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NOTICE AND AGENDA OF PUBLIC MEETING AND POSSIBLE EXECUTIVE SESSION OF THE BOARD OF DIRECTORS (BOD) OF THE NORTHERN ARIZONA INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the Board of Directors (BOD) of the Northern Arizona Intergovernmental Public Transportation Authority ("NAIPTA") and to the general public that the Board will hold a meeting on:

Wednesday, February 17, 2021

10:00am

Mountain Line Training Room

3773 N. Kaspar Dr.

Flagstaff, AZ 86004

Due to the current public health emergency related to the Coronavirus, this meeting held in the Training Room will not be open to the public. This is a WEB BASED meeting. Members of the Board of Directors may attend by telephone or internet conferencing. Members of the public may submit comments related to agenda items before 9am on the day of the meeting to transportation@naipta.az.gov and observe the meeting by following the instructions at <https://mountainline.az.gov/about-us/board-of-directors/>.

The Board of Directors may vote to hold an executive session for the purpose of obtaining legal advice from NAIPTA's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3). The executive session may be held at any time during the meeting. Executive sessions are not open to the public, pursuant to Arizona Open Meeting Law.

Pursuant to the Americans with Disabilities Act, persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Clerk of the Board of Directors at 928-679-8922 (TTY Service 800.367.8939). Requests should be made as early as possible to allow time to arrange the accommodation.

The agenda for the meeting is as follows:

-pages 1-3

1. CALL TO ORDER
2. ROLL CALL
3. SAFETY MINUTE
-Sam Short, Safety Manager
4. APPROVAL OF MINUTES 1/20/2021

-pages 4-10

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DISCUSSION / ACTION ITEMS:

5. ELECTION OF VICE CHAIR OF THE BOARD OF DIRECTORS -pages 11-13
-Rhonda Cashman, Executive Assistant and Clerk of the Board
Staff recommends the Board of Directors elect a Vice Chair for the remainder FY2021, effective immediately.
6. CONSIDER AND APPROVE THE SECOND FY2021 BUDGET REVISION
-Heather Dalmolin, CEO and General Manager -pages 14-18
Staff requests the Board of Directors approve the Second FY2021 Budget Revision for a total change not to exceed \$40,438.88 to move 50% of delayed wage adjustment for exempt staff effective January 1, 2021 from contingency to wages and employee related expenses (ERE).
7. APS RATE STRUCTURE AND ELECTRIC BUSES -pages 19-20
-Bizzy Collins, Transit Planner
This item is for information and discussion only.
8. UPDATE ON THE BUS RAPID TRANSIT PROJECT IN RELATIONSHIP TO THE MILTON CORRIDOR MASTER PLAN -pages 21-26
-Bizzy Collins, Transit Planner
This item is for information and discussion only.
9. REVIEW MOUNTAIN LINE SERVICE REQUIREMENTS AND FINANCIAL MANAGEMENT PRACTICES -pages 27-29
-Heather Dalmolin, CEO and General Manager
The Board may provide direction, but there is no recommendation from staff at this time.
10. ROUTE 8 EXTENSION -pages 30-33
-Kate Morley, Deputy General Manager
This item is for information and discussion only.
11. REVIEW RESULTS OF THE OCTOBER 2020 EMPLOYEE SURVEY
-Heather Dalmolin, CEO and General Manager -pages 34-35
No action is recommended; however, the Board may direct staff on modifications to employee programs and or future Employee Surveys including survey instruments or methodology.

PROGRESS REPORTS:

12. SUMMARY OF CURRENT EVENTS -pages 36-37
-Heather Dalmolin, CEO and General Manager





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ITEMS FROM COMMITTEE AND STAFF:

SCHEDULE NEXT MEETING DATE AND IDENTIFY AGENDA ITEMS

March/April Working Agenda

-page 38

The next Board meeting will be March 24, 2021 and will be a Zoom meeting based in Flagstaff in the Mountain Line Training Room, 3773 N. Kaspar Dr., Flagstaff, AZ 86004 at 10am. The public is invited to attend. March agenda items will include but not be limited to the FY2020 Financial Audit Report, Reallocation of Grant Funds, Low or No Emission Program Grant, Kaspar Intersection Plan/Transit Signal Prioritization (TSP), Campus Bus Storage Update, Bus Stop Improvement Report/New Job Order, Board Education Opportunity, Quarterly Performance Report, Kaspar Master Plan, Downtown Connection Center (DCC) Update, and Delegation of Authority Updates. The March agenda will be available for review on Mountain Line's website and at Mountain Line's public posting places (listed on the Mountain Line website) at least 24 hours prior to the meeting and should be consulted for a list of items that will come before the Board.

13. ADJOURNMENT

Getting you where you want to go





Board of Directors Minutes for Wednesday, January 20, 2021

NOTE: IN ACCORDANCE WITH PROVISIONS OF THE ARIZONA REVISED STATUTES THE SUMMARIZED MINUTES OF NAIPTA BOARD MEETINGS ARE NOT VERBATIM TRANSCRIPTS. ONLY THE ACTIONS TAKEN AND DISCUSSION APPEARING WITHIN QUOTATION MARKS ARE VERBATIM.

The Board of Directors met in Regular Session on Wednesday, January 20, 2021 at 10am in the Mountain Line Training Room, 3773 N. Kaspar Dr., Flagstaff, AZ 86004.

This was a WEB BASED meeting. Members of the Board attended by telephone or internet conferencing only. The public was invited to observe by electronic means only, due to the current public health emergency related to the Coronavirus.

BOARD MEMBERS PRESENT:

Steve Peru, (Chair) Chief External Affairs Officer, CCC, designee, (Zoom);
Dan Okoli, VP of Capital Planning and Campus Operations, NAU, designee, (Zoom);
Adam Shimoni, City Councilor, City of Flagstaff, (Zoom);
Miranda Sweet, City Councilor, City of Flagstaff, (Zoom)

**Three of our five Board member seats must be present to constitute a quorum.*

***The City of Flagstaff holds two seats.*

BOARD MEMBERS EXCUSED:

Liz Archuleta, Board of Supervisors, Coconino County;
Patrice Horstman, Board of Supervisors, Coconino County, alternate

MOUNTAIN LINE STAFF IN ATTENDANCE:

Heather Dalmolin, CEO and General Manager, (Zoom);
Kate Morley, Deputy General Manager, (Zoom), left at approximately 11:15am;
Jim Wagner, Operations Director, (Zoom, left at approximately 11:15am);
Lauree Battice, Management Services Director, (Zoom);
Danelle Knight, Human Resource Manager, (Zoom);
Sam Short, Safety Manager, (Zoom);
Jon Matthies, IT Manager, left at approximately 11:17am and returned at approximately 11:34am;
Anne Dunno, Capital Project Manager, (Zoom) left at approximately 11:15am;
Bizzy Collins, Transit Planner, (Zoom), left at approximately 11:15am;
Rhonda Cashman, Executive Assistant and Clerk of the Board;
Scott Holcomb, Mountain Line Attorney, (Zoom)

GUESTS PRESENT:

Rick Tadder, Management Services Director, City of Flagstaff, joined at approximately 10:02am and left at approximately 11:15am

1. CALL TO ORDER -Chair Peru called the meeting to order at approximately 10:00am.





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2. ROLL CALL

3. SAFETY MINUTE

-Sam Short, Safety Manager

Mr. Short shared information on winter hazards related to poor driving conditions.

4. WELCOME NEW MEMBERS

Chair Peru communicated appreciation for Ms. Dalmolin's 19 years of service to Mountain Line. Congratulations! He welcomed our new Board members attending the meeting: Councilmember Shimoni, moving from the alternate position, and Councilmember Sweet. They each said a few words about how honored they are to be working with Mountain Line. Chair Peru also acknowledged Councilmember McCarthy's service to Mountain Line over the last several years as a Board member; noting his comments and words of wisdom were always appreciated. And he welcomed Supervisor Archuleta as the new County member, with Supervisor Horstman being the alternate. They were not able to attend this meeting due to prior commitments.

5. APPROVAL OF THE MINUTES FOR 12/11/2020:

Director Shimoni moved to approve the December 11, 2020 minutes. Director Sweet seconded. There was no discussion. All approved, none opposed. Motion carried.

| NAME | YES VOTE | NO VOTE |
|---------------|----------|---------|
| Steve Peru | X | |
| Dan Okoli | X | |
| Adam Shimoni | X | |
| Miranda Sweet | X | |

CONSENT AGENDA:

All matters under Consent Agenda are considered by the Board of Directors to be routine and will be enacted by a single motion APPROVING THE CONSENT AGENDA. If discussion is desired on any particular consent item, that item will be removed from the consent agenda and will be considered separately. All items on the Consent Agenda with financial impact have been budgeted.

6. CONSIDER THE CONSENT AGREEMENT WITH CARTER OIL COMPANY INCORPORATED (INC.)

-James Wagner, Operations Director

Staff recommends the Board of Directors consent, acknowledge, and agree to the assignment with Carter Oil Company Inc.

Director Shimoni moved to approve the consent agenda item. Director Sweet seconded. There was no discussion. All approved, none opposed. Motion carried.





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| NAME | YES VOTE | NO VOTE |
|---------------|----------|---------|
| Steve Peru | X | |
| Dan Okoli | X | |
| Adam Shimoni | X | |
| Miranda Sweet | X | |

DISCUSSION / ACTION ITEMS:

7. REVIEW FY2021 MEETING DATES AND APPROVE FY2022 MEETING DATES

-Rhonda Cashman, Executive Assistant and Clerk of the Board

Staff recommends the Board of Directors review the FY2021 meeting dates and approve the FY2022 meeting dates.

Ms. Cashman explained the Board of Director's March meeting is often in conflict with the Coconino Community College, Northern Arizona University, and Flagstaff Unified School District spring break, and the County Board of Supervisor's spring recess. New in FY2022, a December recess is proposed for Board and TAC. Chair Peru proposed moving the upcoming March meeting to the following week after spring break, from March 17th to March 24th. Board members were polled, and each member present noted they are available to attend a March 24th meeting. Chair Peru also recommended the March meeting date be changed to a week later, the 4th Wednesday of the month, anytime it conflicts with spring break in the future. Director Sweet moved to approve the amended dates as noted for FY2021 and FY2022. Director Okoli seconded. There was no discussion. All approved, none opposed. Motion carried.

| NAME | YES VOTE | NO VOTE |
|---------------|----------|---------|
| Steve Peru | X | |
| Dan Okoli | X | |
| Adam Shimoni | X | |
| Miranda Sweet | X | |

8. CONSIDER ADOPTION OF THE TITLE VI PROGRAM

-Kate Morley, Deputy General Manager

Staff recommends the Board approve the updated Title VI Civil Rights Policy and Program and authorize the CEO and General Manager to approve clerical corrections in the future.

Ms. Morley reviewed a PowerPoint presentation with the Board regarding the updated Title VI Program. She provided background, components of the program, and highlighted what has changed. It was noted that the program is based on minimum federal requirements, but Mountain Line can and does exceed them. Staff are seeking approval of the program and resolution today. The new Five-Year Transit Plan will examine the policy as related to our transit system and we anticipate a potential update to system-wide service standards and policies. Director Shimoni asked about the outreach plan. Ms. Morley stated that Mountain Line follows the MetroPlan public outreach policy, due to the annual transportation improvement program requirements that are conducted by this agency, and confirmed Mountain Line goes above and beyond to ensure stakeholders have an opportunity to





comment. Director Shimoni moved to approve the program as presented. Director Sweet seconded. There was no discussion. All approved, none opposed. Motion carried.

| NAME | YES VOTE | NO VOTE |
|---------------|----------|---------|
| Steve Peru | X | |
| Dan Okoli | X | |
| Adam Shimoni | X | |
| Miranda Sweet | X | |

9. CONSIDER MCCONNELL MULTIMODAL IMPROVEMENTS PROJECT CLOSE-OUT

-Anne Dunno, Capital Project Manager

Staff recommends that the Board of Directors close-out the McConnell Multimodal Improvements Project.

Ms. Dunno stated this item is coming before the Board as the project is ready for close-out. The partnership with Northern Arizona University (NAU) was to develop a multimodal solution at the Social and Behavioral Sciences (SBS) building on south campus. This location is the second busiest stop for our system, next to the Downtown Connection Center (DCC). She provided further background and shared a PowerPoint slide with the design concept for the south campus transportation hub. The design went to the MetroPlan TAC for future consideration in the Regional Transportation Plan. The partners, the Arizona Department of Transportation, the City of Flagstaff and NAU, have confirmed that there are currently no funds for further design and construction at this time. The project does have remaining federal funds and reallocation of the remaining design funds held by Mountain Line will need to be addressed this spring. Director Okoli moved to approve the close-out of this project. Director Shimoni seconded. There was no discussion. All approved, none opposed. Motion carried.

| NAME | YES VOTE | NO VOTE |
|---------------|----------|---------|
| Steve Peru | X | |
| Dan Okoli | X | |
| Adam Shimoni | X | |
| Miranda Sweet | X | |

10. CONSIDER ADOPTION OF THE ZERO EMISSIONS BUS (ZEB) TRANSITION PLAN

-Bizzy Collins, Transit Planner

Staff recommends the Board adopt the Zero Emissions Bus Transition Plan.

Ms. Collins shared a detailed PowerPoint presentation with the Board regarding the steps completed during the two phases of the development of the recommended ZEB Transition Plan. In Phase I, the consultants considered how fleet technologies would impact Mountain Line with regard to service provision, emissions, and cost. The Board approved the policy recommendation of battery-electric fleet versus other types of zero emission technologies available. Phase II included completion of an implementation plan. Ms. Collins reviewed the fleet technology options and the bus replacement schedule. She noted several community goals and plans that this plan would align with if adopted. The savings in greenhouse gas emissions were noted at full fleet transition to be the equivalent of taking 282 cars off the road





in each subsequent year. She spent considerable time explaining some graphs regarding the fuel (electricity) costs and reviewing the costs as both one-time investment and reoccurring. The greatest concern is the cost of peak charging times related to the need to charge vehicles in route during the service day. Implementation will be considered with each bus purchase. The full ZEB Transition Plan is available on the Mountain Line website for review. Ms. Collins confirmed that the grant awarded for the DCC construction included funding for two electric buses. These buses are planned for purchase as a way to test actual performance of this technology on our routes before full implementation of charging stations at the new DCC or purchase of additional buses. Overall, the Board was supportive of proactively planning for this fleet technology and infrastructure though recognize we need to be cognitive of extra expenses that deter from overarching goal of increased frequency as the priority. Ms. Collins confirmed the intention is to apply for future grants to help fund the transition to electrification. This transition will affect all aspects of Mountain Line operations. The TAC asked about solar panels at the DCC and staff explained that it is anticipated that the solar panels will be able to only supply power to the building, not the buses. Mountain Line is planning for eight charging stations at the DCC, two at the main office on Kaspar Dr. and additional options are planned at a future bus storage facility on NAU's campus. The DCC design allows for the footprint of the charging infrastructure. The electrical costs for peak charging are approximately 81 percent unfunded and we will need the rate to be reduced by about 30 percent to make this transition feasible. To that end, Mountain Line staff are participating in the Arizona Statewide Transportation Electrification Plan (AZTE Plan). The third and final workshop will be held on February 10th. The AZTE Plan will be presented to the Arizona Corporation Commission (ACC) and they will make the decision regarding any rate change. Director Shimoni stated he appreciated the excellent presentation and asked if staff are hoping rates will go down. Ms. Collins replied that there are many examples out there of rates being reduced. Director Shimoni recommended adding this information and process to City plans and Director Sweet concurred. Ms. Collins stated the Arizona Transit Association is in full support of our request, with several member agencies interested in electrification. AzTA will lead the effort and unify the message for transit in Arizona. Currently Tucson is the only other service with electric buses; however, Sedona is very interested in the option of introducing new service with electric fleet. Board members generally offered support and consensus to work together. Director Sweet moved to approve that ZEB Transition Plan as presented. Director Okoli seconded. There was no further discussion. All approved, none opposed. Motion carried.

| NAME | YES VOTE | NO VOTE |
|---------------|----------|---------|
| Steve Peru | X | |
| Dan Okoli | X | |
| Adam Shimoni | X | |
| Miranda Sweet | X | |

PROGRESS REPORTS:

There were no questions regarding the progress reports.

11. NO SERVICE CHANGES FOR AUGUST 2021
-Bizzy Collins, Transit Planner





12. REVIEW THE BUDGET SETTING PROCESS
-Lauree Battice, Management Services Director
13. UPDATE ON GENERAL CONSULTING SERVICES CONTRACT
-Kate Morley, Deputy General Manager
14. DOWNTOWN CONNECTION CENTER (DCC) PROJECT UPDATE
-Kate Morley, Deputy General Manager
15. GRANT AWARD NOTIFICATION
-Estella Hollander, Mobility Planner
16. SUMMARY OF CURRENT EVENTS
-Heather Dalmolin, CEO and General Manager

Ms. Dalmolin shared the following highlights with the Board:

- With the anticipation of more snow on the way, Mountain Express will allow for social distancing by limiting passenger loads on vehicles.
- Thank you to Ms. Hollander for her successful grant writing related to the ADOT award for pedestrian and bike improvements near transit stops and a grant award to fund the 5-Year Transit Plan. She is also one of the first in the nation to earn a Transportation Demand Management certification.
- Two articulated buses have been down for repair and the manufacturer, New Flyer, was unable to send a technician due to COVID-19. Fleet staff decided to order the necessary tools and our mechanics completed the repairs. These buses are now back on the road and we have both the tools and skills to handle this repair in the future.
- Board member orientation meetings will be scheduled for all incoming Board members and alternates. Additionally, staff will be presenting education items, like policies and resolutions, on future agendas.

Chair Peru wanted to recognize staff as they serve while struggling with employees facing COVID-19 illness themselves or amongst family members, and the loss of loved ones.

At approximately 11:15am, Director Shimoni made a motion to move into an executive session. Director Okoli seconded. There was no discussion. All approved, none opposed. Motion carried.

| NAME | YES VOTE | NO VOTE |
|---------------|----------|---------|
| Steve Peru | X | |
| Dan Okoli | X | |
| Adam Shimoni | X | |
| Miranda Sweet | X | |

EXECUTIVE SESSION

Executive sessions are closed to the public.





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The Board considered a motion to convene an executive session pursuant to A.R.S. § 38-431.03(A)(3) and (4) for the following purpose:

1. Discussion and consultation with Mountain Line's attorney for legal advice and with Mountain Line's attorney and designated representatives, regarding the Papanastasopoulos v. NAIPTA litigations. ARS § 38-431.03(A)(3) and (4).

Following the conclusion of the Executive Session, the Board reconvened the public meeting at approximately 11:34am.

Chair Peru provided closing comments: he thanked participants and staff and offered another welcome to our new Board members.

ITEMS FROM COMMITTEE AND STAFF:

SCHEDULE NEXT MEETING DATE AND IDENTIFY AGENDA ITEMS

February/March Working Agenda

The next Board meeting will be February 17, 2021 and it will be a Zoom meeting based in Flagstaff in the Mountain Line Training Room, 3773 N. Kaspar Dr., Flagstaff, AZ 86004 at 10am. The public is invited to attend. February agenda items will include but not be limited to the Board Election of Vice Chair, FY2020 Financial Audit Report, Second Quarter Revenue Report, Bus Stop Improvement Report/New Job Order, Board Education Opportunity, Application and Execution of 5339(c) Low or No Emission Program Grant, Quarterly Performance Report, New Paratransit Van Delivery, and Delegation of Authority Updates. The February agenda will be available for review on Mountain Line's website and at Mountain Line's public posting places (listed on the Mountain Line website) at least 24 hours prior to the meeting and should be consulted for a list of items that will come before the Board.

22. ADJOURNMENT -Chair Peru adjourned the meeting at approximately 11:36am.

Steve Peru, Chair of the Mountain Line Board of Directors

ATTEST:

Rhonda Cashman, Executive Assistant and Clerk of the Board

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DATE PREPARED: January 25, 2021

MEETING DATE: February 17, 2021

TO: Honorable Chair and Members of the Board

FROM: Rhonda Cashman, Executive Assistant and Clerk of the Board

SUBJECT: Election of Vice Chair of the Board of Directors

RECOMMENDATION:

Staff recommends the Board of Directors elect a Vice Chair for the remainder FY2021, effective immediately.

BACKGROUND:

In accordance with the Amended and Restated Master IGA Section 3:

NAIPTA shall be governed by a Board of Directors consisting of at least five (5) and not more than nine (9) members. Upon the approval and execution of this Restated Master IGA by all Parties, the Board shall be comprised of five (5) directors, consisting of one (1) member of the Coconino County Board of Supervisors or designee; two (2) members of the Flagstaff City Council or designees; one (1) member of the Northern Arizona University administration appointed by the Northern Arizona University President, and the President of Coconino County Community College District or designee.

Further, according to NAIPTA's Rules of Procedure Section 5.3 officers are to be elected by the Board:

Election and Re-election of Officers.

- (a) **Terms.** The term of the Chair and Vice Chair positions shall be for a period of one (1) year, commencing on July 1 and ending on the following June 30, unless otherwise directed by the Board as provided in Section 5.3(e). In the event of an unexpected mid-term vacancy, the replacement Officer, determined in accordance with this Section 5.3, shall serve the remainder of the term.
- (b) **Order of Ascension.** Subject to Section 5.3(e), elected Officers shall serve for two (2) consecutive terms: first as the Vice Chair, and then as the Chair. The Vice Chair shall be elected before July 1 of each fiscal year and take office effective July 1.
- (c) **Vacancies.** At the completion of a full term, or in the event of a vacancy in the position of Chair, the Vice Chair shall ascend to the position of Chair. In the event of a vacancy in the position of Vice Chair, the Board shall entertain nominations from the Board Members to fill any such vacancies for the term or the remainder of the term, as may be appropriate. It is recommended, but not required, that Board Members having served 12 or more months be considered for nomination. If two or more Board Members are nominated for the office, the vote shall be by secret ballot. In the case of a single nominee, the vote may be by voice. In the event both the Chair and Vice Chair positions become vacant simultaneously, both positions shall be filled by the Board pursuant to the





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nomination and election provisions of this section; provided, however, that the Board Member elected to the Chair position shall only serve out the remainder of the term, and not be entitled to serve as both Chair and Vice Chair without being separately elected to the Vice Chair position in a different election cycle.

- (d) *Limitations.* No one person may serve in successive positions of Chair to Vice Chair. No Agency may hold the position of Chair and Vice Chair simultaneously.
- (e) *Continuity Extension.* The Board, acting in its sole discretion, may extend the term of the Chair for a subsequent year, provided, however, that no Chair shall serve more than two (2) full sequential terms. In the event of such an extension, the Board has the discretion to retain the Vice Chair during such extended term or appoint a new Vice Chair pursuant to the provisions of Section 5.3(c).

Chair Peru ascended to the Chair position in mid-November at the request of outgoing Chair, Jamie Whelan, due to her impending departure from the Board of Directors in December 2020. With the reassignment of former Director McCarthy to other City Boards or Commissions, this leaves Director Okoli as the only other Director with the recommended service of 12 months or more as referenced in Section 5.3(c) above. The 12 months of service on the Board of Directors is not a requirement. Please consider nominations for the Vice Chair position with potential ascension to the Chair position in the future.

FISCAL IMPACT:

The election of officers or exercising the continuity of extension of officers for the Board has no fiscal impact.

SUBMITTED BY:

Rhonda Cashman
Executive Assistant and Clerk of the Board

APPROVED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

1. Terms for the Board of Directors

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| Date Current Term Began | Term | Date Term Expires | Position | Agency | Name |
|--------------------------------|-------------|--------------------------|-----------------|-------------------|-------------------|
| 7/1/2016 | 5 years | 6/30/2021 | | Coconino County | VACANT |
| | | | | | |
| | | | | Coconino County | *Patrice Horstman |
| | | | | | |
| 7/1/2019 | 5 years | 6/30/2024 | | City of Flagstaff | Miranda Sweet |
| | | | | | |
| | | | | City of Flagstaff | *Paul Deasy |
| | | | | | |
| 7/1/2018 | 5 years | 6/30/2023 | | City of Flagstaff | Adam Shimoni |
| | | | | | |
| | | | | City of Flagstaff | *Paul Deasy |
| | | | | | |
| 7/1/2020 | 5 years | 6/30/2025 | | NAU | **Daniel Okoli |
| | | | | | |
| | | | | NAU | *Josh Maher |
| | | | | | |
| 7/1/2017 | 5 years | 6/30/2022 | Chair | CCC | **Steve Peru |
| | | | | | |
| | | | | CCC | *Kurt Stull |
| | | | | | |

**Designee

* Alternate



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Board Agenda Packet
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DATE PREPARED: February 10, 2021

DATE: February 17, 2021

TO: Honorable Chair and Members of the Board

FROM: Heather Dalmolin, CEO and General Manager

SUBJECT: Consider and Approve the Second FY2021 Budget Revision

RECOMMENDATION:

Staff requests the Board of Directors approve the Second FY2021 Budget Revision for a total change not to exceed \$40,438.88 to move 50% of delayed wage adjustment for exempt staff effective January 1, 2021 from contingency to wages and employee related expenses (ERE).

RELATED STRATEGIC PLAN OBJECTIVE:

- ❖ The FY2021 budget supports all aspects of the Strategic Plan and Key Objectives

BACKGROUND:

In June, the Board of Directors adopted the FY2021 Budget and based on staff recommendation, placed in contingency the annualized portion of the approved compensation study for all exempt staff. The action allowed for passage of a budget with capacity for implementation of the full compensation study adjustment while being conservative about commitment to expenses in light of unknown impact to income due to COVID-19. Below is a table demonstrating the proposed delay and action available during the fiscal year.

| | <u>Action 1</u> | <u>Action 2</u> | <u>Action 3</u> |
|--------------------|-------------------------------------|-----------------|-----------------|
| Pay Plan | 50% | 50% | retroactive |
| Measurement Period | 30-Sep-20 | 31-Dec-20 | 31-Mar-21 |
| Change | 1% increase achieved and maintained | | |
| Board Meeting | October | January | April |
| Effective Date | 1-Oct-20 | 1-Jan-21 | 1-Jul-20 |

As reported during the budget process, it was anticipated that a recession as a result of COVID-19 would have a total impact of reducing the fund balance by more than \$1M over 5 years. We have now completed the second quarter of the fiscal year (Oct 1 to Dec 31, 2020), we have received updated transit tax revenues projections from the City of Flagstaff.

| | <u>FY2019-2020</u> | <u>FY2020-2021</u> | <u>FY2021-2022</u> | <u>FY2022-2023</u> | <u>FY2023-2024</u> | <u>FY2024-2025</u> |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Estimate | | | Avg 3 scenarios | | |
| COVID Recession 05/20 | \$ 5,642,500 | \$ 5,545,400 | \$ 5,600,854 | \$ 5,712,871 | \$ 5,884,257 | \$ 6,060,785 |
| FY2021 Update 01.05.2021 | \$ 6,259,698 | \$ 5,875,810 | \$ 6,003,800 | \$ 6,191,900 | \$ 6,377,700 | \$ 6,569,100 |
| Total Change COVID to Present | \$ 617,198 | \$ 330,410 | \$ 402,946 | \$ 479,029 | \$ 493,443 | \$ 508,315 |
| | 10.9% | 6.0% | 7.2% | 8.4% | 8.4% | 8.4% |

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As illustrated, when comparing current transit tax projections to the COVID recession projections FY2020 is 10.9% higher, FY2021 is 6% higher, and over the next 5 years the total collection is 8.4% higher than the COVID recession projection. These changes support the recommended action of increasing exempt staff wages by 50% of the identified compensation study change effective on January 1, 2021.

If approved, staff will decrease the contingency line item in the FY2021 budget by \$40,438.88 to increase budget lines for staff wages and employee related expenses (taxes, ASRS, etc.)

FISCAL IMPACT:

The proposed change does not have any additional fiscal impact as the action does not alter the total budget or have an impact on the financial plan as the total cost of the delayed compensation study changes for exempt staff was already accounted for in these figures.

ALTERNATIVES:

- 1) Approve the first FY2021 Budget Revision (**recommended**): By approving the proposed revision to the FY2021 budget, exempt staff will be granted the remaining 50% of the compensation study wage adjustment that was identified and approved in the Compensation Plan adopted in February 2020. The revision was identified as a potential action during the FY2021 budget process and is supported by the updated transit tax revenues as reported by the City of Flagstaff for the 2nd quarter ending on December 31, 2020.
- 2) Do not approve the FY2021 Budget Revision (**not recommended**): If the revision is not approved, Mountain Line exempt staff will continue to experience a delay in receiving the identified wage increase. The wage change was identified during the Compensation Study and the change is key to competitive pay for these positions in our community and part of our efforts to mitigate wage compression concerns as the minimum wage in Flagstaff continues to rise.

TAC DISCUSSION:

The TAC overall expressed support for the recommendation. Member Dille with the City of Flagstaff did ask about fare loss and suggest that staff include overall revenue projections to demonstrate how other revenues have been impacted by COVID. Mrs. Dalmolin confirmed that the one-time CARES Act funding has covered 100% of fare loss due to the 6 months of fare free service and indicated the presentation to the Board of Directors would illustrate the broader revenue situation.

SUBMITTED BY:

Heather Dalmolin
CEO and General Manager





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Board Agenda Packet
2/17/2021 - Page 16 of 38

ATTACHMENTS:

1. 2nd Quarter Revenue Projections, 01.28.2021 -page 17
2. FY2021 Budget Memo, Clarify Recommendation -page 18

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City of Flagstaff, Transit Tax
History of Projections
1/7/2021

| | <u>FY2019-2020</u> Estimate | <u>FY2020-2021</u> | <u>FY2021-2022</u> | <u>FY2022-2023</u> | <u>FY2023-2024</u> | <u>FY2024-2025</u> | Total Change | |
|-----------------------------------|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------|----------------|
| | Avg 3 scenarios | | | | | | | |
| COVID Recession 05/20 | \$ 5,642,500 | \$ 5,545,400 | \$ 5,600,854 | \$ 5,712,871 | \$ 5,884,257 | \$ 6,060,785 | \$ 34,446,667 | \$ (1,027,945) |
| FY2021 Update 01.05.2021 | \$ 6,259,698 | \$ 5,875,810 | \$ 6,003,800 | \$ 6,191,900 | \$ 6,377,700 | \$ 6,569,100 | \$ 37,278,008 | \$ 1,300,678 |
| Total Change COVID to Present | \$ 617,198 | \$ 330,410 | \$ 402,946 | \$ 479,029 | \$ 493,443 | \$ 508,315 | \$ 2,831,341 | |
| | 10.9% | 6.0% | 7.2% | 8.4% | 8.4% | 8.4% | 8.2% | |
| Total Change Pre-COVID to Present | \$ 328,045 | \$ (125,094) | \$ 159,817 | \$ 357,034 | \$ 475,539 | \$ 608,055 | \$ 1,803,396 | |
| | 5.5% | -2.1% | 2.7% | 6.1% | 8.1% | 10.2% | 5.1% | |



MOUNTAIN LINE MEMORANDUM

TO: BOARD OF DIRECTORS
FROM: HEATHER DALMOLIN, CEO AND GENERAL MANAGER
SUBJECT: FY2021 BUDGET CLARIFICATION
DATE: JUNE 17, 2020

To support today's discussion regarding the FY2021 Budget, I have put together the attached spreadsheet to demonstrate what is included in the proposed FY2021 Budget. I understand that Board members want to see clearly and simply what is included in regard to the Compensation Plan.

The budget as proposed does include the Compensation Plan, in its entirety. As discussed in May, a portion of the plan is proposed to be dependent upon revenue triggers and this delayed portion is budgeted within the contingency line item. The Board will retain the authority to implement any delayed portion of the plan after considering updated revenue projections. The triggers are proposed to be defined as follows. The Transit Tax must provide revenues higher than projected in the April 2020 updated and the annual projection increases must:

- By at least 1% as measured at the end of the first quarter, staff affected by the delay will be eligible for 50% of the identified Compensation Plan adjustment effective with the 1st pay period following the end of the measured quarter;
- By at least 1% as measured in 2 consecutive quarters, staff affected by the delay will be eligible for the remainder of the identified Compensation Plan adjustment effective with the 1st pay period following the end of the measured quarter; and
- By at least 1% as measured in 3 consecutive quarters, staff affected by the delay will be eligible for retroactive action to July 1, 2020 for the implemented pay changes.

The delayed portion of the Compensation Plan is proposed to be adjustments identified in the Compensation Study for exempt staff. The FY2021 budget includes correcting wages for all operators and non-exempt staff as per the Compensation Plan adopted earlier this spring.

Our budget does include the whole compensation plan as we are unable to increase the budget during the fiscal year. The proposed plan to budget the delayed portion in contingency allows us to include capacity necessary for the delayed portion of the plan and allow for implementation of additional changes during the year if we can demonstrate that the revenue triggers have been met; the Board will need to authorize that change and additional implementation.

If we reduce the budget, as offered in any of the alternatives, those initiatives cannot be implemented during the fiscal year and would be delayed until next fiscal year.





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DATE PREPARED: February 8, 2021

MEETING DATE: February 17, 2021

TO: Honorable Chair and Members of the Board

FROM: Bizzy Collins, Transit Planner

SUBJECT: APS Rate Structure and Electric Buses

RECOMMENDATION:

None. This item is for information and discussion only.

RELATED STRATEGIC PLAN OBJECTIVE

- ❖ Goal: Stewardship of Resources
- ❖ Objective: Be exemplary at supporting community goals towards environmental sustainability.

BACKGROUND:

The Zero Emission Bus (ZEB) Transition Plan modeled energy costs associated with charging battery electric buses using the current APS rate structure. Results of this analysis show that Mountain Line cannot avoid charging during the peak demand times of 3-8pm and will incur significant costs as a result. With the first two battery electric buses, energy costs are anticipated to be equal to diesel costs. If Mountain Line continues to replace current hybrid buses at the end of their useful life with battery electric buses, peak demand costs skyrocket to about \$560,000 annually, accounting for 81% of the total energy cost.

Without rate changes, the energy cost is not affordable or sustainable under current or future tax revenues. The ZEB Transition Plan recommended that if peak demand costs were reduced by 30%, cost charging the electric fleet would be equal to current costs to fuel the hybrid electric fleet. Examples of other utility rate structures were also provided in the ZEB Transition Plan that would help lower the energy costs to an affordable level. However, any rate changes would be decided by the Arizona Corporation Commission (ACC).

There are also one-time capital costs for both buses and charging infrastructure. The ZEB Transition Plan provided many examples of partnership opportunities to lower the additional capital costs. While there is a tremendous amount of grant funding for capital, a local match is still required, and partnerships have the possibility of covering the entire local match. This would enable capital investment to support electric buses at equal cost to what Mountain Line is paying today with hybrid electric buses.

Mountain Line has begun discussions with the Arizona Transit Association (AzTA) and other transit





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agencies in the state who are interested in transit electrification. The group is supportive of bringing a unified request to the ACC, led by AzTA, and are currently strategizing on the path forward. The transit group's goals are reducing the peak demand cost for transit agencies by 30% and developing partnerships with APS to offset capital costs. The most recent meeting of the transit group included AzTA's legislative liaison, Policy AZ, whose focus is on the Arizona state legislature. Policy AZ has agreed to take the transit group's goals, consider strategies for achieving the goals, and come back with some options.

Another process, external to the transit group, is the Arizona Statewide Transportation Electrification Plan (AZTE). The AZTE is led by the three utility providers in the state with participation of public, private, and nonprofit organizations who have identified challenges and opportunities for electrification. The information gathered over the past six months will coalesce into a final AZTE Plan with recommendations presented to the ACC for consideration. Staff will see these recommendations on February 10 at the final AZTE workshop. Ideally, the AZTE recommendations are aligned with the transit group's goals and can use that as a platform.

FISCAL IMPACT:

Currently the effort is at no cost to Mountain Line, just staff time. It is anticipated that the AzTA consultants will be covered under their current contract, covered by AzTA membership dues that Mountain Line already pays. If utility rate changes were made, it could result in tremendous cost savings for Mountain Line to electrify our fleet, bringing fuel/energy cost to be equal to what we are paying today for hybrid electric buses.

TAC DISCUSSION:

Members asked if battery-electric buses were feasible for Flagstaff's topography and climate and Mountain Line operations. The ZEB Transition Plan indicates that battery-electric buses are feasible, and operations are best supported with on-route charging throughout the day about once per hour (versus depot-only charging at night requiring buses run the following day on one charge). On-route charging provides more flexibility and reliability for Mountain Line operations when running the heater or air conditioner or with crush passenger loads, which drain considerably more power from the battery.

SUBMITTED BY:

Bizzy Collins
Transit Planner

APPROVED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

None.

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DATE PREPARED: February 8, 2021

MEETING DATE: February 17, 2021

TO: Honorable Chair and Members of the Board

FROM: Bizzy Collins, Transit Planner

SUBJECT: Update on the Bus Rapid Transit Project in relationship to the Milton Road Corridor Master Plan

RECOMMENDATION:

None. This item is for information and discussion only.

RELATED STRATEGIC PLAN OBJECTIVE

- ❖ Goal: Service Excellence
- ❖ Objective: Invest in capital to improve efficiencies and infrastructure to enhance customer-first service delivery.

BACKGROUND:

Bus rapid transit (BRT) is a toolbox to help buses be more competitive with cars. Tools such as bus only lanes, bike and pedestrian infrastructure, station enhancements, off-board fare collection, and Transit Signal Priority (TSP) can be applied as appropriate. BRT projects are eligible for a unique funding source under the Federal Transit Administration (FTA) Small Starts Capital Investment Grant (CIG) program that provides up to 80% share of capital costs to construct a BRT system that reflects local priorities to improve transportation options in key corridors. Attachments outline the history of Mountain Line's BRT project in relation to ADOT's Milton Road Corridor Master Plan (Milton CMP) and show a map of the proposed BRT corridor.

ADOT recently held a project partners meeting wherein public survey results were included to score and rank the alternatives. The top-scoring alternative, alternative 5, would add a lane, have the BRT in mixed traffic, and greatly improve bicycle and pedestrian infrastructure (see Milton CMP attachment for the cross section); however, it does not improve traffic operations and would require increasing the right-of-way width of Milton Road. Therefore, the alternative ranked second, no build hybrid, was ultimately recommended by ADOT. The no build hybrid maintains the existing lane configuration with some spot improvements. Which spot improvements ADOT accepts will have big impacts on what transit, bike and pedestrian improvements the BRT could bring to the corridor. The next step in the Milton CMP is to confirm which spot improvements can be included. ADOT has said any recommended cannot impact traffic operations too much, though no thresholds are defined to determine what balance of multimodal improvements to traffic operations will be acceptable to ADOT.

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Mountain Line supports bike and pedestrian improvements that will help transit riders access existing bus stops on Milton Road. Yet being in mixed traffic without assurance of other BRT tools means the BRT project will bring few operational efficiencies, and thus financial value, to Mountain Line in terms of increasing bus frequency. Staff would recommend Mountain Line ask partners to fund the 20% local match for bike, pedestrian, and general traffic operation improvements, and that the dedicated transit tax not be responsible for such items. Staff cannot make a recommendation to the Board on whether to continue the BRT project until the spot improvements are determined and conversations with partners regarding funding can be had.

In the coming months, staff will ask the Board to decide whether to renew the focus on the BRT project or to notify the FTA we no longer intend to continue the project. If it is the latter, opportunity for 80% federal match of broad transportation benefits such as smart signals and bike and pedestrian improvements would be lost. Mountain Line could request that remaining funds awarded for preliminary engineering and design be transferred to other projects such as the DCC. Doing so is at the discretion of FTA and ultimately, Mountain Line could be required to return the remaining \$1.4M in project development funding.

FISCAL IMPACT:

The BRT Project Development planning phase has been supported with a \$2,127,399 Federal Transit Administration grant awarded through ADOT at an 80/20 split. To date, Mountain Line has spent \$780,000 on initial planning and NEPA work leaving \$1.4M remaining in the grant for additional planning efforts.

If the BRT Project Development phase resumes it is anticipated to take nine months to complete. At that time the report would be submitted to FTA for evaluation and rating. FTA may choose to recommend the project for construction funding under the Capital Investment Grant (CIG) program with 80% federal match of transit, pedestrian, and bicycle improvements. Local funding details of the BRT will be explored more specifically as part of the Project Development process and would be identified in future Mountain Line budgets.

TAC DISCUSSION:

Flagstaff Community Development is doing what they can through zoning updates to increase setbacks on Milton as it is redeveloped. While the City can overcome the limitations of the Milton CMP results, this piecemeal approach is not the solution for Mountain Line's CIG application which focuses on improvements to an entire corridor.

SUBMITTED BY:

Bizzy Collins
Transit Planner

APPROVED BY:

Heather Dalmolin
CEO and General Manager

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ATTACHMENTS:

- | | |
|---|----------|
| 1. History of Mountain Line BRT and Milton CMP Projects | -page 24 |
| 2. BRT Map | -page 25 |
| 3. Milton CMP top-scoring alternative | -page 26 |

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History of Mountain Line BRT Project in relation to the Milton CMP

May 2013 - NAIPTA's Five-Year Transit Plan proposed a corridor-based bus rapid transit (BRT) route that connects the Flagstaff Airport with Downtown and the Flagstaff Mall.

June 2015 – ADOT Transit Group awarded a federal grant to NAIPTA to initiate a Locally Preferred Alternative (LPA) study for a proposed cross-town BRT route expansion. NAIPTA staff, the FMPO, ADOT, and the City of Flagstaff, developed the LPA.

September 2015 - Using the LPA report, NAIPTA applied for and was approved to the Federal Transit Administration (FTA) Entry into Project Development within the Small Starts Capital Investment Grant (CIG) program.

January 2016 - Based on LPA report, ADOT Transit Group, with support of FTA, awards a federal grant of \$2.1 million to NAIPTA to conduct the Project Development Phase of the CIG program. Following the ADOT Transit Group award, ADOT North Central District decided a corridor master plan was needed to set a vision for the Milton Corridor prior to any BRT being approved.

August 2017 - ADOT kicked off the Milton Road Corridor Master Plan (CMP), with anticipated completion date of winter of 2018. (This target was not achieved, and the CMP has yet to be completed.)

November 2018 - NAIPTA initiated the project development phase of the BRT with stakeholders including MetroPlan, ADOT, City of Flagstaff, Coconino County, and NAU.

December 2019 - Mountain Line's BRT project identified the top-ranking route alignments. The section between the Flagstaff Medical Center and the Downtown Connection Center has the BRT in general traffic lanes using San Francisco and Beaver Streets. The section between the Downtown Connection Center and Woodlands Village has the BRT in center-running bus-only lanes for one mile on Milton Road, then on side-running bus-only lanes on Beulah Boulevard, and turning around in Woodlands Village. At the time, the Milton CMP anticipated completion in January 2020 and so Mountain Line agreed to put the BRT on hold for CMP recommendations.

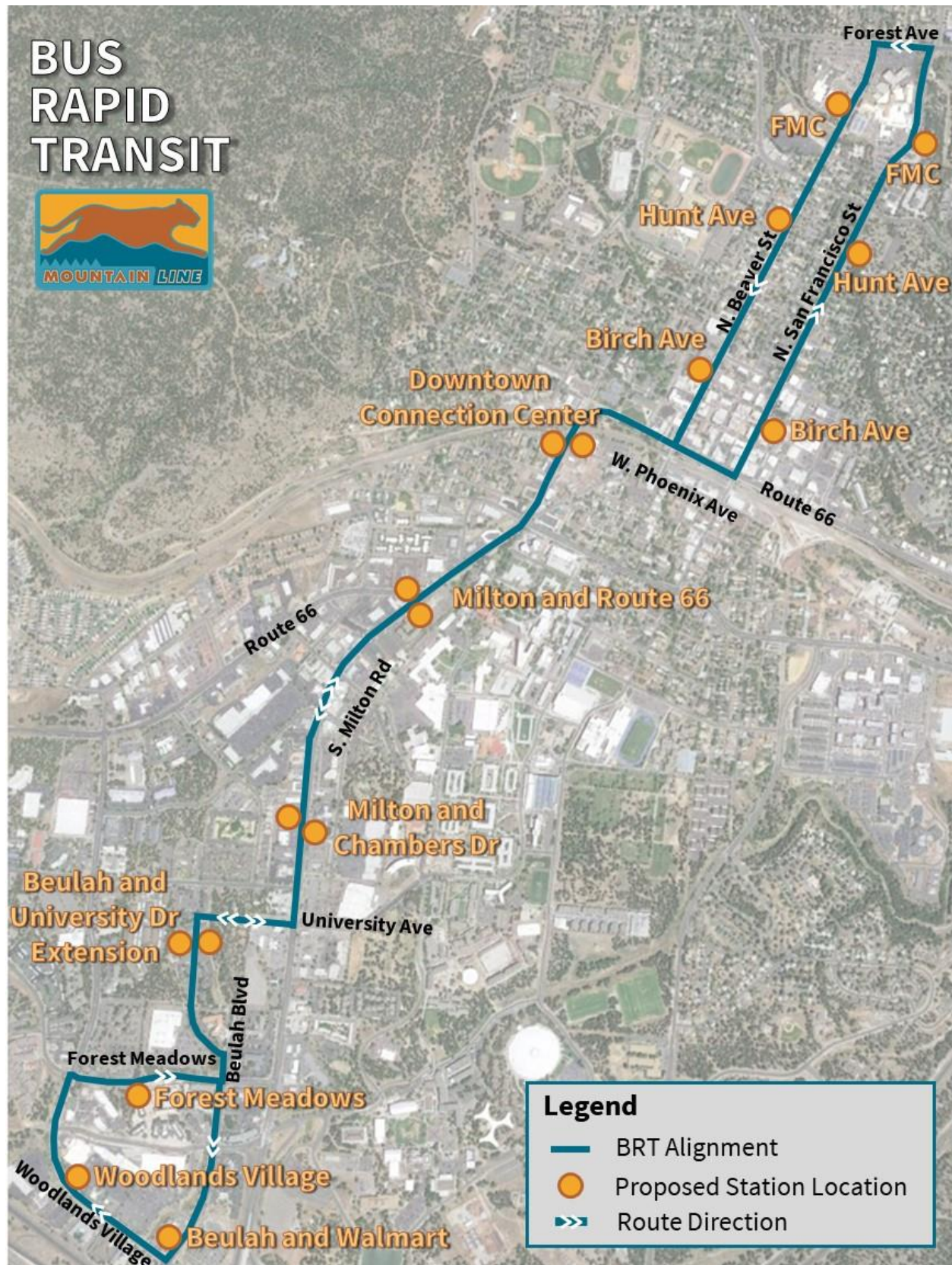
January through August 2020 - Mountain Line conducted a variety of presentations to community groups while waiting for the Milton CMP recommendation.

September through November 2020 - ADOT conducted public outreach for the Milton CMP. Mountain Line Directors and CEO provided comments on the following three points:

- We need a scenario that achieves the best balance of many goals and policies embraced by the community, not simply prioritizing car movements.
- The City has declared a climate emergency and recommendations need to be aligned with goal of reducing vehicle miles traveled by 50%.
- No significant transit enhancements means risk of losing a potential \$50 million grant to transform the corridor.

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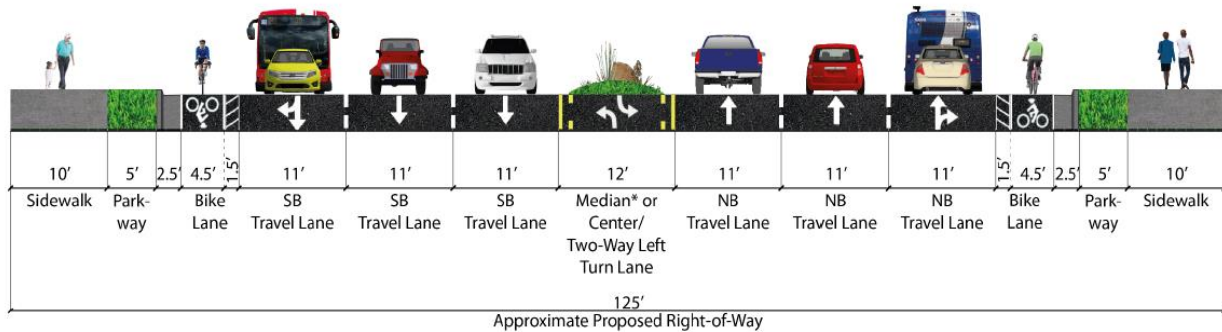


MILTON ROAD CORRIDOR MASTER PLAN

Tier 3 Top-Scoring Alternative



System Alternative 5



*Median treatment may vary along the study corridor.

**An ADOT design exception and FHWA approval would be required for the application of 11' travel lanes.

All alternatives being considered can be found online at <https://azdot.gov/node/14347>



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DATE PREPARED: February 10, 2021

DATE: February 17, 2021

TO: Honorable Chair and Members of the Board

FROM: Heather Dalmolin, CEO and General Manager

SUBJECT: Review Mountain Line Service Requirements and Financial Management Practices

RECOMMENDATION:

The Board may provide direction, but there is no recommendation from staff at this time.

RELATED STRATEGIC PLAN OBJECTIVE:

- ❖ Goal: Investing in Mountain Line Workforce
- ❖ Objective: Develop a workplace culture that supports employee development and work-life balance.

BACKGROUND:

The goal of this report is to provide additional education to Board members on how Mountain Line conducts business and explores why in some cases. Staff will make a total of three presentations between February and April. Topics identified are as follows: Financial Management practices, Paratransit requirements, various Policies, Delegations of Authority/Resolutions, Organizational Structure, and Compensation/Pay Plan. February will focus on Financial Management practices and Paratransit requirements.

Paratransit Requirements:

Paratransit provides a shared-ride origin to destination service to meet the public transit needs of individuals that cannot navigate the fixed route system without assistance. When a community receives Federal Transit Administration funding to support and/or provide a fixed route system, a complementary paratransit service is required as a part of the ADA. The requirements for providing paratransit service include:

- ❖ Required within three-fourths of a mile corridor on each side of a bus route
- ❖ Required during the same hours the bus is available
- ❖ Fare cannot be more than twice what is charged on the bus
- ❖ Must allow and provide ability to make a reservation up to the day before the ride is requested

Paratransit is a highly regulated program that while is necessary to many in our community, is also quite expensive to provide. In FY2019, we provided 19,765 trips on our paratransit system and each trip cost \$46.05 to provide. This is an increase of almost 20% since 2016 and with COVID restrictions that have impacted demand and service levels, cost per trip is almost double in 2021.

As this is a required program, we cannot eliminate the service, but we continue to work towards

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identifying alternatives that offer less expensive options or that might make the program more cost effective. One of those less expensive options is our taxi program. The program provided more than 7,000 trips in FY2019 at a cost of \$14.50 per trip. This program offers paratransit customers the option of our pre-loaded taxi cards for completing trips in a taxi or ride share service. When introduced we expected these trips to be replacement for trips typically taken on paratransit but experienced that many of the taxi trips are in addition to the paratransit trip. Another alternative is to find a way to operate more efficiently. We are also exploring whether we can reduce the cost of the paratransit program by using staff and vehicles to provide micro-transit services, allowing for increased service in areas without fixed route and offering streamlined efficiency to both programs by sharing resources.

Again, paratransit cannot and will not go away as we have many in our community that need our services. Staff will continue to evaluate options for providing the same great service while finding cost savings measures and efficiencies.

Financial Management practices:

Our financial management practices contain several steps and inputs and are conducted by several staff at Mountain Line.

- ❖ We are responsible for management of our received fare revenues and our federal funding.
- ❖ We conduct financial reporting and all general accounting functions in house using QuickBooks.
- ❖ We have a contract for Human Resources Information System and Payroll services, InflectionHR.

We receive several types of funding for our programs. Our goal is to maximize the use of local funds and we leverage these funds to compete for and drawdown federal funding.

- ❖ The City of Flagstaff is the fiscal agent for the transit tax and collects and projects those funds.
- ❖ The State of Arizona passes thru federal funds; however, does not fund transit directly with state revenues.
- ❖ The Federal Transit Administration provides several sources of funding. These funds come directly to Mountain Line for management.
- ❖ We also manage other sources including revenue achieved through fare collection and services agreements with both Northern Arizona University and Coconino County.

Financial management practices are directed and informed by the Mountain Line Financial Management Policy which includes an Internal Control Policy and the City of Flagstaff Recession Plan. The Plan ensures:

- ❖ Pursuit of all available sources of funding, prioritizing federal funding for one time and capital improvement programs, and use of all non-City transit tax funds first.
- ❖ Prescribes reserve requirements (25% of operating budget) and determines how costs are shared by programs and partners.
- ❖ Contains the philosophies for our budget and our compensation strategies, including the desire to have competitive wages to attract and retain staff.
- ❖ Provides for capital improvement and asset management.
- ❖ Directs decision making associated with debt management, accounting processes, and risk management.

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Throughout the year, the Board is asked to review financial information and provide direction, feedback, or to take action:

- ❖ Budget is presented over three months, adopted annually.
- ❖ Performance Reporting is presented quarterly.
- ❖ Transit Tax Projections are presented twice annually.

The goals of our Financial Management practices are to create transparency, accuracy, timely information, efficient procedures, and long-term financial sustainability.

FISCAL IMPACT:

Staff are not recommending any action and there is no expected fiscal impact to this education effort.

ALTERNATIVES:

No action is recommended; however, the Board may provide direction on additional information needed or on policies/practices presented.

TAC DISCUSSION:

Mrs. Dalmolin completed the presentation to the TAC on service requirements and financial management practices. There was no discussion or comments.

SUBMITTED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

None.





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DATE PREPARED: February 8, 2021

MEETING DATE: February 17, 2021

TO: Honorable Chair and Members of the Board

FROM: Kate Morley, Deputy General Manager

SUBJECT: Route 8 Extension

RECOMMENDATION:

None. This item is for information and discussion only.

RELATED STRATEGIC PLAN OBJECTIVE

- ❖ Goal: Fiscal Responsibility
- ❖ Objective: Diversify funding sources to reduce dependency on federal funding for ongoing operations.

BACKGROUND:

In November, Mountain Line began a conversation with the Developer of Sky Cottages on Woody Mountain Road to develop a partnership for the extension of Route 8. The development is adjacent to Timber Sky, west of Presidio, and the extension would allow Route 8 to continue to the roundabout on Woody Mountain Road before returning to its current routing at Thompson Street for the Daily Sun stop (see Figure 2). The Developer is seeking a rezoning which allows the City to request items to bring the development into conformance with the Regional Plan. Extending Route 8 is in conformance with the following goals and policies of the Regional Plan in addition to helping achieve the goals of the Climate Emergency:

- Goal T.7 Provide a high-quality, safe, convenient, accessible public transportation system, where feasible, to serve as an attractive alternative to single-occupant vehicles.
- Policy LU.13.2. Consider public transit connections in suburban development.
- Policy T.7.5. Incorporate adopted plans and policies for non-motorized and public transportation in the permitting process for all development or land use proposals, including provisions for efficient access and mobility, and convenient links between pedestrian, bicycle, and transit facilities.
- Policy T.1.6. Provide and promote strategies that increase alternate modes of travel and demand for vehicular travel to reduce peak period traffic.
- Policy T.3.8. Promote transportation options such as increased public transit and more bike lanes to reduce congestion, fuel consumption, and overall carbon emissions and promote walkable community design.
- Goal E&C.1. Proactively improve and maintain the region's air quality.
- Goal E&C.2. Reduce greenhouse gas emissions.

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Mountain Line's current Route 8 alignment begins at the Downtown Connection Center (DCC) and heads west on Route 66 to loop around on Thompson Street-University Avenue-Woodlands Village Boulevard, returning to the DCC (see Figure 1). Route 8 makes this trip every 30 minutes from 6:15am to 9:30pm on weekdays and every hour from 7:15am to 7:30pm on weekends and holidays. Mountain Line implemented Route 8 in August 2019 by splitting Route 7, thus creating the future opportunity to extend transit service west on Route 66, with the near-term goal of reaching Woody Mountain Road and looping back to the DCC with the proposed Route 8 (see Figure 2).

Figure 1-Current Route 8

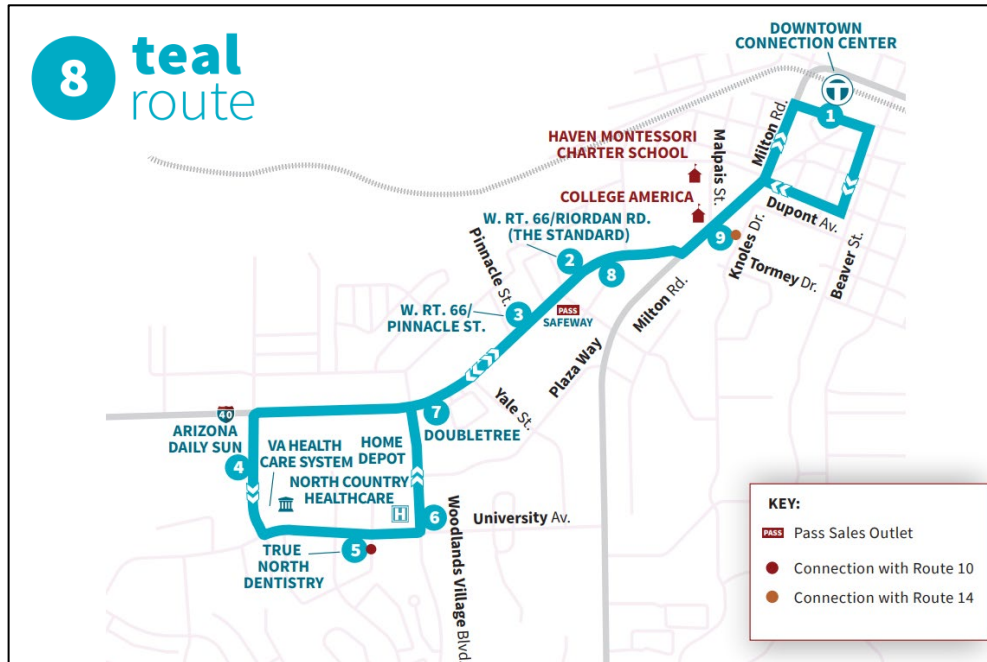
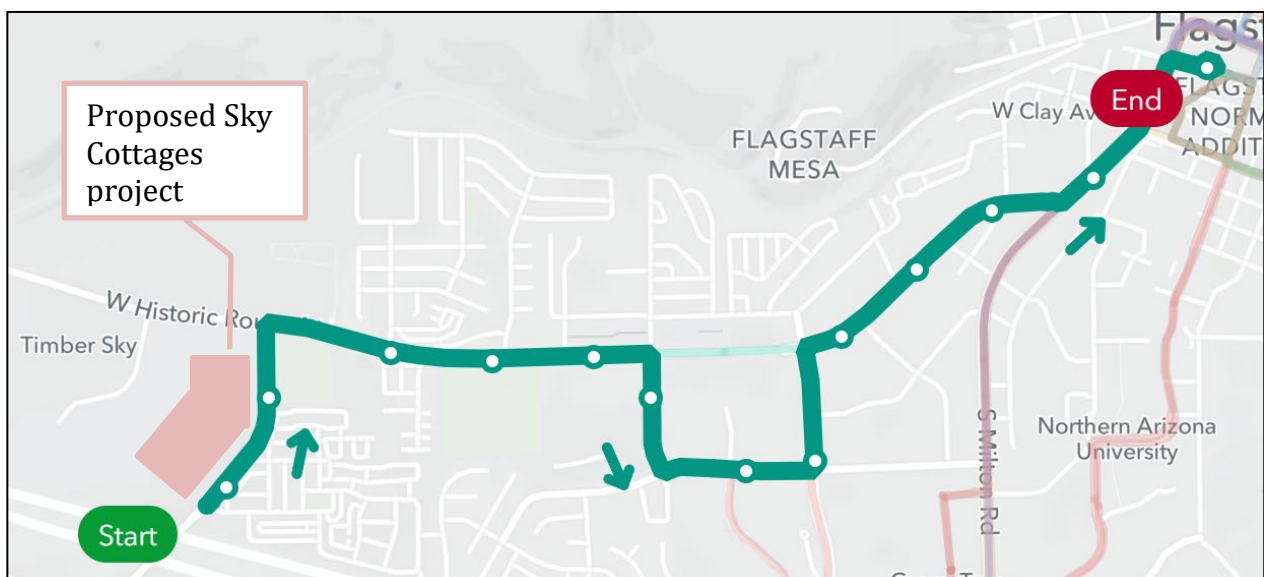


Figure 2-Future Route 8



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Mountain Line has identified future transit service on west Route 66 and Woody Mountain Road in the 2017 and 2013 Five-Year Transit Plans based on extensive public feedback, Flagstaff land use plans, and projected population growth in the area. Additionally, the NAIPTA Board of Directors identified the Route 8 extension to Woody Mountain Road as their top priority for service enhancements in February 2020. However, additional funding has not been available to achieve this goal.

Mountain Line seeks innovative funding mechanisms to achieve the diverse transportation needs of the people we serve and to align with our 2020-2025 Strategic Plan Goal Six: Fiscal Responsibility, as well as City policies. As such, Mountain Line actively seeks partnership opportunities with Flagstaff businesses, educational institutions, organizations, and developers, including Vintage Partners who is proposing the Sky Cottages development.

Future Route 8 requires a total annual operating cost of \$555,000. Mountain Line proposes to pay for 55% of the cost and has requested a partnership with the Developer to cover the remaining 45% in the amount of \$250,000 per year in exchange for free service to residents for the term of this agreement. If a partnership with the Developer was reached for a term of five years, Route 8 extension could be implemented as soon as 2022. This would enable all residents of Sky Cottages to ride all transit routes for free seven days a week and achieve Flagstaff Regional Plan policies and support the Climate Action and Adaptation Plan. The City may approve Mountain Line's request to bring a transit sales tax question to voters in 2022, 2024 or later, and if approved by the City and the voters, Mountain Line could then fund Route 8 through the new sales tax revenue with the option for the Developer or HOA to begin a traditional ecoPass agreement to continue free transit service for Sky Cottages residents.

Mountain Line and the Developer discussed the proposal in November, and while the Developer expressed interest, he did not respond further. Mountain Line also submitted the proposal to the Flagstaff Planning Director who included it in the Planning and Zoning Commission agenda packet. Staff attended the Planning and Zoning meeting in January when the Sky Cottages development was under review and spoke about the proposal. Many Commissioners were excited about the partnership opportunity but did not push to require it to be a part of the development agreement. The Sky Cottages development passed Planning and Zoning Commission with a 4 to 3 vote.

Mountain Line attended the February 2 City Council meeting when Sky Cottages was under review for a rezoning application. Staff spoke about the potential for a transit service agreement and requested that Council consider adding it to the development agreement as part of approval. While Council expressed support for transit, the added cost burden on top of financial concessions already negotiated between the Developer and the City was too great. Council urged the Developer to reach out to Mountain Line to see what could be done to support extension of Route 8.

Negotiating at the dais is challenging and doesn't allow the provision of transit service to be included in prioritization of requests from the developer, becoming the last item added and first to be removed. Yet this is the only option currently available to Mountain Line in the City's development review process.

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FISCAL IMPACT:

Future Route 8 requires a total annual operating cost of \$555,000. Mountain Line proposed to pay for 55% of the cost and requested a partnership with the Developer to cover the remaining 45% in the amount of \$250,000 per year in exchange for free service to residents for the term of this agreement. If a partnership with the Developer was reached for a term of five years, Route 8 extension could be implemented as soon as 2022.

TAC DISCUSSION:

Members of the Transit Advisory Committee remarked that transit is mandated service through a citizen vote, that is not always recognized. Members supported staff's desire for an internal discussion between Mountain Line and the City to define transit's role in the development review process to effectively navigate the competition of values when identifying Developer concessions in the development agreement. Affordable housing needs transit service to truly be affordable, as transportation costs are the second largest household expense.

SUBMITTED BY:

Kate Morley
Deputy General Manager

APPROVED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

None.

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Mountain Line

3773 N. Kaspar Drive · Flagstaff, AZ 86004 · 928-679-8900 · FAX 928-779-6868 · www.mountainline.az.gov

DATE PREPARED: February 9, 2021

DATE: February 17, 2021

TO: Honorable Chair and Members of the Board

FROM: Heather Dalmolin, CEO and General Manager

SUBJECT: Review Results of the October 2020 Employee Survey

RECOMMENDATION:

No action is recommended; however, the Board may direct staff on modifications to employee programs and or future Employee Surveys including survey instruments or methodology.

RELATED STRATEGIC PLAN OBJECTIVE:

- ❖ Goal: Investing in Mountain Line Workforce
- ❖ Objective: Develop a workplace culture that supports employee development and work-life balance.

BACKGROUND:

Mountain Line conducts an employee satisfaction survey every 6 months and has done so for the past 20 years. The March 2020 survey efforts were cancelled due to operation and staffing modifications introduced as a response to the onset of COVID-19 in our community.

The survey has proven to be a good tool for measuring trends, gaining feedback, and responding to changes in employee satisfaction over time. The survey is based on a policy that ensures anonymity and confidentiality. Specifically, employees do not sign their name, surveys are tabulated by a third party, and survey results are shared with the entire staff team. The Mountain Line Leadership team then reviews for trends and comments seeking opportunities to enhance the existing work environment.

Staff will make a presentation at the February Board meeting on the trends and findings for the October 2020 Employee Satisfaction Survey.

FISCAL IMPACT:

Staff are not recommending any action to respond to the survey results. If the Board chooses to direct staff to act in an effort to address comments or concerns, there could be unidentified costs and therefore a fiscal impact will have to be evaluated as part of next steps.

ALTERNATIVES:

No action is recommended; however, the Board may direct staff on modifications to employee programs and or future Employee Surveys including survey instruments or methodology.

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TAC DISCUSSION:

The survey results were not presented to the TAC.

SUBMITTED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

1. Survey -separate attachment

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MOUNTAIN LINE MEMORANDUM

DATE: February 17, 2021
TO: Chairman and Members of the Board
FROM: Heather Dalmolin, CEO and General Manager
SUBJECT: Current Events

The monthly Transit Voice is available with highlights of news to know, job well done, note-worthy events, and updates on projects. Some of these were also noted in the Mountain Line Minute.

I would like to take a moment to acknowledge that Supervisor Horstman, Coconino County's Alternate Board Member, will serve on the Board of Directors until the County appoints a replacement for Supervisor Archuleta's vacated seat.

COVID-19 Updates

- We continue to be challenged by staffing shortages related to illness or exposure. We have 7 staff members out right now but recently experienced an approximate 20% absence in our operations team. We will continue monitoring; however, another spike in positive cases amongst our operations team may result in reduction in frequency, first on Route 10, if we cannot fill all operator shifts.
- We are encouraging staff, who can, to get the vaccine based on eligibility for current group priorities; transit workers as a group are still not prioritized for the vaccine. We expect to be prioritized in the next wave announced under Phase 1B, along with Other Essential Workers. We currently have 17 vaccinated staff members, which is about 20% of employees.
- I have again reached out to Coconino County Health and Human Services to make the case for our operators to be prioritized for the vaccine as regularly are providing transportation to students and providing access to schools. School Bus operators were prioritized due to their connection to an educational institute; due to our role in supporting students in our community, in accessing alternatives to their assigned FUSD district, we have argued that we are not different than School Bus operators in aiding in the return of students to campus.
- On January 21, President Biden signed an Executive Order requiring masks to be worn on public transit. Following that Order, a related Security Directive from the Transportation Security Administration (TSA) and an Order from the Centers for Disease Control (CDC) were issued. Effective with start of business February 2, we updated our mask message to comply with these Orders. The Federal Law, which has now been added to our Master Agreement with FTA for funding, requires we notify the public that a 2-layer mask must be worn over the nose and mouth while using transit, on buses and at stops. We are offering exemptions, per the language of the CDC Order, to anyone under the age of 2 and to anyone that reports an inability to wear a mask for safety reasons. Operators have reported no conflicts over this change and that riders are complying with our updated masks requirements.



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Operations

- Thanks to the efforts of our front-line staff in operations, fleet, and facilities, we were able to open all routes on-time and keep service running throughout the late January snowstorms. Leadership recognized these team members with handwritten notes and small gift cards.

Partnerships and Outreach

- The City of Flagstaff shared with our team that they have received a NACOG grant for phase 1 environmental on all three potential DCC parcels along Phoenix Ave and phase 2 on two of the parcels, the BNSF owned sliver and eastern most location; the warehouse property (far west property) is ineligible for funding for the phase 2 because of the actual date that the City acquired the parcel. The estimated value is \$10K for the phase 1 reviews and up to \$30K for any necessary phase 2 reviews.
- Flagstaff Family Help Center, our partner in the Human Trafficking Awareness Campaign, has provided a pocket guide for all staff on signs that a person may be a victim of trafficking. These cards are expected to be quick reference for our staff while serving the community.

Finance, Compliance, and Procurement

- The Community Transportation Association of America (CTAA) submitted a letter to Congress and the Senate on behalf of small urban and rural transit providers requesting that future COVID related funds be distributed by standard formula award. The second round of relief funds, CRRSAA, provided funding using an alternate formula and method. That resulted in many small urban and rural agencies not receiving additional funds. No one in Arizona received funding under CRRSAA. We provided a letter of support to CTAA as requested. Additionally, we submitted a similar letter directly to our federal representatives.
- We received word from our Legislative Liaison that Transit funding has been included in the House COVID proposal introduced on February 9. If the Bill is passed as proposed, Mountain Line would receive around \$3M in additional federal funding.

Employees and Morale

- We have several significant anniversaries to recognize: Jeremiah Sheward, Operator, 1 year; Arlinda Yazzie, Operator, 1 year; Curtis Coleman, Operator, 5 years; Jeralyn Lewis, Operator, 5 years; Tim Brennan, Facilities Technician, 5 years; Kate Morley, Deputy General Manager, 5 years; Dave Schweigert, Operator, 10 years; Heath Boor, Operator, 15 years; Jim Wagner, Operations Director, 15 years. These staff were recognized in person and presented a gift to recognize their years of service through our recognition program.



March: TAC Meeting is Thurs, 3/4 Board Meeting is Wed, 3/17

| ITEMS: | WHO & WHAT: |
|--|--------------------|
| | |
| Safety Minute | |
| | |
| FY2020 Financial Audit Report | Lauree - D/A |
| Reallocation of Grant Funds (from McConnell project) | Anne - D/A |
| Low or No Emission Program Grant | Bizzy - D/A |
| Kaspar Intersection Plan/TSP | Anne/Estella - D/A |
| Campus Bus Storage Update | Anne - D/A |
| Bus Stop Improvements/New Job Order | Anne - D/A |
| Board Education Opportunity: Various Policies, Delegations of Authority/Resolutions | Heather D - D/A |
| Quarterly Performance Report | Jim – D/A |
| | |
| Kaspar Master Plan | Anne - PR |
| DCC Update | Kate - PR |
| Delegation of Authority Update - Agreements, Grants, and Procurements: Kaspar Intersection IGA, MetroPlan IGA Amendment, Five-Year Transit Plan, and Owner's Rep | Heather D - PR |
| Current Events | Heather D - PR |
| | |
| April/May Agenda Calendar | |

April: TAC Meeting is Thurs, 4/1 Board Meeting is Wed, 4/21

| ITEMS: | WHO & WHAT: |
|--|-----------------|
| | |
| Safety Minute | |
| | |
| The Coordinated Plan | Estella - C |
| Budget Message | Heather - D/A |
| Mobility On-Demand/Microtransit Demo | Estella - D/A |
| Fare Capping / Mobile Ticketing | Heather D - D/A |
| Board Education Opportunity: Organizational Structure and Compensation/Pay Plan | Heather D - D/A |
| | |
| AECOM Quarterly Update | Kate - PR |
| New Paratransit Van Delivery | Jim - PR |
| Delegation of Authority Update - Agreements, Grants, and Procurements: Kaspar Intersection Construction Contract | Heather D - PR |
| Current Events | Heather D - PR |
| May/June Agenda Calendar | |