STUDY SESSION

Joint Study Session of
Valley Metro RPTA and Valley Metro Rail

Date:
August 29, 2019

Starting Time
10:00 a.m.

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 14th floor or call 602.262.7433.
Study Session Notice & Agenda

August 22, 2019

Joint Study Session Agenda
Valley Metro RPTA and Valley Metro Rail
Thursday, August 29, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
10:00 a.m.

Study sessions provide a less formal setting for the Boards of Directors to discuss specific topics, at length, with each other and Valley Metro staff members. Work study sessions provide an opportunity for staff to receive direction from the Boards and for the public to observe the discussions.

1. Valley Metro Budget Development Process

Paul Hodgins, Chief Financial Officer, will provide an overview of the FY21 Budget Development process.

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.
DATE
August 22, 2019

SUBJECT
Valley Metro Budget Development Process

BACKGROUND | DISCUSSION
The Boards of Directors requested a study session regarding the budget development process. Since that request, we have reviewed our process internally and with your city staff who are members of the Financial Working Group (FWG), and with the Audit and Finance Subcommittee (AFS). Based on those discussions, we have adjusted our process, which we will present to the Board for comment and discussion.

This budget study session will also include an overview of the timeline and opportunities for input and adjustments and a discussion of the delivery date for the budgets.

CONTACT
Paul Hodgins
Chief Financial Officer
phodgins@valleymetro.org

ATTACHMENT
Presentation
Budget Development Timeline

City Budget Cycles

- **September**: Departments begin developing budgets
- **Jan/Feb**: Departments submit budgets to budget office
- **April**: Council reviews draft budget
- **May/June**: Council adopts final budget
- **Feb/March**: Executive team and City Manager review

VALLEY METRO SERVICES
FY21 Deliverables

- Preliminary Operations Budgets
  - Bus
  - Paratransit
  - Light Rail
  - Streetcar

- Annual Budgets

- 5-Year Plans

Purpose of Preliminary

- Define Inputs/Assumptions
  - Planned service
    - Miles, boardings, fare revenues
  - Operations & Maintenance Staffing
  - Strategic Initiatives
  - Contingency

- Goals
  - Provide “not-to-exceed” amount
  - Fit within your budget process
Transit Service Funding

66% of operating budget is for locally funded transit service

<table>
<thead>
<tr>
<th>FY20 Budget (in Millions)</th>
<th>Fixed</th>
<th>Route Bus</th>
<th>Paratransit</th>
<th>Light Rail</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Local Contributions</td>
<td>$</td>
<td>38.8 $</td>
<td>9.6 $</td>
<td>40.4 $</td>
<td>$88.8</td>
<td>50%</td>
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<tr>
<td>Public Transportation Funds</td>
<td>42.6</td>
<td>13.2</td>
<td>-</td>
<td>55.8 $</td>
<td>31%</td>
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</tr>
<tr>
<td>Fares, Fed, Adv.</td>
<td>17.8</td>
<td>0.7</td>
<td>14.6</td>
<td>33.1 $</td>
<td>19%</td>
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<tr>
<td>Total</td>
<td>$99.2</td>
<td>$23.5</td>
<td>$55.0</td>
<td>$177.8 $</td>
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</tbody>
</table>
FY21 Operating and Capital Budgets

- Refined service miles to Members
Dec 4th

- Present to FWG
- Key assumption changes AFS
- Deliver service estimates to Members
- Post draft budgets to website
February

January
- Key assumption changes FWG

March – Board Info
May – Board Action

Five Year Plan (FY21-24)
Operating and Capital Budgets

March
- Present Five-Year to FWG

May – Board Action

April
- Present Five-Year to AFS
Recap of Important Dates

**Committee / Boards**

- Aug 29, 2019  Board Study Session
- Oct 10, 2019  Present Key Assumptions to AFS
- February  Discuss Changes to Key Assumptions with AFS
- March  Present Annual Budgets for Information
- April  Present 5 Year Plans to AFS
- May  Present Annual Budget and 5-Year Plans for Action

Questions? Discussion?