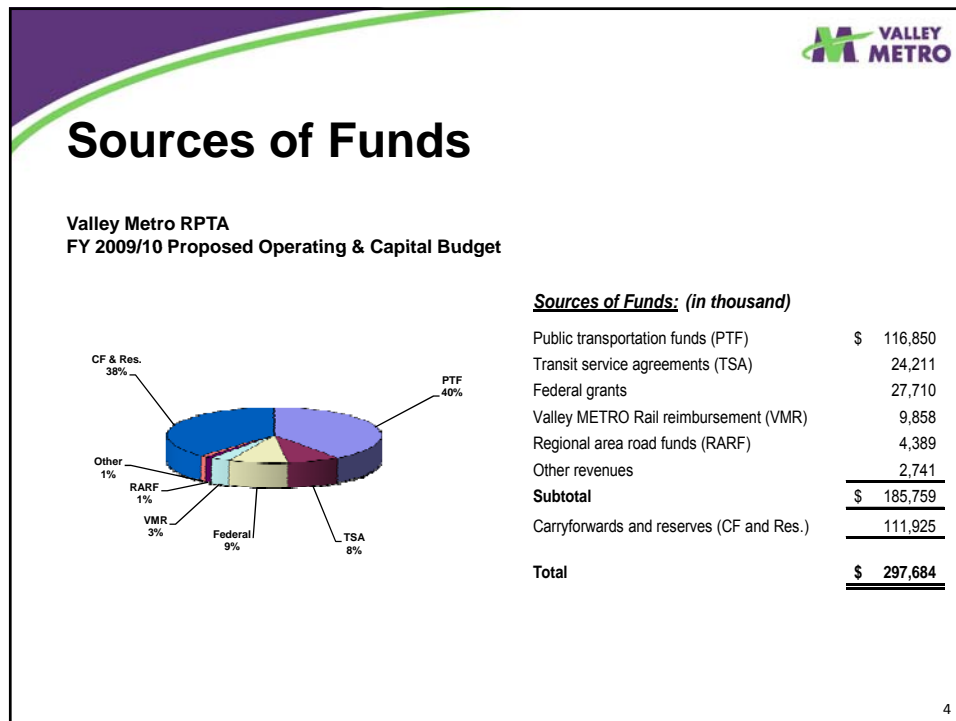
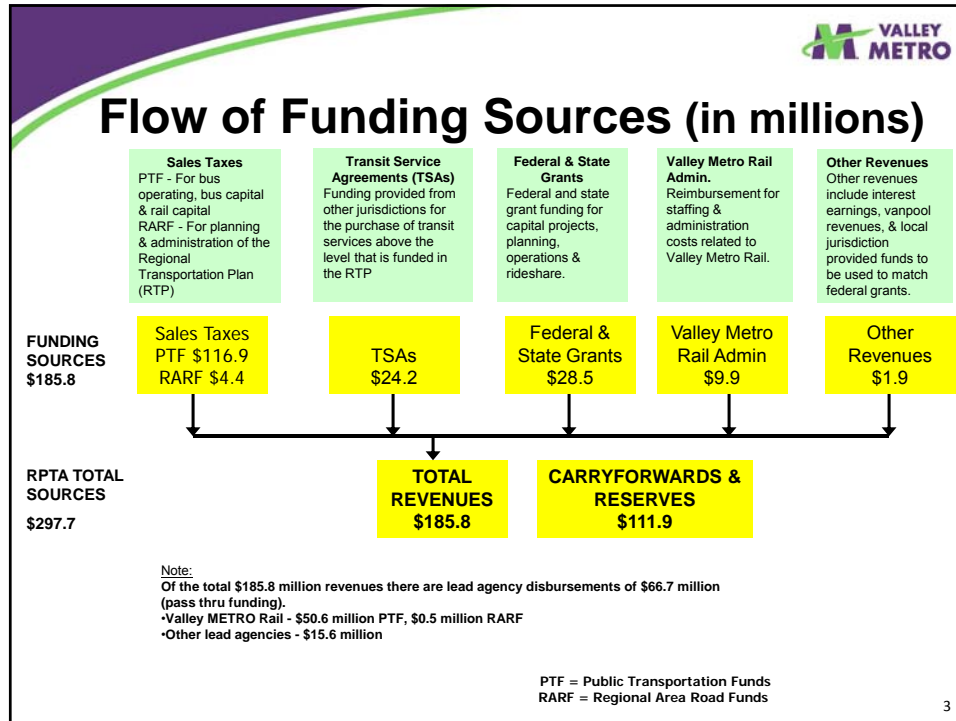
## **FY 2009/10 Proposed Operating and Capital Budget**

**FOAC & VMOCC Meeting  
May 26, 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

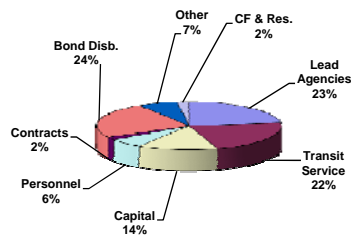
- FY 08/09 Total Sources - \$319.0M
- FY 09/10 Major changes in funding:
  - Public Transportation Fund (PTF) revenues (\$16.7M decrease)
  - Carry Forwards & Reserves (\$66.3M increase)
  - Increase in federal grants (\$10.6M)
  - Bond Proceeds (\$80.0M decrease)
  - Other Revenues, Interest, TSAs, 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
<b>Subtotal</b>	<b>\$ 292,908</b>
Carryforwards and reserves (CF and Res.)	4,776
<b>Total</b>	<b>\$ 297,684</b>

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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 VMOCC/FOAC approve the revised FY 2008/09 Operating and Capital Budget and approve the FY 2009/10 Operating and Capital Budget and approve the Resolution delegating authority to the Executive Director regarding IGAs, TSAs, Contracts, and budget authority and forward to the TMC for consideration.



# Finance Oversight Advisory Committee and Valley Metro Operations and Capital Committee Information Summary

Agenda Item #3

**Date**

May 22, 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



# Finance Oversight Advisory Committee Information Summary

Agenda Item #4

**Date**

May 22, 2009

**Subject**

Next FOAC Meeting

**Summary**

The next meeting of the FOAC is scheduled for **August 19, 2009 at 1:00 p.m.** located at the Valley Metro RPTA Offices (302 N. 1<sup>st</sup> Avenue, Ste. 700).

**Fiscal Impact**

None

**Considerations**

None

**Prior Committee Action**

None

**Recommendation**

None

**Contact Person**

None

**Attachments**

None



# Valley Metro Operations and Capital Committee Information Summary

Agenda Item #5

**Date**

May 22, 2009

**Subject**

Next VMOCC Meeting

**Summary**

The next meeting of the VMOCC is scheduled for **August 18, 2009 at 10:00 a.m.** located at the MAG Offices – Saguaro Room (302 N. 1<sup>st</sup> Avenue, Ste. 200).

**Fiscal Impact**

None

**Considerations**

None

**Prior Committee Action**

None

**Recommendation**

None

**Contact Person**

None

**Attachments**

None