MEETINGS OF THE
Management Committees

| TMC/RMC Joint Meeting | Transit Management Committee (TMC) | Rail Management Committee (RMC) |

Date:
May 2, 2018

Starting Time
11:00 a.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
Transit Management Committee
And
Rail Management Committee
Wednesday, May 2, 2018
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:00 a.m.

Action Recommended

1. For Information

1. Public Comment On Agenda Action Items (yellow card)

The public will be provided with an opportunity at this time to address the committees 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. For information

2. Chief Executive Officer's Report

Scott Smith, CEO, will brief the TMC/RMC on current issues.

3. For action

3. Minutes

Minutes from the April 4, 2018 TMC/RMC meeting are presented for approval.

4. For information

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

The public will be provided with an opportunity at this time to address the TMC/RMC 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. **Off-Site Records Storage Services**
Staff recommends that the TMC/RMC forward to the Boards of Directors authorization for the CEO to execute a contract with Iron Mountain Information Management LLC to provide off-site records storage services to Valley Metro for 5 years, with three one-year extension options. Costs for the initial year are $82,860. The total contract value will not exceed $132,574. RPTA costs will not exceed $66,287 and VMR costs will not exceed $66,287.

5A. For action

5B. **Microsoft Enterprise Agreement Annual Reconciliation Order**
Scott Smith, CEO, will request that the TMC/RMC forward to the Board of Directors authorization for the CEO to spend $161,300 to purchase licensing in order to fulfill the terms of the Agency’s Microsoft Enterprise Agreement.

5B. For action

5C. **2018 Transit Life Cycle Program Update**
Staff recommends that the TMC/RMC forward to the Board of Directors the 2018 TLCP Update for approval.

5C. For action

REGULAR AGENDA

6. **Fare Collection System**
Paul Hodgins, Chief Financial Officer, will provide and update on the development of a Request for Proposals for a new Fare Collection System for the region.

6. For information

7. **Fiscal Year 2018 3rd Quarter Reports**
Fiscal Year 2018 3rd Quarter Reports are presented for information.

7. For information

8. **Travel, Expenditures and Solicitations**
The monthly travel, expenditures and solicitations for Valley Metro RPTA and Valley Metro Rail are presented for information.

8. For information
9. Future Agenda Items Request and Update on Current Events

Chairs Basha and Brady 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, audiostream, 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.
DATE
April 25, 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 TMC/RMC 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
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None
Information Summary

DATE
April 25, 2018

SUBJECT
Chief Executive Officer’s Report

PURPOSE
Scott Smith, Chief Executive Officer, will brief the TMC/RMC on current issues.

BACKGROUND | DISCUSSION | 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
Minutes

DATE
March 28, 2018

AGEDNA ITEM 3

Joint Meeting of
Transit Management Committee
and
Rail Management Committee
Wednesday, April 4, 2018
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:00 a.m.

Transit Management Committee Participants
Paul Basha, City of Scottsdale, Chair
Brent Stoddard for Kevin Phelps, City of Glendale, Vice Chair
Gina Montes, City of Avondale (phone)
Ryan Peters for Marsha Reed, City of Chandler
Robert Nilles, City of El Mirage (phone)
Grady Miller, Town of Fountain Hills
Jacob Ellis, Town of Gilbert
Kevin Phelps, City of Glendale
Julie Arendall, City of Goodyear
Reed Kempton, Maricopa County
Scott Butler for Chris Brady, City of Mesa
Erik Strunk for Jeff Tyne, City of Peoria
Ken Kessler for Ed Zuercher, City of Phoenix
Nicole Lance, City of Surprise (phone)
Steven Methvin, City of Tempe

Members Not Present
Roger Klingler, City of Buckeye
Sara Allred, ADOT
City of Tolleson

Rail Management Committee Participants
Scott Butler for Chris Brady, City of Mesa, Chair
Ken Kessler for Ed Zuercher, City of Phoenix, Vice Chair
Brent Stoddard for Kevin Phelps, City of Glendale
Ryan Peters for Marsha Reed, City of Chandler
Steven Methvin, City of Tempe
Chair Basha called the meeting to order at 11:05 a.m. and welcomed members to the April TMC/RMC meeting.

1. **Items for Citizens Present**

Chair Basha said the first item of business is items from the floor from citizens. We have comment card from Mr. Crowley.

And, Mr. Crowley, as always, we ask that you keep your comments to three minutes. And our timer is not functioning well, so Ms. Dillon will be timing you. Thank you, Blue.

Mr. Crowley said I hope you had a happy Easter. Okay. All right. Are you sure you can hear me in the back? All right.

Since this isn't what's on the agenda and it's for communicating to the Board on non-agenda items, and with you being a blended Board, what I'm trying to say is what are you doing to get the job done.

I will be commenting on the short-range plan et cetera, but what is your assignment, what is your task and, that is, transportation and air quality. And, in my opinion, it's supposed to be making it regionally. And I don't see that in the agenda items that you have today that are for action.

I'd also like to comment that last -- two months ago we passed the responsibility of the bus books to a private firm outsourcing it. Now, the bus book changes happen, what, the 22nd of this month. So I was wondering why we wouldn't have some of the new bus books over there, or is it again, we're not going to be printing any for this part of the cycle. And why is it that we gave somebody a contract to hide that again, or what is the process going to be for the distribution of those bus books that start on the 22nd.

And then lastly, being that it's down to about a minute, I wish I did have the thing to see here. I would appreciate that any of your communities were to be more responsible into gridding the Valley and getting the job done. Why is there a space between Scottsdale and Phoenix called Paradise Valley that isn't a part of the system making a grid what it is, which would be more responsible in getting your job accomplished.

And lastly, the rail part of this, when are you going to start doing some futuristic intensity as in changing the way we move those rails from an overhead just line to an overhead line going into magnetic elevation when it would make it a better system, more safe and effective. And then last -- what was the derailment --

I know, she said time. What was the derailment -- and who do we get to explain it -- last week?

2. **Chief Executive Officer’s Report**
Mr. Smith provided an update on the following items:

- April is Valley Bike Month
- Pass2Go
- Design a Transit Wrap
- WTS Member of the Year
- Upcoming Events
- Save the Date

Chair Basha said thank you very much, Scott. Chair privilege, I happen to be a member of WTS, Women in Transportation Seminar. I strongly encourage people to consider membership in WTS, a very wonderful organization. Along those same lines in June, another organization called Women Leading Government has their 3rd Annual Conference in downtown Phoenix, and I would encourage people to examine that and consider attending that event. Thank you, Scott.

Any other comments or questions regarding Scott's report?

3. Minutes

Chair Basha said the next item is the Minutes. Do we have any questions or comments regarding the minutes of our February meeting?

**IT WAS MOVED BY SCOTT BUTLER, SECONDED BY ED ZUERCHER AND UNANIMOUSLY CARRIED TO APPROVE THE FEBRUARY 7, 2018 TMC/RMC MINUTES.**

4. Public Comment on Agenda Action Items

Chair Basha said we have another public comment period. And again, the public is provided an opportunity at this time to address the joint committee meeting on all action agenda items only. And again, Mr. Crowley has a card. And again, three minutes, please. Thank you.

Mr. Crowley said starting with agenda Item 5, the amount of money that we're putting out there and what we're having to cover and to protect, I get a headache just trying to read over it. But then when you did change it into pictures, it does help a bit.

But then when I note that things like the human resource information system and the customer service call center application are a hundred percent just bus that rail isn't funding any of that. And customer service and human resources I thought were kind of a 50/50 thing.

And then when you have the boardroom improvements, the teleconferencing center, the assist listening system, improve accessibilities, reduce travel is that because they say we're going to do all these improvements, but then you can call in, so you don't need to
come here. You know just an interesting way of going about your travel production -- reduction program.

And, as I said, then it shows a purchase summary. And again, how come the short code extension, the human resource information, and the customer service call center application are only out of the bus funds because as you know, when it comes to who gets really the large amounts and what, it's the rail who's fat.

And then last, the travel and expenses it's interesting, what, almost $10,000 for the communications workshop for the communications manager, the director, marketing and programming.

And then the other one I really liked was for the rail that another $10,000 for Detroit streetcar operations visit, so we spend $10,000 to send those people up there to look at something. Just a thought. Get me more buses. Get me more stops. And get me more routes. Thank you.

5. Consent Agenda

Chair Basha said we have two items on the consent agenda cleverly titled 5A and 5B. Let me ask if there's any questions or comments on 5A or if anybody would like to pull that item?

Mr. Zuercher said I have a question on 5B. We do have questions on 5B. I think we can answer those questions without pulling them. What do you think, Scott?

Mr. Smith said we can discuss it and Rob Antoniak will be here as our chief operating officer to help answer those questions.

Chair Basha said I would like to point out that there is a presentation packet included in our packet for reference. Rob, would you like to make some initial comments or just go right to Ed's questions?

Mr. Antoniak said right to Ed's question.

Mr. Zuercher said if I could, first of all, dispose of 5A and make a motion we approve 5A.

**IT WAS MOVED BY ED ZUERCHER, SECONDED BY GRADY MILLER AND UNANIMOUSLY CARRIED TO FORWARD CONSENT AGENDA 5A TO THE BOARDS OF DIRECTORS FOR APPROVAL.**

Chair Basha said on to 5B, Ed, please, questions.

Mr. Zuercher said the IT series of things, which adds up to a significant amount of money, I'm not clear on how much of it is a wish to be done now and how much of it is
an absolute need to be done now. Personal experience in my organization that's a sort of a tricky thing to sort out. Number one, how much can you actually do in a year. Number two, what's the priority for getting that done.

And so I'm not comfortable voting on a blanket authorization for this amount of money at this point. I'd be more comfortable if we could maybe have some IT folks work together on that just to get a better understanding of the prioritization and ability to accomplish the task in the amount of time that we're talking about.

So I don't know what the time sensitivity is of this. If we can take, you know, the next month have a report on that, I'd be happy to have my information officer work with you all, but I'd defer to Scott or Rob.

Mr. Smith said Rob, why don't you give background a little bit and maybe can explain to the committee what you've gone through. And, Phil, if you want the join in.

Mr. Zuercher said I guess what I would say is I'm not denying that any of these things are good ideas, it's the prioritization of volume.

Mr. Smith said this is a lot to put on the table at one time, and we recognize that. And we didn't expect this, although it's on consent and we knew there would be questions.

Just a little bit of quick background, about five, six years ago the Boards of Directors included in the strategic initiative the establishment of an IT Department for Valley Metro. Before then we had no real IT Department. And for three plus years we really didn't establish an IT Department.

A lot of what you're seeing is catch-up and is really doing something that should have been done over about a five-year period. And so there is a rush in the sense that we're making up for past time. That doesn't mean that it has to be done or can be done now.

It just sort of gives a little context that this isn't just out of the blue. These are things that were meant to be done over a four- or five-year period that were not, and we're trying to do it now. But I'll turn it over to Rob and to Phil to discuss your specifics.

And you bring up very good point and they can maybe give some more details under that. Gentlemen.

Mr. Antoniak said thank you, Scott and Mr. Basha, and Mr. Zuercher, thank you for the question. What I'm hearing, I just want to make sure what needs to be done now in terms of priorities versus wish list and kind of necessity.

I want to introduce Phil Ozlin who joined us back in December. As you know, the IT team reported to me for nine months and so we just kind of sat idle and managed through that time period, and we didn't really transition from what Mr. Smith just alluded
to in terms of a charge to have an IT Department look at the holistic environment of security, backup, and very much the essential operations that exist as part of IT.

And one of the charges we gave Mr. Ozlin was take a look at all of these different buckets and in what's happening both in terms of our systems, our architecture, our security, and then the very functionality of what exists out there.

So there are some very real things in here like printing that's a pretty simple question. That is an efficiency issue. When we looked at the printing environment, there were five different manufacturers of machines around here. Every machine on every floor had a different toner, and so there was you can imagine the order of magnitude in terms of supporting those machines. We did try to simplify it by bringing things like that under one item, but I would ask Oz to maybe go through.

And we do have a presentation we can go through, and Oz is very well prepared to go through that with you today, if you would like. I don't know if you want to touch on some of the priorities in your approach here.

Mr. Ozlin said I would actually like to touch on the scheduling most definitely. A lot of these items are more urgent than desired. We have equipment that is aging out, no longer supported by the manufacturer. We have services that rely on platforms provided by other entities that if we do not continue to pay maintenance we will no longer be able to provide that service through to the ridership.

To sort of go through the list a little bit, the storage area network comes with implementation assistance from the manufacturer. We are actually enhancing adding to an installation that we already have, so we know what time frame that will take and the assistance they provide and are well confident that we can get it up and running in eight weeks from date of delivery of course.

The 101 building switches have all aged out as of January, they’re end of life, no longer supported by Cisco. Our network administrator deployed the ones on the 14th floor in two days, so we’re talking roughly a timeline of about twelve days to get that run out.

The customer service call center applications comes with assistance from our vendor who designed our current systems to get that up and running.

The human resources information system includes implementation assistance from DLP Solutions who will be providing the software as well. Twilio short code is simply maintaining an existing service.

The boardroom improvements will be overseen by the individuals who have set up the layout as you see it now.

And the information security program overhaul, we are bringing in people with
significant security experience, specifically in government and transit, to review our systems and assist us with ensuring that our ridership data and our partner's data is as secure as possible.

Mr. Zuercher said when does this go to the Board? When is your Board meeting?

Mr. Smith said April 19. Two weeks from tomorrow.

Mr. Zuercher said so I'd be willing to advance this, but if you would agree that our Chief Information Officer can just sit down and go over the proposed items.

Mr. Smith said if we could sit down with Phoenix because there's a lot of, like you said, I just heard two or three critical items. But then other items that obviously can be spread out, but I think it's a good suggestion that we sit down with the Phoenix and any other of your cities that want to get briefed or offer suggestions, which I'm sure there will be interaction, as to some of these items, so you can at least have comfort that these are what they are.

Mr. Zuercher said and understanding that we will get our people here in a timely manner.

Mr. Smith said absolutely. And we, you know, we know your people well because we are integrated with City of Phoenix in many of our systems, and so Rob, Oz, if you guys could set that up and we'll move forward with that as quickly as possible so we can have those answers before the Board meeting and inform Councilmember Williams where you are.

Mr. Butler said I'll move approval.

Chair Basha said excuse me. Before I accept a motion, I believe there are other questions as well.

Mr. Ellis said just two quick questions for you. One, in going through the information summary, it was a little bit hard to make sense of this recommendation as it related to the rest of it because we have one motion for three separate contracts.

I know in our town we typically have, if you're going to be approving contracts, a separate motion for each. Is that something that is typical here that we -- because I'm still relatively new -- that we combine multiple contracts in one motion?

Mr. Smith said I think this was done for efficiency since they were all interrelated. Typically we do break them down. We could have had three separate items. There's no rule one way or another other than they need to be -- we don't combine two items that are unrelated, so that's why. There's no reason to do it or not to do it.
Mr. Ellis said the second question, as I see as a matter of practice you put contingencies on all of your requests as they come through. I noticed that we have 10 percent and 20 percent contingencies. Those seem, I'm assuming, necessary in order to accomplish your business needs.

A question that I have about them is how often do you find yourselves using these contingencies relative to how many times you ask for them?

Mr. Smith said you know, two-part question. First of all, you bring up an interesting point, one which I asked when I first came here. I think it's just force of habit and in dealing with government contracts where they require, especially the FTA, a very well-defined contingency treated as a separate item that on regular contracts we also and Valley Metro historically has put in the contract and a contingency.

I've always known where the contingency is buried in the total amount and it's just part of the contract. And yet, it's been the habit and the culture of Valley Metro that they've always separated it out.

As far as how often we get into the contingency, you know, I don't know that I have the information that I could answer that for you. It depends on the type of the contract. But I can get that information for you because we can look back at the accounting and see how we do it.

You know, if I can get the committee that says, gee, we'd really just like you to embed those contingencies in the overall contract amount, I have no problem with that. I've just sort of accepted that's how they've always done it at Valley Metro.

And for FTA, for all those others, you have to separate it. We do separate it out because that's how the FTA does look at our project accounts because we get into all sorts of things such as allocated and unallocated contingency. It gets somewhat confusing as we go through that. But that's why it's separated.

But we can get that information -- follow-up information for you on use of contingency. It's a good question.

Chair Basha said Mr. Smith, maybe Mr. Antoniak and maybe my question was just answered here, but a budget was approved for IT.

Mr. Smith said right.

Chair Basha said and this almost $1.4 million was through savings of somewhere in that current FY18 budget; correct? And maybe we're able to come up with that much money out of a budget because the contingencies were never utilized.

But I'm curious what are we not doing that was approved in the budget that gave you
$1.4 million worth of funding to seek all these other projects?

Mr. Ozlin said I don't have a good answer on specific line items for you. The budget was set up by the previous chief technology officer who had since departed. And since there was no one at a day-to-day operations level, a great deal of the budget remains upon my arrival to be distributed as best that fits the agency.

If you would like specific line break downs on the items that we would be consuming in order to fund this, I can put that together in a packet to look at.

Chair Basha said I think it will probably tie in nicely with the request for how often do you use the contingencies, because if you don't use them very often but they're approved as part of the budget, you could at the end of the year end up with $1.4 million dollars of unspent funding.

Mr. Smith I will tell you that the budget was set based on building this department and building our capabilities, as I've told you. Whether the items that Bill Tsuei, our former IT, whether the items that he had listed as far as his program to build the system up to one that was not only serviceable, but also had the level of security and what Phil has come up with, that's what I would have to look at.

I'm not sure -- I don't believe it came from savings and other things. They just believe he had a program and a plan that we presented before the board. They approved it. He left. That program was never fully implemented.

Phil came in and came up with his own plan. I'm sure there's overlap as far as capabilities and what we were trying to accomplish. They were probably spent on different pieces of equipment or different areas. I think that's why the money was available because the original plan was not implemented to build up the department.

Chair Basha said perhaps when this moves it, advances to the Board, you could have some of that background in there.

Mr. Smith said we'll give better background and sequencing as to what it would be.

Chair Basha said and some of it is one to one, for example, the human resources information system and the security program overhaul.

Mr. Smith said and we will present it to the Board the option of voting on three separate items. If they want to combine them, they can. But we'll separate it -- we'll put it in as three separate items to vote on.

Chair Basha said are there any further questions? It appears we're coming to a consensus to approve this item. Allow me to mess that up a bit. Earlier you said we wanted all these items together for efficiency. Is it possible to combine some of these
items and have just one contingency rather than separate 10 percent and 20 percent contingency?

Mr. Smith said when we present it to the Board, Mister Chair, we will be more explicit as to exactly, because it's a little confusing. You know, this is one of those when you're in the weeds, it sometimes it all makes sense and then you step back -- and as I'm reading this today was the first time in a couple weeks I've read it -- it's confusing to me.

So we will better delineate exactly where those are. We'll separate them into separate action items for the Board. I think by doing that it will bring some clarity to the situation. We'll be a little more clear as to the contingency and how that plays into it, because it is confusing as I read it for the first time in a couple of weeks.

Mr. Antoniak said it's a case of no good deed goes unpunished. We were trying to be a little efficient and put everything into one memo so we had one item, but I'm hearing three buckets, and so we'll work to get it.

Mr. Smith said no, I think we can do it in one memo. Just better, you know, separate it out. We'll do that for the Board. And we'll let you know outside of this group. We'll obviously will let Ed and who whoever else wants to have their IT people involved, they'll report back to you as to those activities before the Board meeting; okay?

Chair Basha said thank you, Scott, thank you, Rob. I'm still not done. As you said, Scott, in the list of the purchase summaries, some were critical some were not. Is it possible to remove some of these items and consider them at our May meeting?

Mr. Smith said we will talk. Unless you have something off the top of your head where you can make that separation right now, we probably need to go back and look at them.

Mr. Antoniak said we'll make an effort to see if there's something we can push to the May meeting. We have another item that may come up there, so we'll look at that.

But I'd be hesitant to sit and go down the list right this second, because we do have some -- I mean, when you're talking about security services and you're talking about some other things, understand we were without a CTO for nine months managed that ship, hired a professional in that space to go off and say do these recommendations based on this previous strategic plan that was set. And we have some very real issues that we have to deal with. And I would be concerned about pushing things like security.

Mr. Smith said we'll get you a list, though. We'll do that analysis. And I'm sure that analysis will come out as we sit down with Phoenix's IT people. That's probably one of the main parts of discussion as to what is critical, what can we put off. And we'll report back to you before the meeting how that played out.

Chair Basha said thank you, Scott, thank you, Rob, again. Any other questions or
comments from the committee before I make another comment? I will tell you, Scott and Rob, that I share Ed and Jacob and Steve's concerns completely. And I would rather vote no on this item for further investigation and better separation and better understanding before I proceed. But like Ed, I don't want to become an obstructionist. I don't see the value in that. So should there be a motion to approve, I will vote favorably with reservations. Is there a motion to approve consent Item 5B?

IT WAS MOVED BY SCOTT BUTLER, SECONDED BY ED ZUERCHER AND UNANIMOUSLY CARRIED TO FORWARD CONSENT AGENDA ITEM 5B TO THE BOARDS OF DIRECTORS FOR APPROVAL.

Mr. Smith said and Mr. Basha, thank you. One of the primary purposes of this meeting is not just to pass things through so we can pass it on. It's to get this kind of comments and this kind of, you know, critical review, because you are there every day. And so we appreciate this kind of, you know, constructive criticism and these recommendations to change, so, you know, the committees are serving their purpose. So we don't regret the comments you have. So thank you.

Chair Basha said you're welcome, Scott and Rob. And thank you. We certainly trust you and we trust you as well, Phil. And thank you for taking our comments seriously. We look forward to more information at least commensurate with the board packet.

6. **Travel, Expenditures and Solicitations**

Chair Basha said on to Item No. 6. Travel Expenditures and Solicitations. This is for information only. Would anybody from the committee like to see more information on this item? And again, we do have information in our packet on this topic.

Mr. Zuercher said I think we asked -- since it's put in our packet, it sort of becomes our responsibility, unfortunately. The incident investigation in New Orleans, I don't know what that is. It's under Travel No. 6, the second chart in there, travel and personal report. There's a training and investigation in New Orleans that was the highest amount of travel and everything on this list. Just curious what that was.

Mr. Smith said I believe, and I'm trying to figure out -- Adrian, it's a safety and security required training.

Ms. Ruiz said that is training required by the FTA for transportation system safety program. And the TSSP courses are supposed to be completed within three years for all the safety, security personnel. So that was a travel course for the certification. For Don Schneidmiller.

Mr. Zuercher said it would be helpful to maybe indicate FTA required or something at least. Thank you.
Mr. Smith said you know, a lot of -- and a lot of what we do is required by FTA. And I know we -- it seems like for all -- and just as an overview, because we do get a lot of questions on travel. And the questions are, you know, we don't run trains out of state or out of the region even, so why in the world do we travel.

We do have a lot of travel that is required of our safety in our engineering and other people regarding our things that are required by FTA to maintain certifications and also to plan.

We have other issues, for example, Mr. Crowley brought up the travel to Detroit. We traveled to Detroit for a very specific purpose. Detroit just recently, last May, not quite a year ago, opened a system which is almost identical to the Tempe Streetcar. The same car built by Brookville, it's a hybrid system, battery online/offline. And so we did send several people up there to look at their operations as we're coming into the final design functions and making some technical decisions to learn what they've learned.

And I can tell you that one trip -- well, actually, we had two trips, two different groups came up -- has probably resulted in probably two to four million dollars in direct savings because we learned things from Detroit that they said, "I know you're going to want to design it this way; don't do it that way."

And so we've been able, especially as it comes with management and power and things like that, so I know when people see travel, it's questioned. It should be questioned. But we go to great lengths to make sure that our travel is directly related to our mission or to a successful completion of a project. So we'll put that as added information as to whether it's FTA related or project related or otherwise. We'll add a column in there.

Chair Basha said Scott, I appreciate learning from the experiences of others. It's certainly better than failing and learning from our own experiences. So, yes, it's recognized the benefits of travel to other systems.

I would also like to echo Ed's comments and caution you to be careful with conferences and recognize they're federally required, but maybe they can be staggered to closer parts of the country or maybe some of them can be accomplished through online training or something.

Mr. Smith said we, and just so you know in our budgeting we separate our travel into critical travel -- FTA travel would be critical -- into, you know, different things. And conferences range from critical to desirable. And we shy away from the desirable and demur more into the critical and other things. And Adrian has another issue.

Ms. Ruiz said yes. I just noticed on the list that was for two individuals to travel. So it lists Ray Abraham and my security manager. So that travel you see the dollar amount that was for two individuals to attend the same training. They both were required.
Chair Basha said thank you, Adrian. Just to repeat what Adrian just said, the travel to New Orleans was for two individuals, so it was not just one person’s expense, it was two expenses.

Are there any other questions or comments with Item No. 6? Scott, thank you for your patience with us in answering our questions.

7. Future Agenda Items Request and Update on Current Events

None.

With no further discussion the meeting adjourned at 11:43 a.m.
DATE
April 25, 2018

SUBJECT
Public Comment on Agenda Action Items

PURPOSE
The public will be provided with an opportunity at this time to address the TMC/RMC 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
Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None
DATE
April 25, 2018

AGENDA ITEM 5A

SUBJECT
Off-Site Records Storage Services

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a contract with Iron Mountain Information Management LLC (Iron Mountain) to provide offsite records storage services to Valley Metro for 5 years, with three one-year extension options. Costs for the initial year are $82,860 with a 10% contingency of $8,286. The total contract value will not exceed $132,574. RPTA costs will not exceed $66,287 and VMR costs will not exceed $66,287.

BACKGROUND/DISCUSION/CONSIDERATION.
Valley Metro retains documents required by law or regulations based on a retention schedule meeting state and federal requirements. Documents such as, as-built construction documentation, vehicle specifications, financial records and many others are often required to be kept at least seven years, and in some cases indefinitely.

Valley Metro currently stores hundreds of document boxes onsite, as well as uses three different locations to store off-site records (Iron Mountain, Access and Archive Records Storage Center). Valley Metro’s current contract with Access will expire on June 30, 2018. Accommodating several years of documents onsite and three different offsite locations is logistically cumbersome, consumes staff time and increases costs.

Valley Metro continues to have a need to centralize, digitize, and secure records. Storing records off-site will increase the security of required hard copy documents. Retaining Iron Mountain to electronically scan and store all documents and when required physically store original documents is an effective way to reduce onsite record storage. Additionally, Valley Metro’s risk is reduced while protecting critical documents from damage, loss or destruction caused by unforeseen events such as flood or fire.

Services with Iron Mountain were procured using Maricopa County’s 10097-RFP Offsite Records Management, Storage and Destruction.

COST AND BUDGET
The cost of the contract will be divided between RPTA and VMR. The initial contract year will be $82,860 with up to a 10 percent contingency, bringing the total first-year contract to $91,146. The contract will not exceed $132,575 over the eight-year contract period.
COMMITTEE PROCESS
RTAG: April 17, 2018 for information
TMC/RMC: May 2, 2018 for action
Boards of Directors: May 17, 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 C: Deliver projects and services on-time/on-budget.
  - Tactic E: Maintain strong fiscal controls to support Valley Metro’s long-term sustainability.

RECOMMENDATION
Staff recommends that the TMC/RMC forward to the Boards of Directors authorization for the CEO to execute a contract with Iron Mountain Information Management LLC to provide off-site records storage services to Valley Metro for 5 years, with three one-year extension options. Costs for the initial year are $82,860. The total contract value will not exceed $132,574. RPTA costs will not exceed $66,287 and VMR costs will not exceed $66,287.

CONTACT
Rob Antoniak
Chief Operating Officer
602.495.8209
rantoniak@valleymetro.org

ATTACHMENT
None
Information Summary

DATE
April 25, 2018

SUBJECT
Microsoft Enterprise Agreement Annual Reconciliation Order

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to purchase additional licensing to fulfill the Annual Reconciliation Order (ARO) requirement of the Agency’s Microsoft Enterprise Agreement (EA).

BACKGROUND | DISCUSSION | CONSIDERATION
Once per year, staff are required by the terms of the Agency’s EA with Microsoft to reconcile the Agency’s license quantities to account for changes in usage in the previous 12 months along with any license usage not identified in previous annual reconciliations. This effort culminates in an order (or an Update Statement should there be no change) submitted in order to reconcile all changes in usage over the course of the year.

Staff requests funds not to exceed $146,650 with an additional $14,650 (10%) contingency for the purchase of additional Microsoft licensing to meet the Agency’s obligation under the Microsoft EA. Staff has also used this opportunity to negotiate with Microsoft in order to fulfill the ARO using Office 365 licensing rather than on premises licensing. This reduces the cost of the ARO by 32.5% and facilitates the Agency’s migration to the Cloud.

COST AND BUDGET

<table>
<thead>
<tr>
<th>Purchase</th>
<th>Vendor</th>
<th>Contract</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microsoft Enterprise Agreement Annual Reconciliation Order</td>
<td>CDW-G</td>
<td>State Contract : ADSPO17-149774</td>
<td>$161,300</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Subtotal</td>
</tr>
</tbody>
</table>

The Microsoft EA ARO carries a cost of $161,300, which includes a contingency amount totaling $14,650. The RPTA portion will total $80,650 and the VMR portion will total $80,650. All costs in FY18 are included in the RPTA Revised FY 2018 Operating and Capital Budget.
COMMITTEE PROCESS
RTAG: April 17, 2018 for information
TMC/RMC: May 2, 2018 for action
Boards of Directors: May 17, 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 C: Deliver projects and services on-time/on-budget

RECOMMENDATION
Staff recommends that the TMC/RMC forward to the Board of Directors authorization for the CEO to spend $161,300 to purchase licensing in order to fulfill the terms of the Agency’s Microsoft Enterprise Agreement.

CONTACT
Rob Antoniak  Phil Ozlin
Chief Operating Officer  Manager, Information Technology
602-495-8209  602-495-8253
rantoniak@valleymetro.org  pozlin@valleymetro.org

ATTACHMENT
Detailed Chart
DATE
April 25, 2018

SUBJECT
2018 Transit Life Cycle Program Update

PURPOSE
To present the draft 2018 TLCP Update for approval.

BACKGROUND | DISCUSSION | CONSIDERATION
The TLCP was developed in 2005 to provide guidance for the implementation of the transit component of the Regional Transportation Plan. The TLCP includes Guiding Principles, policies, procedures and financial forecasts to ensure that the program can be balanced. Information presented in the TLCP is a 20-Year summary encompassing the life of the Transportation Excise Tax authorized in Prop 400.

The draft 2018 Bus and Rail TLCP Update were discussed through the Valley Metro committee process in April 2018. There have been no significant changes to the programs from what was presented in April. Below are summaries of the Bus and Rail elements.

Bus Program

The fund balance at the end of the program is anticipated to be about $12.8 million, down from $25.1 million in the 2017 update. The following table summarizes the changes in fund balance.

<table>
<thead>
<tr>
<th>Comparison of Net Revenues</th>
<th>2018 Update</th>
<th>2017 Update</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Revenue</td>
<td>$2,045.9</td>
<td>$2,063.7</td>
<td>($17.7)</td>
</tr>
<tr>
<td>Capital Revenue</td>
<td>$1,076.2</td>
<td>$1,040.8</td>
<td>$35.4</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$3,122.1</td>
<td>$3,104.4</td>
<td>$17.7</td>
</tr>
<tr>
<td>Operations Expenditures</td>
<td>$1,746.9</td>
<td>$1,757.6</td>
<td>($10.7)</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$1,362.5</td>
<td>$1,321.1</td>
<td>$41.4</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$3,109.4</td>
<td>$3,078.7</td>
<td>$30.7</td>
</tr>
<tr>
<td>Net Revenues less Expenditures</td>
<td>$12.8</td>
<td>$25.7</td>
<td>($13.0)</td>
</tr>
</tbody>
</table>
The TLCP Guiding Principles require that jurisdictional equity be maintained for the bus program. The policy allows that each sub-region can be within 2.5 percent above or below their policy allocation. In the current model, all sub-regions are within this policy allowance. Additionally, the policy allows that regardless of sub-regional percentages, no jurisdiction can be under-allocated by $7.5 million or more. In the current model no jurisdiction meets that condition.

### Jurisdiction Equity Summary by Sub-Region

<table>
<thead>
<tr>
<th>Sub-Region</th>
<th>Total Calculated PTF</th>
<th>Total Policy PTF Allocation</th>
<th>JE Under (JE Over)</th>
<th>Percent of JE Calculated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>$434.0</td>
<td>$438.2</td>
<td>$4.2</td>
<td>1.0%</td>
</tr>
<tr>
<td>East</td>
<td>$781.4</td>
<td>$783.6</td>
<td>$2.2</td>
<td>0.3%</td>
</tr>
<tr>
<td>West</td>
<td>$161.7</td>
<td>$158.9</td>
<td>($2.8)</td>
<td>-1.7%</td>
</tr>
</tbody>
</table>

**Rail/High Capacity Transit Program**

Currently, the rail program baseline financial model is balanced, with a surplus of $105.4 million remaining. The following table summarizes the costs and revenues for the rail program.

<table>
<thead>
<tr>
<th></th>
<th>TLCP Totals</th>
<th>Funding Surplus / Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Program Revenues</td>
<td>$3,866.2</td>
<td></td>
</tr>
<tr>
<td>Total Base Program Cost</td>
<td>($3,423.2)</td>
<td></td>
</tr>
<tr>
<td>Funding surplus before PTF utility expenses and financing</td>
<td>$443.0 ($291.7)</td>
<td>($291.7)</td>
</tr>
<tr>
<td>Non Prior Right Utility Relocations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financing Needs anticipated:</td>
<td>Proceeds</td>
<td>Debt Service</td>
</tr>
<tr>
<td>Series 2009</td>
<td>$55.5</td>
<td>($77.6)</td>
</tr>
<tr>
<td>Series 2014</td>
<td>$135.4</td>
<td>($156.9)</td>
</tr>
<tr>
<td>Advance Funds by Phoenix</td>
<td>$60.0</td>
<td>($62.3)</td>
</tr>
<tr>
<td>Total Financing</td>
<td>$250.9</td>
<td>($296.8) ($45.9)</td>
</tr>
<tr>
<td>Total Program Cost 2026</td>
<td>($3,760.8)</td>
<td></td>
</tr>
<tr>
<td>Net Fund Balance</td>
<td></td>
<td>$105.4</td>
</tr>
</tbody>
</table>
COST AND BUDGET
The proposed changes to the TLCP have been incorporated into the proposed FY2019 Operating and Capital Budgets and the Five-Year Operating and Capital Forecasts. Revenues and expenditures forecast within the TLCP are balanced as required by State Statute.

COMMITTEE PROCESS
RTAG: April 17, 2018 for information
TMC/RMC: May 2, 2018 for action
Boards of Directors: May 17, 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 E: Maintain strong fiscal controls to support Valley Metro’s long-term sustainability

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
Staff recommends that the TMC/RMC forward to the Board of Directors the 2018 TLCP Update for approval.

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

ATTACHMENT
None
Fare Collection System

May 2018

Current Fare Collection System

• Implemented in 2008

• Scheidt & Bachmann
  ○ Fareboxes
  ○ Ticket/fare vending machines
  ○ Stand-alone validators
Fare Media

- Cash
- Paper receipt
- Magnetic-stripe paper passes
- Smartcard

Goals for new fare collection system

- Electronic fare media
  - Account based
- Control at the point of sale
- Flexibility and expandability
Reduced Fares

- Reduced fare pass usage has risen
- Enforcement at the point of use is a challenge
- Control at the point of sale
  - Reduced Fare ID integrated with fare media

2015 Origin & Destination Survey

27% of riders surveyed met the reduced fare eligibility requirements
FY 2015 Reduced Fare Pass Use

49% of magnetic stripe passes used and single rides were reduced fare

Regional Pass Use Trend - Combined

ALL DAY PASS

FY15: FULL 50%, REDUCED 45%
FY16: FULL 50%, REDUCED 45%
FY17: FULL 50%, REDUCED 45%
FY18: FULL 50%, REDUCED 45%
Regional Pass Use Trend - Combined

Estimated Fare Loss Scenarios

FY16 - FY18(Jan)

<table>
<thead>
<tr>
<th>FULL</th>
<th>FULL</th>
<th>RAIL</th>
<th>BUS</th>
<th>SYSTEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>70%</td>
<td>30%</td>
<td>($3,145,000)</td>
<td>($8,908,000)</td>
<td>($12,053,000)</td>
</tr>
<tr>
<td>65%</td>
<td>35%</td>
<td>($2,376,000)</td>
<td>($7,286,000)</td>
<td>($9,662,000)</td>
</tr>
<tr>
<td>60%</td>
<td>40%</td>
<td>($1,607,000)</td>
<td>($5,664,000)</td>
<td>($7,271,000)</td>
</tr>
<tr>
<td>55%</td>
<td>45%</td>
<td>($837,000)</td>
<td>($4,041,000)</td>
<td>($4,878,000)</td>
</tr>
<tr>
<td>50%</td>
<td>50%</td>
<td>($68,000)</td>
<td>($2,419,000)</td>
<td>($2,487,000)</td>
</tr>
</tbody>
</table>
Implementation

- Phase 1 – Mobile Ticketing with Validators
- Phase 2 – Smartcard, TVM and Retail Network
- Phase 3 – Farebox Upgrade

Project Schedule

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>RFP Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Procurement</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Award</td>
<td>Design Review and Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Manufacturing</td>
<td>Installation</td>
<td>Testing</td>
<td>Phase 1 Launch</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4/26/2018
Project Costs

• Total Project Costs $32M - $53M

• City of Phoenix and Valley Metro will share costs
  o Federal funds might be available

• City of Phoenix will lead the procurement

Near Term Actions

• Policy change
  o Required Reduced Fare ID
  o Enforce checking at point of sale

• Increase awareness and enforcement
  o Public awareness campaign
  o Reduce availability through retail outlets
  o Enforcement at point of use
DATE
April 25, 2018

AGENDA ITEM 6

SUBJECT
Fare Collection System

PURPOSE
To provide an update on the development of a Request for Proposals for a new Fare Collection System for the region and options for addressing reduced fare abuse.

BACKGROUND | DISCUSSION | CONSIDERATION
The City of Phoenix and Valley Metro purchased and installed a new fare collection system for the region in 2008. The system, from Scheidt & Bachmann (S&B), includes fareboxes on buses and ticket/fare vending machines on the light rail line. The principal fare media are magnetic-striped, paper passes, valid for one to 31 days. The system includes a smartcard component, however the smartcards are only used for the employer-based Platinum Pass program. The magnetic stripe coding and smartcard encryption are proprietary to S&B. Any changes to the system, including fare changes, must be done by S&B.

Over the past 10 years, there has built up a significant network of retail outlets for the passes. One of the consequences of this is that reduced fare passes have become very easy to purchase. The use of reduced fare passes has increased dramatically over those years. While it is likely that the population of riders who are eligible for reduced fare has increased, the dramatic increase in usage suggests that there is likely some abuse of the reduced fares. This is one of the key reasons that the region decided to increase the technical capacity of the fare collection system to manage sales at the point of sale, rather than enforce on the bus or light rail vehicle.

In 2015, Valley Metro initiated a study to explore technical upgrades for the fare collection system. Valley Metro hired CH2M (now Jacobs) to analyze proposed upgrades, determine practical alternatives, and identify key elements to consider for implementation, such as mobile ticketing and more widespread use of smartcards. Valley Metro’s goals for the project were to maximize the current system while exploring additional ways to improve fare collection.

After extensive work with S&B, it became clear that incremental improvements built upon the existing fare collection system could not provide the full range of new technology options available in the current market. In 2017, Valley Metro and the City of Phoenix rebooted the process with the assumption that a new fare collection system
would be the best alternative to achieve the desired technology improvements. This decision has implications for fare policy, cost and timing.

In cooperation with the City of Phoenix, Valley Metro has hosted numerous vendor demonstrations. The demonstrations included vendors in the traditional fare collection market (such as Genfare and Scheidt & Bachmann) along with vendors with specific technologies for mobile tickets, smart cards, parking meters, and mobile payment technology companies.

The resultant recommendation is for a new system with open architecture. This means that Valley Metro and the City of Phoenix would own the keys and dictate how hardware would interact with the back end software. This will allow for the use of generic hardware that meets the technical requirements.

The new system would also move away from magnetic-striped, paper passes toward electronic fare media, including mobile tickets and smartcards. The account-based electronic fare media will allow for greater control of reduced fares at the point of sale.

The technical specifications for the new system continue to be developed. A Request for Proposals is expected to be ready by summer. Proposals would be due in late summer with a recommendation on a vendor, or series of vendors, anticipated by early 2019. The new system is expected to be rolled out in three phases, outlined below.

Technology Recommendations

**Phase 1 - Mobile Ticketing with Validators.** This phase will deploy mobile ticketing regionwide for fixed route bus and light rail services. The validators will recognize the mobile tickets and will also validate smart cards.

**Phase 2 – Smartcard, TVM and Retail Network.** Creates an account-based smartcard system with extensive retail network for purchases and reloads. This phase includes the purchase and installation of new ticket vending machines along the light rail line with options for streetcar and new light rail extensions.

**Phase 3 - Optional Farebox Replacement.** Replace the existing, aging farebox with new low-cost farebox to allow for cash payments on the fixed route bus system. Alternatively, existing fareboxes could be reconfigured to only accept cash.

Implementation of Phase 1 technology is anticipated within 24 months of contract award. Implementation of subsequent phases will be negotiated with the successful vendor with an emphasis on implementing Phase 2 as soon as possible. Phase 2 is critical to implementing the proposed Reduced Fare ID.

The early estimate for the full cost of the new system is $32 to $53 million. This is a very wide range which will be narrowed down over the coming months as the specifications
are develop for the RFP. Some of the funding for the project has been identified (federal and local). Additional funding may be available through existing projects, such as new TVMs for light rail extensions under construction or replacement buses that come with new equipment. As the specifications are finalized, the cost will be better estimated along with identifying any existing funding. Valley Metro, the City of Phoenix and Maricopa Association of Governments (MAG) are working cooperatively to identify new sources of funding for this critical project.

Fare Policy Implications
Implementation of the new fare collection system affords the opportunity to re-evaluate the existing fare policy. Existing magnetic stripe based fare media would be eliminated in favor of mobile tickets and smartcard based media.

Reduced Fare ID – In order to better manage the reduced fare media, the Board will be asked to adopt a mandatory Reduced Fare ID. The ID would be incorporated into a smartcard which would hold the reduced fare. Confirming eligibility of each reduced fare user and issuing an ID that is combined with their fare instrument will allow for control of reduced fares at the point-of-sale. The Board may be asked to re-evaluate which populations would be eligible for reduced fares.

Stored Value – The smartcard system will allow for stored value which could eliminate the need for time based media (such as 7-day and 31-day passes). The cards could be developed with fare capping, meaning that a single ride fare would be deducted with each use up to a set cap. The caps could be set as daily, weekly or monthly such that the capping takes the place of selling the time based media.

Intermediate Measures
As it relates to mitigating any reduced fare abuse, several intermediate measures could be implemented during the period that the smartcard system is being developed and installed.

- Adopt the mandatory Reduced Fare ID policy and re-define eligible populations if needed
- Enforce checking of IDs for eligibility at the point of sale. Alternate IDs would be allowed until the Reduced Fare ID system were fully implemented
- Reduce the number of retail outlets
- Initiate a public information campaign regarding use of the proper fare
- Increase enforcement of reduced fare eligibility at the point of use

COST AND BUDGET
Costs for the project are estimated at a rough order of magnitude of between $32 and $53 million. This is a wide range given that many of the technical specifications have not been fully defined. The City of Phoenix, Valley Metro and MAG staff are working cooperatively to identify federal, regional and local funding to support the project.
COMMITTEE ACTION
RTAG: April 17, 2018 for information
TMC/RMC: May 2, 2018 for information
Boards of Directors: May 17, 2018 for information

RECOMMENDATION
This item is presented for information only.

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

ATTACHMENT
None
Information Summary

DATE
April 25, 2018

AGENDA ITEM 9

SUBJECT
Fiscal Year 2018 3rd 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
- Finance

- Capital and Service Development
- Communication & Strategic Initiatives
- Marketing

COST AND BUDGET
None

COMMITTEE PROCESS
TMC/RMC: May 2, 2018 for information
Boards of Directors: May 17, 2018 for information

RECOMMENDATION
This item is presented for information only.

CONTACT
Ray Abraham
Chief Operations Officer
rabraham@valleymetro.org

Wulf Grote, P.E.
Director of Capital & Service Development
wgrote@valleymetro.org

Adrian Ruiz
Director of Safety and Security
aruiz@valleymetro.org

Hillary Foose
Director, Communications & Strategic Initiatives
hfooze@valleymetro.org

Paul Hodgins
Chief Financial Officer
phodgins@valleymetro.org

Rob Antoniak
Chief Operating Officer
rantoniak@valleymetro.org

Valley Metro I 101 N. 1st Ave. Phoenix, AZ 85003 602.262.7433
Fiscal Year 2018 Quarterly Report

May 2018

Regional Ridership

<table>
<thead>
<tr>
<th></th>
<th>FY18 Q2</th>
<th>FY17 Q3</th>
<th>FY18 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus</td>
<td>13,287,446</td>
<td>12,827,759</td>
<td>13,193,245</td>
</tr>
<tr>
<td>Light Rail</td>
<td>4,042,913</td>
<td>4,207,531</td>
<td>4,033,302</td>
</tr>
<tr>
<td>Total</td>
<td>17,330,359</td>
<td>17,035,290</td>
<td>17,226,547</td>
</tr>
</tbody>
</table>
### Fixed Route Bus – East Valley

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Target</th>
<th>FY18 Q2</th>
<th>FY17 Q3</th>
<th>FY18 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Time Performance</td>
<td>≥ 92%</td>
<td>91%</td>
<td>91%</td>
<td>92%</td>
</tr>
<tr>
<td>Complaints Per 100,000 Boardings</td>
<td>≤ 45</td>
<td>54</td>
<td>49</td>
<td>51</td>
</tr>
<tr>
<td>Mechanical Failures Per 100,000 Revenue Miles</td>
<td>≤ 12</td>
<td>4</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Revenue Service Completed</td>
<td>≥ 99.85%</td>
<td>99.96%</td>
<td>99.94%</td>
<td>99.97%</td>
</tr>
<tr>
<td>Preventable Accidents per 100,000 Miles</td>
<td>≤ 0.90</td>
<td>0.89</td>
<td>0.45</td>
<td>0.74</td>
</tr>
<tr>
<td>Ridership</td>
<td>--</td>
<td>3,730,039</td>
<td>3,699,278</td>
<td>3,731,098</td>
</tr>
</tbody>
</table>

### Fixed Route Bus – West Valley*

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Target</th>
<th>FY18 Q2</th>
<th>FY17 Q3</th>
<th>FY18 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Time Performance</td>
<td>≥ 92%</td>
<td>91%</td>
<td>90%</td>
<td>91%</td>
</tr>
<tr>
<td>Valid Complaints Per 1,000 Boardings</td>
<td>≤ 0.25</td>
<td>0.16</td>
<td>0.17</td>
<td>0.14</td>
</tr>
<tr>
<td>Miles Between Road Calls</td>
<td>&gt; 5,000</td>
<td>7,739</td>
<td>11,481</td>
<td>14,735</td>
</tr>
<tr>
<td>Revenue Service Completed</td>
<td>≥ 99.85%</td>
<td>99.99%</td>
<td>99.96%</td>
<td>99.96%</td>
</tr>
<tr>
<td>Preventable Accidents per 100,000 Miles</td>
<td>≤ 1.50</td>
<td>0.99</td>
<td>0.76</td>
<td>0.32</td>
</tr>
<tr>
<td>Ridership</td>
<td>--</td>
<td>131,930</td>
<td>133,017</td>
<td>139,083</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Target</th>
<th>FY18 Q2</th>
<th>FY17 Q3</th>
<th>FY18 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Time Performance</td>
<td>≥ 95%</td>
<td>94%</td>
<td>94%</td>
<td>92%</td>
</tr>
<tr>
<td>Complaints Per 100,000 Boardings</td>
<td>≤ 3.0</td>
<td>0.8</td>
<td>0.4</td>
<td>0.3</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>98%</td>
<td>100%</td>
<td>99%</td>
</tr>
<tr>
<td>Preventable Accidents per 100,000 Miles</td>
<td>≤ 0.90</td>
<td>0.10</td>
<td>0.37</td>
<td>0.00</td>
</tr>
<tr>
<td>Ridership</td>
<td>--</td>
<td>4,042,913</td>
<td>4,207,531</td>
<td>4,033,302</td>
</tr>
</tbody>
</table>

## Customer Service – Call Center

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Target</th>
<th>FY18 Q2</th>
<th>FY17 Q3</th>
<th>FY18 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls Received</td>
<td>--</td>
<td>312,313</td>
<td>307,382</td>
<td>322,287</td>
</tr>
<tr>
<td>Complaints Processed</td>
<td>--</td>
<td>9,097</td>
<td>6,582</td>
<td>8,993</td>
</tr>
<tr>
<td>NextRide Inquiries Handled by Interactive Voice Response (IVR)</td>
<td>--</td>
<td>230,106</td>
<td>296,667</td>
<td>236,937</td>
</tr>
<tr>
<td>NextRide Inquiries Handled by Text Messaging</td>
<td>--</td>
<td>603,529</td>
<td>485,252</td>
<td>707,934</td>
</tr>
<tr>
<td>Average Talk Time</td>
<td>--</td>
<td>2:26</td>
<td>2:08</td>
<td>2:28</td>
</tr>
<tr>
<td>Average Speed of Answer</td>
<td>≤ 1.00</td>
<td>.23</td>
<td>0:18</td>
<td>0:18</td>
</tr>
</tbody>
</table>
Bus Accidents

<table>
<thead>
<tr>
<th></th>
<th>FY18 Q2</th>
<th>FY17 Q3</th>
<th>FY18 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>70</td>
<td>92</td>
<td>83</td>
</tr>
<tr>
<td>NTD</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

Police Incidents - Bus

<table>
<thead>
<tr>
<th></th>
<th>Q2</th>
<th>Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Criminal Damage</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>
Rail Accidents

<table>
<thead>
<tr>
<th></th>
<th>FY18Q2</th>
<th>FY17Q3</th>
<th>FY18Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>NTG</td>
<td>4</td>
<td>16</td>
<td>11</td>
</tr>
</tbody>
</table>
| Fares Inspected

<table>
<thead>
<tr>
<th></th>
<th>FY18Q2</th>
<th>FY17Q3</th>
<th>FY18Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fares Inspected</td>
<td>539,030</td>
<td>562,062</td>
<td>556,177</td>
</tr>
</tbody>
</table>
Fare Inspections and Fare Evasions

Inspected and Fare Evasion Percentage

- Percentage Inspected
- Fare Evasion Rate

Fare Compliance
Total Inspections for Q3= 556,177

- 93%
- 94%
- 93%

FY18 Q2  | FY17 Q3  | FY18 Q3
Citations Issued by Allied Universal

<table>
<thead>
<tr>
<th></th>
<th>FY18 Q2</th>
<th>FY17 Q3</th>
<th>FY18 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Violations</td>
<td>1,259</td>
<td>273</td>
<td>994</td>
</tr>
</tbody>
</table>

Top Violations

<table>
<thead>
<tr>
<th></th>
<th>FY18 Q2</th>
<th>FY17 Q3</th>
<th>FY18 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fare Violations</td>
<td>1305</td>
<td>288</td>
<td>555</td>
</tr>
<tr>
<td>Disobey Traffic Signals</td>
<td>555</td>
<td>288</td>
<td>229</td>
</tr>
</tbody>
</table>
The purpose of a fare sweep is to ensure fare compliance and revenue recovery. Fare Sweeps are conducted with the support of sworn officers.
Off Duty Program – Tempe PD

Off Duty Activity-Tempe PD

- Alcohol Violations
- Fare Violation
- Trespass
- Guideway Violation
- Warrant
- Fare Inspection
- Code of Conduct Warnings
- Positive Feedback

<table>
<thead>
<tr>
<th>Assault</th>
<th>0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcohol Violations</td>
<td>1.9%</td>
</tr>
<tr>
<td>Fare Violations</td>
<td>6.8%</td>
</tr>
<tr>
<td>Trespass</td>
<td>3.3%</td>
</tr>
<tr>
<td>Guideway Violation</td>
<td>4.9%</td>
</tr>
<tr>
<td>Warrant</td>
<td>2.1%</td>
</tr>
<tr>
<td>Fare Inspection</td>
<td>69.9%</td>
</tr>
<tr>
<td>Code of Conduct Warnings</td>
<td>4.7%</td>
</tr>
<tr>
<td>Positive Feedback</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Criminal Activity

<table>
<thead>
<tr>
<th>Criminal Activity</th>
<th>FY18 Q2</th>
<th>FY17 Q3</th>
<th>FY18 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Crimes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>8</td>
<td>42</td>
<td>6</td>
</tr>
<tr>
<td>Park N' Ride</td>
<td>0</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Crimes Against Persons</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>40</td>
<td>23</td>
<td>42</td>
</tr>
<tr>
<td>Park N' Ride</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Code of Conduct</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>233</td>
<td>144</td>
<td>375</td>
</tr>
<tr>
<td>Park N' Ride</td>
<td>11</td>
<td>14</td>
<td>45</td>
</tr>
<tr>
<td>Medical Responses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>200</td>
<td>196</td>
<td>247</td>
</tr>
<tr>
<td>Park N' Ride</td>
<td>4</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Warrant Arrests</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>19</td>
<td>13</td>
<td>24</td>
</tr>
<tr>
<td>Park N' Ride</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Light Rail Incidents
January-March 2018
Crimes Against Person Incidents
- Crimes Against Person
- Aggravated Assault
- Assault
- Homicide
- Robbery
- Sexual Assault
- Shooting
- Stabbing

Light Rail Incidents
January-March 2018
Code of Conduct Incidents
- Code of Conduct
- Intoxication
- Open Container
- Littering
- Disorderly Conduct
Quality Assurance

- **South Central Extension**
  - Planning pre-audit meeting for two reviews
  - Reviewed PMOC comments on PQP

- **Tempe Street Car**
  - Reviewed SWI’s internal quality control audit #2
  - Pre-audit meeting scheduled for April

- **Gilbert Road Extension**
  - Pre-audit meeting in March, audit scheduled for April

- **50th Street Station**
  - Reviewed SWI’s internal quality control audit #2
  - Pre-audit meeting scheduled for April

---

Valley Metro RPTA Operating Results – Q3

RPTA Budget vs. Actual Report
For the quarter ending March 31, 2018

<table>
<thead>
<tr>
<th>Operations Expenditures</th>
<th>3rd Quarter Budget</th>
<th>3rd Quarter Actual</th>
<th>Variance (Unfav.)</th>
<th>Year to Date Budget</th>
<th>Year to Date Actual</th>
<th>Variance (Unfav.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Route Bus</td>
<td>23.7</td>
<td>22.8</td>
<td>0.9</td>
<td>71.1</td>
<td>68.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Paratransit</td>
<td>9.7</td>
<td>8.7</td>
<td>1.0</td>
<td>29.1</td>
<td>26.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Vanpool</td>
<td>0.2</td>
<td>0.2</td>
<td>0.0</td>
<td>0.7</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>Regional Services</td>
<td>3.2</td>
<td>2.7</td>
<td>0.4</td>
<td>9.5</td>
<td>7.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Planning</td>
<td>0.6</td>
<td>0.5</td>
<td>0.1</td>
<td>1.9</td>
<td>1.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Administration</td>
<td>0.9</td>
<td>0.8</td>
<td>0.1</td>
<td>2.6</td>
<td>2.4</td>
<td>0.2</td>
</tr>
<tr>
<td>METRO Rail (Salary, Fringe, OH)</td>
<td>5.4</td>
<td>4.4</td>
<td>1.0</td>
<td>16.3</td>
<td>13.9</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Total Operations Expenditures</strong></td>
<td><strong>43.7</strong></td>
<td><strong>40.1</strong></td>
<td><strong>3.6</strong></td>
<td><strong>131.2</strong></td>
<td><strong>119.7</strong></td>
<td><strong>11.5</strong></td>
</tr>
</tbody>
</table>
Valley Metro RPTA Capital Results – Q3

RPTA Budget vs. Actual Report
For the quarter ending March 31, 2018

<table>
<thead>
<tr>
<th>Capital Expenditures</th>
<th>3rd 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>13.3</td>
<td>8.7</td>
</tr>
<tr>
<td>Lead Agency</td>
<td>1.4</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>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Other Capital</td>
<td>3.1</td>
<td>2.0</td>
</tr>
<tr>
<td>METRO Rail</td>
<td>10.9</td>
<td>11.1</td>
</tr>
<tr>
<td>Total Capital Expenditures</td>
<td>30.0</td>
<td>23.0</td>
</tr>
</tbody>
</table>

Valley Metro Rail Operating Results – Q3

VMR Budget vs. Actual Report
For the quarter ending March 31, 2018

<table>
<thead>
<tr>
<th>Operations Expenditures</th>
<th>3rd 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>10.2</td>
</tr>
<tr>
<td>Future Project Development</td>
<td>5.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Agency Operating</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Total Operating Activities</td>
<td>17.6</td>
<td>12.2</td>
</tr>
</tbody>
</table>
Average Rail Fare
FY 2017 History / FY 2018 3rd Quarter
Average Fare – 12 Months Rolling by Quarter

Valley Metro Rail
Capital Results – Q3

VMR Budget vs. Actual Report
For the quarter ending March 31, 2018

<table>
<thead>
<tr>
<th>Capital Expenditures</th>
<th>3rd Quarter</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td>Rail Projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Mesa</td>
<td>1.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Tempe Streetcar</td>
<td>17.2</td>
<td>6.9</td>
</tr>
<tr>
<td>Gilbert Rd</td>
<td>18.7</td>
<td>18.7</td>
</tr>
<tr>
<td>50th St LRT Station</td>
<td>3.0</td>
<td>1.5</td>
</tr>
<tr>
<td>South Central</td>
<td>11.9</td>
<td>6.5</td>
</tr>
<tr>
<td>OMC Expansion</td>
<td>1.1</td>
<td>0.0</td>
</tr>
<tr>
<td>System-wide Improvements</td>
<td>5.3</td>
<td>5.9</td>
</tr>
<tr>
<td>Total Capital</td>
<td>58.1</td>
<td>39.8</td>
</tr>
</tbody>
</table>

$ Millions
## 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>April 2018</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Incorporated all Mesa Transit Plan changes into the Short Range Transit Program.</td>
</tr>
<tr>
<td>Short Range Transit Program</td>
<td>April 2018</td>
<td>-</td>
</tr>
</tbody>
</table>
|                                                         |                 | • Final draft complete.  
|                                                         |                 | • Scheduled for April RPTA Board of Directors meeting. |
| Scottsdale Circulator Service Optimization Study       | January 2017    | -      |
|                                                         |                 | • Submitted final memo to City of Scottsdale staff.  
|                                                         |                 | • Project complete. |
| Transit Stop Inventory and Accessibility Study          | April 2018      | -      |
|                                                         |                 | • Completed cost estimate for ADA improvements to Valley Metro bus stops.  
|                                                         |                 | • Drafted final technical memo. |
| Transit Stop Inventory Reconciliation with Bus Stop Database | May 2018        | -      |
|                                                         |                 | • Verifying bus stop amenities and locations for use in on-line maps.  
|                                                         |                 | • Preparing bus stop photos for on-line publishing. |
| April 2018 Fixed-Route Service Changes                  | April 2018      | -      |
|                                                         |                 | • Implementation underway. |
| October 2018 Fixed Route Service Changes                | October 2018    | -      |
|                                                         |                 | • Prepared final list of proposals.  
|                                                         |                 | • Scheduled public input process. |
| ASU Student Survey                                      | June 2018       | -      |
|                                                         |                 | • Completed final report and presented findings to Board  
|                                                         |                 | • Making plans to conduct additional follow-up surveys in April.  
|                                                         |                 | • A supplemental LRT report will be prepared. |
| Bus Stop and Light Rail Accessibility Geofencing        | March 2018      | -      |
|                                                         |                 | • Developed geofences around all bus stops and light rail stations.  
|                                                         |                 | • Undergoing accessibility testing from an independent testing consultant. |
| Quality of Life Study                                   | Fall 2018       | -      |
|                                                         |                 | • Study will communicate the community benefits of VM Light Rail over the past 10 years.  
|                                                         |                 | • Presented an a project update to the Leadership Team. |
## Corridor and Facilities Planning

<table>
<thead>
<tr>
<th>Project</th>
<th>Year Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
</table>
| *Northwest LRT Extension Phase II* | 2023          | Environmental/ Preliminary Engineering | Summer 2018    | • Advancing engineering to 30% design level.  
• Updating Draft 3 of Environmental Assessment per FTA review.                                                                  |
| *Capitol/I-10 West LRT Extension* | 2023          | Environmental Assessment (EA) | Spring 2020    | • Analyzing Phase I LPA alignment modification to coincide with the South Central Extension.  
• Stakeholder outreach regarding downtown configuration.  
• EA to be updated based on phasing and downtown configuration.                                                                 |
| *West Phoenix*                | 2026          | Alternatives Analysis       | December 2018  | • Coordinating next steps with Phoenix and MAG and will be updating schedule.                                                            |
| *Paratransit O&M Facility Study* | Spring 2019   | Site Selection and Analysis | Summer 2018    | • Completed first tier of two-tiered site selection process  
• Beginning second tier analysis for eight sites, including conceptual site layouts.                                               |
| *Northeast LRT Feasibility Study* | 2034          | Feasibility Study            | Spring 2018    | • Finalizing study recommendations.  
• Preparing Final Report.                                                                                                          |
| *I-10/I-17 Direct Access Bus Ramp* | TBD           | Planning                      | Spring 2018    | • Coordinating with ADOT and Phoenix on next steps regarding preferred bus ramp option.                                               |

---

**Corridor and Facilities Planning**

<table>
<thead>
<tr>
<th>Project</th>
<th>Year Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
</table>
| *North Glendale Park-and-Ride Study* | January 2019  | Site Selection        | June 2018      | • Completed a two-tiered evaluation site selection process to recommend a single site (at 75th Ave/Loop 101) that meets the park-and-ride requirements for North Glendale.  
• Final Report on site selection process under review.                                                                 |
• Identified alternatives that will be evaluated.  
• Initiating Tier 1 Evaluation process.                                                                                             |
| *Northeast LRT Feasibility Study* | 2034          | Feasibility Study     | Spring 2018    | • Finalizing study recommendations.  
• Preparing Final Report.                                                                                                           |
| *I-10/I-17 Direct Access Bus Ramp* | TBD           | Planning              | Spring 2018    | • Coordinating with ADOT and Phoenix on next steps regarding preferred bus ramp option.                                               |
Corridor and Facilities Planning

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona Avenue Alternative Analysis</td>
<td>February 2020</td>
<td>Existing Conditions</td>
<td>June 2018</td>
<td>• Held a project kick-off meeting</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Finalizing the scope of work and schedule</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Coordinating efforts with the Chandler Transportation Master Plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Update starting late spring 2018</td>
</tr>
<tr>
<td>Tempe / Mesa Streetcar System Study</td>
<td>March 2020</td>
<td>Project Initiation</td>
<td>May 2018</td>
<td>• Finalized scope of work, budget, schedule and funding agreements</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Tempe and Mesa Council and Valley Metro Board approvals anticipated in April</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Kick-off meeting scheduled May 3, 2018</td>
</tr>
<tr>
<td>OMC Expansion</td>
<td>2021</td>
<td>Procurement</td>
<td>Summer 2018</td>
<td>• Two teams were prequalified during the RFQ process.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Waiting for proposals; due in March.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• This project becomes a capital project beginning next quarter.</td>
</tr>
<tr>
<td>Peoria Park-and-Ride</td>
<td>June 2019</td>
<td>Final Design</td>
<td>August 2018</td>
<td>• City of Peoria completed right-of-way acquisition. Business tenant anticipated to relocate by July 2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Initiated Final Design task.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• This project becomes a capital project beginning next quarter</td>
</tr>
</tbody>
</table>

50th Street Station

<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 (42% complete)</td>
<td>Spring 2019</td>
<td>• Completing closeout process for Stockyards parking lot</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Continuing installation of water main</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Completed 90% design of Operator Restroom Facility</td>
</tr>
</tbody>
</table>

Data as of 31MAR18 For more details, visit valleymetro.org
50th Street Station
Expenditures to Date

<table>
<thead>
<tr>
<th>Description</th>
<th>Expended ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted Services</td>
<td>$ 5.2</td>
</tr>
<tr>
<td>Right of Way</td>
<td>$ 0.1</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$ 1.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 7.1</strong></td>
</tr>
</tbody>
</table>

Project Contingency

<table>
<thead>
<tr>
<th>Description</th>
<th>Dollars ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contingency</td>
<td>$ 4.6</td>
</tr>
<tr>
<td>Executed Change Orders &amp; Budget Transfers</td>
<td>(2.5)</td>
</tr>
<tr>
<td><strong>Total Project Contingency Remaining</strong></td>
<td><strong>$ 2.1</strong></td>
</tr>
</tbody>
</table>

Data as of 31MAR18

Gilbert Road Extension

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
</table>
| 2019             | Construction (56% complete) | Spring 2019    | • Crews are installing new concrete curb, gutter, and sidewalk in preparation for guideway excavation  
                   |                     |                | • Catenary pole foundations, guideway drainage system, and systems duct bank are being installed  
                   |                     |                | • Guideway curb installation has begun where infrastructure is complete  |

Data as of 31MAR18. For more details, visit valleymetro.org
Gilbert Road Extension
Expenditures to Date

<table>
<thead>
<tr>
<th>Description</th>
<th>Expended ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted Services</td>
<td>$ 58.6</td>
</tr>
<tr>
<td>Light Rail Vehicles</td>
<td>$ 5.2</td>
</tr>
<tr>
<td>Right of Way</td>
<td>$ 8.7</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$ 8.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 80.6</strong></td>
</tr>
</tbody>
</table>

Project Contingency

<table>
<thead>
<tr>
<th>Description</th>
<th>Dollars ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contingency</td>
<td>$ 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>

Data as of 31MAR18

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 (43% complete)</td>
<td>Summer 2019</td>
<td>- Overall project design completed to approximately 50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Submission of 40% Systems and 100% IFC Triple 7 Improvements design plans</td>
</tr>
</tbody>
</table>

Data as of 31MAR18  For more details, visit valleymetro.org
South Central Extension
Expenditures to Date

<table>
<thead>
<tr>
<th>Description</th>
<th>Expended ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted Services</td>
<td>$ 9.6</td>
</tr>
<tr>
<td>Right of Way</td>
<td>$ 0.1</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$ 2.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 12.0</strong></td>
</tr>
</tbody>
</table>

Project Contingency

<table>
<thead>
<tr>
<th>Description</th>
<th>Dollars ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contingency</td>
<td>$ 216.7</td>
</tr>
<tr>
<td>Executed Change Orders &amp; Budget Transfers</td>
<td>(2.4)</td>
</tr>
<tr>
<td><strong>Total Project Contingency Remaining</strong></td>
<td><strong>$ 214.3</strong></td>
</tr>
</tbody>
</table>

Data as of 31MAR2018

Tempe Streetcar

<table>
<thead>
<tr>
<th>Project Complete</th>
<th>Current Phase</th>
<th>Phase Complete</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>Final Design and Pre-Construction (84% complete)</td>
<td>Winter 2018</td>
<td>▪ 90% Design Pre-Final Package received March 2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Rail Welding Completed March 2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ GMP price has been established</td>
</tr>
</tbody>
</table>

Data as of 31MAR18. For more details, visit valleymetro.org
Tempe Streetcar
Expenditures to Date

<table>
<thead>
<tr>
<th>Description</th>
<th>Expended ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted Services</td>
<td>$ 7.3</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$ 3.5</td>
</tr>
<tr>
<td>Right of Way</td>
<td>$ 0.1</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$ 14.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 25.7</strong></td>
</tr>
</tbody>
</table>

Project Contingency

<table>
<thead>
<tr>
<th>Description</th>
<th>Dollars ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contingency</td>
<td>$ 37.5</td>
</tr>
<tr>
<td>Executed Change Orders &amp; Budget Transfers</td>
<td>$ (1.6)</td>
</tr>
<tr>
<td><strong>Total Project Contingency Remaining</strong></td>
<td><strong>$ 35.9</strong></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
April 25, 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>Government Relations Officer</td>
<td>APTA Legislative Conferenc</td>
<td>Washington, DC</td>
<td>3/17/18-3/21/18</td>
<td>$2,311.31</td>
<td>$544.60</td>
<td>$42.45</td>
<td>$1,510.76</td>
<td>$213.50</td>
<td>$0.00</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>Meet with FTA and Arizona Congressional delegation</td>
<td>Washington, DC</td>
<td>1/24/18-1/26/18</td>
<td>$1,172.93</td>
<td>$473.41</td>
<td>$50.86</td>
<td>$485.74</td>
<td>$120.92</td>
<td>$42.00</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>APTA Transit CEOs Seminar</td>
<td>Miami, FL</td>
<td>2/9/18-2/13/18</td>
<td>$2,259.52</td>
<td>$502.61</td>
<td>$35.63</td>
<td>$1,419.28</td>
<td>$232.00</td>
<td>$70.00</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>SWTA Conference</td>
<td>Denver, CO</td>
<td>3/4/18-3/6/18</td>
<td>$1,103.81</td>
<td>$463.61</td>
<td>$9.00</td>
<td>$431.70</td>
<td>$157.50</td>
<td>$42.00</td>
</tr>
<tr>
<td>Security Coordinator</td>
<td>Required FTA/TSSP Course</td>
<td></td>
<td>3/4/18-3/10/18</td>
<td>$1,733.83</td>
<td>$491.48</td>
<td>$24.00</td>
<td>$866.35</td>
<td>$352.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Outside Counsel</td>
<td>Deposition to Defend Valley Metro</td>
<td>Seattle, WA</td>
<td>2/7/18-2/9/18</td>
<td>$1,177.38</td>
<td>$401.50</td>
<td>$112.29</td>
<td>$461.59</td>
<td>$185.00</td>
<td>$17.00</td>
</tr>
<tr>
<td>Design Manager</td>
<td>AzTA ADOT Conf.</td>
<td>Tucson, AZ</td>
<td>4/8/18-4/9/18</td>
<td>$320.21</td>
<td>$0.00</td>
<td>$151.50</td>
<td>$108.21</td>
<td>$60.50</td>
<td>$0.00</td>
</tr>
<tr>
<td>Quality Assurance Program Coordinator</td>
<td>Gillig Site Visit</td>
<td>Livermore, CA</td>
<td>3/18/18-3/30/18</td>
<td>$3,342.69</td>
<td>$619.96</td>
<td>$391.71</td>
<td>$1,493.87</td>
<td>$793.50</td>
<td>$43.65</td>
</tr>
<tr>
<td>General Counsel</td>
<td>2018 APTA Legal Affairs Seminar</td>
<td>Palm Springs, CA</td>
<td>2/24/18-2/27/18</td>
<td>$1,496.62</td>
<td>$400.59</td>
<td>$23.77</td>
<td>$929.76</td>
<td>$50.50</td>
<td>$92.00</td>
</tr>
<tr>
<td>Capital Development Manager</td>
<td>APTA Leadership Class</td>
<td>Washington, DC</td>
<td>3/15/18-3/22/18</td>
<td>$3,780.92</td>
<td>$768.59</td>
<td>$13.00</td>
<td>$2,643.83</td>
<td>$355.50</td>
<td>$0.00</td>
</tr>
<tr>
<td>Bus &amp; Paratransit</td>
<td>Gillig Site Visit</td>
<td>Livermore, CA</td>
<td>3/18/18-3/22/18</td>
<td>$1,511.42</td>
<td>$619.96</td>
<td>$0.00</td>
<td>$580.96</td>
<td>$310.50</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Report reflects Out of State (AZ) Travel

1 Parking
2 Fuel for Rental Car
3 Baggage
## Valley Metro Regional Public Transportation Authority

**Monthly AP Payments over $25,000**

**March 21, 2018 to April 20, 2018**

<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>20180412W004</td>
<td>Transdev Services, Inc</td>
<td>Jan 2018 Regional Paratransit Services</td>
<td>4/12/2018</td>
<td>1,312,207.43</td>
</tr>
<tr>
<td>20180419W003</td>
<td>Gillig, LLC</td>
<td>6771 Gillig Low Floor CNG Transit Bus, 40 Ft.</td>
<td>4/19/2018</td>
<td>546,037.00</td>
</tr>
<tr>
<td>20180419W003</td>
<td>Gillig, LLC</td>
<td>6772 Gillig Low Floor CNG Transit Bus, 40 Ft.</td>
<td>4/19/2018</td>
<td>546,037.00</td>
</tr>
<tr>
<td>20180419W003</td>
<td>Gillig, LLC</td>
<td>6773 Gillig Low Floor CNG Transit Bus, 40 Ft.</td>
<td>4/19/2018</td>
<td>546,037.00</td>
</tr>
<tr>
<td>20180413W001</td>
<td>ADP</td>
<td>PPE 4-8-18 Wages Payable - Reverse Wire</td>
<td>4/13/2018</td>
<td>523,195.39</td>
</tr>
<tr>
<td>20180330W001</td>
<td>ADP</td>
<td>PPE 3/25/18 Wages Payable - Reverse Wire</td>
<td>3/30/2018</td>
<td>516,431.79</td>
</tr>
<tr>
<td>20180329W006</td>
<td>United Healthcare</td>
<td>April 2018 EE Dental, Medical &amp; Vision Coverage</td>
<td>3/29/2018</td>
<td>375,124.34</td>
</tr>
<tr>
<td>20180413W001</td>
<td>ADP</td>
<td>PPE 4-8-18 Federal, State, SS/Med EE/ER Tax - ACH</td>
<td>4/13/2018</td>
<td>205,495.51</td>
</tr>
<tr>
<td>20180330W001</td>
<td>ADP</td>
<td>PPE 3/25/18 Federal, State, SS/Med EE/ER Tax - ACH</td>
<td>3/30/2018</td>
<td>201,813.07</td>
</tr>
<tr>
<td>20180329W005</td>
<td>Total Transit Enterprises, LLC</td>
<td>Feb. 2018 Zoom (Avondale) Bus run</td>
<td>3/29/2018</td>
<td>115,717.02</td>
</tr>
<tr>
<td>38248</td>
<td>Valley Metro Rail</td>
<td>Reimburse VMR for Receipts Deposited on City of Tempe Check paying Invoices from Both Entities</td>
<td>4/11/2018</td>
<td>106,198.08</td>
</tr>
<tr>
<td>20180330W001</td>
<td>ASRS</td>
<td>PPE 3/25/18 ASRS Contributions Employee</td>
<td>3/30/2018</td>
<td>91,948.25</td>
</tr>
<tr>
<td>20180330W001</td>
<td>ASRS</td>
<td>PPE 4-8-18 ASRS Contributions Employer</td>
<td>3/30/2018</td>
<td>91,948.25</td>
</tr>
<tr>
<td>20180413W001</td>
<td>ASRS</td>
<td>PPE 4-8-18 ASRS Contributions Employee</td>
<td>4/13/2018</td>
<td>91,578.39</td>
</tr>
<tr>
<td>20180413W001</td>
<td>ASRS</td>
<td>PPE 4-8-18 ASRS Contributions Employer</td>
<td>4/13/2018</td>
<td>91,578.39</td>
</tr>
<tr>
<td>20180329W005</td>
<td>Total Transit Enterprises, LLC</td>
<td>Feb. 2018 Vee Quiva Bus Run</td>
<td>3/29/2018</td>
<td>72,521.74</td>
</tr>
<tr>
<td>04152018</td>
<td>Wells Fargo</td>
<td>Wells Fargo Credit Card Purchases March 2018</td>
<td>4/15/2018</td>
<td>69,174.64</td>
</tr>
<tr>
<td>20180329W005</td>
<td>Total Transit Enterprises, LLC</td>
<td>Feb 2018 Glendale Express Bus Run, Maintenance Costs</td>
<td>3/29/2018</td>
<td>67,959.97</td>
</tr>
<tr>
<td>20180419W004</td>
<td>Second Generation, Inc. dba Ajo Transportation</td>
<td>March 2018 Rural Connector Route</td>
<td>4/19/2018</td>
<td>57,441.23</td>
</tr>
<tr>
<td>R20180331W002</td>
<td>City of Mesa</td>
<td>March 2018 Utilities</td>
<td>3/31/2018</td>
<td>51,168.40</td>
</tr>
<tr>
<td>20180322W002</td>
<td>CopperPoint Mutual Insurance Company c/o Knight Management</td>
<td>April 2018 Call Center and Mobility Center Rent</td>
<td>3/22/2018</td>
<td>50,140.74</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49230 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>47,314.11</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49216 2018 Ford Transit Van Silver (with 5 Extra Keys)</td>
<td>4/11/2018</td>
<td>41,213.21</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49216 2018 Ford Transit Van Silver (with 5 extra keys)</td>
<td>4/11/2018</td>
<td>41,213.21</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49220 2018 Ford Transit Van Silver (with 5 extra keys)</td>
<td>4/11/2018</td>
<td>41,213.21</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49221 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>40,788.21</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49223 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>40,788.21</td>
</tr>
<tr>
<td>Document Number</td>
<td>Name</td>
<td>Transaction Description</td>
<td>Effective Date</td>
<td>Transaction Amount</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------------------</td>
<td>----------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49224 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>40,788.21</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49226 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>40,788.21</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49227 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>40,788.21</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49209 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>40,788.21</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49213 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>40,788.21</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49214 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>40,788.21</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49215 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>40,788.21</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49171 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>39,950.00</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49196 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>39,950.00</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49205 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>39,950.00</td>
</tr>
<tr>
<td>38224</td>
<td>Creative Bus Sales Inc.</td>
<td>49206 2018 Ford Transit Van Silver</td>
<td>4/11/2018</td>
<td>39,950.00</td>
</tr>
<tr>
<td>20180329W001</td>
<td>Creative Software Solutions/MJM</td>
<td>2/1-2/15/18 Estimated Taxi Trips</td>
<td>3/29/2018</td>
<td>35,816.63</td>
</tr>
<tr>
<td>38204</td>
<td>Steer Davies &amp; Gleave Inc.</td>
<td>March 2018 Website Redesign &amp; Development</td>
<td>4/4/2018</td>
<td>32,931.60</td>
</tr>
<tr>
<td>38271</td>
<td>Eno Transportation Foundation, Inc.</td>
<td>Group Membership 50% Payment</td>
<td>4/18/2018</td>
<td>32,250.00</td>
</tr>
<tr>
<td>38252</td>
<td>AlphaVu, LLC</td>
<td>5-month Engagement Consultant Support</td>
<td>4/13/2018</td>
<td>30,500.00</td>
</tr>
<tr>
<td>38211</td>
<td>AlphaVu, LLC</td>
<td>5-month Engagement Consultant Support</td>
<td>4/11/2018</td>
<td>30,500.00</td>
</tr>
<tr>
<td>38196</td>
<td>Knowledge Services</td>
<td>Feb. 2017 IT Services Consultant</td>
<td>4/4/2018</td>
<td>29,444.50</td>
</tr>
<tr>
<td>20180412W001</td>
<td>Creative Software Solutions/MJM</td>
<td>April 2018 Ridechoice Management Fees</td>
<td>4/12/2018</td>
<td>25,291.66</td>
</tr>
<tr>
<td>20180329W002</td>
<td>FirstGroup America, Inc.</td>
<td>8070 Transmission Mid-Life Overhaul</td>
<td>3/29/2018</td>
<td>25,079.65</td>
</tr>
</tbody>
</table>

**Total**: 14,104,854.57
<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>20180329W008</td>
<td>Siemens Industry Inc.</td>
<td>Milestone B1 LRV Acquisition Program</td>
<td>3/29/2018</td>
<td>7,516,932.58</td>
</tr>
<tr>
<td>20180413W</td>
<td>Stacy and Witbeck-Sundt JV GRE</td>
<td>Feb. 2018 Gilbert Road Light Rail Extension</td>
<td>4/13/2018</td>
<td>4,101,539.75</td>
</tr>
<tr>
<td>20180321W</td>
<td>Alternate Concepts Inc.</td>
<td>Feb 2018 Transportation Services</td>
<td>3/21/2018</td>
<td>769,121.86</td>
</tr>
<tr>
<td>20180419W003</td>
<td>Stacy and Witbeck, Inc.</td>
<td>Feb. 2018 Tempe Streetcar Project</td>
<td>4/19/2018</td>
<td>662,214.54</td>
</tr>
<tr>
<td>20180419W</td>
<td>Allied Universal Security Services</td>
<td>March 2018 Fare Inspection and Security Services</td>
<td>4/19/2018</td>
<td>406,927.39</td>
</tr>
<tr>
<td>20180329W</td>
<td>Allied Universal Security Services</td>
<td>Feb 2018 Fare Inspection &amp; Security Services</td>
<td>3/29/2018</td>
<td>405,506.11</td>
</tr>
<tr>
<td>20180405W001</td>
<td>Stacy and Witbeck, Inc.</td>
<td>Feb 2018 50th ST Station</td>
<td>4/5/2018</td>
<td>404,476.61</td>
</tr>
<tr>
<td>20180321W003</td>
<td>Kiewit Infrastructure West Co.</td>
<td>Feb 2018 S Central Extension - Preconstruction</td>
<td>3/21/2018</td>
<td>204,763.89</td>
</tr>
<tr>
<td>20180329W005</td>
<td>DMS - Facility Services, Inc.</td>
<td>Feb 2018 Facility and LRV Cleaning Services</td>
<td>3/29/2018</td>
<td>177,184.55</td>
</tr>
<tr>
<td>20180419W002</td>
<td>DMS - Facility Services, Inc.</td>
<td>March 2018 Facilities and LRV Cleaning Services</td>
<td>4/19/2018</td>
<td>177,184.55</td>
</tr>
<tr>
<td>V20180331</td>
<td>APS</td>
<td>March 2018 Utilities</td>
<td>3/31/2018</td>
<td>172,709.65</td>
</tr>
<tr>
<td>20180321W004</td>
<td>USBC Real Estate LLC</td>
<td>April 2018 101 Bldg Lease</td>
<td>3/21/2018</td>
<td>123,573.14</td>
</tr>
<tr>
<td>20180321W002</td>
<td>City of Mesa</td>
<td>Feb 2018 GRE Costs Reimbursement #31</td>
<td>3/21/2018</td>
<td>118,053.38</td>
</tr>
<tr>
<td>20180329W004</td>
<td>City of Mesa</td>
<td>GRE Costs Reimbursement #32</td>
<td>3/29/2018</td>
<td>115,753.76</td>
</tr>
<tr>
<td>030727</td>
<td>Hans van Meeuwen, LLC</td>
<td>9 Fabrication</td>
<td>4/4/2018</td>
<td>113,006.00</td>
</tr>
<tr>
<td>030770</td>
<td>RPTA</td>
<td>Pymt for RPTA, but Original Check made out to and deposited by VMR</td>
<td>4/10/2018</td>
<td>71,149.04</td>
</tr>
<tr>
<td>V20180351</td>
<td>SRP</td>
<td>March 2018 Utilities</td>
<td>3/31/2018</td>
<td>69,149.35</td>
</tr>
<tr>
<td>20180329W005</td>
<td>DMS - Facility Services, Inc.</td>
<td>Feb 2018 Facilities Maintenance Services</td>
<td>3/29/2018</td>
<td>56,822.48</td>
</tr>
<tr>
<td>030679</td>
<td>MAC Products, Inc.</td>
<td>Disconnect Switches</td>
<td>3/28/2018</td>
<td>49,459.95</td>
</tr>
<tr>
<td>20180419W002</td>
<td>DMS - Facility Services, Inc.</td>
<td>March 2018 Facilities Maintenance Services</td>
<td>4/19/2018</td>
<td>47,938.70</td>
</tr>
<tr>
<td>20180329W002</td>
<td>ARCADIS</td>
<td>Feb 218 Task 29 Consulting Support Services</td>
<td>3/29/2018</td>
<td>41,236.80</td>
</tr>
<tr>
<td>030717</td>
<td>City of Phoenix</td>
<td>March 2018 Fare Handling Fee</td>
<td>4/4/2018</td>
<td>38,907.00</td>
</tr>
<tr>
<td>041518</td>
<td>Wells Fargo</td>
<td>March 2018 Wells Fargo Credit Card Purchases</td>
<td>4/15/2018</td>
<td>36,313.11</td>
</tr>
<tr>
<td>030727</td>
<td>Hans van Meeuwen, LLC</td>
<td>8 Fabrication - Gilbert Road Extension</td>
<td>4/4/2018</td>
<td>33,000.00</td>
</tr>
<tr>
<td>030823</td>
<td>URW, LLC</td>
<td>March 2018 Facilities Landscaping Services</td>
<td>4/18/2018</td>
<td>32,386.93</td>
</tr>
<tr>
<td>20180412W001</td>
<td>Hill International, Inc.</td>
<td>Feb. 2018 50th ST Station PMCM Services</td>
<td>4/12/2018</td>
<td>26,890.87</td>
</tr>
<tr>
<td>030764</td>
<td>Interior Solutions</td>
<td>OMC Office Modifications</td>
<td>4/10/2018</td>
<td>26,115.18</td>
</tr>
<tr>
<td>030701</td>
<td>UTRCAS LLC</td>
<td>Set 1 Gearbox Axle Overhaul</td>
<td>3/28/2018</td>
<td>25,643.80</td>
</tr>
</tbody>
</table>

16,854,781.18
DATE
April 25, 2018

SUBJECT
Future Agenda Items Request and Report on Current Events

PURPOSE
Chairs Basha and Brady 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

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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Valley Metro I 101 N. 1st Ave. Phoenix, AZ 85003 602.262.7433
Agenda
April 25, 2018

Transit Management Committee
Wednesday, May 2, 2018
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:00 a.m.

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 April 4, 2018 TMC meeting are presented for approval.

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

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

4. **Next Meeting**

The next meeting of the Board is scheduled for **Wednesday, June 6, 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
April 25, 2018

AGENDA ITEM 1

SUBJECT
Public Comment on Agenda Action Items

PURPOSE
The public will be provided with an opportunity at this time to address the TMC 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
Minutes
April 25, 2018

Transit Management Committee
Wednesday, April 4, 2018
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:00 a.m.

Transit Management Committee Participants
Paul Basha, City of Scottsdale, Chair
Brent Stoddard for Kevin Phelps, City of Glendale, Vice Chair
Gina Montes, City of Avondale (phone)
Ryan Peters for Marsha Reed, City of Chandler
Robert Nilles, City of El Mirage (phone)
Grady Miller, Town of Fountain Hills
Jacob Ellis, Town of Gilbert
Kevin Phelps, City of Glendale
Julie Arendall, City of Goodyear
Reed Kempton, Maricopa County
Scott Butler for Chris Brady, City of Mesa
Erik Strunk for Jeff Tyne, City of Peoria
Ken Kessler for Ed Zuercher, City of Phoenix
Nicole Lance, City of Surprise (phone)
Steven Methvin, City of Tempe

Members Not Present
Roger Klingler, City of Buckeye
Sara Allred, ADOT
City of Tolleson

Chair Basha called the meeting to order at 11:45 a.m.

Chair Basha said and move on to the RPTA meeting. And once again, as always, we allow public comment. And we do have public comment from Mr. Blue Crowley.

1. Public Comment

Mr. Crowley said all right. This is going to be fun. I look at all your consent agenda items and all of them are for action and they're all spending huge amounts. They are pretty relevant, you know, the short range transit plan, the life cycle on the bus, the authorization for Enterprise Resource Planning and the farebox contract change.
Well, on the short range plan and the reimbursement on the fareboxes are two of the things that I'll be covering, and also your legislative update over there. What I don't see in the short range plan is getting me the Wickenburg connector redone and such.

And I look at your legislative update, part of what it says in the TIGER allotments that 30 percent is to go for rural facilities, so if you guys could, you know, try to get kind of those things going because I don't see where in your short range plan we're getting to Queen Creek and Tonopah and other parts of the metroplex.

I know they're the extended ones, but at one time you guys were the same and it was inefficient, inept at that time. So where is it in that legislative update that you as the organization instructed your lobbyists to deal with these both on the state and on the U.S. level.

I also note in here on the state update, there's a thing for public buildings, and how that has to do with us I don't understand.

On the 3A, I note that on the marketing and advertising, we keep on putting out how much money and then we see on the radio and this is brought to you by Valley Metro. Please do what you can to help our air quality and use all our different modes. Instead of, which is a part that needs to be done, but instead of also doing the outreach that you should be doing to find out what all the employers want done.

And also in your short range and that I don't see where the document from '06 that states you're going to have Litchfield going and that all of the routes would be going out to Litchfield, so, please, get it right.

Chair Basha said Mr. Crowley, thanks for your comments. And we do appreciate your comments.

2. Minutes

Minutes from the February 7, 2018 TMC meeting were presented for approval.

IT WAS MOVED BY ERIK STRUNK, SECONDED BY REED KEMPTON AND UNANIMOUSLY CARRIED TO APPROVE THE FEBRUARY 7, 2018 TMC MEETING.

3. Consent Agenda

Chair Basha said on to consent agenda Item No. 3. We have eight items.

Mr. Smith said yes, Mister Chair, we put all of these on consent, understanding that you may want to pull one or more off. Most of them are authorization to issue requests for proposal.
Just as a refresher, under RPTA our rules, we have to get Board approval to issue an RFP. That is not the same with Valley Metro Rail. We do not have that same requirement, but we throw these proposals to you so that we can issue an RFP. These are not final actions whenever it says RFP. Obviously, we're just going to issue the RFP.

There's also the Short Range Transit Program at 3H; 3G very quickly, because there was a question that came up about refurbishment of bus fareboxes.

We are receiving some new buses. And if you'll recall on our East Valley contract, we recently went through a refurbishment of all the fareboxes in those buses. The new buses do not have refurbished fareboxes. We're pulling fareboxes out of our reserve on our contingency -- farebox contingency, we're pulling all those and updating those, so those can be used in the new buses we're receiving.

So that's what 3G is for. It's not to get new. It's just to take existing that aren't -- haven't been updated. So any others that you'd like information or you would like to pull, obviously we're open for that.

I would make one comment on the short range transit, and this is partially to discuss things that Mr. Crowley brings up. Just a reminder that we operate on our transit life cycle plan, our short term plan, based on the resources that we have available and we project being available. We're operating in this region under a 20-year plan, the Prop 400 plan basically. That plan falls a billion dollars short at one point -- from original plan with the recession, how much did that take out of the plan available for transit?

Mr. Hodgins said the sales tax revenues are at about 40 percent, so we anticipated five billion for the transit program. We expect to get just under three billion.

Mr. Smith said under three billion. So we're literally two billion short from the plan that we're operating under in 2005, 2006 before the recession started. And I get a lot of questions from your electeds and from cities why can't we do this, why can't we do that. We can do basically almost anything that you would like us to do if there are funds available. And these plans that we have are based on two things. They're based on both what is available under the regional funds, our Prop 400 funds, and under what you as cities directly pay us to provide as far as enhanced services and other services, and we contract with you for those services. And a lot of people forget that that's how this is paid.

There's very little federal money that is involved in our transit operations, and there is no state money. The only state money we get for transit operations is the ten million dollars in lottery funds that are passed through directly to you individual cities based on formula, and we don't keep those at Valley Metro at all. And those are the only moneys that come from the state. And if you recall, we actually had to go to court to save those
moneys, because we do that because that's part of our clean air plan. So that's just for those who are new and others in the audience who may forget, those are the resource constraints we operate under. And we wish we could even go back to where we were, but when you're 40 percent short on the projected receipts, because the recession was that deep, it makes it a little bit hard.

We hope to rectify that in Prop 500 and that's a big part of the discussions that are going on. One of the things that we'd like to do in Prop 500, and we just came from a meeting this morning, one of the reasons why we are pushing for some legislation now is that Prop 400 expires in 2025. It would obviously be nice if we could get some certainty long time before that to know whether we're going to have an extension of those funds.

So one of the questions is, why are you talking about Prop 500 now. Well, for us to put something before the voters, we would like to do it at least a couple three years in advance so that then we could start adjusting and planning for programs and for changes in service with understanding that we have an assured funding source past 2025.

So that's why a lot of the talk is going on now about Prop 500. We can't wait until the last second and then all of a sudden say, gee, now we need the money. We do have a cliff and we're planning for that cliff. So just a little side bar and refresher on our funding sources in how we define our programs.

Chair Basha said thanks for that greater understanding, Scott. I would like to remind the committee that agenda Item 3H does have an extensive presentation included in our packet for your information.

Yes, go ahead, Ed.

Mr. Zuercher said I do have a question on 3H, so if there's no other questions, I would move approval of 3A through 3G.

Mr. Ellis said just a quick comment. We noticed in the RFP the scope of work includes providing an ROI analysis in metrics for the marketing analysis, and we appreciate that working. We came to see those results ourselves, so thank you for including it on this time around. I just wanted to make mention of that.

Chair Basha said ROI?

That is correct for the RFP for the marketing and advertising services under 3A, the scope of work includes providing return on investment analysis in metrics, and that's what we are happy to see in there and we're looking forward to seeing those results when they come forward.
Chair Basha said understood. Thank you, Rob, for including that item on agenda 3A.

**IT WAS MOVED BY ED ZUERCHER, SECONDED BY JACOB ELLIS AND UNANIMOUSLY CARRIED TO FORWARD TO THE BOARD OF DIRECTORS CONSENT AGENDA ITEMS 3A-3G.**

Chair Basha said on to item 3H.

Mr. Zuercher said I can follow the packet all the way up until slide 21, so I wonder if somebody could just take thirty seconds and explain what it is that slide 21 is saying. It's on page 11, slide 21.

Mr. Gregory said this is just simply an illustration of all the routes that are affected in the Short Range Transit Program. It includes still since we haven't implemented the holiday service yet, so it includes a lot of basically every local -- key local circulator. All of the routes are included in this, but not every route is actually going to be changed other than the holiday service that we're proposing for October.

Mr. Smith said if you'll remember, we gave a few months ago, we gave a presentation of our service planning software. This is sort of an extension of that. You can go over each of the existing routes. And this is how we budget and how we also when someone wants new service, we can actually go to that and it plugs in our budget numbers and what it would take to both fully fund, but also the equipment needs that it would have. That's really what this is showing. And does that for all our existing, and we can also create routes too, and the program will come up and show us what we would need.

Mr. Zuercher said thank you. I'm fine.

Chair Basha said are there any further questions or comments on agenda Item 3H? Is there a motion?

**IT WAS MOVED BY ED ZUERCHER, SECONDED BY JACOB ELLIS AND UNANIMOUSLY CARRIED TO FORWARD TO THE BOARD OF DIRECTORS CONSENT AGENDA 3H.**

4. **Proposed October 2018 Transit Service Changes**

Chair Basha said we will move on to agenda item 4.

Mr. Smith said Item No. 4 and we'll have Joe Gregory come back up and talk about the proposed October transit service changes.

Mr. Gregory provided a presentation which included the following:

- ✔ Overview
- ✔ Proposed Changes
☑ Proposed Changes – Scottsdale
☑ New Route – Cactus Trolley
☑ Route Modifications
☑ Holiday Service Reinstatement
☑ Route Modifications (7 slides)
☑ Frequency Modifications
☑ Other Changes

Chair Basha said are there other questions or comments on agenda Item No. 4? And, Joe, I assume, this is not an action item?

Mr. Gregory said no. It will be in -- when we come back in August when we want to change the IGAs, but for right now it's just an information item.

Chair Basha said excellent. Thank you.

5. Valley Metro Fiscal Year 2019 (FY19) Preliminary Operating and Capital Budget

Chair Basha said Scott item 5.

Mr. Smith said thank you, Mister Chair, now comes the really fun part. Introduce Paul Hodgins, our Chief Financial Officer, who will give you an overview of our Fiscal '19 Preliminary Operating and Capital Budget.

Mr. Hodgins said thank you, Mr. Smith. Mister Chair, members of the committee, I have a brief overview of the Fiscal '19 preliminary budget. I will note this is just for information.

Before I get into the slides, I'll say that there is an Executive Summary on our Website. And we've taken a lot of time this year, Mr. Olson, our Budget Manager, and his staff to really look at the document itself. We've reformatted the document.

We've taken also the Valley Metro Rail document and made them a little more consistent or a lot more consistent in the way they're formatted, the way we name things. So, this is a work in progress.

We're more than happy to take any comments about the document format as you look through it about how things are named. We want to make it easier for you and for the Board to understand what goes into the budget.

The other thing I'd like to comment, since we do have several new members, who have not been through the budget process, the RPTA budget can be a little bit complex. There are things we do in RPTA that are really impacted by Valley Metro Rail.

For instance, Valley Metro Rail does not employ anybody directly. RPTA hires all of the
staff. And then we have allocations of staff time. And VMR reimburses RPTA for those costs: the direct wages, fringe benefits, and overhead and such.

Also, RPTA is the recipient of the public transportation funds out of Prop 400. Some of which are dedicated to the light rail program which are then passed through to Valley Metro Rail. So a lot of activities that happen with Valley Metro Rail impact the RPTA budget, and so we try to separate those out and show them as pass through.

But I just wanted to give some context so you understand that there's some things going on that are rail related that impact the RPTA.

Mr. Hodgins provided a presentation which included the following:

- Strategic Initiatives
- Budget Drivers
- Baseline: RPTA Operations
- Uses of Funds: Operating & Capital (pie chart)
- Uses of Funds: Operating

Mr. Butler said so passengers, especially on the fixed route, fixed routes are increasing, but we're actually seeing a decline again in fare revenue. I know one of the things that this committee asked for and Mr. Smith was a presentation about what we're doing on the reduced fare issues that we're having and I believe Phoenix and Mesa had both requested to see that coming from this committee. What's our time on this, because it's hard to discuss budget and what we're doing on fare recovery until we know what actions are being taken by RPTA to address this issue. And we're very concerned about the numbers.

Mr. Hodgins said Mister Chair, Mr. Butler, we haven't forgotten about the request. We do have a presentation -- a full presentation planned for the May TMC meeting, so we'll be discussing some policy options and some fare technology options on how to upgrade the current system to deal with some of the reduced fare issues, and also some potentially some enforcement -- stepped up enforcement to try to reduce some of that fraud. So that will happen at the May TMC meeting.

Mr. Smith said so, here's the, speaking bluntly, we're not going to solve the problem with reduced fares until we solve -- until we have a new system for fare collection.

Part of the proposal that will go out in the next couple three months, a joint proposal with a lot of different places led by the City of Phoenix, is to allow us to have more control on point of sale of reduced fare.

Our reduced fare right now usage is much higher than peer systems. In some ways we're -- Paul, over 50 percent -- in some places on our reduced fare. The average is low thirties. And there's no doubt that we have abuses in the system because our
population and our ridership is not that much.

Frankly, we can't totally solve that problem until we go to a type of fare which allows photo IDs and which allows and controls the point of sale. That is not going to be a tomorrow fix. But it is going to be a fix that will be rolled out as we employ this new system.

The new system is complex, it's comprehensive, it's a multi-year rollout. We would put obviously the reduced fare at highest priority because that's where our fare leakage is coming from.

But it involves technology, it involves policies, procedures, how we sell fares, how we qualify, and what we do. And that you're going to hear in explicit detail when we actually issue the RFP for the new system.

Mr. Butler said and to that point, though, aren't there some interim steps that we can take from the enforcement standpoint? And I know technology is part of it, but also if people aren't checking and enforcing those riders using fares, using the reduced fares then it seems like that's something that doesn't have to wait for technology.

Mr. Smith said it doesn't, but, you know, you're playing the balancing act there. The reality is that if we check to the level -- and I'm not making excuses, I'm just telling you what we're dealing with. If we checked to the level that we needed to, to really clamp down, you would increase your operator assaults.

Our number-one issue in operator assaults has to do with fare compliance. People get upset because the driver is checking their fare. The second thing you do is you slow down the system because as you get in the argument and you do that. And that's what we're dealing with.

We've made it so easy for someone to buy a reduced fare with a paper ticket. Now they show up. Well, you don't look like you qualify. Prove that you qualify. ID, whatever, we've created with the system we have and the way we sell it that you can buy a reduced fare basically at any of our outlets and they don't enforce -- there's no incentive for them to enforce it.

We really have a system that's hurting right now. And there's no doubt that it has huge gaps in it. I don't want to sit here and tell you we'll do nothing, but I also don't want to give you the expectations that the there are fixes that don't create other problems that actually almost negate the gains that we had.

We're going to do whatever we can, but we also need to give our operators a fair chance to enforce. And the way you do that is with a controlled ID card driven, smart-card type technology, and we don't have that capability right now.
As long as you require them to pull out ID and then you can challenge them on age, status, whatever it is you're going to have that constant kind of scene. So I don't want to give the impression that that is an easy fix, although we're looking for ideas from the cities and from our contractors, we're working with them. We have to be working with the union also to make sure that they believe that their operators are being protected and being watched over, of course is a great concern of ours.

We'll give you what we've come up with in the next month, but the long-term fix is really going to come with a change in the fare system.

Mr. Hodgins said sure, Mister Chair, I mean, we'd certainly like to see those interim steps and including point of sale right now from those outlets that are not on the bus, because that made sense when we had a differential rate.

MR. SMITH: Right.

Mr. Butler said if you pre-purchased your fare versus paying on the bus, but now that that's consistent, we believe, at least from Mesa's standpoint, that's one of the areas of abuse that we're really seeing and we can make some immediate changes to, and so those are some of the steps we'd like to see while the technology is being procured and while you go through some of the long-term fixes is that there could be some immediate fixes.

Mr. Smith said and we appreciate that because really the way you control this is at the point of sale, controlling the point of sale. Really you lose your ability after that.

So we will come up -- we'll talk with the different staffs and we'll come up with interim steps that we think can have tighter control of that sale because that is the weak link are these off site -- you know, we provide convenience. We have what, over eight hundred, I think it is 800 point of sale opportunities across the valley to buy your tickets. Well, we don't control 770 of those or however many it is.

And the vast majority are independent, and so coming up with a program to get better control of that thing will certainly, that's the easiest to do as something we can hopefully implement, and we'll come up with some plans to present to you on that.

Mr. Hodgins said Mr. Butler, if I could just add, in terms of the timing, one of the things I'll mention later is we're adding an extra month of discussion to the budget process. We're not going to come back in May for approval. So we'll come back in June.

So we'll be able to have that discussion on the fare technology and the fare policy and some of those interim decisions or interim steps we can take. And if there are any tweaks or changes we can make to the budget, we'll have some time to do that before coming back in June, so we'll be able to have that discussion.
Mr. Smith said and one of the budget issues is, is we think that if we can apply some resources to some of these efforts in a new system, the losses that we're experiencing now are in the seven figures. We can certainly more than pay for what the additional resources by recovering those losses. And long-term the incremental expense will reduce, so it's an item of high priority for us.

I wish we could snap our fingers and change it tomorrow, but it's big, you know, it's one of these big buses that it takes time to turn, but we're going to do our very best to turn it.

Chair Basha said please continue, Paul.

✔ Uses of Funds: Capital
✔ Sources of Funds: Operating & Capital (pie chart)
✔ Sources of Funds: Operating
✔ Sources of Funds: Capital
✔ Staff Changes from FY18 to FY19
✔ Upcoming Budget Schedule FY19

Chair Basha said thank you, Paul. Any questions for Mr. Hodgins? Thank you again, Paul, well done. Appreciate all your explanations.

6. 2018 Transit Life Cycle Program – Bus Update

Chair Basha said Scott, I believe we're on to agenda Item No. 6.

Mr. Smith said yes, and Paul stayed up there, so he'll talk a little bit very briefly about the Transit Life Cycle Plan.

Mr. Hodgins said thank you, Mr. Smith. Mister Chair, members of the committee, this is a brief overview of our model update for the Transit Life Cycle Program for this year. And just as a quick explanation the Prop 400 the half-cent sales tax, which one-third of it comes to transit, requires us to update our program. They call it the Transit Life Cycle Program.

We have to update it every year to ensure that our revenues and expenditures match over the twenty year over the life cycle of the tax. So the life cycle really refers to the tax, not what you typically think of as a life cycle of a capital, you know, a vehicle or something.

Mr. Smith said and as a reminder, that life cycle ends on December 31, 2025, or the tax ends at that time. Life cycle goes beyond that.

Mr. Hodgins said the numbers we present are 20-year totals. At this point, obviously we'll have actuals that we spent through fiscal ’17 and then forecast for ’18 through the end of the tax which is calendar 2025.
Mr. Hodgins provided a presentation which included:

- Bus Program Summary
- Prop 400 Bus Revenues
- Operating Program Changes
- Capital Program Changes
- Fleet Changes
- Expenditure Summary
- Revenue Summary
- Cash Flow Summary
- Jurisdictional Equity

Chair Basha said thank you again, Paul. Questions or comments of Paul?

7. Future Agenda Items Request and Report on Current Events

Chair Basha said I believe that concludes our agenda except for Future Agenda Items. Are there any Future Agenda Items requested by the committee? Seeing none we will adjourn the TMC meeting.

With no further discussion the meeting adjourned at 12:39 p.m.
Information Summary

DATE
April 25, 2018

SUBJECT
Future Agenda Items Request and Report on Current Events

PURPOSE
Chair Basha 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>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Agenda
April 25, 2018

Rail Management Committee
Wednesday, May 2, 2018
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:00 a.m.

Action Recommended
1. For Information

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 April 4, 2018 RMC meeting are presented for approval.

3. Downtown Transfer Hub - Public Art Services Contract Awards

Scott Smith, CEO will request that the RMC forward to the Board of Directors authorization for the CEO to execute three contracts, selected by the SARC's, for Downtown Hub Public Art Services, within the South Central/Downtown Hub Light Rail Extension, for an amount not to exceed $676,500.

4. Future Agenda Items Request and Report on Current Events

Chair Brady will request future RMC agenda items from members and members may provide a report on current
5. **Next Meeting**

The next meeting of the RMC is scheduled for **Wednesday, June 6, 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
April 25, 2018

SUBJECT
Public Comment on Agenda Action Items

PURPOSE
The public will be provided with an opportunity at this time to address the RMC 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
Chair Zuercher called the meeting to order at 12:39 p.m.

1. Public Comment on Agenda Action Items

Chair Zuercher said we start with public comment on action items, and I have one blue card from Mr. Blue Crowley. Mr. Crowley, you know the drill three minutes.

Mr. Crowley said yes. And I'd like to thank you and Tempe, even though he's not at the table, and Scottsdale for asking the questions I didn't know to ask and should have on the earlier stuff.

All right. I don't know whether I should really deal and approach you guys in the way that we usually do in so far as that with the congressional election going on. The biggest salvo of negativity from the Republican side was the suggestion that the Democrats said that instead of building the wall that we should be using that for light rail and such and this was banished as being one of the most objectionable things that we could spend government money on. So, if Ms. Lesko does make it to Congress, I don't think you're going to have an ally, especially when it comes to doing transportation in the ways that it should be done.

On the Northwest light rail extension, I've expressed my concerns in the past that instead of going up to Mountain View and then across and to the edge of Peoria and the access road, I felt that it should be going across possibly through the central -- or not central Arizona -- the ACDC flood control and going to the transit center, of which I find
it fascinating that we finally gotten around to changing the route on there.

But I don't see with the Northwest extension where we're being multimodal, you know, there is a transit center there and you're getting the rail to be coming there -- one minute. Okay. Thank you, ma'am.

The other thing I wanted to express is that on the Gilbert section where it says to improve service and to reach new markets, well, hopefully anytime you do any of the extensions it does that.

And then lastly, when are you going to start thinking about magnetic levitation for the system. It is more cost-effective when it comes to maintenance, et cetera, since one of the things you have to end up buying is new wheels and with it being raised up and not being abrasive, doesn't cost that much. Have a pleasant.

2. Minutes

Minutes from the February 7, 2018 RMC meeting were presented for approval.

IT WAS MOVED BY SCOTT BUTLER, SECONDED BY STEVEN METHVIN AND UNANIMOUSLY CARRIED TO APPROVE THE FEBRUARY 7, 2018 RMC MEETING MINUTES.

3. Consent Agenda

Chair Zuercher said items are presented on the consent agenda for approval.

IT WAS MOVED BY BRENT STODDARD, SECONDED BY SCOTT BUTLER AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

4. Valley Metro Rail, Inc. Fiscal Year 2019 (FY19) Preliminary Operating and Capital Budget

Chair Zuercher said The Preliminary Operating and Capital Budget.
Mr. Hodgins, round two.

Mr. Hodgins said thank you, Mister Chair, members of the Rail Management Committee, some of the slides are pretty much identical to what we went over for RPTA. I'll go through them very quickly, if at all. And this is for information. No action required today.

Mr. Hodgins provided a presentation which included the following:

✔ Strategic Initiatives
✔ Budget Drivers
✔ Baseline: Light Rail Operations
✔ Baseline: LRT Capital Project Schedule
Mr. Butler said Mr. Smith, obviously adding the seven O&M positions this time, is there a number that you try to get to for number of operational miles, number of operations staffing that represents that? Because like you said, well, we're just bringing on two more miles with the Gilbert Road Extension this time, but we're adding seven staff. And I know obviously from your comments they're not all dedicated to the fact that we're only opening two miles, but what number are you trying to reach, or what ratio is deemed appropriate?

Mr. Smith said Ray, do you want to come up. You know, I'll have to admit, I don't have a number right in front of me. When Ray Abraham and I sit down, we look and see where they're struggling to keep up both on maintenance of way and maintenance of equipment.

For example, we're talking about adding a couple of supervisory positions, one, which would be focused on major equipment work which we've never had before, but we don't have -- I'd have to get back with you later as to the exact number. Ray and I have gone over that, but I don't have a target number as to what you would need at build out.

The approach I've taken is what do you need to get the job done in the most effective and efficient manner without overstaffing. That's the approach I've taken. But there hasn't been a goal on a personnel per mile that we've put in there.

So, Ray, if you want to talk about generally we've where we've had a shortfall and where we think we need to shore-up.

Mr. Abraham said thank you, Scott. That is true, we don't have a goal for so many employees per mile. We are looking at where we're sort of light and two of these new positions are just dedicated to facilities cleaning, maintenance, graffiti. We just can't keep up anymore.

I've got seven cleaners 21 hours a day chasing trains, and I got two staffs of facility maintenance that are trying to take care of all the graffiti, all the extra stuff that our contractor isn't responsible for.

As far as vehicle maintenance, that increase is due to the difference in vehicles. We've got a lot of training to do, a lot of learning to do. We're going to have three different vehicles that we have to know how to maintain now.
So, to answer your question, right now there is no distinct number per mile per passenger. I'm hoping that in the next year I'm going to put together a plan of just looking at RPMs, corrective maintenance, and just look at what staff needs are, because as you question about the travel with the new safety regulations, safety and security, we need to make sure that we are having safety meetings, safety briefings, giving people proper safety training.

So we're trying to catch up as Scott said. If you look at our numbers that Paul has in the one report, our cost per passenger on the light rail side is pretty low compared to our peers, so we've really tried to manage this with a lean system.

But we're getting into overhaul projects now, as Scott said. We're doing motor overhauls, gearbox overhauls, pantograph overhauls, air conditioner overhauls while we're putting out service every day.

Chair Zuercher said sure. And we definitely appreciate that, and I think some kind of look ahead would be really helpful.

Mr. Butler said because, you know, obviously as we're going through our budgets and the fact of how operations can impact your own city budgets, I think it's important to know what that appropriate level of growth is from a staff standpoint, because I know we're all receiving those questions.

Mr. Smith said and we'll need to do that. You know, frankly, last year we've been playing catch-up. In eight years we virtually worked with the same staff even though we increased track by thirty miles and weren't into these major overhauls. So a lot of it is, frankly, we've been trying to play catch-up. And, as Ray said, we're not getting work done like on service maintenance, graffiti, and things like that, so it's just fill the gap and get that done.

We'll transition in this year into more of a look ahead and schedule out what would be a normal -- what we believe will be a normal level of staffing to accomplish the goal -- or to staff the system that we'll have within the next three to four years. We'll come up with that plan for you. Another homework item. We'll get it.

Chair Zuercher said anything else from members? Appreciate the information. Thank you, Paul.

5. **Transit Life Cycle Program – Rail Update**

Chair Zuercher said that takes us to the TLCP.

Mr. Hodgins said thank you, Mister Chair, members of the management committee, this is a similar presentation, we'll look at revenues and some of the capital project changes. The TLCP funds cannot be used for rail operations, so we just focus on the capital projects. We do have some fairly significant changes that we're incorporating into the
life cycle this year.

Mr. Hodgins provided a presentation which included the following:

- Prop 400 Rail Revenues
- Capital Project Changes
- Capital Project Schedule
- High Capacity Transit Map
- New Starts Federal Funding
- PTF Allocations

Mr. Smith said if I could mention one thing on this, and when we talk about PTF allocation, there are some big changes. And it's been in some cases because of the Glendale action obviously that we had to look at the allocation of those, but we really didn't just look at how to reallocate. We went through a rebalancing of our PTF funds is what we basically had done to say -- because this is a regional system.

I know here we think about cities and everything, but I can tell you that when we go to Washington with the FTA, they don't look at cities. They look at a metro Phoenix rail program and they look at our ability to fund these programs with regional funds and local funds. And that is one thing that is differentiated us between many of our peers.

Many of our peers show up with their projects and they don't have dedicated funds that are assured. You know, outside of LA in California, they'll come in with a plan and say, well, if we get approval then we'll go to our regional and see if we can get funds. Those projects score very low.

We have been able to advance our projects to where they are because when we say we have these funds available out of our regional and city funds, they're assured through the local city taxes, through T2050, for example, and mostly through our Prop 400.

So we've basically gone through on a regional basis and rebalanced those moneys to see how the program would play out, and that's what we've talked about with your staff specifically on that rebalancing, and that's what we'll present to your electeds.

But I know there's been some discussion wondering what happens with the Glendale funds. And actually, no, that's rail projects are funded this way. So that's how we've done it just to tell you how things I'm hearing around, and I'm sure you've heard some scuttlebutt and some discussion, too, when we talk about these allocations that is the rebalancing.

- 2018 Corridor Cost Estimates

Chair Zuercher said can you explain what drove the 273 million dollar increase on South Central from one year to the next?
Mr. Hodgins said Mr. Zuercher, I believe that's primarily the downtown work that was added to the South Central project, but I think there may have also been some other scope changes. I would defer to Mr. Grote to maybe identify some of those.

Mr. Smith said from now on, and this is an important point, the South Central Extension is not the South Central Extension of last year. It has been formally, the scope has been changed to include what would have been much of Phase I of the Cap/I-10. That's been officially accepted by the FTA as a change in scope, which is why we refer to it, for lack of a better term, as the South Central downtown because we really have taken one project and a major part of another project to put into a single project. So that's the largest portion of that.

And then there's simply some other because of some changes in scope and what we're doing for the community and some anticipated cost increases, it's pushed the entire redefined cost up, but we shouldn't compare, and I know this will happen, we got to get away from comparing South Central to the new South Central because they're really two different projects.

Chair Zuercher said you might want to put an asterisk there or something and note that on this slide.

- 2018 Other Capital Costs
- 2018 Capital Revenues
- 2018 Cash Flow Summary

Chair Zuercher said Questions or comments? Can we go back to slide 7? I think Scott talked about it. I think we need to have a conversation, and there's going to be a regional one about this issue of the money.

And I'm not sure how the decisions are being made on this, but I'm not sure that we're all on board assuming that the $16 million just automatically goes to Tempe Streetcar necessarily. I know the West Valley cities are not.

I'm trying to work my way through what's sort of the fair use of those funds that were PTF for Glendale and where they best go. And I'm not sure how that's working. Can you explain that?

Mr. Smith said maybe I can give a little background and not with a solution. This is a proposal that we've thrown out. Once again, we look at this as regional. I get it that at the base level people are looking at west Phoenix, West Valley, East Valley, Phoenix, things like that, but when it comes to rail, it's very explicit that they are rail projects. You cannot take rail projects and move them into non-rail projects. And so whatever moneys are available or have been set aside absent a major redefinition, and even that's difficult, have to go to rail projects.

The way we looked at it is the program as a whole and in deciding to take, for example, any moneys in the fund balance, and that's why you say we don't look at it as purely a
Glendale’s money going to Tempe. I know that's how people may look at it, but we look at the overall fund balance.

Chair Zuercher said yes. They definitely are looking at it that way.

Mr. Smith said sure they are. It's already been brought up.

Chair Zuercher said I've seen some e-mail on West Valley manager/mayor stuff already.

Mr. Smith said it's been brought up. And that's why I say this is a rebalancing because we're looking at when we show up before the FTA and we try to get these projects through that we're asking for either to build without federal money or with federal money, we look at it as a regional program that's a rail program. That's what makes it different from bus, paratransit, other things, because it's rail exclusive.

Chair Zuercher said and I get that. Here's my concern is, is this all ends up being about timing. And as the city that's both on the front end and the back end of this thing, I've seen it work on both ways, and that is, in the last major rebalancing what we did was we basically cut the Northeast extension in order to bring the plan into balance.

So everybody on the front end basically stayed whole and we made up for everything by cutting the back end. And on this, it sort of depends on where you are in this program. If you're up front like the Tempe Streetcar or 50th Street, you're definitely going to see the money. And if you're on the back end, you're hoping you're going to see the money.

But we're going to get there. And I'll guarantee that it's not going to be that number, and so then it's really going to end up that the projects on the back end were left hanging by the virtues of when things are timed.

So I don't know, I don't have the answer to that, but I think we need to talk about that that there's all the risk for the down side when you do this is left to the back end projects. All of it.

Mr. Smith said and we've already had -- and just so you know, and you haven't been updated because these just happened very recently. We've already talked to the other cities and perhaps Steven can talk to that about how to protect or lessen that risk.

Mr. Methvin said I think what we've seen in the past not so much with rail, but certainly on the freeway projects is the next proposition helps make up that shortage in the back end. We certainly saw that with freeway projects from Prop 300 to Prop 400. And I imagine we would see it with rail projects from 400 to 500.

Chair Zuercher said I get that, but what's the equity of that necessarily. Again, Steve, I don't know the answer to it, but it's when I see this and then I look at slide 10 and it shows Phoenix, you know, Phoenix is upping its local contribution by a hundred million dollars, Mesa's dropping its, Tempe's is upping its by 200,000, so where -- it feels as if
Phoenix is doing a lot of absorbing with our own local tax revenue and the PTF money is getting distributed up-front and we're not up front, our project is not up front. So I think we just need to have a discussion about what's going to be our policy for dealing with when there are projects that fall out and/or money that shows up or money that disappears based on rebalancing, how are we going to allocate that to the members in the program.

Mr. Smith said and there's a couple things we've done we can talk about. For example, clawback position says, listen, if it is up-front, Phoenix is also in a position right now where any upside would go completely to Phoenix.

Chair Zuercher said that's right.

Mr. Smith said so, you know, if we don't have that recession and we collect more, that money is all going where?

Chair Zuercher said that's right.

Mr. Smith said because it's not going to Phoenix it's going to projects. And that's the difference between a highway project and a freeway as opposed to rail projects, because they are project driven and when we're going to federal money they look at it, the entire package. We're having two conversations here, the one at the region and the one that we have with our partner, the federal government. And we have to also bridge that gap. Because right now, for example, if Tempe were underfunded that would impact every other project in Phoenix. It would immediately lower the rating on every Phoenix project. So that's just the reality. It's a timing issue, but it's also on how these projects are processed by the federal government.

Chair Zuercher said well, but it's also though Tempe, in this case, there are other ways to solve underfunding then just by going to the PTF.

Mr. Smith said there are.

Chair Zuercher said they're not happy solutions, by any means, but I just want to be sure we're not just saying well, the PTF is the only one.

Mr. Smith said no.

Chair Zuercher said the default that we're going to throw into whatever happens to be in the right spot, because depending on where you are in time, that's either a good answer or a bad answer.

Mr. Smith said and part of that -- you're exactly right. Part of that is where you are and what time schedules, and many of which are not defined by us in this purpose. For example, it's FTA time schedule and when we have to commit to certain funding levels, and if you happen to fall like Tempe and like South Central where we have to make
certain absolute commitments, if you're there and we got to have it, we got to find it wherever. I agree with you. It's probably a discussion the cities can have outside of okay, if we cover it now, do we expect a Tempe or Mesa or whoever it is to come back and either fund part of that or not fund part of that.

You know, you can look at it -- and your staff was very clear with us when we first raised this issue. How do you take the rebalancing. Well, you know, Phoenix has given in the past. You have walked away or picked up or taken an extra burden, so it's reasonable to say, well, we believe any rebalancing should all come to us. Then there's others who say, well, it should be allocated based on track miles. Well, actually, it's not quite that straightforward and it does come down to the projects. But I agree with you there needs to be a conversation.

From our standpoint I'm looking at it purely on how do I maintain a regional program. And I recognize that I can't answer all the questions. I can lay them out there and give proposals and there are some -- there are discussions that are going to be complicated. I just hope that when -- believe me, I've been in the middle of those regional conversations enough to know how they play out.

But two things, number one, this is about rail, so this is not -- these are not fundable moneys that can be just spread out like street moneys can and like highway moneys can, they can't. They have to go to rail projects. And we don't have any rail projects in the West Valley outside of Glendale. They just don't have them.

So it's going to a rail project. That's the first question.

Chair Zuercher said Phoenix is West Valley too. So we actually do have West Valley projects. We have Phoenix.

Mr. Smith said I get it. We have the one it's in Phoenix, but I'm talking about the West Valley cities, central cities and that.

Chair Zuercher said City, right. But, I think, Scott, to your point we need to come up with an answer among the group of five cities here who have a stake in rail before the region comes up with their idea for us. And I'm already seeing a little bit of that in the West Valley, which I'm not criticizing, but so we need to think about, I think, how are we going to put together what's the policy that we're going to operate under, and we got to do that quickly because this question is coming fast at us, before it gets done to us by MAG or some other group that is beyond this group of people with an investment in the issue.

Mr. Smith said I agree with you. And I will say one thing it does need to be done quickly because we are right now on the cusp of having to -- we've delayed as long as we possibly can -- formal filings, as it relates to Tempe Streetcar, where we have to show an assured funding source. And right now we're short on that assured funding source, because there aren't enough moneys.
Chair Zuercher said what is that timing?

Mr. Smith said 30 days, first of May where we -- we're only talking about Tempe Streetcar and major capital projects, Wulf, but that's okay. The paperwork and the filing for Tempe Streetcar, is the first of May. So we're looking at right now thirty days that we have to have a formal action, and we're hoping through this Board, so that we can go to the FTA and say this has been done.

To show you how the FTA works, for example, Northwest II Extension got lowered in their rating from medium to medium low. There's only one reason why it got lowered: it was financing. And the reason it got financing is that the City of Phoenix, although they've committed the funds, it's in the plan, it hadn't -- the five-year CIP had not been formally voted upon by the city council. The FTA looked at that and said, well, we can't give you credit for those moneys because it hasn't formally been committed by the city. But we all know it's going to be there. The City of Phoenix has committed to that but FTA won't go without a formal action.

That's what will happen on Tempe if we don't have some sort of decision sometime in the next within thirty days about how we cover the fund necessity for Tempe. So whatever the decision is made, it's got to be made quickly.

Chair Zuercher said where does that decision get made? At the Valley Metro Board -- at the Rail Board? Or at MAG?

Mr. Smith said yes. Both. Well, the Valley Metro Board does the life cycle plan. The Board has to approve this life cycle plan.

Chair Zuercher said so what we got today for information is going to be for action at the Board.

Mr. Smith said it will be for action at the Board, yes. In May.

Chair Zuercher said but if Tempe's due in May, they're not going to have their action.

Mr. Smith said well, we were hoping that we would have an informal agreement and that you and the staff and everybody would be able to do. And we may have to put an asterisk on our filing with the FTA that says this is going to go before formal board action. We may have to delay it by two weeks, but May's the last that we can go without delaying further the filing, which would delay construction and delay everything and probably drive up costs.

Chair Zuercher said okay.

Mr. Smith said we already have, you know, people onsite to do that. And I can tell you on, for example, Tempe Streetcar, we've gone through every which way on redesign,
we've eliminated track, we've done a lot of things, and we believe that this is the lowest possible cost it would be take to build the system as presented. Just where it is. It needs -- the final decision on this life cycle plan is with the Valley Metro Boards.

Mr. Methvin said I hear your concerns, Ed, and I would say that I think we, as a region, can always figure these things out and I think that's what I'm hearing you say. I would just remind we have one project and it's a regional project. We have one project that's in Tempe on the rail side and that's streetcar. You have both the benefit and the burden in Phoenix of having many projects. So I think we can figure this out without somebody ending up at the end without a way to fund the projects that are in the plan.

But, again, I'll just remind, we have a history of how these projects roll over and very clearly we say we have to finish that previous plan's projects if they're still in the plan with that new funding that comes in. If that helps to some degree.

Chair Zuercher said it does.

Mr. Methvin said I know that we would support that just like we supported, as when I was in the West Valley, supported finishing up the South Mountain Freeway as one of the initial projects in Prop 400 that was a rollover from Prop 300.

Mr. Smith said and right now, just to give you an update of where we are, Paul, you know, correct me if I'm wrong, there are regional funds right now sufficient to cover all the projects that are on the system right now except for Cap/I-10 West Phase II, and Northeast.

Mr. Hodgins said right.

Mr. Smith said all the others, West Phoenix -- the revised West Phoenix, South Central Downtown, Northwest II, and Tempe with this adjustment are all what the funding is available within the existing PTF program.

Mr. Butler said and, Scott, to that point, so Capitol/I-10 West Phase II 2030, Northeast Phoenix 2034, are you saying that because we don't have the certainty of Prop 500 funding at this time?

Mr. Smith said yes. There are no sufficient funds in Prop 400 to fund those two projects, which is why they're outside the window.

Mr. Methvin said right, but the assumption always was for those two projects I can assume the continuation of the regional sales tax; right? Were we planning that if Prop 500 was not approved by the voters, there would be the capital funds by Phoenix alone to build those.

Mr. Smith said well, those plans, once again, if you remember Paul's presentation, if we had funded -- if we had collected to the level that was estimated in 2004, there would be
sufficient funds to build one -- at least one if not both of those. So these are part of those overhang projects that were done. There are no regional funds available to finish those projects in the current cycle.

So don't know what the source would be to finish those. Those are the back end programs that we were talking about. And one of the reasons why Phoenix decided to rearrange their projects was to move South Central up to ensure that there would be Prop 400 and that that project could be built within the current time frame and then to split Cap/I-10 into two projects one to the Capitol, one out to 79 to be able to build what they believe was the highest priority.

But, no, there are no assured regional funds for those projects in the Prop 400. It would take a Prop 500 or some other plan. And then there's other things that would be included in a Prop 500 also that are maybe are not on the map that we've still talked about, you know, further things out west in Phoenix, some things in Mesa, maybe Chandler, and certainly in Tempe.

Chair Zuercher said so I think if we can get to some sort of policy statement a rough look at these numbers, I think this is proportionate. I think the $16 million, if you think about it in terms of Tempe, Mesa, Phoenix, and how track miles works I think it is, but we need to be able to articulate it, because, again, my concern is all the risk for the revenue downturn rests with the projects at the end and, to be honest, that's why I'm speaking as Phoenix.

Mr. Smith said sure.

Chair Zuercher said all of our projects are at the end behind everyone else's projects. We have some going right now, too, I mean, you're right, we're in the middle of all of it, but I don't have the exact answer to how you share the back end risk, but I think we need to talk about that. And we got to do it in the next week.

Mr. Smith said and if you have that discussion --

Chair Zuercher said we got to make sure Tempe -- we don't want the FTA to see that our region fumbles the ball on one of our projects. I agree with that completely.

Mr. Smith said and not all, you know, the majority of all the projects but we also have advanced some. We are paying out of regional funds to complete the 50th Street Station and that was an agreement that the city staff made. We are as a region coming forward and paying for OMC Expansion. You know, even though the budgets don't always, you know, don't always fit up. That's also included in the South Central project.

And this gets to the regional nature of it. There were no funds in the OMC Expansion through projects such as the Gilbert Road and Tempe. There are in South Central. Well, that's just how we worked it so that we could work within the FTA guidelines and make it work. So, present it to your staff, got together and said, how about if we pull
$15 million out of the fund balance and create a regional project and have that to be OMC.

So we did advance projects that really were also back end projects, but we moved them up to the front to ensure those projects got done.

Chair Zuercher said so can you guys write that in terms of a policy so when we're talking whichever part of the region or at MAG that we've done this not just based on well Tempe's here so they need it, but it's captured in some sort of rational decision.

Mr. Smith said we can do that. And it will be based on Glendale’s decision. The list of projects changed, so we went in and rebalanced on a regional basis. And on a regional basis looking at -- considering all rail projects to be regional projects here's the needs and the order in which we would propose to commit funds.

Now, for the remainder, just by default all that goes to Phoenix because that's the only place where there's rail projects. Mesa got virtually nothing because there are no rail projects because we can't use money on Gilbert Road. That's an agreement that Mesa made that no regional funds could be used on Gilbert Road. So there's no funds going to Gilbert Road.

So Mesa got virtually nothing. Chandler got virtually nothing. And then Phoenix will get all the remainder, whatever is there, because that's where the projects are. It doesn't go to Phoenix. It goes to whatever projects are left.

We'll write up an explanation of that how we looked at it, and I get it that you can't separate the place and the project, but our decision in rebalancing is a project-based rebalancing.

And also, you know, I think you bring up a good point that you may need to get to a final decision on as to what happens if the funds go down, is there some sort of clawback or some sort of sharing or anything like that, which would soften the blow a little bit that says, you know, we shouldn't be -- they shouldn't get money up-front and not expect that if we have another great recession that they bear none of that burden.

You know that's a discussion that I think that you probably can have and should have and from my initial discussions with others that people would be amenable to. So that would be one thing we would put in that policy, so we would need some guidance on that, too.

Chair Zuercher said okay.

Mr. Methvin said Mr. Smith, as you start to write that up, I would just ask you to remind your staff and for me to remind my colleagues here on the committee that Tempe in an unprecedented move was able to secure $13 million outside of, you know, for a regional project through a public-private partnerships including the University and businesses.
along Rio Salado and Mill Avenue, so perhaps there's a way that we can have Phoenix do something similar to those projects that are at the end.

Chair Zuercher said we'll just capture that and how we describe what's going on because that's important as we talk with the region about what's happening.

Mr. Methvin said and it's for every extra dollar you find in public-private partnerships, you get a dollar in excess regional funds.

Mr. Smith said I agree with you. I might put out a word of warning, though, I mean, we can go back and look back ten years and find 500 reasons why this happened or that happened. And the reality is that we're looking at today going forward. How do we build the projects that are in the pipeline right now. And the reality is, I get it, and I'm disavowing the politics, I'm looking at what can we as Valley Metro do to make sure that when we go to the FTA and we ask for these very, very essential federal funds, what is the case we can put forward to make sure that all of your projects are built to the best of our ability and that really doesn't matter what happened five years ago or one year ago, it matters where we are today going forward. That's the most important because what happens in Tempe does impact Phoenix big time and will impact all of the projects. And what happens within this program does impact the region in a very, very well defined area which is what makes it different and which is why the discussion is so difficult because people outside the rail program don't look at these funds as being purely rail.

And Brent can tell you that the question was asked more than once privately and publicly in Glendale what would happen to the funds that were identified in the life cycle plan that were identified as Glendale funds, and we were very clear that those funds would go back into the rail program, they could not be reallocated either in Glendale or any other place. They would go back into the rail program and would not be available for use.

Chair Zuercher said so I've got to go to a council meeting. So, Jesus on my staff will work with you in the next week. For those who care, can you identify somebody who will work with Scott to put this into something that we can all point to and say this is what we're doing and why.

Mr. Methvin said and Ed, I know you have to go, just real quick, and Ed touched on this, but coming up with the policy amongst this Board, I think, is really important that we're on the same page.

And secondly, though, dispelling this notion, though, to the point you just made, Mr. Smith, that this money can be spent on any one's wish list of other projects is also, you know, that's not reality under Prop 400. And it does need to go back into the projects that have all been mentioned -- Ed mentioned. And so, you know, there's a lot of urban myths and legends about how this money can be spent, and I think we need to help educate folks on the realities of this money.
Mr. Smith said agreed. And I know that, for example, on the West Valley mayors and managers it's going to be on the agenda next week. And we've been very clear as to our explanation. This is not an east, west, or Phoenix. This is rail program.

So we'll do the best we can. And we'll work with you and we have been working with your staff for quite a while, so this will not be a new discussion to come up with what is a final agreement as to what we would want to put before the Board for their consideration. Okay.

Chair Zuercher said all right. Thank you very much.

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

None.

With no further discussion the meeting adjourned at 1:31 p.m.
DATE
April 25, 2018

AGENDA ITEM 3

SUBJECT
Downtown Hub - Public Art Services Contract Awards

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute three contracts, selected by the Stakeholder Art Review Committees (SARC’s), for Downtown Hub - Public Art Services for an amount not to exceed $676,500, which includes a 10% contingency.

BACKGROUND/DISCUSSION/CONSIDERATION
The Downtown Hub, a component of the South Central/Downtown Hub Light Rail Extension, will consist of one mile of new trackway, four additional station platforms and one Traction Power Substation (TPSS) within Downtown Phoenix.

The Public Art Services Contracts will develop, design and install artwork at and around three of the station platforms, as well as the TPSS sites. The artists will work with the stakeholders to develop artwork that works within the environment and reflects the spirit of the project. The artists will collaborate with Valley Metro and City of Phoenix staff, the Design Consultant and the CM@Risk Contractor through the process of design and construction.

A Request for Qualifications (RFQ) for Downtown Hub Public Art Services was issued on March 8, 2018. The RFQ solicited information in the form of Statement of Qualifications (SOQ) from experienced and emerging artists. In conjunction with Phoenix Office of Arts and Culture (POAC) and various local organizations, Valley Metro reached out to the arts community via a workshop. Additionally, two SARC’s were developed to select the artists. The SARC’s are comprised of individuals active within the community.

Valley Metro received 82 SOQs on April 12, 2018. The SOQs were evaluated and ranked by the SARC’s to determine Offerors who could successfully deliver the public art. The selection process by the SARC’s was completed on April 24, 2018, at which time the two evaluation panels selected the three artists best qualified to design, fabricate and install the art for Valley Metro.

COST AND BUDGET
The South Central/Downtown Hub Light Rail Extension Art Program is funded by regional Public Transportation Funds. The total art budget for the Downtown Hub is...
$676,500, and includes a 10% contingency to be held by Valley Metro. The cost for the three art contracts is included within the overall cost forecast established for the project. There are two station art contracts and one Traction Power Substation art contract.

<table>
<thead>
<tr>
<th>Artist</th>
<th>Area</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aphidoidea</td>
<td>Station Enhancement</td>
<td>$285,000</td>
</tr>
<tr>
<td>Janelle Stanley</td>
<td>Station Wayfinding</td>
<td>$285,000</td>
</tr>
<tr>
<td>Amanda Clayton</td>
<td>Traction Power Substation</td>
<td>$45,000</td>
</tr>
<tr>
<td>Contingency</td>
<td></td>
<td>$61,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$676,500</strong></td>
</tr>
</tbody>
</table>

**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: April 17, 2018 for information
RMC: May 2, 2018 for action
Board of Directors: May 17, 2018 for action

**RECOMMENDATION**

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute three contracts, selected by the SARC’s, for Downtown Hub Public Art Services, within the South Central/Downtown Hub Light Rail Extension, for an amount not to exceed $676,500.

**CONTACT**

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

**ATTACHMENT**

None
DATE
April 25, 2018

SUBJECT
Future Agenda Items Request and Report on Current Events

PURPOSE
Chair Brady 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

<table>
<thead>
<tr>
<th>Item Requested</th>
<th>Date Requested</th>
<th>Planned Follow-up Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>