MEETINGS OF THE

Boards of Directors

Joint Meeting of
Valley Metro RPTA
and Valley Metro Rail

Valley Metro
RPTA

Valley Metro
Rail

Date:
February 22, 2018

Starting Time
12:15 p.m.

Meetings to occur sequentially

Location:
Valley Metro
Lake Powell Conference Room (10A)
101 N. 1st Avenue, 10th Floor
Phoenix

If you require assistance accessing the meetings on the 10th floor, please go to the 13th floor or call 602.262.7433.
Joint Meeting Agenda  
Valley Metro RPTA  
And  
Valley Metro Rail  
Thursday, February 22, 2018  
Lake Powell Conference Room  
101 N. 1st Avenue, 10th Floor  
12:15 p.m.

1. Items for Citizens Present (yellow card)

An opportunity will be provided to members of the public at the beginning of the meeting to address the Board on non-agenda items. Up to three minutes will be provided per speaker or a total of 15 minutes for all speakers.

2. Chief Executive Officer’s Report

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

3. Minutes

Minutes from the January 19, 2018 Joint Boards of Directors meeting are presented for approval.

4. Public Comment on Agenda Action Items (blue card)

The public will be provided with an opportunity at this time to address the Boards of Directors on all action agenda items. Up to three minutes will be provided per speaker to address all agenda items unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.
CONSENT AGENDA

5A. 2018 Valley Metro Federal Public Transportation Agenda

Staff recommends that the Joint Boards of Directors approve the 2018 Valley Metro Federal Public Transportation Agenda.

5B. Intergovernmental Agreement (IGA) with Arizona State University

Staff recommends that the Boards of Directors authorize for the CEO to enter into an IGA with ASU, which will provide up to $300,000 to ASU for research and data collection expenses for the MOD Sandbox Grant Project Task 8: Automation Demonstration Lessons Learned.

REGULAR AGENDA

6. Transit Asset Management Plan - Policy and Goals

Scott Smith, CEO, will introduce Wendy Platanitis, Senior Management Analyst, Operations and Maintenance, who will provide a presentation of the Transit Asset Management Plan and request approval by the Boards of Directors.

7. Executive Session

The Boards may vote to enter Executive Session for discussion or consultation for legal advice with the attorney or attorneys of the public body and to consider its position and instruct its attorneys regarding the public body’s position regarding personnel matters and contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation; all as authorized by A.R.S. Sections 38-431.03 A.1, A.3., and A.4.

8. Executive Session Action Items

The Boards may take action related to items discussed as part of Agenda Item 7.
9. **Fiscal Year 2017 (FY17) Transit Performance Report**

Scott Smith, CEO, will introduce Tyler Olson, Budget & Operations Financial Controls Manager, who will provide an overview of the FY17 TPR.

10. **Arizona State University (ASU) Student Intercept Survey Results**

Scott Smith, CEO, will introduce Omar Peters, Planner II, Capital and Service Development, who will provide a presentation regarding the results of the ASU student intercept survey.

11. **Fiscal Year 2018 2nd Quarter Reports**

Fiscal Year 2018 2nd Quarter Reports are presented for information.

12. **Travel, Expenditures and Solicitations**

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

13. **Future Agenda Items Request and Update on Current Events**

Chairs Klapp and Glover will request future agenda items from members, and members may provide a report on current events.

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 Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at [www.valleymetro.org](http://www.valleymetro.org).
Information Summary

DATE
February 15, 2018

SUBJECT
Items for Citizens Present

PURPOSE
An opportunity will be provided to members of the public at the beginning of the meeting to address the Boards of Directors on non-agenda items. Up to three minutes will be provided per speaker or a total of 15 minutes for all speakers.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Scott Smith
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602-262-7433
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ATTACHMENT
None
Information Summary

DATE
February 15, 2018

AGENDA ITEM 2

SUBJECT
Chief Executive Officer’s Report

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

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
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ATTACHMENT
None
Minutes

February 15, 2018

Agenda Item 3

Board of Directors
Thursday, January 18, 2018
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants
Councilmember Suzanne Klapp, City of Scottsdale (Chair)
Vice Mayor Lauren Tolmachoff, City of Glendale (Vice Chair)
Councilmember Kevin Hartke, City of Chandler (Treasurer)
Councilmember Pat Dennis, City of Avondale - (phone)
Councilmember Eric Orsborn, City of Buckeye
Vice Mayor Bob Jones, City of El Mirage
Councilmember Cecil Yates, Town of Fountain Hills
Councilmember Brigette Peterson, Town of Gilbert - (phone)
Supervisor Steve Gallardo, Maricopa County
Councilmember Chris Glover, City of Mesa
Councilmember Thelda Williams, City of Phoenix – (phone)
Councilmember Skip Hall, City of Surprise
Mayor Everett Sickles, Town of Wickenburg
Mayor Michael LeVault, Town of Youngtown

Members not present
Councilmember Bill Stipp, City of Goodyear
Vice Mayor Jon Edwards, City of Peoria
Vice Mayor Robin Arredondo-Savage, City of Tempe
Councilmember Linda Laborin, City of Tolleson

VMR Meeting Participants
Scott Butler for Councilmember Chris Glover, City of Mesa (Chair)
Councilmember Thelda Williams, City of Phoenix (Vice Chair)
Councilmember Kevin Hartke, City of Chandler
Councilmember Laruen Tolmachoff, City of Glendale
Andrew Ching for Vice Mayor Robin Arredondo-Savage, City of Tempe

Chair Klapp called the meeting to order at 11:17 a.m. The Pledge was recited.
Chair Klapp said let me begin by welcoming to the meeting Councilmember Cecil Yates. Councilmember Yates, who is here representing the newest Valley Metro RPTA member, the Town of Fountain Hills, welcome.

We'll begin with comment from the public -- and this is the submittal of a yellow card - which provides the opportunity for a member to address the public on any non-agenda items. There's up to three minutes to speak and ask that you give your name and city for the record. We'll begin with Blue.

1. Items for Citizens Present

Where do I start? On the minutes when I was reading them over last time, at your last meeting I started out by letting you know that I was having a real problem breathing because the air quality was in such bad shape and such. Now, it didn't show that on the minutes, but it brings it back to what is your job?

Why are you here? The six points that he was saying that they're going to be working at to put together, in his dissertation last month, but in actuality what you're here for is to put together a transit system that encompasses a place the size of the state of New Jersey.

And it's nice that Fountain Hills has gotten around to joining the group. My family's only had people living in your community for -- well, since the eighties. And the highway that runs next to you, the Bush, was named after my uncle, but it's nice that you are now here, but then what are you going to be doing.

I found it fascinating that when they were describing the lobbyist that you got my friend Mr. Coughlin, it was described that he was the Republican lobbyist. And I hope that didn't have any influence on the reason you picked him, but I'm still trying to find out from you what are his marching orders. What is it that you want him to be doing down there, and what mind set are we going for?

As I've tried to point out all the time is those of us that wrote Prop 400 want 24-hour service, seven days a week within all of your communities so that anybody working any shift can use it to get back and forth to work and that the air quality is done as a part of getting people out of their single-occupant vehicles.

But then if you look back over at the last two months how many times the air quality was in violation, how many times was it in major violation? Oh, yeah, and you made it a new extreme a couple of those times. So, please, you need to get your communities more in tune with what is going to be a major metropolitan area transit system rail.
And all except for you, Scottsdale, you know the heavy rail goes into all of the rest of their communities. When are you going to start looking at that as a part of moving people from point A to point B?

2. **Chief Executive Officer’s Report**

Chair Klapp said the next item is the Chief Executive Officer’s Report, Mr. Smith.

Mr. Smith said Thank you, Madam Chair and members of the Boards. Welcome, good morning, and glad to have you back for a New Year and exciting year, at least a physical year. We got through the holidays great, and we're started off with some exciting things this year.

I want to talk to you about some of the things that have been happening in the last couple months since we met, some things going forward.

First of all, we've recently launched a newly redesigned Valley Metro.org Website. Staff has been working to migrate and update content on this Website, upload new images, testing our new trip planner, which is based on existing and up-to-date technology and one of the major reasons we went with the redesign was to ensure ADA accessibility.

You'll notice one thing about this Website, it is decidedly a little bit more blockish; some people may say a tad bit boring. Well, there's a good reason for this. And that is that in today's world we are not only migrating to new Websites, but Websites are migrating from laptops and home-based computers more to a mobile environment. So, we've designed our Website to be easily used.

And rather than design two separate Websites, one that can be used on your home computer and one that can be used on your smartphone, we have designed one that easily can work on both and be transferable. So take a look at that. Use it to plan a trip see how it works. Let us know how things work out. We're happy with what has been accomplished so far.

Next thing I want to talk about is the second year that we've worked with both the City of Mesa and a private group in Mesa to run the Mesa Polar Express during Mesa's Merry Main Street. This year we expanded Polar Express from one weekend to two weekends and from one train car to two train cars.

We literally had thousands of kids and parents and wannabe kids lined up to experience a short little ride with Santa and celebrate the Polar Express. And thanks to all of those who helped decorate the trains and our sponsors who helped pay for a really nice holiday wrap. This has turned out to be one of our favorite events during the year, and we look forward to doing it next year and maybe even expanding it to different parts along the line.
The next thing I'd like to let you know about is every year we have a transit education youth art contest opened up primarily to high school students where we have very talented students and literally we get hundreds of entries - who come in and propose an art wrap that we then put on a train and on a bus for up to a year.

We have opened up the contest period. And later this spring we'll be announcing the winner of that. We're excited about them as you can see from -- if you see that bus or that train around, you see what great work our youth are doing to enhance and work with Valley Metro.

The next thing is the community is invited to further talk to us and give us feedback on the South Central Extension on our light rail. Last night we had our first public outreach attended by a lot of residents and business owners down in the South Central area at the South Mountain Community Center. We have a second one tonight 5:30 to 7:30 at Lowell Elementary School, which is on 1121 South 3rd Avenue in Phoenix.

This will give residents and those that are interested an opportunity to interact with our staff, City of Phoenix staff, and our consultants, contractors on a one-on-one basis. We'll have a plot of the entire route laid out on a table where they can look and find their house in an aerial photo, and they can actually even look and see how the design, as it has taken so far, which we're at about one-third of the way through our design, will work.

So, that's tonight, once again, 5:30 to 7:30 at Lowell Elementary School on 1121 South 3rd Avenue. Oh, and, by the way, those meeting materials will all be online be available at Valley Metro.org/South Central.

The next thing related to the South Central project is the community office. We've begun renovation on a space near Central Avenue and Roeser along the future alignment. The space which is owned and renovated, furnished by local business, will serve as a home for the project staff throughout the project's development and also a community center where people can come in off the street, if they would like, ask questions, inquire as to what's happening.

In the photo you see up there, it shows local artist David Moretti painting the mural that will identify the new space with a real nice light rail vehicle look. I think it's sort of interesting how they integrated the door and the windows into that.

So, once again, getting the local community to have someplace and for the next few years this will be the Grand Central Station, so to speak, of our project as we move along.
Last week, we, Valley Metro, hosted a rail systems safety course - required courses taught by the Transportation Safety Institute, a requirement of a new rule under Federal Transit Administration, FTA, guidelines.

And we had eleven staff as part of the training. Our staff was able to do that. We love hosting this because we had thirteen visitors from outside the state who traveled from as far away as, I think, there was some even from the northeast, maybe Boston, and from Atlanta and other places. They came here. And it gave us an opportunity to really do it on an economical basis, and they like what we've done. We've hosted some of these before and we will continue to host these.

Next thing, we like to always sing the praises of Valley Metro staff who go far and above their call of duty and accomplish things.

This month we'd like to recognize Jordan Brackett, who is one of our community relations coordinators on the Tempe Streetcar project, and has been working with us for a few months. Jordan was selected to the Tempe Chamber of Commerce Women in Business Mentor Program.

So, she has jumped both feet into the Tempe community, especially the downtown Tempe community. We're happy to have Jordan on board and glad that she was selected for this great project.

The next thing we'd like to talk about is the Cool Transit STUFF Calendar winner. On your desk you have a nice, little 2018 calendar. You'll notice the artwork there. We like to involve our students. We just talked to you about the high school student program we have.

This is the 13th Annual Valley Metro Cool Transit STUFF. Third grade students from across the Valley were asked to design artwork showcasing this year's contest theme, which was Valley Metro Connecting People to Places.

We have the honor of today having the winner of this and the art that you see on the cover of our calendar, third grader from BASIS Peoria Primary Harshita Rajesh, a student at BASIS Primary, is featured on the cover of that and we're so happy. Harshita, do you want to stand up? Okay. There you go. Come on up front here. Now the great thing about this is that Harshita has her mother and her father, her mother Susie her father Rashesh here, but also it just happens that her grandparents were in town - so, Grandma and Grandpa, if you want to stand up, visiting, and so we get to share this honor with everybody. And her sister came in who participated also before. So, if we could give the whole family a round of applause.
And if I could have Councilmembers Klapp and Glover come up and we'll take a picture with Harshita in front of her cool little poster and you're going to sign it there for us. Good. Come on up, Mom and Dad and Sister and Ms. Melissa Fields-Cooper

Thank you so much for being here. It's a lot of fun for us to involve students in these activities: number one, to see how talented they are and their use of imagery and colors and everything to get a message across; the other thing is how connected they are with the transit message. And we put a theme out there and, boy, they seem to just grab onto it.

So, we're so grateful that we have that opportunity to include the students and from across the Valley. We literally get hundreds of applications and entries into these contests that we have.

Madam Chair, that's my report.

Chair Klapp said thank you.

3. Minutes

Chair Klapp said we have the Minutes for the November 30, 2017 Joint Board meeting that are presented for approval, if I could have a motion on these Minutes.

IT WAS MOVED BY COUNCILMEMBER PETERSON, SECONDED BY COUNCILMEMBER HARTKE AND UNANIMOUSLY CARRIED TO APPROVE THE NOVEMBER 30, 2017 JOINT BOARD MEETING MINUTES.

4. Public Comment

Chair Klapp said we'll move next to Public Comment on agenda action items. This is the blue cards that are filled out for this area. And, again, this is for the joint meeting, and you have up to three minutes to provide any comments you want on the agenda. So, the only person I have who submitted a card is Blue.

Mr. Crowley said the two action items are your Minutes, and, as I said, it didn't show up some of the things and how I communicated.

But then also in the Executive's Report, he states in there that there's going to be -- there's a holdup in implementing the Respect the Ride situation because of paint not being there.

But then in the document you have here, they're going to be asking for a half a million dollars that they've already been allocated to do that paint, even though I know how many stops we have and each one. Those signs are multiple thousands of dollars, but
half a million to get the thing done and implemented, especially since a part of what you're doing is handing out little buttons.

And that brings me to the Executive Officer's goals and objections -- objectives. Is this tied to his benefit package that if he achieves some and/or any of these, does it change the amount of money he's going to be getting? And when you look at it, the first thing on the list is that Respect the Ride and people do things according to their importance. And I don't see that in what his goals should be as the most important thing on here. And when I look down at this number six, like I said, what do you have Mr. Coughlin doing? How does it tie into Prop 500? Is that what we've hired him to do is get the legislature to agree to allow you and MAG do that?

And when I see about how he wants to improve communication and then in your changing of the routes, which you'll be doing in the next one, it says, extensive public outreach to find out what the public wants on changing routes and that.

If you're doing extensive public outreach, then you'd be checking with all of the employers of fifty-plus and what their employees have said I will do this. Because a lot of them I know said, hey, if they had a bus out here, we would be doing that for our air quality bit.

So, since all of those have to do that and put it out there with your extensive outreach, could you reach into that find out what the citizens of this community that are working want to get and need to get the transit to themselves and to where they need to go? Thank you.

5. **Executive Session**

No action was taken on this item.

6. **Executive Session Action Items**

No action was taken on this item.

7. **Chief Executive Officer Goals and Objectives January – June 2018**

Chair Klapp said we will move on to item 7, which is, as was mentioned, the Goals and Objectives of the Chief Executive Officer for the first six months. And we'll begin with some information from Councilmember Glover.

Councilmember Glover said thank you, Chairwoman Klapp.
In December, Board members were asked for some suggestions of the joint boards and committees for the CEO goals and objectives. We received submissions from the cities of Avondale, Phoenix, and Mesa.

On December 20, 2017, the Joint Board Subcommittee convened with Scott Smith and general counsel to review and discuss goals and objectives for the CEO for January to June of 2018. The Joint Subcommittee and Mr. Smith ultimately determined that there were six areas of focus for the CEO designed to continue advancing and leading Valley Metro. These six areas are outlined in the Board memo attached and are presented here today for Board approval.

In April or May, the Joint Board Subcommittee will reconvene to review goals and objectives for fiscal year 2019.

I'd like to submit this report and make a motion to approve as presented the CEO goals and objectives for January to June of 2018 and authorize the Board's funding salary adjustment effective January 1, 2018, as directed to Mr. Minnaugh at the November 30, 2017 Board meeting.

IT WAS MOVED BY COUNCILMEMBER GLOVER, SECONDED BY COUNCILMEMBER PETERSON AND UNANIMOUSLY CARRIED TO APPROVE AS PRESENTED THE CEO GOALS AND OBJECTIVES FOR JANUARY TO JUNE OF 2018 AND AUTHORIZE THE BOARD’S FUNDING SALARY ADJUSTMENT EFFECTIVE JANUARY 1, 2018, AS DIRECTED TO MR. MINNAUGH AT THE NOVEMBER 30, 2017 BOARD MEETING.

8. Travel, Expenditures, and Solicitations

Chair Klapp said the next item is Travel Expenditures and Solicitations. This item is presented for information only. Are there any questions? Okay.


Chair Klapp said the final agenda item would be to see if you have any information you would like to provide to the Board here, or are there any agenda items for future meetings from any of the board members?

Seeing none, we will adjourn.

With no further discussion the meeting adjourned at 11:40 a.m.
Information Summary

DATE
February 15, 2018

AGENDA ITEM 4

SUBJECT
Public Comment on Agenda Action Items

PURPOSE
The public will be provided with an opportunity at this time to address the Joint Boards of Directors on all action agenda items. Up to three minutes will be provided per speaker to address all agenda items unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
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ATTACHMENT
None
Information Summary

DATE
February 15, 2018

AGENDA ITEM 5A

SUBJECT
2018 Valley Metro Federal Public Transportation Agenda

PURPOSE
To request approval of the 2018 Valley Metro Federal Public Transportation Agenda.

BACKGROUND/DISCUSSION
Each year, Valley Metro works with member city intergovernmental staff to develop a federal public transportation legislative agenda. The agenda provides information to member cities to bring attention to the importance of federal involvement in public transportation in the Phoenix metropolitan region.

In December 2015, Congress enacted long-term, fully funded transportation legislation for the first time in a decade. The Fixing America’s Surface Transportation (FAST) Act authorizes surface transportation programs and is fully funded through September 2020. The total authorized funding for Federal Transit Administration (FTA) programs is increased by $61.1 billion over the life of the bill – a 17.7 percent increase over current annual funding levels.

Congress also permanently restored parity to transit commuter tax benefits at the end of 2015. As part of that agreement, Congress included a two-year extension of tax credits for the use of alternative fuels for 2015 and 2016. That alternative fuel tax credit needs to be extended to provide the significant benefit to Valley Metro with its large fleet of alternatively fueled vehicles.

Staff has developed the attached federal agenda for 2018 with goals to:

- Encourage Congress to support budget and appropriations bills that fully fund authorized amounts for public transportation in the FAST Act;
- Resolve insolvency issues with the Highway Trust Fund and provide stable, long-term funding sources for transit;
- Maintain authorized funding levels for the Capital Investment Grant (CIG) program to fund projects in the pipeline that include South Central Light Rail, Tempe Streetcar, Northwest, Phase II, Capital I-10 West;
- Pursue grant opportunities through discretionary programs authorized as part of the FAST Act including, TIGER; and
- Support a permanent extension of the alternative fuels tax credit.
COST AND BUDGET
None

COMMITTEE ACTION
RTAG: January 16, 2018 for information
TMC/RMC: February 7, 2018 approved
Boards of Directors: February 15, 2018 for action

RECOMMENDATION
Staff recommends that the Boards of Directors approve the 2018 Federal Public Transportation Agenda.

CONTACT
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ATTACHMENT
2018 Valley Metro Federal Public Transportation Agenda
Voters in the Phoenix metropolitan region have stepped up to the plate at the local and regional level to approve funding initiatives to build and operate transit. Sales tax measures have passed overwhelmingly in several individual cities and at the county-wide level to fund transit and transportation improvements. The federal government is a critical partner supporting local and regional public transportation systems in metropolitan Phoenix.

The Valley Metro Board of Directors would like to encourage Congress to fully fund the Fixing America’s Surface Transportation (FAST) Act of 2015. The FAST Act provides this region with a commitment of authorized funding through 2020 that will help maintain and expand the regional transit system that serves nearly four million residents and over 16 million visitors annually.

As a region, our strategies in 2018 are to:

Support budget and appropriations bills that fully fund authorized amounts in the FAST Act – Investing in transportation infrastructure results in higher economic growth.

Maintain authorized funding levels for the Capital Investment Grant (CIG) program – Valley Metro currently operates 26 miles of light rail in the region. The system continues to exceed ridership projections and provides significant economic development opportunities along the corridor. Seven extensions of this system are in various stages of development and will result in a 66 mile system by 2034. Projects currently in development include:

- **Capitol/I-10 West Phase I** – Connect existing light rail in downtown Phoenix to the State Capitol area. A request to FTA to enter Small Starts project development will occur in May/June 2018.
- **Gilbert Road Extension** – A two mile extension of light rail from Main Street to Gilbert Road in Mesa to attract new riders and increase development opportunities. The project is funded with repurposed federal transportation funding without any CIG dollars. The project is currently under construction with scheduled completion in 2019.
- **South Central Light Rail Extension** – A five mile extension from downtown Phoenix on Central Avenue to Baseline Road. A request to FTA to enter the engineering phase will occur in June 2018. Seeking a Full Funding Grant Agreement later in 2019.
- **Northwest Extension Phase II** – Extend light rail from the current end of line in Phoenix by 1.5 miles across I-17 to Metrocenter Mall. A request to FTA to enter the CIG engineering phase will occur in late summer/early fall 2018.
- **Tempe Streetcar** – The FY 2017 appropriations bill included $50 million in Small Starts funding. The project was resubmitted for the remaining $25 million in the FY 2018 appropriations bill with a Small Starts Grant Agreement expected in November 2018.

**Infrastructure Initiative** – Valley Metro supports an infrastructure bill that includes public transportation. The economies of urban areas throughout the country are reliant on moving people to where they work, shop, live, and play. Transit is the way to move those people.

- This region has approved local and regional funding committed to maintaining and expanding our system. Any infrastructure initiative should recognize those efforts and provide the federal partnership to build upon those investments.
- Resolve insolvency issues with the Highway Trust Fund (HTF) and provide stable, long-term funding sources for transit. Motor fuel taxes are no longer sustainable to fund critical

Valley Metro I 101 N. 1st Ave. Phoenix, AZ 85003 602.262.7433
infrastructure needs. Insolvency jeopardizes the $80 million annually distributed to this region for transit purposes.

**Pursue Grant Opportunities** – The region will seek opportunities related to grant opportunities authorized by the FAST Act, such as the TIGER program and other grants as they become available. Valley Metro recently submitted an application requesting $15 million through the seventh round of TIGER funding for the I-10/I-17 transitway project. The project will provide enhanced travel benefits to commuters from the west Phoenix region destined to downtown Phoenix area.

**Tax Law** – Restore the alternative fuels tax credit that encourages investment in low/no emissions vehicles.

Valley Metro appreciates our federal partnership and looks forward to working at all levels to maintain and build upon transit in the region for our customers and the overall economy.
DATE
February 15, 2018

SUBJECT
Intergovernmental Agreement (IGA) with Arizona State University

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute an IGA with Arizona State University for research and technology transfer in public transportation systems planning and analysis.

BACKGROUND | DISCUSSION | CONSIDERATION
The transportation program at ASU is an inter-disciplinary program, emphasizing practical hands-on research and education activities. The research portfolio at ASU is facilitated by extensive laboratory and research capabilities. ASU is home to a USDOT-sponsored Tier 1 University Transportation Center (UTC) called TOMNET. Areas of expertise at ASU in the field of transportation include multimodal transportation systems planning and analysis, transportation demand forecasting and modeling, transportation network modeling, intelligent transportation systems, autonomous and connected vehicle systems design and analysis, big data collection and real-time optimization, traffic operations and signal systems, traffic simulation, remote sensing of transportation flows, data modeling, evacuation planning and management, public transportation planning and operations, and freight management and logistics.

Valley Metro and ASU wish to coordinate the use of their resources to perform research-oriented public transportation and autonomous/connected vehicle deployment projects, including big data collection and analysis.

An IGA is required in order for Valley Metro to reimburse ASU for eligible expenses and this IGA will set forth the general terms and conditions, whereby ASU and Valley Metro will collaborate to execute one or more projects. Under this IGA the parties will enter into each project-specific addenda that will identify project specific scopes of work, schedules and deliverables, progress-meeting requirements, required staffing, and grant-eligible costs and budgets.

An initial project-specific addenda will scope work for ASU to complete research and data collection tasks associated with Task 8: Automation Demonstration Lessons Learned of the MOD Sandbox grant project. The MOD Sandbox grant is federally funded through the Federal Transit Administration.
COST AND BUDGET
The initial task identified and to be detailed in the IGA’s first addenda will include a budget not to exceed $300,000 in grant-eligible costs for research and data collection expenses for the MOD Sandbox Grant Project Task 8: Automation Demonstration Lessons Learned. The already approved MOD Sandbox grant will cover all of the expenses for the first addenda’s scoped tasks.

COMMITTEE PROCESS
TMC/RMC: February 7, 2018 approved
Board of Directors: February 22, 2018 for action

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to enter into an Intergovernmental Agreement (IGA) with Arizona State University (ASU).

CONTACT
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ATTACHMENT
None
DATE
February 15, 2018

AGENDA ITEM 6

SUBJECT
Transit Asset Management Plan – Policy and Goals

PURPOSE
To provide informational update on the asset management performance targets and request approval of the Asset Management policy and goals.

BACKGROUND | DISCUSSION | CONSIDERATION
The FTA provides financial assistance to improve, maintain, and operate existing systems and oversees grants to state and local transit providers. Beginning in 2012, federal transportation legislation called for the FTA to establish new requirements for transit asset management, as well as new reporting requirements to promote accountability. The goal is to improve transit asset management through the implementation of a strategic approach for assessing needs and prioritizing investments for bringing the nation’s public transit systems into a state of good repair.

In 2016 the FTA published the final rule, including minimum requirements, for transit agencies to establish a Transit Asset Management Plan (TAMP) by October 1, 2018. The final rule requires transit agencies to establish a system to monitor and manage public transportation assets that improve safety and increase reliability and performance, and to establish performance measures.

One of the nine elements required by the rule is that each transit agency identify their asset management policy and goals that align with their strategic plan. Valley Metro’s Strategic Plan was approved by the Board of Directors in January 2015. The following asset management policy statement and goals have been developed and tie to our strategic plan:

Valley Metro’s Asset Management Policy Statement

Valley Metro promotes a culture that supports asset management at all levels of the organization, employs effective asset management business practices and tools to ensure optimal asset performance and useful life, and utilizes timely, quality data to support transparent and cost-effective decision-making for resource allocation and asset preservation.
**Valley Metro Asset Management Goals**

In the chart below are the goals for the Asset Management Program and the associated strategic goal:

<table>
<thead>
<tr>
<th>Asset Management Goal</th>
<th>Valley Metro Strategic Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the level of asset management knowledge throughout Valley Metro by providing training in basic principles of asset management to all stakeholders directly or indirectly involved in asset management activities.</td>
<td>Strategic Goal 2 - Advance performance based operations&lt;br&gt;Tactic D: Maintain a culture to recruit and retain a qualified and diverse workforce</td>
</tr>
<tr>
<td>Implement whole life cycle costing methods for assessing the total investment required when making decisions regarding capital projects and the rehabilitation or purchase of capital assets.</td>
<td>Tactic E: Maintain strong fiscal controls to support Valley Metro’s long term sustainability</td>
</tr>
<tr>
<td>Establish processes to inform public on asset conditions.</td>
<td>Strategic Goal 5 - Advance the value of transit&lt;br&gt;Tactic A: Communicate and inform public on value of transit</td>
</tr>
<tr>
<td>Collaborate on asset management standards. Establish a maintenance and performance standard in collaboration with member cities, MAG and ADOT.</td>
<td>Tactic B: Collaborate with member cities and local agencies to advance the value of transit</td>
</tr>
</tbody>
</table>

**COST AND BUDGET**
None at this time.

**COMMITTEE PROCESS**
RTAG: January 16, 2018 for information<br>TMC/RMC: February 7, 2018 approved<br>Board of Directors: February 22, 2018 for action
STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation
  - Tactic D: Maintain a culture to recruit and retain a qualified and diverse workforce
  - Tactic E: Maintain strong fiscal controls to support Valley Metro’s long term sustainability

- Goal 5: Advance the value of transit
  - Tactic A: Communicate and inform public on value of transit
  - Tactic B: Collaborate with member cities and local agencies to advance the value of transit

RECOMMENDATION
Staff recommends that the Boards of Directors approve the Asset Management policy and goals.

CONTACT
Ray Abraham
Chief Operations Officer
602-652-5054
rabraham@valleymetro.org

ATTACHMENT
None
Transit Asset Management Plan

- Required by MAP 21 and FTA Final Rule
  Effective: October 1, 2016

- Requirement by FTA to receive funding

- Coordination with MAG and ADOT
Nine Elements per FTA

- Inventory of capital assets valued at $50,000 or above, also includes all non-revenue vehicles.
- Inspections of all capital assets and condition assessments / performance measures
- List of projects to maintain State of Good Repair
- Document the methodology that assist in ranking project decisions
- Valley Metro’s TAM policy and SGR goals (goals, tied to Strategic Plan)
- Implementation strategy
- Identify financial resources
- Key annual activities
- Continuous improvement process

State of Good Repair

Valley Metro’s Statement - State of good repair (SGR) is the condition in which existing physical assets both individually and as a system are functioning as designed and are sustained through regular maintenance and replacement programs.
Performance Measures

• Rolling Stock – (Age Based) Percentage of revenue vehicles within a particular asset class that have met or exceeded their Useful Life Benchmark (ULB)
  o ULB = 14 years buses; 31 years LRV’s;
  o 8 years vanpool vans
• Equipment: Service Vehicles (cars/trucks)
  o ULB = 8 years for cars and 14 years for trucks

Performance Measures

• Infrastructure – (Performance Based) Guideway / Systems (Rail Only) – Percentage of track segments with performance restriction
  • A performance restriction is: segment of fixed guideway when the maximum permissible speed of transit vehicles is set to a value that is below the guideway’s design speed.
• Facilities – (Condition Based) Percentage of facilities with a condition rating below 3.0 on the FTA TERM scale.
  ➢ Maintenance Centers
  ➢ Passenger Stations
  ➢ Park and Rides
• What does that mean?
## Transit Economic Requirements Model

### Condition TERM Scale

<table>
<thead>
<tr>
<th>Rating</th>
<th>Condition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Excellent</td>
<td>No visible defects, new or near new condition, may still be under warranty if applicable</td>
</tr>
<tr>
<td>4</td>
<td>Good</td>
<td>Good condition, but no longer new, may have some slightly defective or deteriorated component(s), but is overall functional</td>
</tr>
<tr>
<td>3</td>
<td>Adequate</td>
<td>Moderately deteriorated or defective components; but has not exceeded useful life; still performing intended purpose</td>
</tr>
<tr>
<td>2</td>
<td>Fair</td>
<td>Defective or deteriorated component(s) in need of repair/replacement; exceeded useful life</td>
</tr>
<tr>
<td>1</td>
<td>Poor</td>
<td>Critically damaged component(s) or in need of immediate repair/replacement; well past useful life</td>
</tr>
</tbody>
</table>

### What Does That Look Like?

**Park and Ride Asphalt**

Asphalt – Adequate 3

**Greenfield BOM Concrete**

Concrete – Fair 2
What Does That Look Like?
Passenger Station Canopy

- Canopy – Good 4
- Canopy – Fair 2

Performance Measures / Targets

- FTA has identified Performance Measures
- Report fiscal year targets and actuals annually
- Reporting purposes only – no penalty at this time
Recommendation

Staff recommends that the TMC/RMC forward to the Boards of Directors the Asset Management policy and goals for approval.
Information Summary

DATE
February 15, 2018

SUBJECT
Executive Session

PURPOSE
The Boards may vote to enter Executive Session for discussion or consultation for legal advice with the attorney or attorneys of the public body and to consider its position and instruct its attorneys regarding the public body’s position regarding personnel matters and contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation; all as authorized by A.R.S. Sections 38-431.03 A.1, A.3., and A.4.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
The Board may vote to enter Executive Session.

CONTACT
Michael Minnaugh
General Counsel
602-262-7433
mminnaugh@valleymetro.org

ATTACHMENT
None
Information Summary

DATE
February 15, 2018

AGENDA ITEM 8

SUBJECT
Executive Session Action Items

PURPOSE
The Board may take action related to items discussed as part of the Agenda Item 7.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
The Board may take action related to the items discussed as part of Agenda Item 6.

CONTACT
Michael Minnaugh
General Counsel
602-262-7433
mminnaugh@valleymetro.org

ATTACHMENT
None
Information Summary

DATE
February 15, 2018

AGENDA ITEM 9

SUBJECT
Fiscal Year 2017 (FY17) Transit Performance Report (TPR)

PURPOSE
To provide information regarding system ridership, operating costs, fare revenue, and performance indicators contained in the FY17 Transit Performance Report.

BACKGROUND | DISCUSSION | CONSIDERATION
The Transit Performance Report (TPR) is updated annually using data provided by our member agencies and the Valley Metro Regional Ridership Report. The report includes information by each mode within the region:

- Fixed Route Bus
- Light Rail
- Paratransit
- Vanpool

COST AND BUDGET
None

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2017 – 2021:

- Goal 2: Advance performance based operation
  - Tactic A: Operate an effective, reliable, high performing transit system
  - Tactic E: Maintain strong fiscal controls to support Valley Metro’s long-term sustainability.

COMMITTEE ACTION
Financial Working Group: January 16, 2018 for information
RTAG: January 16, 2018 for information
TMC/RMC: February 7, 2018 for information
AFS: February 15, 2018 for information
Boards of Directors: February 22, 2018 for information

RECOMMENDATION
This item is presented for information only.
CONTACT
Paul Hodgins
Chief Financial Officer
602-523-6043
phodgins@valleymetro.org

ATTACHMENT
Transit Performance Report
Transit Performance Report
Fiscal Year 2017
February 2018

System Wide Summary

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Fixed-Route</th>
<th>Light Rail</th>
<th>Paratransit</th>
<th>Vanpool</th>
<th>System Total</th>
<th>% Change from FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Boardings</td>
<td>49,446,260</td>
<td>16,511,814</td>
<td>1,142,308</td>
<td>1,183,707</td>
<td>68,284,089</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Percent of Total Boardings</td>
<td>72.4%</td>
<td>24.2%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>Vehicle Revenue Miles</td>
<td>32,069,729</td>
<td>3,324,924</td>
<td>9,622,006</td>
<td>6,876,144</td>
<td>51,892,803</td>
<td>10.6%</td>
</tr>
<tr>
<td>Operating Cost Per Revenue Mile</td>
<td>$7.74</td>
<td>$12.48</td>
<td>$5.18</td>
<td>$0.47</td>
<td>$6.60</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Boardings Per Revenue Mile</td>
<td>1.54</td>
<td>4.97</td>
<td>0.12</td>
<td>0.17</td>
<td>1.32</td>
<td>-11.2%</td>
</tr>
<tr>
<td>Average Fare</td>
<td>$0.77</td>
<td>$0.81</td>
<td>$2.69</td>
<td>$2.90</td>
<td>$0.85</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Farebox Recovery</td>
<td>15.4%</td>
<td>32.2%</td>
<td>6.2%</td>
<td>106.8%</td>
<td>16.9%</td>
<td>-2.5%</td>
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<tr>
<td>Operating Cost Per Boarding</td>
<td>$5.02</td>
<td>$2.51</td>
<td>$43.64</td>
<td>$2.71</td>
<td>$5.02</td>
<td>12.2%</td>
</tr>
<tr>
<td>Subsidy Per Boarding</td>
<td>$4.25</td>
<td>$1.70</td>
<td>$40.95</td>
<td>-$0.19</td>
<td>$4.17</td>
<td>15.7%</td>
</tr>
</tbody>
</table>
### Bus System – Historical Trend

<table>
<thead>
<tr>
<th>Valley Metro Region</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Trips (millions)</td>
<td>57.8</td>
<td>56.5</td>
<td>51.8</td>
<td>49.4</td>
</tr>
<tr>
<td>Fare Revenue (millions)</td>
<td>$48.5</td>
<td>$47.0</td>
<td>$40.7</td>
<td>$38.1</td>
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<tr>
<td>Total Ops Cost (millions)</td>
<td>$221.6</td>
<td>$229.8</td>
<td>$234.6</td>
<td>$248.1</td>
</tr>
<tr>
<td>Vehicle Revenue Miles (millions)</td>
<td>29.0</td>
<td>29.1</td>
<td>29.5</td>
<td>32.1</td>
</tr>
<tr>
<td>Operating Cost per Boarding</td>
<td>$3.83</td>
<td>$4.07</td>
<td>$4.53</td>
<td>$5.02</td>
</tr>
<tr>
<td>Average Fare</td>
<td>$0.84</td>
<td>$0.83</td>
<td>$0.79</td>
<td>$0.77</td>
</tr>
<tr>
<td>Average Subsidy per Boarding</td>
<td>$3.00</td>
<td>$3.24</td>
<td>$3.74</td>
<td>$4.25</td>
</tr>
<tr>
<td>Fare Recovery</td>
<td>22%</td>
<td>21%</td>
<td>17%</td>
<td>15%</td>
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<tr>
<td>Boardings per VRM</td>
<td>2.00</td>
<td>1.94</td>
<td>1.76</td>
<td>1.54</td>
</tr>
</tbody>
</table>

### Light Rail System – Historical Trend

<table>
<thead>
<tr>
<th>Valley Metro Region</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. Directional Route Miles</td>
<td>39.2</td>
<td>39.2</td>
<td>50.8</td>
<td>50.8</td>
</tr>
<tr>
<td>Passenger Trips (millions)</td>
<td>14.3</td>
<td>14.3</td>
<td>15.6</td>
<td>16.5</td>
</tr>
<tr>
<td>Fare Revenue (millions)</td>
<td>$12.5</td>
<td>$12.8</td>
<td>$13.5</td>
<td>$13.4</td>
</tr>
<tr>
<td>Total Ops Cost (millions)</td>
<td>$31.3</td>
<td>$31.3</td>
<td>$35.1</td>
<td>$41.5</td>
</tr>
<tr>
<td>Vehicle Revenue Miles (millions)</td>
<td>2.5</td>
<td>2.5</td>
<td>2.9</td>
<td>3.3</td>
</tr>
<tr>
<td>Total Ops Cost/Rev Mile</td>
<td>$12.60</td>
<td>$12.60</td>
<td>$12.05</td>
<td>$12.48</td>
</tr>
<tr>
<td>Operating Cost per boarding</td>
<td>2.18</td>
<td>2.19</td>
<td>2.25</td>
<td>2.51</td>
</tr>
<tr>
<td>Average Fare</td>
<td>$0.87</td>
<td>$0.90</td>
<td>$0.86</td>
<td>$0.81</td>
</tr>
<tr>
<td>Average Subsidy per Boarding</td>
<td>$1.31</td>
<td>$1.29</td>
<td>$1.39</td>
<td>$1.70</td>
</tr>
<tr>
<td>Fare Recovery</td>
<td>40%</td>
<td>41%</td>
<td>38%</td>
<td>32%</td>
</tr>
<tr>
<td>Boardings per Rev Mile</td>
<td>5.77</td>
<td>5.75</td>
<td>5.35</td>
<td>4.97</td>
</tr>
</tbody>
</table>
## Paratransit System – Historical Trend

<table>
<thead>
<tr>
<th>Valley Metro Region</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Trips (millions)</td>
<td>1.0</td>
<td>1.1</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Fare Revenue (millions)</td>
<td>$2.6</td>
<td>$2.8</td>
<td>$2.9</td>
<td>$3.1</td>
</tr>
<tr>
<td>Total Ops Cost (millions)</td>
<td>$36.8</td>
<td>$35.8</td>
<td>$38.3</td>
<td>$49.9</td>
</tr>
<tr>
<td>Vehicle Revenue Miles (millions)</td>
<td>7.4</td>
<td>7.8</td>
<td>8.1</td>
<td>9.6</td>
</tr>
<tr>
<td>Average trip length # miles</td>
<td>7.54</td>
<td>7.38</td>
<td>7.58</td>
<td>8.42</td>
</tr>
<tr>
<td>Total Ops Cost/VRMile</td>
<td>$4.94</td>
<td>$4.58</td>
<td>$4.70</td>
<td>$5.18</td>
</tr>
<tr>
<td>Operating Cost per boarding</td>
<td>$37.29</td>
<td>$33.78</td>
<td>$35.64</td>
<td>$43.64</td>
</tr>
<tr>
<td>Average Fare</td>
<td>$2.60</td>
<td>$2.62</td>
<td>$2.69</td>
<td>$2.69</td>
</tr>
<tr>
<td>Average Subsidy per boarding</td>
<td>$34.69</td>
<td>$31.17</td>
<td>$32.95</td>
<td>$40.95</td>
</tr>
<tr>
<td>Trips per VRM</td>
<td>0.13</td>
<td>0.14</td>
<td>0.13</td>
<td>0.12</td>
</tr>
</tbody>
</table>

## Bus System Peer Comparison

<table>
<thead>
<tr>
<th>2016 NTD</th>
<th>Dallas</th>
<th>Denver</th>
<th>Houston</th>
<th>Sacramento</th>
<th>Salt Lake City</th>
<th>San Diego</th>
<th>Peer Average</th>
<th>Valley Metro Region FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Trips (millions)</td>
<td>33.5</td>
<td>73.3</td>
<td>58.9</td>
<td>12.1</td>
<td>19.5</td>
<td>5.19</td>
<td>41.5</td>
<td>49.4</td>
</tr>
<tr>
<td>Fare Revenue (millions)</td>
<td>$29.0</td>
<td>$81.8</td>
<td>$25.6</td>
<td>$14.6</td>
<td>$20.2</td>
<td>$53.1</td>
<td>$37.4</td>
<td>$38.1</td>
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<tr>
<td>Total Ops Cost (millions)</td>
<td>$243.7</td>
<td>$324.2</td>
<td>$323.9</td>
<td>$79.3</td>
<td>$128.7</td>
<td>$154.1</td>
<td>$209.0</td>
<td>$248.1</td>
</tr>
<tr>
<td>Vehicle Revenue Miles (millions)</td>
<td>27.5</td>
<td>36.8</td>
<td>34.7</td>
<td>6.1</td>
<td>15.7</td>
<td>19.7</td>
<td>23.4</td>
<td>32.1</td>
</tr>
<tr>
<td>Operating Cost per Boarding</td>
<td>$7.27</td>
<td>$4.43</td>
<td>$5.50</td>
<td>$6.55</td>
<td>$6.61</td>
<td>$2.97</td>
<td>$5.03</td>
<td>$5.02</td>
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<td>Average Fare</td>
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<td>$1.12</td>
<td>$0.44</td>
<td>$1.21</td>
<td>$1.04</td>
<td>$1.02</td>
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<td>$5.07</td>
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<tr>
<td>Fare Recovery</td>
<td>12%</td>
<td>25%</td>
<td>8%</td>
<td>18%</td>
<td>16%</td>
<td>34%</td>
<td>17.9%</td>
<td>15%</td>
</tr>
<tr>
<td>Boardings per VRM</td>
<td>1.22</td>
<td>1.99</td>
<td>1.69</td>
<td>1.98</td>
<td>1.24</td>
<td>2.64</td>
<td>1.77</td>
<td>1.54</td>
</tr>
</tbody>
</table>
### Light Rail System Peer Comparison

<table>
<thead>
<tr>
<th>2016 NTD</th>
<th>Dallas</th>
<th>Denver</th>
<th>Houston</th>
<th>Sacramento</th>
<th>Salt Lake City</th>
<th>San Diego</th>
<th>Peer Average</th>
<th>Valley Metro Rail FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. Directional Route Miles</td>
<td>182.4</td>
<td>94.2</td>
<td>41.8</td>
<td>84.9</td>
<td>93.9</td>
<td>108.4</td>
<td>100.9</td>
<td>50.8</td>
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<tr>
<td>Passenger Trips (millions)</td>
<td>29.8</td>
<td>24.6</td>
<td>18.5</td>
<td>12.2</td>
<td>19.2</td>
<td>39.6</td>
<td>24.0</td>
<td>16.5</td>
</tr>
<tr>
<td>Fare Revenue (millions)</td>
<td>$27.6</td>
<td>$43.8</td>
<td>$5.7</td>
<td>$13.4</td>
<td>$17.9</td>
<td>$41.1</td>
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<td>$13.4</td>
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<tr>
<td>Total Ops Cost (millions)</td>
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<td>$61.2</td>
<td>$58.9</td>
<td>$67.2</td>
<td>$75.5</td>
<td>$91.0</td>
<td>$41.5</td>
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<tr>
<td>Vehicle Revenue Miles (millions)</td>
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<td>11.4</td>
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<td>4.4</td>
<td>6.7</td>
<td>8.7</td>
<td>7.4</td>
<td>3.3</td>
</tr>
<tr>
<td>Total Ops Cost/Rev Mile</td>
<td>$18.15</td>
<td>$9.21</td>
<td>$17.90</td>
<td>$13.49</td>
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<td>1.91</td>
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<td>$0.93</td>
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<tr>
<td>Average Subsidy per boarding</td>
<td>$5.07</td>
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<td>$3.00</td>
<td>$3.73</td>
<td>$2.56</td>
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<tr>
<td>Fare Recovery</td>
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<td>42%</td>
<td>9%</td>
<td>23%</td>
<td>27%</td>
<td>54%</td>
<td>27%</td>
<td>32%</td>
</tr>
<tr>
<td>Boardings per Rev Mile</td>
<td>3.03</td>
<td>2.16</td>
<td>5.42</td>
<td>2.80</td>
<td>2.88</td>
<td>4.57</td>
<td>3.25</td>
<td>4.97</td>
</tr>
</tbody>
</table>

### Paratransit System Peer Comparison

<table>
<thead>
<tr>
<th>2016 NTD</th>
<th>Dallas</th>
<th>Denver</th>
<th>Houston</th>
<th>Seattle</th>
<th>Salt Lake City</th>
<th>San Diego</th>
<th>Peer Average</th>
<th>Valley Metro Region FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Trips (millions)</td>
<td>0.3</td>
<td>1.2</td>
<td>1.7</td>
<td>0.9</td>
<td>0.4</td>
<td>0.6</td>
<td>0.8</td>
<td>1.1</td>
</tr>
<tr>
<td>Fare Revenue (millions)</td>
<td>$0.8</td>
<td>$5.0</td>
<td>$1.6</td>
<td>$1.0</td>
<td>$0.4</td>
<td>$2.5</td>
<td>$1.9</td>
<td>$3.1</td>
</tr>
<tr>
<td>Total Ops Cost (millions)</td>
<td>$13.7</td>
<td>$45.4</td>
<td>$46.0</td>
<td>$58.8</td>
<td>$16.6</td>
<td>$19.0</td>
<td>$83.2</td>
<td>$49.9</td>
</tr>
<tr>
<td>Vehicle Revenue Miles (millions)</td>
<td>2.0</td>
<td>11.0</td>
<td>16.2</td>
<td>7.9</td>
<td>7.3</td>
<td>4.6</td>
<td>7.4</td>
<td>9.6</td>
</tr>
<tr>
<td>Average trip length # miles</td>
<td>5.93</td>
<td>9.26</td>
<td>9.75</td>
<td>9.11</td>
<td>6.95</td>
<td>7.33</td>
<td>8.76</td>
<td>8.42</td>
</tr>
<tr>
<td>Total Ops Cost/Rev Mile</td>
<td>$6.87</td>
<td>$4.13</td>
<td>$2.84</td>
<td>$7.41</td>
<td>$6.14</td>
<td>$4.11</td>
<td>$4.49</td>
<td>$5.18</td>
</tr>
<tr>
<td>Operating Cost per trip</td>
<td>$40.76</td>
<td>$38.26</td>
<td>$27.70</td>
<td>$67.49</td>
<td>$42.73</td>
<td>$30.13</td>
<td>$39.32</td>
<td>$43.64</td>
</tr>
<tr>
<td>Average Fare</td>
<td>$2.50</td>
<td>$4.18</td>
<td>$9.07</td>
<td>$1.10</td>
<td>$1.08</td>
<td>$3.94</td>
<td>$2.22</td>
<td>$2.69</td>
</tr>
<tr>
<td>Average Subsidy per trip</td>
<td>$38.26</td>
<td>$34.09</td>
<td>$26.72</td>
<td>$66.39</td>
<td>$41.64</td>
<td>$26.18</td>
<td>$37.09</td>
<td>$40.95</td>
</tr>
<tr>
<td>Trips per Rev Mile</td>
<td>0.17</td>
<td>0.11</td>
<td>0.10</td>
<td>0.11</td>
<td>0.14</td>
<td>0.14</td>
<td>0.11</td>
<td>0.12</td>
</tr>
</tbody>
</table>
Thank You
## System Summary FY2017

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Bus</th>
<th>Light Rail</th>
<th>Paratransit</th>
<th>Vanpool</th>
<th>System Total</th>
<th>% Change from FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Boardings</td>
<td>49,446,260</td>
<td>16,511,814</td>
<td>1,142,308</td>
<td>1,183,707</td>
<td>68,284,089</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Percent of Total Boardings</td>
<td>72.4%</td>
<td>24.2%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Vehicle Revenue Miles</td>
<td>32,069,729</td>
<td>3,324,924</td>
<td>9,622,006</td>
<td>6,876,144</td>
<td>51,892,803</td>
<td>10.6%</td>
</tr>
<tr>
<td>Operating Cost Per Revenue Mile</td>
<td>$774</td>
<td>$12.48</td>
<td>$5.18</td>
<td>$0.47</td>
<td>$6.60</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Boardings Per Revenue Mile</td>
<td>1.54</td>
<td>4.97</td>
<td>0.12</td>
<td>0.17</td>
<td>1.32</td>
<td>-11.2%</td>
</tr>
<tr>
<td>Average Fare</td>
<td>$0.77</td>
<td>$0.81</td>
<td>$2.69</td>
<td>$2.90</td>
<td>$0.85</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Farebox Recovery</td>
<td>15.4%</td>
<td>32.2%</td>
<td>6.2%</td>
<td>106.8%</td>
<td>16.9%</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Operating Cost Per Boarding</td>
<td>$5.02</td>
<td>$2.51</td>
<td>$43.64</td>
<td>$2.71</td>
<td>$5.02</td>
<td>12.2%</td>
</tr>
<tr>
<td>Subsidy Per Boarding</td>
<td>$4.25</td>
<td>$1.70</td>
<td>$40.95</td>
<td>-0.19%</td>
<td>$4.17</td>
<td>15.7%</td>
</tr>
</tbody>
</table>
FY2017 Transit Performance Report (TPR)

The annual Transit Performance Report (TPR) provides information to the Boards of Directors and member cities concerning ridership, operating costs, fare revenue and performance indicators for region-wide transit services, including the following transportation modes:

- Fixed Route Bus
- Light Rail
- Paratransit (Demand Response)
- Vanpool

Dashboard Indicators:

- **Red**: Indicates the trend is negative (Greater than 5% decline from prior year)
- **Yellow**: Indicates the trend is negative (Between 3-5% decline from prior year)
- **White**: Indicates the trend is neutral (Within ±2.99% of prior year)
- **Blue**: Indicates the trend is positive (Between 3-5% improvement from prior year)
- **Green**: Indicates the trend is positive (Greater than 5% improvement from prior year)
Bus

**FIXED ROUTE (SYSTEM-WIDE)**

Service Increases
- Local Routes – 0, 1, 3, 7, 8, 10, 12, 13, 15, 16, 17, 19, 27, 28, 29, 30, 32, 35, 39, 40, 41, 43, 44, 45, 50, 51, 52, 56, 59, 60, 61, 67, 70, 72, 75, 77, 80, 81, 83, 90, 106, 108, 112, 122, 138, 154, 170, 186
- Circulator Route – Miller Rd. Trolley

Service Decreases
- Circulator Route – Camelback Trolley

Route Eliminations
- LINK – Main St. and Arizona Ave

New Routes
- Circulator Route – Downtown Trolley Express
### Bus

**FIXED ROUTE (SYSTEM-WIDE)**

Includes:
- Local
- Circulator
- Express
- RAPID
- Rural Connector

#### Average Fare

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Fare</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEER 2016</td>
<td>$0.90</td>
</tr>
<tr>
<td>2015</td>
<td>$0.83</td>
</tr>
<tr>
<td>2016</td>
<td>$0.79</td>
</tr>
<tr>
<td>2017</td>
<td>$0.77</td>
</tr>
</tbody>
</table>

#### Annual Increase / Decrease in Total Boardings

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase / Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>15%</td>
</tr>
<tr>
<td>2016</td>
<td>12%</td>
</tr>
<tr>
<td>2017</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>-3%</td>
</tr>
<tr>
<td></td>
<td>-6%</td>
</tr>
<tr>
<td></td>
<td>-9%</td>
</tr>
<tr>
<td></td>
<td>-12%</td>
</tr>
<tr>
<td></td>
<td>-15%</td>
</tr>
<tr>
<td></td>
<td>-2.3%</td>
</tr>
<tr>
<td></td>
<td>-8.3%</td>
</tr>
<tr>
<td></td>
<td>-4.5%</td>
</tr>
</tbody>
</table>

#### Annual Increase / Decrease in Weekday Average Boardings

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase / Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>15%</td>
</tr>
<tr>
<td>2016</td>
<td>12%</td>
</tr>
<tr>
<td>2017</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>-3%</td>
</tr>
<tr>
<td></td>
<td>-6%</td>
</tr>
<tr>
<td></td>
<td>-9%</td>
</tr>
<tr>
<td></td>
<td>-12%</td>
</tr>
<tr>
<td></td>
<td>-15%</td>
</tr>
<tr>
<td></td>
<td>-2.5%</td>
</tr>
<tr>
<td></td>
<td>-6.9%</td>
</tr>
<tr>
<td></td>
<td>-6.6%</td>
</tr>
</tbody>
</table>

#### Annual Increase / Decrease in Saturday Average Boardings

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase / Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>15%</td>
</tr>
<tr>
<td>2016</td>
<td>12%</td>
</tr>
<tr>
<td>2017</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>3.8%</td>
</tr>
<tr>
<td></td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>-3%</td>
</tr>
<tr>
<td></td>
<td>-6%</td>
</tr>
<tr>
<td></td>
<td>-9%</td>
</tr>
<tr>
<td></td>
<td>-12%</td>
</tr>
<tr>
<td></td>
<td>-15%</td>
</tr>
<tr>
<td></td>
<td>-6.8%</td>
</tr>
<tr>
<td></td>
<td>-4.8%</td>
</tr>
</tbody>
</table>
### Bus

**FIXED ROUTE (SYSTEM-WIDE)**

Includes:
- Local
- Circulator
- Express
- RAPID
- Rural Connector

#### Annual Increase / Decrease in Sunday Average Boardings

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>-15%</td>
<td>-4%</td>
<td>-2.4%</td>
</tr>
</tbody>
</table>

#### Boardings Per Revenue Mile

<table>
<thead>
<tr>
<th>Year</th>
<th>Peer 2016</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.77</td>
<td>1.94</td>
<td>1.76</td>
<td>1.54</td>
</tr>
</tbody>
</table>

#### On-Time Performance

This data includes Local, Express and RAPID service.

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>92.7%</td>
<td>92.3%</td>
<td>90.6%</td>
</tr>
</tbody>
</table>
Light Rail

**Farebox Recovery Ratio**

- PEER 2016: 27.4%
- 2015: 41.0%
- 2016: 38.4%
- 2017: 32.2%

**Operating Cost Per Boarding**

- PEER 2016: $5.00
- 2015: $4.50
- 2016: $3.79
- 2017: $3.79

**Operating Subsidy Per Boarding**

- PEER 2016: $3.00
- 2015: $2.50
- 2016: $2.00
- 2017: $1.29

**Operating Cost Per Revenue Mile**

- PEER 2016: $50.00
- 2015: $40.00
- 2016: $30.00
- 2017: $20.00

- 2016: $15.00
- 2017: $10.00

- PEER 2016: $12.32
- 2015: $12.80
- 2016: $12.05
- 2017: $12.48
Light Rail

Total Boardings (in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14.28</td>
<td>15.57</td>
<td>16.51</td>
</tr>
</tbody>
</table>

Boardings Per Revenue Mile

<table>
<thead>
<tr>
<th>Year</th>
<th>PEER 2016</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3.25</td>
<td>5.75</td>
<td>5.35</td>
<td>4.97</td>
</tr>
</tbody>
</table>

On-Time Performance

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>92.1%</td>
<td>93.4%</td>
<td>93.3%</td>
</tr>
</tbody>
</table>
Paratransit

This data represents Proposition 400 funding used to fund service for ADA-certified passengers only. Each operating system may include more than one jurisdiction. The values in the “Proposition 400” column represents the amount reimbursed or credited to each jurisdiction in FY 2017 and may not correlate to the amount of Proposition 400 funding a jurisdiction spent that year. System Operating Cost is the total operating cost for each operating system.

### Paratransit Operating System | Proposition 400 | System Operating Cost | Prop 400 as % of Total Ops Cost
--- | --- | --- | ---
Glendale DAR | $678,739 | $2,814,669 | 24.1%
Peoria DAR | $228,100 | $775,743 | 29.4%
Phoenix DAR | $16,700,788 | $18,301,279 | 91.3%
Phoenix Taxi | N/A | $631,530 | 0.00%
Scottsdale Taxi | $95,632 | $335,245 | 28.5%
Valley Metro EVDAR | $5,886,134 | $11,743,510 | 50.1%
Valley Metro NWDAR | $158,600 | $4,119,872 | 3.8%
Valley Metro RDAR | $5,987,425 | $10,070,919 | 59.5%
Valley Metro RideChoice | $6,930 | $1,062,949 | 0.7%
Total | $29,742,348 | $49,855,716 | 59.7%

- Phoenix Dial-a-Ride includes the cities of Phoenix, Avondale, Goodyear, Tolleson and Paradise Valley
- East Valley Dial-a-Ride (EVDAR) includes the cities of Chandler, Gilbert, Mesa, Scottsdale and Tempe
- Northwest Valley Dial-a-Ride (NWDAR) serves the communities of El Mirage, Surprise and Youngtown as well as unincorporated areas of Maricopa County including Sun City and Sun City West
- Regional Dial-a-Ride (RDAR) includes all cities and communities served by Phoenix Dial-a-Ride, East Valley Dial-a-Ride, and Northwest Dial-a-Ride
- Glendale Dial-a-Ride, Peoria Dial-a-Ride, and Scottsdale Taxi serves the citizens of their respective cities within their city
Paratransit

The Americans with Disabilities Act (ADA) of 1990 is federal law which prohibits discrimination against persons with disabilities in public accommodations, including public transportation. On-time performance measures how many ADA boardings occurred within 30 minutes of the pick-up time given to the passenger at the time of their reservation.
Vanpool

### Farebox Recovery Ratio

- 2015: 109.8%
- 2016: 107.6%
- 2017: 105.8%

### Operating Cost Per Boarding

- 2015: $3.13
- 2016: $2.73
- 2017: $2.71

### Operating Subsidy Per Boarding

- 2015: -$0.31
- 2016: -$0.21
- 2017: -$0.19

### Operating Cost Per Revenue Mile

- 2015: $0.58
- 2016: $0.49
- 2017: $0.47

### Total Vanpool Boardings (in millions)

- 2015: 1.08
- 2016: 1.16
- 2017: 1.18
Transit Standards and Performance Measures (TSPM)

Valley Metro’s Transit Standards and Performance Measures (TSPM) help in developing a performance-based public transportation system consistent with federal and state (including Transit Life Cycle Program) requirements. The TSPM identified five transit service performance measures with accompanying thresholds. The thresholds, which are updated annually, help establish quartile breakpoints for each transit service type to identify the top 25% and bottom 25% performers. The FY17 thresholds are:

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Quartile: On-Time Performance</th>
<th>Quartile: Weekday Boardings per Revenue Hour</th>
<th>Quartile: Weekday Boardings per Revenue Mile</th>
<th>Quartile: Weekday Farebox Recovery Rate (%)</th>
<th>Quartile: Weekday boardings per TRIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bottom¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Routes</td>
<td>92%</td>
<td>11.4</td>
<td>0.9</td>
<td>9%</td>
<td>N/A</td>
</tr>
<tr>
<td>Key Local Routes</td>
<td>87%</td>
<td>23.3</td>
<td>1.8</td>
<td>17%</td>
<td>N/A</td>
</tr>
<tr>
<td>Commuter Express</td>
<td>86%</td>
<td>13.4</td>
<td>N/A</td>
<td>13%</td>
<td>12.3</td>
</tr>
<tr>
<td>Top²</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Routes</td>
<td>95%</td>
<td>20.3</td>
<td>1.8</td>
<td>19%</td>
<td>N/A</td>
</tr>
<tr>
<td>Key Local Routes</td>
<td>92%</td>
<td>28.2</td>
<td>2.3</td>
<td>25%</td>
<td>N/A</td>
</tr>
<tr>
<td>Commuter Express</td>
<td>90%</td>
<td>29.0</td>
<td>N/A</td>
<td>22%</td>
<td>24.0</td>
</tr>
</tbody>
</table>

Routes or services that are operated by Valley Metro and/or funded, in part, by regional transit funds that are within the top or bottom 25% (by service type) of any two performance measures are further evaluated. Potential performance improvement actions are identified cooperatively with affected jurisdictions/agencies, and discussed and coordinated with the Valley Metro Service Planning Working Group (SPWG) and Short Range Transit Program (SRTP). Locally operated and funded transit services will be included in the performance measurement process, but the development of local performance improvement actions and implementation of any actions will be at the sole discretion of the affected local jurisdiction. For information regarding the TSPM and SRTP visit www.valleymetro.org.

¹Any route with performance less than the measure identified in the matrix is classified in the bottom quartile for that measure.
²Any route with performance greater than the measure identified in the matrix is classified in the top quartile for that measure.
Average Fare
Average fare is the average price a person pays for a transit trip. It is equal to total fare revenue collected divided by total boardings.

Boarding
A boarding is known as an unlinked passenger trip. Every time a person boards a vehicle it is counted as a boarding. For example, if a person makes a trip involving one transfer, this trip is counted as two boardings.

Circulators
Circulator routes typically serve small specific areas with short routes that are designed to provide connections between transportation systems and other area attractions, like employment centers or schools. Many circulator routes charge no fare.

Express/RAPID
Express/RAPID routes provide higher speed service by operating with limited stops and other enhancements. Many Express/RAPID routes operate on regional freeways.

Farebox Recovery Ratio
This is the percentage of total operating cost that is covered by fares collected. It is equal to total fare revenue collected divided by total operating costs.

Fixed Route
Fixed route bus service typically operates along a designated or “fixed” route with no deviations. Characteristics of this service type include controlled vehicle frequencies and scheduled passenger stops. In this report, fixed route service comprises Local, Express, RAPID, LINK, Circulator and Rural Connector routes.

Light Rail
A type of electric rail system with a total passenger carrying capacity that is relatively “light” compared to heavy rail transit. Light rail may be on exclusive or shared right-of-way, high or low platform, multi-car trains or single cars, automated or manually operated.

LINK Service
LINK is a type of bus service operating on arterial streets that functions as an extension of Valley Metro Rail and features limited stops, signal priority and near level boarding.

Local Bus Route
Local bus routes may operate on either arterial or local collector streets. These are designed to serve localized trip patterns with one or more cities.

National Transit Database (NTD)
National Transit Database was established by Congress as a primary source for information and statistics on the transit system in the United States. Any recipients of Federal Transit Administration funding are required to submit data to the NTD.

On-Time Performance
ADA
Percent of all ADA trips that are picked up within the 30 minute ready window.

Bus
Percent of all trips that operate no more than 0 minutes early and 5 minutes late, compared to scheduled arrival/departure times at published time points.

Rail
Percent of all trips that arrive at the opposite terminal within 0 minutes early and 5 minutes late of scheduled arrival times.
Glossary

**Operating Cost**
Total costs associated with the operation of revenue vehicles which includes maintenance and administrative costs. These are gross costs (fare revenue has not been subtracted).

**Paratransit Service**
This service is a shared-ride origin to destination service where an individual can request transportation from one specific location to another specific location at a certain time. This service complements fixed route service. Some systems restrict service to those who are ADA certified, while other systems offer service to the general public.

**Peer**
Represents an average from six (6) comparable transit agencies’ service and financial data. Source data is from the National Transit Database (NTD).

**Revenue Hour**
A revenue hour is an hour that one vehicle in revenue service is available to pick up fare-paying passengers. If ten vehicles are in revenue service for two hours each, they collectively perform twenty revenue hours of service.

**Revenue Mile**
A revenue mile is a mile traveled by one vehicle in revenue service that is available to pick up revenue passengers. If ten vehicles are in service for two miles each, they collectively perform twenty revenue miles of service.

**Revenue Service**
Revenue service occurs when a vehicle is available to the general public and there is an expectation of carrying passengers who pay the required fare. Vehicles operated in fare-free service are also considered in revenue service. Revenue service includes layover/recovery time, but does not include deadhead (i.e. travel from garage to the start point of a route) or vehicle maintenance testing.

**Rural Connector**
Rural routes typically provide connections between rural and urban communities.

**Subsidy per Boarding**
Also known as net operating cost per boarding, this is the operating cost per boarding minus the fare revenue per boarding. This number indicates the amount of public funding that is used to make up the difference between the cost of providing transportation service and the revenue generated by this service on a per boarding basis.

**Trip**
The movement of a transit vehicle in revenue service starting at the beginning point of a route and ending at the ending point of the route.

**Vanpool**
A vanpool is a group of 6-15 commuters sharing the ride to work in a Valley Metro owned van. One person volunteers to be the driver. Passengers pay a monthly fare for fuel, maintenance and insurance.

**Weekday / Saturday / Sunday Average Daily Boardings**
This measures boardings on a typical weekday, Saturday or Sunday. This is calculated by dividing total boardings on a weekday, Saturday or Sunday by the number of weekdays, Saturdays or Sundays in the fiscal year.
DATE
February 15, 2018

SUBJECT
Arizona State University (ASU) Student Intercept Survey Results

PURPOSE
To provide results of the ASU student intercept survey conducted in October 2017.

BACKGROUND | DISCUSSION | CONSIDERATION
At the joint June 2017 Transit Management Committee/Rail Management Committee meeting, staff provided a presentation that summarized ASU student ridership over the years and reviewed key influencers that may be affecting transit ridership. Staff recommended conducting an intercept survey at the two main ASU campuses.

In October 2017, Valley Metro, supported by WestGroup Research, conducted an on-campus intercept survey to understand student’s travel patterns and opinions on public transit. The survey was conducted at the Downtown Phoenix Campus during the week of October 19 and at the Tempe Main Campus during the week of October 23. 897 students from both campuses were surveyed about their daily commute, why they picked a certain mode, and what would make them switch to public transit. Staff will provide a presentation summarizing the results and recommendations from this survey.

COST AND BUDGET
The survey effort was performed by WestGroup Research at a cost of $37,800. It was funded through the Regional Area Road Fund (RARF). All costs are fully funded within the RPTA Adopted FY 2018 Operating and Capital Budget.

COMMITTEE PROCESS
RTAG: January 16, 2018 for information
TMC/RMC: February 7, 2018 for information
Board of Directors: February 22, 2018 for information

STRATEGIC PLAN ALIGNMENT
Goal 1: Increase customer focus.
   Tactic A: Improve customer satisfaction.

Goal 3: Grow transit ridership.
   Tactic A: Expand and improve transit services to reach new markets.
   Tactic B: Improve connectivity of transit services for greater effectiveness.
RECOMMENDATION
This item is for information only.

CONTACT
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Director, Capital and Service Development
602-322-4420
wgrote@valleymetro.org

ATTACHMENT
None
ASU Student Survey Results
February 2018

Goal of Survey

- Understand reasons for decline in ASU student ridership
- Gather insight on mode choice and travel preferences of ASU students
Methodology

- Intercept survey conducted in October 2017 at Downtown Phoenix and Tempe campuses
- Received 897 responses (440 - Phoenix; 457 - Tempe)
- Sample is representative of ASU enrollment (margin of error of ± 3.3%)

Aware of Valley Metro

87% of students are aware of Valley Metro services between campuses and around the region
U-Pass Ownership

66% of students know of the U-Pass

17% of students have a U-Pass

Of Those Who Know of the U-Pass, Top Reasons Why They Don't Have One

- Don't See a Need For It: 24%
- Too Expensive: 18%
- Rather Drive: 15%
- ASU Shuttle is Free: 14%

Primary Mode Used in Past Week

- Drive Alone: 33%
- Valley Metro: 19%
- ASU Shuttle (dt.Phoenix to Tempe): 19%
- Carpool: 11%
- Bike: 7%
- Uber/Lyft/Taxi: 4%
- Other ASU Shuttles: 2%
- Other: 5%
Number of Modes Used in Past Week

76% of students used two or more modes in past week

Valley Metro and ASU Shuttle

19% of students said that Valley Metro was their primary mode in past week

and, similarly

19% of students said that ASU Shuttle between downtown Phoenix and Tempe was primary mode
Primary Mode Choice Reasons

- Low cost: Valley Metro: 60%, ASU Shuttle: 40%
- Location of stops/stations: Valley Metro: 56%, ASU Shuttle: 42%
- Works with schedule: Valley Metro: 57%, ASU Shuttle: 50%
- Reliable service: Valley Metro: 57%, ASU Shuttle: 45%
- Quick travel time: Valley Metro: 57%, ASU Shuttle: 38%
- Comfortable: Valley Metro: 30%, ASU Shuttle: 14%
- Safe and secure: Valley Metro: 27%, ASU Shuttle: 12%
- Wi-Fi: Valley Metro: 13%, ASU Shuttle: 13%

n=169 VM | n=172 ASU. Three responses allowed, so will not add up to 100%.

Trip Purposes

- School: Valley Metro: 86%, ASU Shuttle: 91%
- Work: Valley Metro: 39%, ASU Shuttle: 12%
- Social/Recreational: Valley Metro: 28%, ASU Shuttle: 17%
- Shopping: Valley Metro: 14%, ASU Shuttle: 1%

Other – Airport, Medical, Etc.

n=169 VM | n=172 ASU. Three responses allowed, so will not add up to 100%.
Ease of Planning

88% of Valley Metro riders say it's easy to plan their trips

90% of ASU Shuttle riders say it's easy to plan their trips

Safety and Security

13% of Valley Metro riders say Valley Metro is unsafe

2% of ASU Shuttle riders say ASU Shuttle is unsafe
Safety and Security

49% of Valley Metro riders witnessed something that made them feel unsafe or insecure.

Top Things Witnessed

<table>
<thead>
<tr>
<th>Incident</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public intoxication</td>
<td>31%</td>
</tr>
<tr>
<td>People shouting</td>
<td>28%</td>
</tr>
<tr>
<td>Physical violence</td>
<td>27%</td>
</tr>
</tbody>
</table>

Non-Valley Metro Riders

59% of students did not ride Valley Metro at all over past week.
Non-Valley Metro Riders

Primary Modes

<table>
<thead>
<tr>
<th>Mode</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drive Alone</td>
<td>43%</td>
</tr>
<tr>
<td>ASU Shuttle (dt. Phoenix to Tempe)</td>
<td>23%</td>
</tr>
<tr>
<td>Carpool</td>
<td>13%</td>
</tr>
<tr>
<td>Bike</td>
<td>8%</td>
</tr>
<tr>
<td>Other ASU Shuttles</td>
<td>3%</td>
</tr>
<tr>
<td>Uber/Lyft/Taxi</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
</tbody>
</table>

n=528. Three responses allowed, so will not add up to 100%.

Non-Valley Metro Riders

Reasons Why They Don’t Ride Valley Metro

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Takes Too Long</td>
<td>36%</td>
</tr>
<tr>
<td>Does Not Work with Schedule</td>
<td>34%</td>
</tr>
<tr>
<td>Stops/Stations Far Away</td>
<td>27%</td>
</tr>
<tr>
<td>Too Difficult to Navigate</td>
<td>21%</td>
</tr>
<tr>
<td>Uncomfortable</td>
<td>14%</td>
</tr>
<tr>
<td>Cost</td>
<td>11%</td>
</tr>
<tr>
<td>Not Safe and Secure</td>
<td>10%</td>
</tr>
</tbody>
</table>

n=528. Three responses allowed, so will not add up to 100%. 
Non-Valley Metro Riders

What Would Encourage Valley Metro Use

- Faster trips: 61%
- Shorter waiting times: 48%
- Less expensive transit pass: 47%
- Expanded service areas: 39%
- More comfortable stops/stations: 28%
- Earlier or later hours of service: 26%
- Wi-Fi: 23%
- More security personnel onboard: 15%

n=528. Three responses allowed, so will not add up to 100%.

Riders Home Locations

Valley Metro Riders Home Locations

- Valley Metro Rail
- Bus Routes (segments) - 15 min. or Less Frequency

Value per Square Mile

n=369
Non-Riders Home Locations

Key Takeaways

- **Students use a variety of modes**
  - Average 2.4 modes a week
    - Drive Alone (57% used in past week)
    - ASU Shuttle (42%)
    - Valley Metro (41%)
Key Takeaways

- **Cost is a key mode choice factor**
  - **Positive:**
    - Free ASU Shuttle and low Valley Metro fares are reasons students chose those modes
  - **Negative:**
    - 18% of students say upfront cost of U-Pass is deterrent to owning one

Key Takeaways

- **Convenience is a key mode choice factor**
  - Valley Metro and ASU Shuttle riders like that their stops are close and trips are fast
  - Non-riders say that faster trips and shorter waiting would encourage transit use
Key Takeaways

- **Safety & security** was not a commonly cited reason for avoiding Valley Metro
- Perception of Valley Metro safety & security is lowest among ASU Shuttle riders

Recommendations

- **Cost**
  - Review pricing structure and cost of U-Pass
- **Convenience**
  - Improve perception of transit speed
- **Targeted Outreach and Education**
Thank You
AGENDA ITEM 11

DATE
February 15, 2018

SUBJECT
Fiscal Year 2018 2nd Quarter Reports

PURPOSE
To provide an informational update of activities at Valley Metro.

BACKGROUND | DISCUSSION | CONSIDERATION
Quarterly Reports are provided as an informational update of Valley Metro activities

- Operations
- Safety and Security
- Capital and Service Development

- Communication & Strategic Initiatives
- Marketing
- Finance

COST AND BUDGET
None

COMMITTEE ACTION
RTAG: January 16, 2018 for information
TMC/RMC: February 7, 2018 for information
Boards of Directors: February 22, 2018 for information

RECOMMENDATION
This item is presented for information only.

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Wulf Grote, P.E.
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Paul Hodgins
Chief Financial Officer
phodgins@valleymetro.org
Fiscal Year 2018 Quarterly Report

February 2018

### Regional Ridership

<table>
<thead>
<tr>
<th></th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus</td>
<td>3,401,580</td>
<td>4,465,376</td>
<td>4,435,776</td>
<td>4,850,941</td>
<td>4,446,737</td>
<td>4,167,766</td>
</tr>
<tr>
<td>Light Rail</td>
<td>1,173,622</td>
<td>1,387,776</td>
<td>1,365,280</td>
<td>1,492,823</td>
<td>1,381,737</td>
<td>1,244,353</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY18 Q1</th>
<th>FY17 Q2</th>
<th>FY18 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus</td>
<td>12,321,934</td>
<td>12,755,369</td>
<td>13,287,446</td>
</tr>
<tr>
<td>Light Rail</td>
<td>3,926,680</td>
<td>4,181,672</td>
<td>4,042,913</td>
</tr>
<tr>
<td>Total</td>
<td>16,248,614</td>
<td>16,937,041</td>
<td>17,330,359</td>
</tr>
</tbody>
</table>
## Fixed Route Bus – East Valley*

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Target</th>
<th>FY18 Q1</th>
<th>FY17 Q2</th>
<th>FY18 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Time Performance</td>
<td>≥ 92%</td>
<td>93%</td>
<td>92%</td>
<td>91%</td>
</tr>
<tr>
<td>Complaints Per 100,000 Boardings</td>
<td>≤ 45</td>
<td>49</td>
<td>47</td>
<td>54</td>
</tr>
<tr>
<td>Mechanical Failures Per 100,000 Revenue Miles</td>
<td>≤ 12</td>
<td>4</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Revenue Service Completed</td>
<td>≥ 99.85%</td>
<td>99.97%</td>
<td>99.91%</td>
<td>99.96%</td>
</tr>
<tr>
<td>Preventable Accidents per 100,000 Miles</td>
<td>≤ 0.90</td>
<td>0.91</td>
<td>0.76</td>
<td>0.89</td>
</tr>
<tr>
<td>Ridership</td>
<td>--</td>
<td>3,470,024</td>
<td>3,703,184</td>
<td>3,730,039</td>
</tr>
</tbody>
</table>

*Express, Local, & Circulator Service

## Fixed Route Bus – West Valley*

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Target</th>
<th>FY18 Q1</th>
<th>FY17 Q2</th>
<th>FY18 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Time Performance</td>
<td>≥ 92%</td>
<td>93%</td>
<td>90%</td>
<td>91%</td>
</tr>
<tr>
<td>Valid Complaints Per 1,000 Boardings</td>
<td>≤ 0.25</td>
<td>0.09</td>
<td>0.06</td>
<td>0.16</td>
</tr>
<tr>
<td>Miles Between Road Calls</td>
<td>&gt; 5,000</td>
<td>6,668</td>
<td>16,144</td>
<td>7,739</td>
</tr>
<tr>
<td>Revenue Service Completed</td>
<td>≥ 99.85%</td>
<td>99.98%</td>
<td>99.97%</td>
<td>99.99%</td>
</tr>
<tr>
<td>Preventable Accidents per 100,000 Miles</td>
<td>≤ 1.50</td>
<td>0.37</td>
<td>0.38</td>
<td>0.99</td>
</tr>
<tr>
<td>Ridership</td>
<td>--</td>
<td>125,382</td>
<td>127,061</td>
<td>131,930</td>
</tr>
</tbody>
</table>

*Express, & Circulator Service Only
**Light Rail**

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Target</th>
<th>FY18 Q1</th>
<th>FY17 Q2</th>
<th>FY18 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Time Performance</td>
<td>≥ 95%</td>
<td>93%</td>
<td>93%</td>
<td>94%</td>
</tr>
<tr>
<td>Complaints Per 100,000 Boardings</td>
<td>≤ 3.0</td>
<td>0.5</td>
<td>0.6</td>
<td>0.8</td>
</tr>
<tr>
<td>Preventative Maintenance Inspections - % On-Time (LRV)</td>
<td>≥ 80%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Preventative Maintenance Inspections - % On-Time (Systems)</td>
<td>≥ 80%</td>
<td>99%</td>
<td>100%</td>
<td>98%</td>
</tr>
<tr>
<td>Preventable Accidents per 100,000 Miles</td>
<td>≤ 0.90</td>
<td>0.00</td>
<td>0.20</td>
<td>0.10</td>
</tr>
<tr>
<td>Ridership</td>
<td>--</td>
<td>3,926,680</td>
<td>4,181,672</td>
<td>4,042,913</td>
</tr>
</tbody>
</table>

**Customer Service – Call Center**

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Target</th>
<th>FY18 Q1</th>
<th>FY17 Q2</th>
<th>FY18 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls Received</td>
<td>--</td>
<td>336,484</td>
<td>308,325</td>
<td>312,313</td>
</tr>
<tr>
<td>Complaints Processed</td>
<td>--</td>
<td>9,387</td>
<td>6,888</td>
<td>9,097</td>
</tr>
<tr>
<td>NextRide Inquiries Handled by Interactive Voice Response (IVR)</td>
<td>--</td>
<td>243,933</td>
<td>309,963</td>
<td>230,106</td>
</tr>
<tr>
<td>NextRide Inquiries Handled by Text Messaging</td>
<td>--</td>
<td>471,529</td>
<td>510,870</td>
<td>603,529</td>
</tr>
<tr>
<td>Average Talk Time</td>
<td>--</td>
<td>2:07</td>
<td>2:21</td>
<td>2:26</td>
</tr>
<tr>
<td>Average Speed of Answer</td>
<td>≤ 1.00</td>
<td>.18</td>
<td>.22</td>
<td>.23</td>
</tr>
</tbody>
</table>
Bus Accidents

<table>
<thead>
<tr>
<th></th>
<th>FY18 Q1</th>
<th>FY17 Q2</th>
<th>FY18 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>77</td>
<td>100</td>
<td>70</td>
</tr>
<tr>
<td>NTD</td>
<td>6</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

Police Incidents - Bus

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>Criminal Damage</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>
Rail Accidents

Fares Inspected
Fare Inspections and Fare Evasions

Inspected and Fare Evasion Percentage

Fare Compliance
Total Inspections for Q2= 539,030
Citations Issued by Allied Universal

Top Violations
Fare Sweeps Total Activity

The purpose of a fare sweep is to ensure fare compliance and revenue recovery.
Fare Sweeps are conducted with the support of sworn officers.

Criminal Activity

<table>
<thead>
<tr>
<th>Criminal Activity</th>
<th>FY18 Q1</th>
<th>FY17 Q2</th>
<th>FY18 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property Crimes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>22</td>
<td>22</td>
<td>8</td>
</tr>
<tr>
<td>Park N' Ride</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Crimes Against Persons</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>53</td>
<td>18</td>
<td>40</td>
</tr>
<tr>
<td>Park N' Ride</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Code of Conduct</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>358</td>
<td>175</td>
<td>233</td>
</tr>
<tr>
<td>Park N' Ride</td>
<td>10</td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td><strong>Activity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Responses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>336</td>
<td>173</td>
<td>200</td>
</tr>
<tr>
<td>Park N' Ride</td>
<td>4</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Warrant Arrests</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>15</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td>Park N' Ride</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
## Valley Metro RPTA Operating Results – Q2

**RPTA Budget vs. Actual Report**

For the quarter ending December 31, 2017

<table>
<thead>
<tr>
<th>Operations Expenditures</th>
<th>2nd Quarter</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Fixed Route Bus</td>
<td>23.7</td>
<td>22.4</td>
</tr>
<tr>
<td>Paratransit</td>
<td>9.4</td>
<td>8.6</td>
</tr>
<tr>
<td>Vanpool</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Regional Services</td>
<td>3.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Planning</td>
<td>0.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Administration</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>METRO Rail (Salary, Fringe, OH)</td>
<td>5.4</td>
<td>4.9</td>
</tr>
<tr>
<td><strong>Total Operations Expenditures</strong></td>
<td>49.4</td>
<td>40.3</td>
</tr>
</tbody>
</table>

## Valley Metro RPTA Capital Results – Q2

**RPTA Budget vs. Actual Report**

For the quarter ending December 31, 2017

<table>
<thead>
<tr>
<th>Capital Expenditures</th>
<th>2nd Quarter</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Bus Purchases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valley Metro</td>
<td>8.4</td>
<td>12.0</td>
</tr>
<tr>
<td>Lead Agency</td>
<td>1.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Paratransit Vehicles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lead Agency</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Vanpool Vehicles</td>
<td>1.1</td>
<td>1.7</td>
</tr>
<tr>
<td>Other Capital</td>
<td>3.7</td>
<td>1.2</td>
</tr>
<tr>
<td>METRO Rail</td>
<td>10.9</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>Total Capital Expenditures</strong></td>
<td>25.5</td>
<td>23.8</td>
</tr>
</tbody>
</table>
Valley Metro Rail Operating Results – Q2

VMR Budget vs. Actual Report
For the quarter ending December 31, 2017

<table>
<thead>
<tr>
<th>Operations Expenditures</th>
<th>2nd Quarter</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Rail Operations</td>
<td>12.0</td>
<td>10.4</td>
</tr>
<tr>
<td>Future Project Development</td>
<td>4.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Agency Operating</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Total Operating Activities</td>
<td>16.8</td>
<td>11.4</td>
</tr>
</tbody>
</table>

Average Rail Fare
FY 2017 History / FY 2018 2nd Quarter
Average Fare – 12 Months Rolling by Quarter
Valley Metro Rail Capital Results – Q2

VMR Budget vs. Actual Report
For the quarter ending December 31, 2017

$ Millions

<table>
<thead>
<tr>
<th>Capital Expenditures</th>
<th>2nd Quarter</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td></td>
<td>(Unfav.)</td>
<td>(Unfav.)</td>
</tr>
<tr>
<td>Rail Projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Mesa</td>
<td>0.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Tempe Streetcar</td>
<td>6.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Gilbert Rd</td>
<td>14.3</td>
<td>18.1</td>
</tr>
<tr>
<td>50th St LRT Station</td>
<td>2.6</td>
<td>0.8</td>
</tr>
<tr>
<td>South Central</td>
<td>6.7</td>
<td>4.7</td>
</tr>
<tr>
<td>OMC Expansion</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>System-wide Improvements</td>
<td>5.7</td>
<td>0.1</td>
</tr>
<tr>
<td>Total Capital</td>
<td>36.5</td>
<td>29.0</td>
</tr>
</tbody>
</table>

Transit Planning Projects

<table>
<thead>
<tr>
<th>Project/Study Name</th>
<th>Completion Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mesa Five-Year Transit Plan</td>
<td>February 2018</td>
<td>• Refined concepts with City of Mesa.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Performed additional financial analyses.</td>
</tr>
<tr>
<td>Short Range Transit Program</td>
<td>April 2018</td>
<td>• Queried database.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Consulted with member agencies.</td>
</tr>
<tr>
<td>Scottsdale Circulator Service Optimization Study</td>
<td>January 2017</td>
<td>• Completed existing conditions memorandum.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Developed circulator optimization alternatives.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Prepared final draft memo summarizing optimization alternatives.</td>
</tr>
<tr>
<td>Transit Stop Inventory and Accessibility Study</td>
<td>March 2018</td>
<td>• Completed bus stop inventory field data collection.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Revised bus stop design guideline.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Developing cost estimate for ADA improvements to Valley Metro bus stops.</td>
</tr>
<tr>
<td>Transit Stop Inventory Reconciliation with Bus Stop Database</td>
<td>February 2018</td>
<td>• Verifying bus stop amenities and locations for use in on-line maps.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Preparing bus stop photos for on-line publishing.</td>
</tr>
<tr>
<td>April 2018 Fixed-Route Service Changes</td>
<td>April 2018</td>
<td>• Presented proposed changes to Valley Metro Board.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Public comment held in October and November 2017.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Final changes confirmed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Implementation underway.</td>
</tr>
<tr>
<td>October 2018 Fixed Route Service Changes</td>
<td>October 2018</td>
<td>• Queried SRTP database for proposed changes.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Began analysis for member agencies.</td>
</tr>
</tbody>
</table>
Transit Planning Projects

<table>
<thead>
<tr>
<th>Project/Study Name</th>
<th>Completion Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwest Valley Express Routes</td>
<td>April 2018</td>
<td>• Received public comment on the two proposals.</td>
</tr>
<tr>
<td>Reconfiguration</td>
<td></td>
<td>• Based on public comment and other pending transit improvements in the area, no major changes are recommended at this time.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Complete.</td>
</tr>
<tr>
<td>ASU Student Survey</td>
<td>February 2018</td>
<td>• Survey completed and final report being drafted.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Developing presentation and summary for VM Leadership and Board of Directors.</td>
</tr>
<tr>
<td>Bus Stop and Light Rail Accessibility Geofencing</td>
<td>March 2018</td>
<td>• Developed geofences around all bus stops and light rail stations.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Undergoing accessibility testing from an independent testing consultant.</td>
</tr>
<tr>
<td>Quality of Life Study</td>
<td>Fall 2018</td>
<td>• Report to communicate the community benefits of VM Light Rail over the past 10 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Presented an overview to the Leadership Team.</td>
</tr>
</tbody>
</table>

Northwest LRT Extension Phase II

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>Environmental/ Preliminary Engineering</td>
<td>Summer 2018</td>
<td>• Selected and awarded construction manager and project artists contracts.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Updated Preliminary Engineering plan set to incorporate technical changes.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Advancing engineering to 30% design level.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Updating Draft 2 of Environmental Assessment per FTA review.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Continue coordination with ADOT &amp; MAG.</td>
</tr>
</tbody>
</table>
Capitol/I-10 West LRT Extension

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
</table>
| 2023 (Phase I)   | Environmental Assessment (EA) | Summer 2019 | • Analyzing Phase I LPA alignment modification to coincide with the South Central Extension.  
• ADOT, County and City coordination ongoing.  
• EA to be updated based on phasing and downtown configuration.  
• Anticipate public review of EA in Q 2019. |

West Phoenix/Central Glendale

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
</table>
| 2026             | Alternatives Analysis | December 2018 | • Glendale City Council decision on December 12 to discontinue light rail planning activities.  
• Coordinating next steps with Phoenix and MAG and will be updating schedule. |
### OMC Expansion

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
</table>
| 2021             | Procurement     | Summer 2018    | • Issued the RFO and RFP as part of the two-step Design/Build procurement process.  
                  |                 |                | • Working with contractors to finalize their concepts and price proposals, due in March 2018. |

### Paratransit O&M Facility Study

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
</table>
| Spring 2019      | Site Selection and Analysis | Spring 2018    | • Completed the scope of work, budget, and schedule.  
                  |                            |                | • Began the initial site selection process.  
                  |                            |                | • Developed evaluation criteria to perform a two-tiered analysis to select a preferred site for the O&M facility. |
Peoria Park-and-Ride

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2019</td>
<td>ROW Acquisition</td>
<td>June 2018</td>
</tr>
</tbody>
</table>

**Status**
- City of Peoria negotiating with property owner.
- Identifying relocation opportunities for business tenant.

North Glendale Park-and-Ride Study

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2019</td>
<td>Site Selection</td>
<td>June 2018</td>
</tr>
</tbody>
</table>

**Status**
- Identified an initial list of potential sites in North Glendale and Peoria that meet park-and-ride requirements.
- Evaluated initial sites in Tier 1 of a two-tiered evaluation process.
- Initiated conceptual design on four of the top-rated sites from the Tier 1 Evaluation.
Fiesta District Alternatives Analysis

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2019</td>
<td>Alternatives Analysis</td>
<td>June 2019</td>
</tr>
</tbody>
</table>

**Status**
- Held public meeting in October 2017 to gather community input on goals of the project.
- Completed a public survey that provided input on key destinations and community values related to transit.
- Developed Existing and Future Environment technical memo.
- Developed Travel Forecasting Methodology memo
- Initiated Purpose and Need memo

Northeast LRT Feasibility Study

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>2034</td>
<td>Feasibility Study</td>
<td>Spring 2018</td>
</tr>
</tbody>
</table>

**Status**
- Targeted stakeholder outreach.
- Finalizing study recommendations.
- Preparing Final Report.
I-10/I-17 Direct Access Bus Ramp

**Project Complete** | **Current Phase** | **Phase Complete**
--- | --- | ---
TBD | Planning | Spring 2018

**Status**
- Revising Categorical Exclusion.
- Revising I-10/I-17 Interstate Change of Access Methods and Assumptions document for ADOT, FWHA, and Phoenix approval.
- Coordinating with ADOT and Phoenix on next steps.
- Developing and evaluating conceptual designs for various operating options.
- Submitted an application through the TIGER Discretionary Grant program.

50th Street Station

**Project Complete** | **Current Phase** | **Phase Complete**
--- | --- | ---
2019 | Construction (30% complete) | Spring 2019

**Status**
- Right of Way complete – one month early.
- Continuing installation of public utilities.
- Joint trench complete / installation of conduits underway.

Data as of Dec. 2017
### 50th Street Station
#### Schedule Summary

![Timeline Chart]

### 50th Street Station
#### Expenditures to Date

<table>
<thead>
<tr>
<th>Description</th>
<th>Expended ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted Services</td>
<td>$3.9</td>
</tr>
<tr>
<td>Right of Way</td>
<td>$0.1</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$1.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5.6</strong></td>
</tr>
</tbody>
</table>

### Project Contingency

<table>
<thead>
<tr>
<th>Description</th>
<th>Dollars ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contingency</td>
<td>$4.0</td>
</tr>
<tr>
<td>Executed Change Orders &amp; Budget Transfers</td>
<td>$(1.2)</td>
</tr>
<tr>
<td>Total Project Contingency Remaining</td>
<td>$2.8</td>
</tr>
</tbody>
</table>
## Gilbert Road Extension

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Construction</td>
<td>Spring 2019</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(47% complete)</td>
<td></td>
<td>• Construction continues on the following items:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>➢ Demolition of curb, gutter and sidewalk North side of Main Street</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>➢ Grading and placement of curb, gutter and sidewalk North side of Main Street</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>➢ Landscape Irrigation on both sides of Main Street</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>➢ Park n Ride/Transit Center clearing and grubbing</td>
</tr>
</tbody>
</table>

### Schedule Summary

Data as of 31DEC17

---

**Data as of 31DEC17**
Gilbert Road Extension
Expenditures to Date

<table>
<thead>
<tr>
<th>Description</th>
<th>Expended ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted Services</td>
<td>$45.4</td>
</tr>
<tr>
<td>Light Rail Vehicles</td>
<td>$3.1</td>
</tr>
<tr>
<td>Right of Way</td>
<td>$6.3</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$7.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$61.8</strong></td>
</tr>
</tbody>
</table>

Project Contingency

<table>
<thead>
<tr>
<th>Description</th>
<th>Dollars ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contingency</td>
<td>$10.7</td>
</tr>
<tr>
<td>Executed Change Orders &amp; Budget Transfers</td>
<td>$(2.7)</td>
</tr>
<tr>
<td><strong>Total Project Contingency Remaining</strong></td>
<td><strong>$8.0</strong></td>
</tr>
</tbody>
</table>

South Central Extension

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>Design (29% complete)</td>
<td>Summer 2019</td>
<td>- Completed 100% 7th Avenue/7th Street Roadway Design Package (without specs) milestone.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- 40% Project Estimate will be complete January 31, 2018.</td>
</tr>
</tbody>
</table>

Data as of 31DEC17
South Central Extension
Schedule Summary

Data as of 31DEC17

South Central Extension
Expenditures to Date

<table>
<thead>
<tr>
<th>Description</th>
<th>Expended ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted Services</td>
<td>$ 4.4</td>
</tr>
<tr>
<td>Right of Way</td>
<td>$ 0.0</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$ 1.5</td>
</tr>
<tr>
<td>Total</td>
<td>$ 5.9</td>
</tr>
</tbody>
</table>

Project Contingency

<table>
<thead>
<tr>
<th>Description</th>
<th>Dollars ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contingency</td>
<td>$135.2</td>
</tr>
<tr>
<td>Executed Change Orders &amp; Budget Transfers</td>
<td>$ 0.0</td>
</tr>
<tr>
<td>Total Project Contingency Remaining</td>
<td>$135.2</td>
</tr>
</tbody>
</table>
# Tempe Streetcar

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
</table>
| 2020             | Final Design and Pre-Construction (77% complete) | Winter 2018 | - Received 90% Design.  
- Continued construction of early utility relocations. |

Data as of 31DEC17

---

## Tempe Streetcar Schedule Summary
Tempe Streetcar Expenditures to Date

<table>
<thead>
<tr>
<th>Description</th>
<th>Expended ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted Services</td>
<td>$ 2.7</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$ 3.5</td>
</tr>
<tr>
<td>Right of Way</td>
<td>$ -</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$ 12.6</td>
</tr>
<tr>
<td>Total</td>
<td>$ 18.8</td>
</tr>
</tbody>
</table>

Project Contingency

<table>
<thead>
<tr>
<th>Description</th>
<th>Dollars ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contingency</td>
<td>$37.5</td>
</tr>
<tr>
<td>Executed Change Orders &amp; Budget Transfers</td>
<td>1.0</td>
</tr>
<tr>
<td>Total Project Contingency Remaining</td>
<td>$36.5</td>
</tr>
</tbody>
</table>

Communications Update

- Coordinated PR/media for Respect the Ride & associated Board approval
- Celebrated bus service expansions in Oct. 2017 with media events & marketing
- With Operations, conducted Mesa Polar Express across two weekends
  - Served 6,000+ families
- Finalized three-year agreement with Miller Coors to provide Coors Light Free Rides on New Year’s Eve
- Conducted re-training of front-line staff for Safe Place, teens in need program
Community Relations Update

• Began recruitment for Tempe Streetcar Shop On Rewards business assistance program
• Planned business assistance program lunches along Gilbert Road Ext. (GRE) with Friends of Transit
• Developed holiday/Shop On mailers supporting businesses along GRE & 50th Street Station
• Conducted public meetings/outreach for:
  – Fiesta District Alternatives Analysis
  – Tempe Streetcar with “Streetcar Syncs”
  – Preparation for South Central Ext. meetings in Jan. 2018

Marketing Update

• Launched upgraded valleymetro.org & Ridekick mobile application
  – Offering mobile responsiveness & increased ADA accessibility
• Developed brand & draft marketing plan for Respect the Ride campaign
• Installed “Find Your Whimsy” mural at Roosevelt/Central station as part of ArtsLine program
• Created materials for service change implementation in Oct. & proposal in April
DATE
February 15, 2018

SUBJECT
Travel, Expenditures and Solicitations

PURPOSE
The monthly travel, expenditures and solicitations are presented for information.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Paul Hodgins
Chief Financial Officer
602-262-7433
phodgins@valleymetro.org

ATTACHMENTS
Valley Metro Travel Reimbursement Report
Valley Metro RPTA and Valley Metro Rail Monthly Accounts Payable over $25,000
Active Requests for Proposals, Qualifications and Invitations for Bids
<table>
<thead>
<tr>
<th>Job Title</th>
<th>Purpose of Travel</th>
<th>Location</th>
<th>Dates Traveled</th>
<th>Total Travel Cost</th>
<th>Airfare</th>
<th>Other Transport</th>
<th>Lodging</th>
<th>Meals</th>
<th>Misc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LRV Maintenance Superintendent</td>
<td>Internat'l Rail Rodeo Planning Meeting</td>
<td>Denver, CO</td>
<td>12/11/17-12/13/17</td>
<td>$783.60</td>
<td>$166.41</td>
<td>$33.89</td>
<td>$410.80</td>
<td>$172.50</td>
<td>$0.00</td>
</tr>
<tr>
<td>Rail Activation Manager</td>
<td>Internat'l Rail Rodeo Planning Meeting</td>
<td>Denver, CO</td>
<td>12/11/17-12/13/17</td>
<td>$787.10</td>
<td>$166.41</td>
<td>$37.39</td>
<td>$410.80</td>
<td>$172.50</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Report reflects Out of State (AZ) Travel

1 Parking
2 Fuel for Rental Car
<table>
<thead>
<tr>
<th>Document Number</th>
<th>Name</th>
<th>Transaction Description</th>
<th>Effective Date</th>
<th>Transaction Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>20171228W002</td>
<td>FirstGroup America, Inc.</td>
<td>Nov 2017 Fixed Route Bus Service</td>
<td>12/28/2017</td>
<td>5,196,227.69</td>
</tr>
<tr>
<td>20171221W002</td>
<td>City of Phoenix</td>
<td>Dec 2017 Fixed Route Service</td>
<td>12/21/2017</td>
<td>2,221,306.83</td>
</tr>
<tr>
<td>20171228W003</td>
<td>Transdev Services, Inc</td>
<td>Sept 2017 Regional Paratransit Services</td>
<td>12/28/2017</td>
<td>1,353,212.68</td>
</tr>
<tr>
<td>20180111W007</td>
<td>Scheidt &amp; Bachmann</td>
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**Total** 13,794,063.28
Valley Metro Rail, Inc.  
Monthly AP Payments over $25,000  
December 21, 2017 to January 20, 2018

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11,054,044.04
# Monthly RTAG Solicitation Update

## ACTIVE SOLICITATIONS

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<th>Solicitation Type</th>
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<td>11/2/2017</td>
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<td>RFQ</td>
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## UPCOMING SOLICITATIONS

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DATE
February 15, 2018

SUBJECT
Future Agenda Items Request and Report on Current Events

PURPOSE
Chairs Klapp and Glover will request future agenda items from members, and members may provide a report on current events.

BACKGROUND/DISCUSSSION/CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None.

Information Summary

Pending Items Request

<table>
<thead>
<tr>
<th>Item Requested</th>
<th>Date Requested</th>
<th>Planned Follow-up Date</th>
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Valley Metro I 101 N. 1st Ave. Phoenix, AZ 85003 602.262.7433
1. **Public Comment on Agenda Action Items (blue card)**

   The public will be provided with an opportunity at this time to address the Board on all action agenda items. Up to three minutes will be provided per speaker to address all agenda items unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

2. **Minutes**

   Minutes from the January 19, 2018 Board meeting are presented for approval.

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### CONSENT AGENDA

3A. **Marketing Materials Storage and Delivery Service Contract Award**

   Staff recommends that the Board of Directors authorize the CEO to execute a 5-year contract and two 1-year options with Hot Shot Logistics, Inc. for marketing material storage and distribution services in an amount not to exceed $185,250 plus and additional amount $18,525 (10%) contingency.

3B. **RideChoice Services Contract Change Order**

   Staff recommends that the Board of Directors authorize the CEO to execute a contract change order with Creative Software Solutions, LLC through November 30, 2018.

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3C. **Authorization for Request for Proposals (RFP) for RideChoice Services**

Staff recommends that the Board of Directors authorize the CEO to issue a federally compliant RFP for a total term of six years (three-year base contract, plus one three-year renewal option) for a qualified firm to operate and manage RideChoice service.

3D. **Comprehensive Annual Financial Report**

Staff recommends that the Board of Directors accept the RPTA Comprehensive Annual Financial Report and Single Audit Reporting Package.

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**REGULAR AGENDA**

4. **Future Agenda Items Request and Report on Current Events**

Chair Klapp will request future agenda items from members, and members may provide a report on current events.

5. **Next Meeting**

The next meeting of the Board is scheduled for **Thursday, April 19, 2018 at 11:00 a.m.**

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 Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at [www.valleymetro.org](http://www.valleymetro.org)
DATE
February 15, 2018

SUBJECT
Public Comment on Agenda Action Items

PURPOSE
The public will be provided with an opportunity at this time to address the Board on all action agenda items. Up to three minutes will be provided per speaker to address all agenda items unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information.

CONTACT
Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None
Chair Klapp called the meeting to order at 11:40 a.m.

1. **Public Comment on Agenda Action Items**

Chair Klapp said we'll begin with Public Comment on agenda items for this particular agenda, and we have a card from Blue.

Mr. Crowley said first, I'd like to comment on a three -- or 3A -- dyslexia, it's not my fault; God did it to me -- and point out that we don't have the reestablishment of the Wickenburg connector and that it needs to be a part of this.

And that why the State has control of when and where we do our rural routes, since in Prop 400 that was a specific, and it didn't say fund these things through the State, and I know how you guys like to get every extra dollar you can, but when we put this plan together, it was not just to have the Gila Bend rural connector 685. It also had the 660.
And it also said we needed to be expanding into all the other reaches of this metropolitan area and, in fact, Maricopa County.

If you live in this county and you're paying taxes on what you're buying, what are you getting for it? And don't tell me that Highway 8 takes care of everybody from south of the Desert Sky because I'm glad that you got the one Route, but we need to be doing more on that.

Onto the funding that you're going to be approving and such, I love that we are going to be doing buses and facilities, but what actually are we doing.

And then on the recommended transit changes, how you're doing the outreach and letting people know. I'm very happy now that you go farther than 67th Avenue. How many of the Board know that we now have an 83rd Avenue bus? You approved it. And it does go through some of your communities as in Surprise and Glendale and Phoenix.

But how long has it taken to get west of 67th Avenue? There are more roadways that do go north and south. And as I stated before, you aren't doing any real outreach until you get those federal documents that people put together and make this Valley use the grid as a part of what it is you are trying to do, which is have a major metropolitan area transit system, one that you would be also not just proud to have made, but one you would be proud to be using, something that I don't feel is now applicable, because does the transit system work for you. And if it doesn't, why haven't you fixed it so it will?

2. **Minutes**

Chair Klapp said the minutes from the November 30, 2017 Board meeting are presented for approval.

**IT WAS MOVED BY COUNCILMEMBER GLOVER, SECONDED BY COUNCILMEMBER HARTKE AND UNANIMOUSLY CARRIED TO APPROVE THE NOVEMBER 30, 2017 BOARD MEETING MINUTES.**

3. **Consent Agenda**

Chair Klapp said the items listed on the Consent Agenda are presented for approval, and I ask if you want to remove anything from the 3A through 3G list for the consent agenda. Anything to be removed? Okay. Then can I have a motion for approval of all of the consent items?

**IT WAS MOVED BY COUNCILMEMBER GLOVER, SECONDED BY VICE MAYOR TOLMACHOFF AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.**

4. **RPTA Fiscal Year 2018 (FY18) Mid-Year Budget Adjustment**

Chair Klapp said the next item on the agenda is our Fiscal Year 2018 Mid-Year Budget Adjustments. And I’d like to have Scott Smith to introduce this item, please.
Mr. Smith said thank you, Madam Chair. I'd like to introduce Paul Hodgins who's the Chief Financial Officer at Valley Metro who will give an overview of the mid-year budget adjustment and request the Board of Directors to authorize that budget adjustment to our operating and capital budgets.

Mr. Hodgins said thank you, Mr. Smith. Madam Chair, Members of the Board, I have a brief presentation on some of the changes that we're looking for the mid-year budget. On the operating budget we're really looking at some changes to our paratransit activities only. It's one of the most challenging areas to forecast.

So, we have on our RideChoice service, I think we're seeing trips lower than we forecasted for this year, so we want to reduce that budget by about $400,000, but on our regional paratransit services, again, we're seeing some significant growth, trips higher than we had planned, also some fuel costs that are a little higher than planned. That's about a $1.7 million-dollar increase, so overall it's about a $1.3 million-dollar increase to the operating budget.

The next slide just shows a quick comparison of funding sources between the adopted fiscal '18 and the revised fiscal '18.

The main changes here are for transit service agreements, which really come from member cities, and then public transportation funds.

A little more detail on the funding changes for both of those services, you can see of the $1.3 million change overall, about just under a million is coming from the public transportation fund and then various sources -- various member city's contributions.

We can't do a lot about demand in the mandated ADA service area, but we do provide some service in areas that are outside that area. So, for those cities we are working with many of them to look at how we can mitigate the impacts, you know, reduce demand a little bit and try to control those costs, shift trips to RideChoice, et cetera.

So, we're more than happy to work with anybody with all of our members to try to mitigate this impact.

Again, a quick comparison between the adopted and revised on uses of funds, again just all in paratransit operations.

We have a few more changes in the capital activities. I won't go through them in detail, but I will say that pretty much all of these changes are timing changes. They're projects that are within our five-year capital budget. They're either deferrals of fleet replacement buses that we had ordered in previous years that are just coming in this year. We need to ensure that the budget is there to pay for it or some advancement. So, these are all within the life cycle program within our five-year budget, so it's really just timing changes.
Overall on the capital activities for the relationship, it's about a $17.5 million-dollar increase, and I will note that most of that is federally funded. For big buses it's about 85 percent federal. Vanpools are up to 100 percent federal.

And we do have some change in the pass-through that we give to Valley Metro Rail for the light rail program. It's actually a decrease of $3.4 million, so that would just go into the fund balance for future light rail projects.

Quick look at the adopted versus revised on the sources of funds, as I mentioned, federal grants would be increased by about $16 million. It covers most of those changes in the capital. Those are all grants that are in hand, so we'll be able to get reimbursement as soon as we pay for the fleet, so they're not future grants. They're all grants in hand.

And again, on the uses of funds, quick comparison, most of it, as I mentioned, is regional fleets, some changes in some other categories. And again, it's just simply timing within our five-year program.

So, Madam Chair, that's a very quick overview of the changes that we're looking for in the mid-year. I'd be happy to answer any questions. We are looking for adoption of the recommendation.

Chair Klapp said do we have anyone with questions, comments? Doesn't appear to be. So with that, could I have a motion for approval of the mid-year budget adjustment?

**IT WAS MOVED BY COUNCILMEMBER GLOVER, SECONDED BY COUNCILMEMBER PETERSON AND UNANIMOUSLY CARRIED TO AUTHORIZE THE MID-YEAR BUDGET ADJUSTMENT FOR THE VALLEY METRO RPTA OPERATING AND CAPITAL BUDGET FOR FY18.**

5. Future Agenda Items Request and Report on Current Events

Chair Klapp said are there any agenda items for future meetings?
Vice Mayor Jones said may I make a quick comment on this last item here?
I understand that the staff received El Mirage and Valley Metro is working together. And I really appreciate the fact that we have a large decrease in our paratransit.

And I just want to make sure that I thank them very much for working with our staff, hoping that we could use that expert now. It's very appreciative from the City of El Mirage. Thank you.

Mayor Sickles said I'm from Wickenburg and I just want to express my appreciation and give a thumbs-up that they're trying to work with the Town of Wickenburg in implementing some kind of transit. Obviously, a lot of the problems, I think, are on the Wickenburg side and not Valley Metro, but we're going to try our best to work through this and see if we can't support something for our community. So I just want to let Blue Crowley know that I'm on it.
Mr. Smith said thank you so very much for those comments. Just to reiterate, we have an interesting setup here. We are, as people constantly remind us, we are not a typical type of regional transit authority or agency because we really are a conglomeration of eighteen very independent yet mutually dependent government entities, cities, towns, and the county.

We are here to serve you. You are our customers. And you bring up -- there are a couple of issues there that where I think that we've worked with the cities and the towns to try and address some very, very important issues. And no matter how big or how small you are, I think you'll find that our staff is ready and willing to reach out and to help solve issues.

We have one issue that I'm surprised there weren't questions about it, because it's an issue that we have been struggling with as a region, and we will continue to struggle with and that is our paratransit.

And I just want to put some things on the radar. For example, we are working with some of you on those budgetary situations. We are working diligently with the county, for example.

And one thing that we've done, and I think we've offered to other cities, we've actually gone in through our data and GIS Department, we've actually gone in and plotted for them digitally where their service is provided so they can find out where people are getting picked up, where people are getting dropped off. And I think there were a few surprises. I know at the county staff there were surprises as to exactly where they were providing the service.

We have -- really have a patchwork of paratransit. I think you've been shown sometimes the different spreadsheets, the matrices we have about the different rules we operate under, the different programs that are operated by cities. We start with that -- I don't know if you remember -- that shaded area, which is the mandated paratransit service area. And that is anything within a three-quarter mile on an established line.

Wherever you are in this valley, I guarantee you you're operating under some level of service that goes beyond that. And it's different from what Maricopa County offers than what Mesa offers and what any other city offers. And we try to bring these all together, which is difficult in and of itself.

It was easier said and done before we started regional paratransit services. And let me tell you what is happening, because as we prepare for next year's budget, there is a phenomenon where we are, whether we like it or not, we are morphing into a more of a regional paratransit system as opposed to this patchwork.

And that's creating some planning issues and it's creating some rules issues and other things, because now when we were just talking to Vice Mayor Jones today, two years ago a person in El Mirage really didn't have the ability to get on paratransit and take it to Tempe. Couldn't do that, because they would have had to change twice on their way,
so it just didn't happen. Now you can do that, because of the regional paratransit system.

In many ways our service lines have been eliminated. We don't see city lines in a lot of our transit because of the regional nature. That's changed our riders' behavior. And it has created more of a demand as people really they can now take paratransit to different areas. That's a good thing. That's why the region did that, but it has implications as it relates to our operations and our budgeting.

So, as we go forward, we'll be working with your individual staffs and answer any question you might have as to how this might impact and how it has impacted the riders in your community, what your specific rules and guidelines, for example, whether you provide service only within the mandated area, which is ADA qualified and certified in the mandated area, or whether you move beyond that, for example, offering paratransit to seniors, which is not a required service.

Offering paratransit outside the three-quarter boundary, which is not required. It's something that individual cities and the county have decided by their choice to provide.

The added atmosphere is changing. And we all know that once you provide a service it's extremely difficult, especially this kind of on-demand service, it's extremely difficult, if not impossible, to eliminate. And we don't want to because we're providing great service to a lot of people who otherwise wouldn't have it, but also there has to be some understanding and some control.

We have different ideas as to how we might better control the cost while continuing to provide those services, and that is a work in progress. And as we develop some more detailed data as to where our riders are and where they're going in each individual city and the county, we'll be in a better position to provide you with the data so that you can take it back to your council and decide on a policy level what you want to provide and how that matches with your budget.

As of right now, we're sort of in a freewheeling thing, because unlike a fixed route bus service, I can tell you exactly what it costs us to run a bus line from Point A to Point B, whether there's one person on board or fifty people, it basically costs us the same.

I can't tell you with any true certainty on Dial-A-Ride or paratransit because whenever someone picks up the phone and calls we show up to provide service. It's an on-demand service and that has ebbs and flows. And it also depends on where people want to go and where we are willing to take them.

So, as we move on over the next few months and we get into the next budget cycle, we'll be working closely with your staff to narrow that down to try and create alternatives, whether it be through expanded or not expanded RideChoice options, other control options, and things that you'll have so that when you go through your next budget, we'll have a little bit more, if not certainty, we'll at least know where the area is, because we don't like these mid-year budget surprises any more than you do. It's no
fun for Paul to show up and say, oh, by the way, El Mirage, you're $81,000 over and, gee, we wish we would tell you it was different, but it's not. That's not fun.

It was fun to tell Mesa that they got sort of a rebate because they didn't have as much demand, but that shows you how random it can be. One area has a spike in demand, the other area has a decrease in demand.

So, we'll be talking about this regionalization of really what our service is becoming as the lines between cities and even areas and regions disappear in our customer lines and how we deal with that going forward.

That was probably a little bit more than you wanted to know, but I wanted to give you the heads-up that, number one, that is an issue in the budget-it's probably one of our biggest issues-but, number two, that we're working on it diligently and our staff, whether it be through Rob Antoniak and through some recent staff changes - Rob Antoniak that's in his area. He and Ron Brooks, they're sitting over there together - work with your staffs to really try and come up with as much information as they can so we can work together to provide some solutions. And we will continue to do that. Okay. Thank you. Chair Klapp said thank you and are there any further comments on this issue? Okay.

Let's move on to future items, if you have anything you would like to add to the agenda or you want to inform the Board on anything that's happening in your cities? Okay. And I will remind you that our next meeting will be at 12:15, not 11:15, on Thursday, February 22.

With no further discussion the meeting adjourned at 11:58 a.m.
Information Summary

DATE
February 15, 2018

AGENDA ITEM 3A

SUBJECT
Marketing Materials Storage and Delivery Service Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a 5-year contract with two 1-year options with Hot Shot Logistics, Inc. for marketing material storage and distribution services in an amount not to exceed $185,250.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro currently needs storage and distribution services to meet the marketing demands of the Agency’s various lines of business and initiatives. The storage space at the corporate offices is limited, making receiving or store of large deliveries a challenge.

The selected vendor is required to have the warehouse capacity and facility to store and contain the Transit Book order and other Valley Metro marketing materials. The scope of work for this service includes:

1.) Receiving, storage and distribution of Valley Metro Transit Books

2.) Receiving, storage, distribution and posting of other Valley Metro Marketing Materials

3.) Marketing material receiving notifications, monthly inventory, online fulfillment, regular office hours and climate controlled storage

Proposals were due to Valley Metro on November 8, 2017. One proposal was received from Hot Shot Logisticis, Inc.

A three-member evaluation committee was comprised of Valley Metro staff. The committee evaluate the single proposal received using the evaluation criteria listed below:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualifications &amp; Experience of the Firm</td>
<td>200</td>
</tr>
<tr>
<td>Qualifications &amp; Experience of Assigned Personnel</td>
<td>100</td>
</tr>
<tr>
<td>Understanding/Approach to the Scope of Work</td>
<td>300</td>
</tr>
<tr>
<td>Price</td>
<td>400</td>
</tr>
<tr>
<td><strong>Total Points Available</strong></td>
<td>1,000</td>
</tr>
</tbody>
</table>
After review and scoring of the proposal, the evaluation committee identified Hot Shot Delivery, Inc. as meeting Valley Metro’s requirements. An independent cost estimate and price analysis was completed. The proposed price was deemed fair and reasonable based on comparison to the independent cost estimate, current contract and industry market pricing. The following table shows the firm’s ranking on the basis of total points:

<table>
<thead>
<tr>
<th>Proposer Scores by Points and Rank Order</th>
<th>Technical Points</th>
<th>Price Points</th>
<th>Total Points</th>
<th>Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Shot Logistics, Inc.</td>
<td>486</td>
<td>400</td>
<td>886</td>
<td>1</td>
</tr>
</tbody>
</table>

**COST AND BUDGET**

The RPTA contract amount for the five-year marketing material storage and delivery services contract is an amount not to exceed $185,250 plus an additional $18,525 (10%) contingency. The amount for future contract extensions will be determined at the time they are executed.

All costs identified herein are within the Marketing Materials Storage and Delivery Service cost forecast and are included in the FY 2018 RPTA Adopted Operating Budget. Contract Obligations beyond FY 2018 are incorporated into the RPTA Five-Year Operating Forecast and Capital Program (FY 2018 – FY 2022).

**STRATEGIC PLAN ALIGNMENT**

This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation
  - Tactic A: Operate an effective, reliable, high performing transit system

**COMMITTEE PROCESS**

RTAG: January 16, 2018 for information
TMC: February 7, 2018 approved
Board: February 22, 2018 for action

**RECOMMENDATION**

Staff recommends that the Board of Directors authorize the CEO to execute a 5-year contract and two 1-year options with Hot Shot Logistics, Inc. for marketing material storage and distribution services in an amount not to exceed $185,250 plus and additional amount $18,525 (10%) contingency.

**CONTACT**

Rob Antoniak
Chief Operating Officer
602-495-8209
rantiak@valleymetro.org

**ATTACHMENT**

None
Information Summary

DATE
February 15, 2018

AGENDA ITEM 3B

SUBJECT
RideChoice Services Contract Change Order

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to extend the term of the Contract between Valley Metro and Creative Software Solutions, LLC, to November 30, 2018 in order to permit ample time to conduct a federally compliant Request for Proposals solicitation process for operation and management of RideChoice services.

BACKGROUND/DISCUSSION/CONSIDERATION
In 2013, Valley Metro executed a contract with Creative Software Solutions LLC (doing business as MJM Innovations) for the management and operation of the Valley Metro RideChoice program. The current contract is set to expire on March 23, 2018 and there are no available contract extensions. Staff is developing a federally compliant “Request for Proposals” (RFP) to re-procure these services. This contract extension is being sought in order to allow sufficient time to complete the procurement.

Additionally, this extension ensures Valley Metro is not making service changes during the hottest summer months, reducing the effects of potential service impacts resulting from new technology and/or service providers.

COST AND BUDGET
Staff is currently projecting an unspent contract balance to be approximately $2.4 million on March 23, 2018 and approximately $1.7 million on November 30, 2018. As a result, we are not requesting any additional contract funding.

All RideChoice expenses are within the FY 2018 Valley Metro Operating and Capital Budget and Five Year Operating and Capital Forecast. This change order is for the period of March 23, 2018 through November 30, 2018 and the cost of service to be provided under this change order is estimated to be $776,000.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016-2020:

- Goal 1: Increase customer focus
  - Tactic C: Enhance customer service to member cities.
• Tactic E: Enhance service and facilities for seniors and people with disabilities.
• Goal 2: Advance performance-based operations
  • Tactic A: Operate an effective, reliable, high performing transit system.

COMMITTEE PROCESS
RTAG: January 16, 2018 for information
TMC: February 7, 2018 approved
Board: February 15, 2018 for action

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a contract change order with Creative Software Solutions, LLC through November 30, 2018.

CONTACT
Ron Brooks
Manager of Accessible Transit Services
602.716.2107
rbrooks@valleymetro.org

ATTACHMENT
None
Information Summary

DATE
February 15, 2018

AGENDA ITEM 3C

SUBJECT
Authorization for Request for Proposals (RFP) for RideChoice Services

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to issue a federally compliant RFP for a potential six-year contract (three-year base with one three-year option) for the operation and management of the Valley Metro RideChoice program.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro RideChoice provides taxi service at a discounted rate to qualified seniors and people with disabilities in participating communities. RideChoice enables customers to preload funds onto an electronic fare card used to authorize and pay for these trips. RideChoice service costs less than ADA mandated paratransit service, and in most cases, it is easier and more flexible for customers.

Valley Metro member cities electing to participate in the RideChoice program include Chandler, Fountain Hills, Gilbert, Mesa, Surprise and Tempe.

In July 2017, RideChoice customers were allowed to take more trips than previously permitted. These programmatic changes implemented in conjunction with Valley Metro moving to a shared-ride paratransit program, have begun to slow the growth in demand for paratransit service and to increase the demand for the more cost-effective and flexible RideChoice program.

The growth in RideChoice represents a positive development for Valley Metro, our member agencies and our customers. However, the RideChoice program is operating in a rapidly evolving transportation landscape, so the RFP will solicit proposals from qualified firms who can address the following:

- Incorporate a spirit of innovation making it possible for the program to evolve as transportation providers and technologies continue to change.
- Provide a scalable program, so new communities can join at any time.
- Expand service options to include popular ride sourcing technologies such as Uber and Lyft, as well as traditional taxicabs and accessible vehicle operators.
- Empower customers to arrange and check on service by phone, internet and smart phones.
- Enable customers to access RideChoice through the Valley Metro website or RideKick mobile app.
• Create the opportunity for customers to use RideChoice in conjunction with other Valley Metro service offerings, including bus, light rail and ride matching services.
• Provide data, reports and other tools permitting customers to better review and manage their RideChoice accounts.
• Ensure driver training, dispatcher training, and supervision promoting safety, reliability and positive customer service.
• Provide data, reports and other tools allowing Valley Metro and participating member agencies to analyze RideChoice demand, service patterns and other critical program metrics and data.

The RFP will use the “best value” selection method. Firms will be evaluated based on technical merit, innovation and the reasonability of the total six-year price. Staff plans to release the RFP in March 2018 with a contract award recommendation anticipated for board approval in the summer of 2018. This schedule will necessitate an extension to Valley Metro’s current contract with Creative Software Solutions, LLC (doing business as MJM Innovations). Staff is requesting that extension through a separate Board action.

COST AND BUDGET
Contract obligations will be incorporated into the FY19 Valley Metro Operating and Capital Budget and the Five-Year Operating Forecast and Capital Program. At this time the six-year cost and budget is an order of magnitude estimate of $18 million.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016-2020:

• Goal 1: Increase customer focus
  o Tactic A: Improve customer satisfaction.
  o Tactic C: Enhance customer service to member cities.
  o Tactic E: Enhance service and facilities for seniors and people with disabilities.

• Goal 2: Advance performance-based operations
  o Tactic A: Operate an effective, reliable, high performing transit system.

COMMITTEE PROCESS
RTAG: January 16, 2018 for information
TMC: February 7, 2018 approved
Board of Directors: February 22, 2018 for action

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to issue a federally compliant RFP for a total term of six years (three-year base contract, plus one three-year renewal option) for a qualified firm to operate and manage RideChoice service.
CONTACT
Ron Brooks
Manager of Accessible Transit Services
602.716.2107
rbrooks@valleymetro.org

ATTACHMENT
None
Information Summary

DATE
February 15, 2018

AGENDA ITEM 3D

SUBJECT
Fiscal Year 2017 (FY17) Regional Public Transportation Authority (RPTA) Comprehensive Annual Financial Report (CAFR) and Single Audit Reporting Package (SARP)

PURPOSE

BACKGROUND | DISCUSSION | CONSIDERATION
CliftonLarsonAllen LLP, Certified Public Accountants, has completed the audits of the financial statements and Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2017. Valley Metro's has complied with both state and federal statutory audit requirements as well as adhered to Generally Accepted Accounting Principles in financial reporting. The Comprehensive Annual Financial Report demonstrates Valley Metro’s commitment to the highest standard of financial reporting for a governmental entity. The accompanying report is submitted for review and acceptance.

In performing the audit of the financial statements, CliftonLarsonAllen LLP considered internal controls in order to determine auditing procedures for the purpose of expressing opinions on the financial statements fair presentation, in all material respects, of the financial position of RPTA and not to provide an opinion on the organizations internal controls.

The auditors identified one issue which resulted in a prior period adjustment and a finding of material weakness in internal controls. Accumulated depreciation on fixed assets within the business-type activities had been understated, resulting in Net Position being overstated by $2.2 million. The beginning balance of accumulated depreciation is $88.1 million, restated from $85.9 million. The discrepancy was considered material which required the restatement. Management has taken corrective actions to ensure the proper controls are in place to prevent a recurrence.

Valley Metro RPTA’s Comprehensive Annual Financial Report for FY17 received an unmodified opinion. RPTA received the GFOA Certificate of Excellence for the FY16 CAFR, which demonstrates the agency’s commitment to the highest standard of financial reporting for a government entity. Attached are copies of the various Auditor’s reports, the finding and RPTA’s corrective action plan.
The complete reports are available on the Valley Metro website at the following URL: https://www.valleymetro.org/finance-budget-reports

COST AND BUDGET
None

COMMITTEE PROCESS
AFS: January 11, 2018 for approved
RTAG: January 16, 2018 for information
TMC: February 7, 2018 approved
Board of Directors: February 22, 2018 for action

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:
Goal 2: Advance performance based operation
  o Tactic E: Maintain strong fiscal controls to support Valley Metro’s long-term sustainability.

RECOMMENDATION
Staff recommends that the Board of Directors accept the FY17 Comprehensive Annual Financial Report and Single Audit Reporting Package.

CONTACT
Paul Hodgins
Chief Financial Officer
602-523-6043
phodgins@valleymetro.org

ATTACHMENT
• Excerpt from Comprehensive Annual Financial Report FY17
  o Independent Auditor’s Report
• Excerpts from Single Audit Report FY17
  o Independent Auditor’s Report on Compliance for Major Federal Programs
  o Independent Auditor’s Report on Internal Control
    § Finding of Material Weakness
    § Corrective Action Plan
INDEPENDENT AUDITORS’ REPORT

Board of Directors
Valley Metro Regional Public Transportation Authority
Phoenix, Arizona

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Valley Metro Regional Public Transportation Authority (Authority), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.
Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund, of Valley Metro Regional Public Transportation Authority as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter
During the year ended June 30, 2017, net position was restated in the Transit Service Operation Fund and net position in the Business-Type Activities for a correction of an error (see Note 2). Our auditors’ opinion was not modified with respect to the restatement.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis and the Required Supplementary Information – Schedule of the Authority’s Proportionate Share of the Net Pension Liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority’s basic financial statements. The accompanying supplementary information which include the Introductory Section, Other Supplementary Information – Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information – Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information – Combining and Individual Fund Financial Statements and Schedules is fairly stated in all material respects in relation to the basic financial statements as a whole.
The introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2017, on our consideration of Valley Metro Regional Public Transportation Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Valley Metro Regional Public Transportation Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Valley Metro Regional Public Transportation Authority's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

Phoenix, Arizona
December 22, 2017
Board of Directors
Valley Metro Regional Public Transportation Authority
Phoenix, Arizona

Report on Compliance for Each Major Federal Program
We have audited Valley Metro Regional Public Transportation Authority's (the Authority) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority’s major federal programs for the year ended June 30, 2017. The Authority’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors’ Responsibility
Our responsibility is to express an opinion on compliance for each of the Authority’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority’s compliance.
Opinion on Each Major Federal Program
In our opinion, Valley Metro Regional Public Transportation Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance
Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Authority as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements. We issued our report thereon dated December 22, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP
Phoenix, Arizona
December 22, 2017
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Valley Metro Regional Public Transportation Authority
Phoenix, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Valley Metro Regional Public Transportation Authority (the Authority), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated December 22, 2017.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal controls described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a material weakness.
Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Phoenix, Arizona
December 22, 2017
Valley Metro Regional Public Transportation Authority respectfully submits the following corrective action plan for the reported finding for the fiscal year ended June 30, 2017.

The finding is numbered consistently with the number assigned in the June 30, 2017 single audit report.

2017 – 001
Condition/Context: Beginning net position of the Transit Service Operations Enterprise Fund financial statements and the Business-Type Activities financial statement for an understatement of accumulated depreciation in prior years.

Corrective Action Plan: Management shall implement capital asset reconciliation processes and procedures for all capital asset activity (additions, disposals, accumulated depreciation, beginning and ending balances, etc.). Reconciliation processes and procedures will be communicated to appropriate Finance team members.

Anticipated Completion Date: January 31, 2018

Name of Contact Person: Paula Novacek, Controller
SECTION II – FINANCIAL STATEMENT FINDINGS

2017 – 001

Condition/Context: Beginning net position of the Transit Service Operations Enterprise Fund financial statements and the Business-Type Activities financial statement for an understatement of accumulated depreciation in prior years.

Criteria: Internal control weakness over capital asset accounting and financial statement preparation in accordance with generally accepted accounting principles.

Effect: Accumulated depreciation was understated by $2.2 million in previous years, resulting in an overstatement of the ending net position of the Transit Service Operations Fund and Business-Type Activities financial statements.

Cause: During the year-end closing procedures, the Authority had noted that there were differences between the general ledger and the capital assets module. Upon investigation, it was determined that the error was specific to assets initially placed into service and depreciated that had additional costs added to the asset value in subsequent years. Both the original asset value and the additional costs were being appropriately depreciated in the capital asset management system; however, the reports that were produced for financial reporting purposes excluded the annual depreciation expense of the additional asset. As a result, in prior years the annual depreciation expense recorded in the general ledger was understated.

Recommendation: In order to strengthen internal controls over capital assets and financial reporting, a reconciliation of asset costs, annual depreciation and accumulated depreciation should be completed. The reconciliation should include reconciling accumulated depreciation, annual depreciation and asset disposals to the previous years reported balances. Any variances should be investigated and resolved.

Views of Management: Management concurs with this finding and recommendation.

Contact Person: Paula Novacek, Controller

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted
Information Summary

DATE
February 15, 2018

AGENDA ITEM 4

SUBJECT
Future Agenda Items Request and Report on Current Events

PURPOSE
Chair Klapp will request future agenda items from members, and members may provide a report on current events.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

STRATEGIC PLAN ALIGNMENT
None

RECOMMENDATION
This item is presented for information only.

Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None

Pending Items Request

<table>
<thead>
<tr>
<th>Item Requested</th>
<th>Date Requested</th>
<th>Planned Follow-up Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>
1. **Public Comment On Agenda Action Items (Blue Card)**

The public will be provided with an opportunity at this time to address the Board on all action agenda items. Up to three minutes will be provided per speaker to address all agenda items unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

2. **Minutes**

Minutes from the January 19, 2018 Board meeting are presented for approval.

### CONSENT AGENDA

3A. **Motor and Center Truck Overhaul Program Contract Award**

Staff recommends that the Board of Directors authorize the CEO to execute a sole source contract with Hutchinson Aerospace & Industry, Inc. in an amount not to exceed $239,000 to provide parts necessary for a Motor and Center Truck overhaul program for the light rail vehicles.

3B. **Tempe Streetcar Project Third Party Utility Agreements**

Staff recommends that the Board of Directors authorize for the CEO to execute work orders with third party utility companies for their construction activities on the Tempe
Streetcar project for an amount not to exceed $6,525,000 plus an additional $652,500 (10%) for contingency.

3C. **Tempe Streetcar Design Contract Authority Modification**

Staff recommends that the Board of Directors authorize the CEO to increase the Tempe Streetcar design contract authority by up to $1,350,000.

3D. **Comprehensive Annual Financial Report**

Staff recommends that the Board of Directors accept the Comprehensive Annual Financial Report and Single Audit Reporting Package.

### REGULAR AGENDA

4. **Future Agenda Items Request and Report on Current Events**

Chair Glover will request future Board agenda items from members and members may provide a report on current events.

5. **Next Meeting**

The next meeting of the Board is scheduled for **Thursday, April 19, 2018 at 11:00 a.m.**

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 Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at [www.valleymetro.org](http://www.valleymetro.org)
Information Summary

DATE
February 15, 2018

SUBJECT
Public Comment on Agenda Action Items

PURPOSE
The public will be provided with an opportunity at this time to address the Board on all action agenda items. Up to three minutes will be provided per speaker to address all agenda items unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COST AND BUDGET
None

STRATEGIC PLAN ALIGNMENT
None

COMMITTEE ACTION
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None
Minutes
February 15, 2018

Agenda Item 2

Board of Directors
Thursday, January 19, 2018
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:15 a.m.

Meeting Participants
Scott Butler for Councilmember Chris Glover, City of Mesa (Chair)
Councilmember Thelda Williams, City of Phoenix (Vice Chair)
Councilmember Kevin Hartke, City of Chandler
Councilmember Laruen Tolmachoff, City of Glendale
Andrew Ching for Vice Mayor Robin Arredondo-Savage, City of Tempe

Chair Williams called the meeting to order at 11:58 a.m.

1. Public Comment on Agenda Action Items

Mr. Crowley said feeling that theirs was over, according to your rules, I thought I could head back and talk to them and I hope that according to the little flyer that you had going at the beginning of the meeting that when Ms. Tolmachoff and I discussed her license plate in the elevator that it isn't a violation of your policy not to approach members of the committee, so I need you to get that b-s off of that thing. I don't know why you paid to have it done. I mean, really, you've got on officer there in case the public gets out of hand.

But I have to talk about the action items and -- oh, yeah, and the Minutes. I did bring that up before, and I wish that you would have addressed it.

We have in here the expenditures, and I'm looking at some of them, and Phoenix said that they would get back to me, but when you guys are putting this thing in, I said, you got to make it so that you can put stops wherever. And now when I see that it's going to cost a million and a third dollars to buy some land around.

Well, the easements that you should have already acquired as a part of the system, I just go, where and what is happening here.

Then also, when you got all these different lines and you said in the City of Phoenix we're going to have to four lines. And I started looking at other communities and went,
when they have multiple lines going into a -- oh, they have a switch to get the one train onto a different line. They can switch them by having little cuts and doing that and they also have roundhouses that turn them around to get the thing done. So when I see that the City of Phoenix says the only way we can do the multiple lines coming into the city is they all have to be independent of each other so we don't get confused. How much extra money are you going to be spending, Phoenix? And why can't you do it right, as in when they come into that multiple area, have a switch to where there's a cut that makes it accessible.

Also, when are you going to start taking this into a future. The way you've got it going down the road is just straight electricity. When are you going to realize that maglev would be cheaper, faster and better, because it even stops better with mag levitation, because when the magnets turned off, it stops, so just a thought. Give you back thirteen seconds of your lives. Would you please get the job done right?

Chair Glover said thank you, Blue.

2. **Minutes**

Chair Glover said the next item on the agenda are the Minutes. The Minutes from the November 30, 2017 Board meeting are presented for approval. Can I get a motion and a second to approve the Board meeting Minutes from November 30, 2017?

**IT WAS MOVED BY VICE MAYOR TOLMACHOFF, SECONDED BY COUNCILMEMBER HARTKE AND NUMINOUSLY CARRIED TO APPROVE THE NOVEMBER 30, 2017 BOARD MEETING MINUTES.**

3. **Intergovernmental Agreements (IGAs) with the City of Phoenix for Federal Transit Administration Pass-Through Grants**

Chair Glover said Mr. Smith, if you would like to introduce this item.

Mr. Smith said Chair, this is just an administrative item. Phoenix is the designated recipient is the one that receives federal grants and then we -- it passes through to Valley Metro, and we have to implement an intergovernmental agreement to enable those funds to flow through, so this is taking care of the funds -- grants that have already been granted. And it completes the paperwork loop on that.

Chair Glover said thank you. Can I get a motion and a second to authorize the CEO to execute the IGAs and change order with the City of Phoenix for the listed grants?

**IT WAS MOVED BY COUNCILMEMBER HARTKE, SECONDED BY VICE MAYOR TOLMACHOFF AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE IGAS AND CHANGE ORDER WITH THE CITY OF PHOENIX FOR THE LISTED GRANTS.**
4. **Valley Metro Rail Fiscal Year 2018 (FY18) Mid-Year Budget Adjustment**

Chair Glover said the next item on the agenda is the Valley Metro Fiscal Year 2018 Mid-Year Budget Adjustment. Mr. Smith, if you would like to introduce this item.

Mr. Smith said thank you, Chair. And I'd like to, once again, introduce Paul Hodgins.

Mr. Hodgins said Chair, members of the Board, again, a brief presentation on some of the mid-year budget changes in the Valley Metro Rail operating budget. We have some changes to rail operations primarily related to the Respect the Ride Code of Conduct, but we are reducing the contingency within rail ops. So there's no impact to any of the member city contributions or the overall project budget.

We are increasing the planning budget related to the Northwest Phase II. That project is moving quickly as we try to complete the environmental and preliminary design work to, I think, to about 30 percent. That's just really advancing funds from the end of this fiscal year from the future.

And a quick comparison of the sources of funds, the changes are all related to Prop 400 PTF sales tax. They do not affect member cities, as I mentioned.

And on the uses, again just a $3.1 million dollar change to the future project development planning budget.

We have a few more changes on the capital budget we're proposing. There are two concurrent non-project activities. Those are typically funded by the cities, so those would be new into the budget, but I will say all of the other changes we're proposing are simply timing changes, either advancing from next year or deferring into next year based on how the project is moving along. Overall, it's a decrease of approximately $9.4 million for the capital budget.

Quick summary of the changes in revenues, as I mentioned, it's a decrease. There's a slight increase in member city funding and a decrease in federal and PTF. On the uses of funds, it just varies based on which projects we're talking about.

So just a very quick overview. As I mentioned, most of them are just timing changes. We would look for your approval on the mid-year budget adjustment. And I'd be happy to answer any questions you might have.

Chair Glover said thank you. Do any Board members have any questions? Being none, can I get a motion and a second to approve the Mid-Year Budget Adjustment Update to the Valley Metro Rail operating and Capital Budget for Fiscal Year 2018?
IT WAS MOVED BY VICE MAYOR TOLMACHOFF, SECONDED BY COUNCILMEMBER HARTKE AND UNANIMOUSLY CARRIED TO APPROVE THE VALLEY METRO RAIL MID-YEAR BUDGET ADJUSTMENT UPDATE TO THE VALLEY METRO RAIL OPERATING AND CAPITAL BUDGET FOR FY18.

5. **Artsline Update**

Chair Glover said we have an ArtsLine update.

Mr. Smith said I want to give you a quick update as to some of the activities we're doing to really integrate our light rail more into the community.

We recognize that light rail is more to our community than just getting people from Point A to Point B. It has driven economic development. It's changed social patterns. It's changed living patterns.

What it's also done is it's connected communities in ways that we've never been connected before.

One of the things, if you look at just the line and what it passes and what it goes through, is it really, whether you go from Mesa through Tempe into Phoenix up Central Avenue and that, many of the great arts and cultural iconic institutions, houses, buildings, whatever are literally along our line.

So, the idea is that we could take advantage of this to truly, once again, more integrate what we are as a light rail system with what the community has to offer. And the ArtsLine was one idea that came up.

And I'll now turn it other to Hillary to give you on update as to what exactly that means and why we believe that it will be beneficial for us to start branding what we connect with the arts community. Hillary.

Ms. Foose said thank you, Scott. Mister Chair, members of the Board, thank you.

We're excited about this initiative, this branding initiative. We have an amazing baseline of public art on our system that many of you have seen over the years. This is an example of one of our newer stations on 19th Avenue in Phoenix.

But MB Finnerty and her team as part of Wulf Grote's group has really built an amazing baseline for how we can really evolve this ArtsLine brand concept. Thanks to our amazing public art.

ArtsLine is being established and being moved forward through a variety of means and more to come.
One of the opportunities that we have, we have a lot of walls. We build a lot of things and we have a lot of walls, and so we’re using one of our more prominent walls at our Roosevelt and Central Station to feature local public artists.

This is one of our most recent installments. It’s Roosevelt and Central Station is also connected to many First Friday and arts-related events, so it’s a great environment for featuring local art and artists.

In addition, Scott mentioned this earlier, we also have already within our programs, we have local youth art contests. And this is an example of one of our Design A Transit Wrap, which is the high school-age youth contest that Scott mentioned at the front end of the meeting. It creates a beautiful forum to feature young local artists and helps beautify the area that we’re operating within.

We also host several arts and culture related events. Again, with the spaces that we do have, this is an example of the 19th Avenue and Camelback World Bazaar. This happens twice a year at our Park-and-Ride at 19th Avenue and Camelback in Phoenix. It is a beautiful event, as you can see from this photo. It really features local artists and artisans within that neighboring community, and it's hugely diverse in that area more than we maybe even think of featuring food and cuisine and local art from all over the world as well as performances. And we're really happy to host this twice a year. And we would love to expand this type of event in other areas along our system.

And then Scott mentioned this earlier, it very much piggybacks on some of the things we were talking about today. In addition to arts and culture, it's also about creating opportunities for entertainment and family time.

So, this is a photo from one of our Polar Express events in downtown Mesa this year. It creates an opportunity for people to explore the rail system in ways beyond just riding from Point A to Point B but really being part of the community.

And I just love this photo. This is actually a fairly well-known local artist in downtown Phoenix. Without us even participating, Valley Metro Rail is certainly becoming a part of the fabric of the local community. And this is actually a mural at his home. He has art in his life everywhere. And so you can see rail has incorporated into such a positive piece.

And ArtsLine will continue to grow and evolve and here are some of the ways that we want to do that are listed here: We certainly want to continue the partnerships to help build events and programming.

We also want to cooperate with our cities. I know that you have many great programs within your own organizations that we'd love to partner with.
We also, as Scott mentioned, it will help generate positive ridership momentum. And we're also talking about more temporary public art, Roosevelt and Central Station being the example, but even temporary public art as it relates to our future extensions.

So, when we're in construction, we can -- there's a lot of opportunities to help make construction move a little more smoothly as we have some temporary public art forums during those phases of construction as well.

That concludes my presentation. I'm happy to answer any questions.

Chair Glover said are there any questions? Thank you, Hillary.

6. **Future Agenda Items and Request and Report on Current Events**

Chair Glover said the next item on the agenda is Future Agenda Items Request and Report on Current Events. Is there anything that a member would like to request to put on a future agenda?

Hearing none our next meeting is Thursday, February 22 at 12:15 p.m.

Thank you. Have a great day.

With no further discussion the meeting adjourned at 12:13 p.m.
Information Summary

DATE: February 15, 2018

AGENDA ITEM 3A

SUBJECT: Motor and Center Truck Overhaul Program Contract Award

PURPOSE:
To request authorization for the Chief Executive Officer (CEO) to execute a sole source contract with Hutchinson Aerospace & Industry, Inc. in an amount not to exceed $239,000 to provide parts necessary for a Motor and Center Truck overhaul program for the light rail vehicles.

BACKGROUND | DISCUSSION | CONSIDERATION:
The current age of the light rail vehicles is 10 years in revenue service with an average mileage of each vehicle being approximately 470,000 miles. There are currently 50 light rail vehicles (LRVs) in the total fleet and have been in revenue service for ten years. The purpose of the overhaul is to keep the equipment in a state of good repair and to maintain safe and reliable operation.

The contractor(s) will provide parts to overhaul components of the motor and center trucks that include the primary and secondary suspension components including bolster anchors and lateral stops. The contractor will provide all the necessary parts and materials to complete this portion of the overhaul program.

This is a materials/parts only requirements contract. All labor will be done in house by Valley Metro Rail staff.

The recommended vendor is Hutchinson Aerospace & Industry, Inc and is a sole source procurement because they are the only provider of these parts that have currently been tested and approved by the original equipment manufacturer (OEM) of the light rail vehicles.

An independent cost estimate and a sole source justification including a cost comparison and price analysis have been completed. The cost comparison and price analysis were completed by comparing pricing from other transit agencies that have procured similar parts. The proposed price has been deemed fair and reasonable based on the price analysis.

COST AND BUDGET:
The cost for the parts being purchased from Hutchinson Aerospace & Industry, Inc is for a total amount of $239,000. The cost for the purchase of the parts is included in the
Valley Metro Rail Adopted FY 2018 Operating and Capital Budget. Contract obligations beyond FY 2018 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2018 thru FY2022). This project is being funded with Prop 400 funds.

COMMITTEE PROCESS
RTAG: January 16, 2018 for information
RMC: February 7, 2018 approved
Board of Directors: February 22, 2018 for action

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation
  - Tactic A: Operate an effective, reliable, high performing transit system

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a sole source contract with Hutchinson Aerospace & Industry, Inc. in an amount not to exceed $239,000 to provide parts necessary for a Motor and Center Truck overhaul program for the light rail vehicles.

CONTACT
Ray Abraham
Chief Operations Officer
602-652-5054
rabraham@valleymetro.org

ATTACHMENT
None
DATE
February 15, 2018

AGENDA ITEM 3B

SUBJECT
Tempe Streetcar Project Third Party Utility Agreements

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute work orders with third party utility companies for their construction activities on the Tempe Streetcar project for an amount not to exceed $6,525,000 plus an additional $652,500 (10%) for contingency.

BACKGROUND | DISCUSSION | CONSIDERATION
The Tempe Streetcar project will add three miles of Tempe Streetcar route along Rio Salado Parkway from Marina Heights development west to Mill Avenue, downtown loop on Mill Avenue and Ash Avenue and south to Apache Boulevard, then east to Dorsey Lane. In spring 2015, the Tempe City Council approved the recommended stop locations and the route was also approved by the Valley Metro Rail Board and the Maricopa Association of Governments.

To date, contracts for this project have been awarded for streetcar vehicles, the design consultant, Construction Manager at Risk and public art services. Project design is beyond 60% completion and early utility relocation work is underway. Also, in November 2016 the Board authorized expenditure of $1,689,105 for third party utility companies to complete their design activities on the Tempe Streetcar project.

Valley Metro has initiated master agreements with all affected utility companies for relocation of their lines to make way for future transit projects. These agreements not only encompass the Tempe Streetcar project, but also apply to other Valley Metro capital projects throughout the metropolitan area. Within these master utility agreements, it was agreed that work orders would be initiated for design and construction of individual transit projects.

An important next step in the Tempe Streetcar project’s development is to authorize construction activities for required utility relocations. In order to commence this work, work orders are needed with the following third party utility companies: Air Products, APS, AT&T, AT&T/TCA, CenturyLink, Cox Communications, LEVEL3, Private Irrigation, SRP Electric, SRP Water Irrigation, Southwest Gas, Telecom Group (TCG), Union Pacific Railroad and ZAYO. Issuance of these work orders requires Board approval.
COST AND BUDGET
The Tempe Streetcar project is funded using regional Public Transportation Funds, local funds, and federal grant dollars. The cost for third party utility work is included in the overall budget established for the project.

Current estimated utility relocation expenditures for construction by company are outlined in the following table. The table also identifies an additional 10% contingency to be held by Valley Metro staff for unforeseen circumstances.

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<thead>
<tr>
<th>Utility Company</th>
<th>Estimated Relocation Total</th>
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<tr>
<td>AIR Products (Nitrogen Gas)</td>
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<td>Cox Communications</td>
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<td>LEVEL3 (Telecom Providers)</td>
<td>$100,000</td>
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<tr>
<td>Private Irrigation (Private/Tempe Users)</td>
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</tr>
<tr>
<td>Salt River Project Electric</td>
<td>$500,000</td>
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<tr>
<td>Salt River Project Water (Irrigation)</td>
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<td>Southwest Gas</td>
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<tr>
<td>Telecom Group (TCG)</td>
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<td>Union Pacific Railroad</td>
<td>$150,000</td>
</tr>
<tr>
<td>ZAYO (Telecom Provider)</td>
<td>$150,000</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>$ 6,525,000</td>
</tr>
<tr>
<td>10% Contingency</td>
<td>$ 652,500</td>
</tr>
<tr>
<td>Total</td>
<td>$ 7,177,500</td>
</tr>
</tbody>
</table>

All costs identified herein are within the Tempe Streetcar project cost forecast and are included in the Valley Metro Rail adopted FY18 Operating and Capital Budget. Contract
obligations beyond FY18 are incorporated into the Five-Year Operating Forecast and Capital Program (FY18 thru FY22).

**STRATEGIC PLAN ALIGNMENT**
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- **Goal 2: Advance performance based operation**
  - Tactic C: Deliver projects and services on-time/on-budget.
- **Goal 3: Grow transit ridership**
  - Tactic A: Expand and improve transit services to reach new markets.
  - Tactic B: Improve connectivity of transit services for greater effectiveness.

**COMMITTEE PROCESS**
- RTAG: January 16, 2018 for information
- RMC: February 7, 2018 approved
- Board of Directors: February 22, 2018 for action

**RECOMMENDATION**
Staff recommends that the Board of Directors authorize the CEO to execute work orders with third party utility companies for their construction activities on the Tempe Streetcar project for an amount not to exceed $6,525,000 plus an additional $652,500 (10%) for contingency.

**CONTACT**
Wulf Grote, PE
Director, Capital & Service Development
602-322-4420
wgrote@valleymetro.org

**ATTACHMENT**
None
Information Summary

DATE
February 15, 2018

AGENDA ITEM 3C

SUBJECT
Tempe Streetcar Design Contract Authority Modification

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to increase the Tempe Streetcar design contract authority up to $1,350,000. Funds will be held by Valley Metro staff and made available to the Designer, Stantec, as needed to complete the project.

BACKGROUND/DIscussion/Consideration
To date the Board has authorized $10,246,537 in design contract authority as summarized below. This includes $400,000 authorized during the November 2017 Board meeting which was obligated primarily for Concurrent Non-Project Activities (CNPA) changes requested by the City of Tempe.

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
<th>Cost</th>
<th>Contingency</th>
<th>Total Authority</th>
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<tbody>
<tr>
<td>Dec 2016</td>
<td>Design Services</td>
<td>$8,951,397</td>
<td>$895,140</td>
<td>$9,846,537</td>
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<tr>
<td>Nov 2017</td>
<td>Design Services</td>
<td>$400,000</td>
<td>$400,000</td>
<td>$400,000</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$8,951,397</strong></td>
<td><strong>$1,295,140</strong></td>
<td><strong>$10,246,537</strong></td>
</tr>
</tbody>
</table>

The majority of the original contingency is obligated by changes to reduce project construction costs as follows:

- **Cost Reduction Redesign.** Re-design efforts will be necessary to provide for a design that is within the construction budget.

- **Rio Salado Redesign.** Re-design efforts are necessary to address constraints along the Rio Salado Parkway alignment east of Mill Ave. Constraints include APS utility, the butte cultural sensitivity, and significant increase in traffic congestion in this area.
• **Independent Cost Estimating.** Provide an independent cost estimate that will be used during negotiation of the final GMP.

Additional funds for the Design contract are needed for two reasons:

1) The original authorization for this contract was for final design only and did not include design services needed during the construction period. These services have now been negotiated for a cost of approximately $1,200,000.
2) Additional contingency up to $150,000 for potential future unknown design changes.

To allow the designer to continue their efforts, staff recommends that up to an additional $1,350,000 be allocated to the Design contract authority. Board action is needed to authorize the CEO to allocate this proposed increase.

A summary showing change orders and funding needs for the contract is illustrated in Attachment 1.

**COST AND BUDGET**
The current total Design contract authority is $10,246,537. The amount of the proposed increase to contract authority is $1,350,000, bringing the total contract authority to $11,596,537. Funds are presently available in the project’s overall contingency to cover this work.

Project funding is included in the Valley Metro Rail adopted FY18 Operating and Capital Budget. Contract obligations beyond FY18 are incorporated into the Five-Year Operating Forecast and Capital Program (FY18 thru FY22).

**STRATEGIC PLAN ALIGNMENT**
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation
  - Tactic C: Deliver projects and services on-time/on-budget.

- Goal 3: Grow transit ridership
  - Tactic A: Expand and improve transit services to reach new markets.
  - Tactic B: Improve connectivity of transit services for greater effectiveness.

**COMMITTEE PROCESS**
RTAG: January 16, 2018 for information
RMC: February 7, 2018 approved
Board of Directors: February 22, 2018 for action
RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to increase the Tempe Streetcar design contract authority by up to $1,350,000.

Funds will be held by Valley Metro staff and made available to the Designer, Stantec, as needed to complete the project.

CONTACT
Wulf Grote, P.E.
Director, Capital & Service Development
602-322-4420
wgrote@valleymetro.org

ATTACHMENT
1- Contingency Summary
## Change Order and Funding Needs Summary

<table>
<thead>
<tr>
<th>Change Order and Funding Needs Summary</th>
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<tbody>
<tr>
<td><strong>Executed Change Orders</strong></td>
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<tr>
<td>Baseline Schedule Change</td>
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<tr>
<td>Draft DCM Review Change in Scope</td>
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<tr>
<td>Rio Salado Alignment Alternatives</td>
<td></td>
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<tr>
<td>Design Services During Construction for Early Work Package</td>
<td></td>
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<tr>
<td>30% Design 1st and Ash Intersection - CNPA</td>
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<tr>
<td>Rio Salado Alignment Alternative</td>
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<tr>
<td>30% Design Deliverable Delay</td>
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<tr>
<td><strong>SRP Irrigation Design</strong></td>
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<tr>
<td>Design Services During Construction for Early Work Package 2</td>
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<td>Accessibility Review Models</td>
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<tr>
<td><strong>Sub-Total</strong></td>
<td>$419,462</td>
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<tr>
<td><strong>Pending Changes</strong></td>
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<tr>
<td>Systems Additions</td>
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<tr>
<td>24” Inch Waterline Salvage</td>
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<tr>
<td>Final Design Roundabout - CNPA</td>
<td></td>
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<tr>
<td>Scope of Services Revision</td>
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<tr>
<td>Rio Salado Single Center Running Track</td>
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<td>Cost Cutting Measures</td>
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<td>Independent Cost Estimate</td>
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<tr>
<td>Design Services During Construction (Full)</td>
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<tr>
<td><strong>Sub-Total</strong></td>
<td>$2,075,678</td>
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<tr>
<td><strong>Current Contract Contingency</strong></td>
<td>$1,295,140</td>
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<tr>
<td>Less Executed Change Order Total</td>
<td>($419,462)</td>
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<tr>
<td>Less Pending Changes Total</td>
<td>($2,069,338)</td>
</tr>
<tr>
<td>Forecasted Funding Shortfall</td>
<td>($1,200,000)</td>
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<tr>
<td>Additional Contingency for Potential Unknown Changes</td>
<td>$150,000</td>
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<tr>
<td>Total Additional Contract Authority Requested</td>
<td>$1,350,000</td>
</tr>
</tbody>
</table>
Information Summary

DATE
February 15, 2018

AGENDA ITEM 3D

SUBJECT
Fiscal Year 2017 Valley Metro Rail, Inc. Comprehensive Annual Financial Report (CAFR) and Single Audit Reporting Package (SARP)

PURPOSE
To request acceptance of the Comprehensive Annual Financial Report (CAFR) and Single Audit Reporting Package (SARP) for the period ended June 30, 2017.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro Rail, Inc. (METRO), an Arizona public nonprofit corporation. The By-Laws of the Corporation require an annual audit of the financial records to be performed by a certified public accountant. In addition, all recipients of federal grant funds are required to have an audit performed in compliance with the Single Audit Act provisions. The Comprehensive Annual Financial Report and Single Audit Reporting Package for the period ended June 30, 2017 fulfill these requirements. All reports are prepared in conformity with generally accepted accounting principles.

CliftonLarsonAllen LLP has completed the METRO audits for the period ended June 30, 2017 and reported no findings. METRO’s Comprehensive Annual Financial Report for Fiscal Year 2017 received an unmodified opinion. METRO received the GFOA Certificate of Excellence for the FY16 CAFR, which demonstrates the agency’s commitment to the highest standard of financial reporting for a government entity.

Attached are copies of the various Auditor’s reports. The complete reports are available on the Valley Metro website at the following URL: https://www.valleymetro.org/finance-budget-reports

COST AND BUDGET
None

COMMITTEE PROCESS
AFS: January 11, 2018 for action
RTAG: January 16, 2018 for information
RMC: February 7, 2018 approved
Board of Directors: February 22, 2018 for action
STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:
Goal 2: Advance performance based operation
   o Tactic E: Maintain strong fiscal controls to support Valley Metro’s long-term sustainability.

RECOMMENDATION
Staff recommends that the Board of Directors for accept the FY17 Comprehensive Annual Financial Report and Single Audit Reporting Package.

CONTACT
Paul Hodgins
Chief Financial Officer
602-523-6043
phodgins@valleymetro.org

ATTACHMENT
- Excerpt from Comprehensive Annual Financial Report FY17
  o Independent Auditor’s Report
- Excerpts from Single Audit Report FY17
  o Independent Auditor’s Report on Compliance for Major Federal Programs
  o Independent Auditor’s Report on Internal Control
INDEPENDENT AUDITORS’ REPORT

Board of Directors
Valley Metro Rail, Inc.
Phoenix, Arizona

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities of Valley Metro Rail, Inc. (VMR), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the VMR’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to VMR’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VMR’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Board of Directors  
Valley Metro Rail, Inc.

**Opinion**
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Valley Metro Rail, Inc. as of June 30, 2017, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*
Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Operations – Budget and Actual, listed as Other Supplementary Information in the table of contents, and the Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Operations – Budget and Actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Operations – Budget and Actual is fairly stated in all material respects in relation to the financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.
Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2017, on our consideration of Valley Metro Rail, Inc. (VMR)'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of VMR’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering VMR’s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP
Phoenix, Arizona
November 14, 2017
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Valley Metro Rail, Inc.
Phoenix, Arizona

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Valley Metro Rail, Inc. (VMR) as of and for the year ended June 30, 2017, and the related notes to the financial statements and have issued our report thereon dated November 14, 2017.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the VMR’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the VMR’s internal control. Accordingly, we do not express an opinion on the effectiveness of the VMR’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the VMR’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters
As part of obtaining reasonable assurance about whether the VMR’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of VMR’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering VMR’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Phoenix, Arizona
November 14, 2017
INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Valley Metro Rail, Inc.
Phoenix, Arizona

Report on Compliance for Each Major Federal Program
We have audited the Valley Metro Rail, Inc. (VMR)’s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of VMR’s major federal programs for the year ended June 30, 2017. VMR’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors’ Responsibility
Our responsibility is to express an opinion on compliance for each of the VMR’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about VMR’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of VMR’s compliance
Board of Directors
Valley Metro Rail, Inc.

Opinion on Each Major Federal Program
In our opinion, Valley Metro Rail, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance
Management of the VMR is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered VMR’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of VMR’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities of Valley Metro Rail, Inc. as of and for the year ended June 30, 2017, and the related notes to the financial statements. We issued our report thereon dated November 14, 2017. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP
Phoenix, Arizona
November 14, 2017
DATE
February 15, 2018

SUBJECT
Future Agenda Items Request and Report on Current Events

PURPOSE
Chair Glvoer will request future agenda items from members, and members may provide a report on current events.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE ACTION
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None

Pending Items Request

<table>
<thead>
<tr>
<th>Item Requested</th>
<th>Date Requested</th>
<th>Planned Follow-up Date</th>
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Valley Metro I 101 N. 1st Ave. Phoenix, AZ 85003 602.262.7433