



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 (“Mountain Line”) and to the general public that the Board will hold a meeting on:

Wednesday, February 18, 2026  
10:00am  
Mountain Line Ponderosa Room  
216 W Phoenix Avenue  
Flagstaff, AZ 86001

Unless otherwise noted, meetings held in the conference room are open to the public. This is a WEB BASED meeting. Members of the Board of Directors may attend in person, by internet conferencing, or by telephone. The public may observe and participate in the meeting at the address above.

**The Board of Directors may vote to hold an executive session for the purpose of obtaining legal advice from Mountain Line’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.**

**Public Comment Process**

The Mountain Line Board of Directors welcomes public comments during meetings. Members of the public can comment on items not on the agenda under the general call to the public and on items on the agenda at the time the item is considered, in the agenda order. There are three ways to submit comments:

1. **Written Comments:** Members of the public can submit public comments by email up until 9:00 a.m. on the day of the meeting. Comments can be emailed to [publiccomment@mountainline.az.gov](mailto:publiccomment@mountainline.az.gov) and should reference if the comment is part of the general call to the public or in reference to a specific agenda item. Every email, if received by 9:00 a.m. on the day of the meeting, will be entered into the official record.
2. **Virtual Comments:** Members of the public can join the meeting virtually to deliver public comments. Those wishing to attend virtually must email [publiccomment@mountainline.az.gov](mailto:publiccomment@mountainline.az.gov) by 9:00 a.m. on the day of the meeting with their name and agenda item for which they wish to provide comment. The Clerk of the Board will provide a link to access the meeting via Zoom and will introduce those giving public comments at the appropriate time in the agenda.





3. In-Person Comments: Members of the public can attend any Board meeting in-person and submit a speaker card to the Clerk of the Board.

The agenda for the meeting is as follows:

-pages 1-4

1. CALL TO ORDER

2. ROLL CALL

3. SAFETY MINUTE

-Sam Short, Workforce Director

4. CALL TO THE PUBLIC

The public is invited to speak on any item or any area of concern that is the jurisdiction of the Mountain Line Board. Comments relating to items on the agenda will be taken at the time the item is discussed. The Board is prohibited by the Open Meeting law from discussing, considering, or acting on items raised during the call to the public, but may direct the staff to place an item on a future agenda. Individuals are limited to a three minute presentation. A spokesperson for 10 or more people present at today's meeting may be given up to six minutes to speak. The Board will not recognize anonymous comments.

5. APPROVAL OF MINUTES 1/21/2026

-pages 5-13

**DISCUSSION / ACTION ITEMS:**

6. IN-KIND TIME FOR METROPLAN

-pages 14-20

-Heather Dalmolin, CEO and General Manager

Staff recommend the Board of Directors agree to allow MetroPlan to record time that staff, Transit Advisory Committee members, and the Board spend engaged in planning and executing the Mountain Line Board and Transit Advisory Committee meetings as in-kind donations to MetroPlan.

7. MOUNTAIN LINE'S STRATEGIC PLAN

-pages 21-22

-Heather Dalmolin, CEO and General Manager

Staff recommend the Board of Directors adopt the Mountain Line Strategic Plan.

8. 2026-2027 LEGISLATIVE PRIORITIES

-pages 23-26

-Heather Dalmolin, CEO and General Manager

Staff recommend the Board of Directors approve and adopt the 2026-2027 Legislative Priorities.

9. INSURANCE POLICY EXCESS LIMIT REDUCTION

-pages 27-28

-Sam Short, Workforce Director





## Mountain Line

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Staff recommend the Board of Directors approve a reduction in Mountain Line's Excess Liability Insurance coverage from 13 million dollars to 10 million dollars.

10. JULY 2026 SERVICE CHANGES -pages 29-31  
-Jacki Lenners, Deputy General Manager  
Staff recommend the Board of Directors conduct a public hearing and open a public comment period through April 10, 2026, for the proposed July 2026 service enhancements.
11. ABILITY TO ASSESS IMPACT FEES FOR NECESSARY TRANSIT INFRASTRUCTURE COSTS  
-Bizzy Collins, Strategic Performance Planner -pages 32-40  
Staff recommend the Board of Directors do not pursue impact fees for transit infrastructure costs at this time.
12. BENEFITS OF BUS REBUILDS -pages 41-43  
-Heather Dalmolin, CEO and General Manager  
The Board may provide direction, but there is no recommendation from staff at this time.
13. PURCHASE THE REBUILD OF 2 GILLIG 35-FOOT BUSES -pages 44-45  
-Heather Dalmolin, CEO and General Manager  
Staff recommend the Board of Directors authorize the CEO and General Manager to purchase rebuilding of two (2) 35' Gillig Buses from Complete Coach Works for a not to exceed price of \$610,000 per bus.

### PROGRESS REPORTS:

14. FY2024 TRIENNIAL REVIEW CLOSEOUT -pages 46-47  
-Bizzy Collins, Strategic Performance Planner
15. FY2027 BOARD MEETING DATES -pages 48-49  
-Rhonda Cashman, Executive Assistant and Clerk of the Board
16. KASPAR MAINTENANCE PROJECT UPDATE -page 50  
-Anne Dunno, Capital Development Manager
17. DELEGATIONS OF AUTHORITY UPDATES -pages 51-52  
-Heather Dalmolin, CEO and General Manager
18. SUMMARY OF CURRENT EVENTS -pages 53-54  
-Heather Dalmolin, CEO and General Manager

### ITEMS FROM COMMITTEE AND STAFF:

#### SCHEDULE FOR THE NEXT MEETING DATE AND IDENTIFY AGENDA ITEMS

March/April Working Agenda -page 55

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## Mountain Line

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The next Board meeting will be held on March 18, 2026 and it will be a hybrid in-person and Zoom meeting based in Flagstaff in the Mountain Line Ponderosa Room, 216 W. Phoenix Ave., Flagstaff, AZ 86001 at 10am. The public is invited to attend. March agenda items may include but not be limited to the FY2025 Financial Audit, Workforce Budget Overview, Operating Budget Overview, Biannual Performance Report, Electric Bus Performance Report, CEO Evaluation Criteria and KPIs, 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.

### 19. ADJOURNMENT

*Getting you where you want to go*





## Board of Directors Minutes for Wednesday, January 21, 2026

**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 21, 2026, at 9:00am in the Mountain Line Ponderosa Room, 216 W. Phoenix Ave., Flagstaff, AZ 86001. This was a WEB BASED meeting. Members of the Board and Mountain Line staff attended in person, by internet conferencing, or by telephone. The public was invited to attend.

### **BOARD MEMBERS PRESENT:**

Josh Maher, (Chair), Associate VP for Community Relations, NAU, designee;  
Miranda Sweet, (Vice Chair), Vice Mayor, City of Flagstaff;  
Tony Williams, Vice President of Student Services, CCC, designee, left at approximately 11:44am;  
Jeronimo Vasquez, Board of Supervisors, Coconino County, arrived at approximately 10:03am;  
Lori Matthews, City Councilor, City of Flagstaff, left at approximately 11:25am  
*\*Three of our five Board member seats must be present to constitute a quorum.*  
*\*\*The City of Flagstaff holds two seats.*

### **BOARD MEMBERS EXCUSED:**

None.

### **MOUNTAIN LINE STAFF IN ATTENDANCE:**

Heather Dalmolin, CEO and General Manager;  
Jacki Lenners, Deputy General Manager;  
Sam Short, Workforce Director;  
Megan Coons, Finance Director;  
Codi Weaver, Human Resources Manager;  
Anne Dunno, Capital Development Manager;  
Heather Higgins, Purchasing and Contracts Officer, (Zoom), joined at approximately 10:10am;  
Bizzy Collins, Strategic Performance Planner, (Zoom);  
LaReina Reyes, Associate Transit Planner, (Zoom);  
Greg Mockta, Facilities Technician III, left at approximately 10:08am;  
Jon Matthies, IT Manager;  
Rhonda Cashman, Executive Assistant and Clerk of the Board;  
Scott Holcomb, Mountain Line Attorney, (Zoom)

### **GUESTS PRESENT:**

Jeff McKay, Vice President for Capital Planning and Campus Operations, NAU, alternate, joined at approximately 10:03am;  
Karen Kruse, The Kruse Group;  
Jill Barnett, TransPro Consulting, left at approximately 10:39am;  
Kellie Melleady, TransPro Consulting, left at approximately 11:11am;





Five Members of the Free Mountain Line Project Group

1. CALL TO ORDER -Chair Maher called the meeting to order at approximately 10:02am.

2. ROLL CALL

3. SAFETY MINUTE

-Sam Short, Workforce Director

Mr. Short reported on winter driving conditions.

4. MILESTONE ANNIVERSARIES

-Heather Dalmolin, CEO and General Manager

Ms. Dalmolin recognized the December and January milestone anniversaries. She also recognized the December retirement of Bernice Tullie.

5. CALL TO THE PUBLIC

There were two members of the public in attendance at the meeting that were interested in speaking and there were no public comments received via email.

Mico Gooden, representing the Free Mountain Line Project Group, remarked that there are lots of reasons he supports free transit, while some are personal, he has served as Coordinator for Shelter Services for two months. He shared that he is supportive of free fare for homeless people who cannot afford a bus pass. He stated he is overall appreciative of the Mountain Line service.

Evyn Yeager, also representing the Free Mountain Line Project Group, shared she has been a member of this group for one year now and she would like to see free fare in place by August 2027. She shared that Mountain Line staff are trailblazers capable of doing hard things.

6. APPROVAL OF MINUTES:

- a. Regular Meeting 10/15/2025
- b. Board/TAC Advance 11/19/2025
- c. Special Meeting 12/1/2025

Director Sweet made a motion to approve all three sets of minutes for October 15, 2025, November 19, 2025, and December 1, 2025. Director Matthews seconded. There was no discussion. All approved, none opposed. Motion carried.





**Mountain Line**

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NAME	YES VOTE	NO VOTE
Josh Maher	X	
Miranda Sweet	X	
Tony Williams	X	
Jeronimo Vasquez	X	
Lori Matthews	X	

**DISCUSSION / ACTION ITEMS:**

**7. LEADERSHIP AMERICAN PUBLIC TRANSPORTATION ASSOCIATION (APTA) REPORT**

-Jacki Lenners, Deputy General Manager  
(No Staff Report)

Ms. Lenners shared that she had 33 potential executive level leaders in her Leadership APTA class. She said she applied one other time before she was accepted. She reported Mountain Line was the smallest agency represented and she enjoyed the honest talk, where there was an opportunity to meet with CEOs and discuss industry challenges. She noted that the class was divided into small groups to complete a research project and her group of five team members selected the topic of AI – Artificial Intelligence for their capstone project. She reported they did interviews, put together an executive summary, and shared a presentation at the APTA Annual Meeting in Boston in October 2025. She stated she was honored to be a part of the program.

**8. ELECTION OF VICE CHAIR OF THE BOARD OF DIRECTORS**

-Rhonda Cashman, Executive Assistant and Clerk of the Board  
Staff recommend the Board of Directors nominate and elect a Vice Chair from the two (2) eligible City of Flagstaff members to serve in 2026 and ascend to the Chair position in 2027.

Ms. Dalmolin stated that the Rules of Procedure do not specify which of the two City Board members should serve as the Vice Chair when it is the City’s turn to serve, so an election needed to be held. Director Matthews declined the opportunity to serve as Vice Chair and made a motion to elect Director Sweet as the Vice Chair. Director Sweet accepted. Director Vasquez seconded. There was no discussion. All approved, none opposed. Motion carried.

NAME	YES VOTE	NO VOTE
Josh Maher	X	
Miranda Sweet	X	
Tony Williams	X	
Jeronimo Vasquez	X	
Lori Matthews	X	

**9. STRATEGIC PLAN UPDATE**

-Heather Dalmolin, CEO and General Manager





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

Ms. Dalmolin introduced Ms. Barnett from TransPro to provide the update on the Strategic Plan work thus far. Ms. Barnett stated that stakeholder interviews were done and two in-person workshops were conducted, as well as one virtual workshop. She noted that the Board confirmed the Mission would remain the same, Getting You Where You Want To Go, with a slightly modified Vision, Leading the way with sustainable transportation that connects communities and provides value for all. She also confirmed the Values have been updated: Customer Commitment, Collaboration, Respect, Integrity, and Embrace Challenges. Finally, the Success Outcomes identified are Service Excellence, Employee Investment, Fiscal Stewardship, and Community Value. She reviewed the definitions of the overall Performance Metric by outcome and the draft metrics for the scorecard that support the Success Outcomes. She noted the next steps are to finalize the Scorecard, finalize the Tactics, draft the Strategic Plan, conduct stakeholder follow-up, finalize the Strategic Plan, present for Board adoption, and design the CEO Evaluation tool. There were no questions or comments.

**10. GRANT APPLICATION FOR BATTERY-ELECTRIC BUSES**

-Heather Dalmolin, CEO and General Manager

Staff recommend the Board of Directors direct staff to proceed with development of a federal funding obligation application (the 'grant application') to the Federal Transit Administration (FTA) for two (2) Battery-Electric buses as awarded in 2025.

Ms. Dalmolin reported she would not normally bring the grant award or confirmation of the bus type discussion to the Board, but after last year's special situation she is proceeding with caution. She stated the funding award was for "low" or "no" emission buses, the funds are not at risk, and the Mountain Line Zero Emission Bus (ZEB) Transition Plan is in place. She noted it is the timeline that is critical; it only takes about eight weeks to build a bus, but with increased bus manufacturing demand it is about getting "in line" for the approximate 30-month bus build/delivery process. She reviewed the application timeline and confirmed proposed next steps as we go through the process. There was some Board discussion around how language used in the application can make a difference, the importance of being nimble, the deadline, and what is driving the timeline. It was noted that Northern Arizona University (NAU) is in the process of ordering an electric bus, and the type of bus does impact delivery; it was also asked what it would take to convert the buses that serve the campus to no emission buses. Ms. Dalmolin followed up with a comment that the 60-foot buses have a 15-year service life, and the plan is for replacement with battery-electric buses at end of life. She noted this would be included in the Operational Assessment conversation. Director Vasquez made a motion to proceed with the recommendation. Director Matthews seconded. There was no discussion. All approved, none opposed. Motion carried.





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NAME	YES VOTE	NO VOTE
Josh Maher	X	
Miranda Sweet	X	
Tony Williams	X	
Jeronimo Vasquez	X	
Lori Matthews	X	

**11. COMPREHENSIVE TRANSIT ALIGNMENT**

-Bizzy Collins, Strategic Performance Planner

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

Ms. Collins stated the goals of the transit alignment are to reduce duplication of service, increase efficiency, and maintain excellent transit service and access for riders. She noted that under the Phase One agreement there would not be any changes to the Route 10 agreement, NAU service would become transit service in compliance with FTA, open to the public, no financial transactions, include NAU data in Mountain Line monthly and annual reports, and unlock grant opportunities currently only available to Mountain Line. She noted this will specifically help secure Mountain Line with future Small Transit Intensive Cities (STIC) funding benchmarks and potentially help with access to funds for NAU’s bus storage facility, benefits for both agencies. She noted future phases may be determined by the Operational Assessment that includes NAU as project partners, to include a clear picture of future fiscal impact and potential for cost savings, better transit connections for off-campus student housing, and supporting NAU sustainability goals. Mr. McKay stated he is trying to get the necessary approvals from NAU. Ms. Dalmolin stated the agreement, when executed, will be noted under the Delegations of Authority report. There were no questions or comments.

**12. FY2026 EMPLOYEE ENGAGEMENT SURVEY RESULTS**

-Sam Short, Workforce Director

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

Mr. Short stated the employee satisfaction survey has been done at least annually since 2002. He introduced Ms. Melleady from TransPro to review the results of the most current survey. She explained this is Wave 4 for data comparison purposes; the survey was administered in October 2025. She noted there were 55 respondents from across the organization, equivalent to a 57 percent response rate, resulting in a score of 74, which is a strong score. She reviewed the four core elements of engagement and stated the score is holding steady. Next, she reported on the Key Employee Perception Results: Performance, Feedback, Job Satisfaction, Management, and Employee Safety. Then she shared some of the Open Responses, also known as Key Insights. She reported the next steps are to share the report with all staff, identify trends, strategize and develop opportunities, and adopt a framework for follow-up. Chair Maher shared his appreciation for the work being done. There were no questions.

**13. ARIZONA MUTUAL AID COMPACT**

-Sam Short, Workforce Director





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Staff recommend the Board of Directors approve the adoption of the Arizona Mutual Aid Compact and authorize the CEO and General Manager to execute the agreement.

Mr. Short stated Mountain Line has had an agreement with Coconino County to provide aid since 2019 during the Museum Fire. He noted the agreement entered then will expire this year. He explained that NAU, the City, and the County have already signed the agreement. He communicated that having this agreement already in place before the onset of a disaster is beneficial to Mountain Line as it identifies role and ensures funding for cost to assist, and it gives us the mechanism to ensure we are ready and available to serve Flagstaff and the surrounding area at the direction of the Emergency Operations Center (EOC). Director Matthews made a motion to approve the Arizona Mutual Aid Compact (AZMAC) as presented. Vice Chair Sweet seconded. There was no discussion. All approved, none opposed. Motion carried.

NAME	YES VOTE	NO VOTE
Josh Maher	X	
Miranda Sweet	X	
Tony Williams	X	
Jeronimo Vasquez	X	
Lori Matthews	X	

### 14. FY2027 BUDGET MESSAGE

-Megan Coons, Finance Director

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

Ms. Dalmolin presented on behalf of Ms. Coons due to ongoing audit obligations. She reviewed the six main goals for the FY2027 Budget as noted in the staff report. She shared that these are the guideposts for developing the workforce, operations and maintenance, and capital budget pieces. She noted the FY2025 Financial Audit and the Budget Process are happening simultaneously, therefore the Workforce Budget and Operations Budget will both be presented in March as two separate reports. There was a question about budgeting for AZ Snowbowl service. Ms. Dalmolin stated that we don't typically know if we will have a commitment from AZ Snowbowl during the budget process, so the funds are built in as a contingency. She shared that for the upcoming season and for future consideration, we will have the results of the Operational Assessment to assist with this effort. There was no further discussion.

### 15. FEDERAL TRANSIT ADMINISTRATION (FTA) DRUG AND ALCOHOL PROGRAM AUDIT

-Sam Short, Workforce Director

Staff recommend the Board of Directors adopt the FTA Drug and Alcohol Program Audit Corrective Action Plan.

Mr. Short stated that Mountain Line was selected for a drug and alcohol audit this year; specifically done by FTA auditors with some contractors. He shared that staff were notified in





advance and the audit took place in November 2025. He noted the categories that were reviewed: Policy Manual Review, Drug and Alcohol Program Manager interview, Records Management Review, and Urine Collector and Breath Alcohol Technician Interviews. He reported that samples are collected by NextCare, our third-party administrator. He communicated that the following are required corrections:

- Policy Manual Corrections,
- Drug and Alcohol Program Management (DAPM) Corrections,
- Records Management Corrections, and
- Urine Collector/Breath Alcohol Technician (BAT) Corrections.

He noted that it was identified that the third-party collector hours do not cover our service hours and we are dependent on them for our compliance. He shared that there was a suggestion to contract with clinicians outside of office hours to be available for testing. He said the Corrective Action Plan includes receipt of the final report, a 90-day Corrective Action Plan, Third-Party Administrators, and a Report to the Board of Directors when concluded. There was a question regarding what triggered the audit. Mr. Short stated that it is random and Mountain Line has not been audited in his 15-year tenure. Ms. Dalmolin said she remembers the audit being done last under Coconino County in 2005, before the formation of NAIPTA. She shared that she heard Cottonwood, Flagstaff, and Kingman were all being audited this fiscal year. There was another question about how to ensure compliance from the third-party administrator. Mr. Short stated that in addition to performing sample testing to audit procedures of the contractor, he plans to get certified as well as having the Safety Coordinator get certified to do the outside office hours testing in house. He shared that the bottom line is there are limited resources in Flagstaff. Ms. Dalmolin also noted that staff have been trying for two years to get saliva tests approved to avoid privacy issues associated with urine collection for testing. Vice Chair Sweet made a motion to approve the FTA Drug and Alcohol Program Audit Corrective Action Plan as presented. Director Williams seconded. There was no discussion. All approved, none opposed. Motion carried.

NAME	YES VOTE	NO VOTE
Josh Maher	X	
Miranda Sweet	X	
Tony Williams	X	
Jeronimo Vasquez	X	

**16. FIRST MILE LAST MILE (FMLM) UPDATE**

-Anne Dunno, Capital Development Manager

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

Ms. Dunno reviewed the partnership between Mountain Line and the City to use FTA grant funds that are being matched by the City. The City is performing project management duties. She reviewed the Highway 180 pedestrian crossings in final design review by the Arizona Department of Transportation (ADOT) and slated for construction in spring 2026 at Meade Lane, Anderson Road, and Forest Avenue. She communicated that another set of pedestrian crossings are planned for Soliere Avenue, with final design review pending with the City and





construction slated for summer of 2026. She confirmed the total award was approximately \$6 million. She noted the Fanning/Industrial Sidewalk project should be done this month. She said the contractor, Kinney, is developing the Guaranteed Maximum Price (GMP) for the discussed projects and will push to get this work done this year. There were no questions or comments.

**PROGRESS REPORTS:**

There were no questions regarding the progress reports.

**17. HUNTINGTON/GRANT PEDESTRIAN CROSSING AND BUS STOP AMENITIES**

-Anne Dunno, Capital Development Manager

**18. DELEGATIONS OF AUTHORITY**

-Heather Dalmolin, CEO and General Manager

**19. SUMMARY OF CURRENT EVENTS**

-Heather Dalmolin, CEO and General Manager

Ms. Dalmolin shared the following highlights:

- December and January anniversaries were recognized.
- Lower ridership may be attributed to the automated people counter data being scrubbed, and November had two less business days.
- Mountain Express launched in December and will be available every weekend through March.
- New Year’s Eve service was 58 percent higher than the prior year.
- Kaspar Maintenance Facility has exterior site work being done by Kinney and demolition of Shop 0 is slated for mid-March.
- The Route Assessment Team has been formed to engage staff in assessing route and service improvement. This engagement is a timely response to feedback from the Employee Survey.
- Congratulations to Megan on the FY2024 Financial Audit completion.

**ITEMS FROM COMMITTEE AND STAFF:**

**SCHEDULE NEXT MEETING DATE AND IDENTIFY AGENDA ITEMS**

February/March Working Agenda

The next Board meeting will be held on February 18, 2026 and it will be a hybrid in-person and Zoom meeting at the Mountain Line Ponderosa Room, 216 W. Phoenix Ave., Flagstaff, AZ 86001 at 10am. The public is invited to attend. February agenda items may include but not be limited to the 2025-2030 Strategic Plan, Legislative Priorities, Ability to Access Impact Fees for Necessary Transit Infrastructure Costs, Reduce Liability Limit to \$11 Million and Join Insurance Pool, Disadvantaged Business





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August Service Changes, Impact of Vehicle Rehabilitation, Triennial Review Closeout Report, Meeting Calendar Update, Downtown Connection Center (DCC) Phase 1 Closeout, Kaspar Maintenance Update, 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.

20. ADJOURNMENT -Chair Maher adjourned the meeting at approximately 11:57am.

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Josh Maher, Chair of the Mountain Line Board of Directors

ATTEST:

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Rhonda Cashman, Executive Assistant and Clerk of the Board

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**DATE PREPARED:** February 4, 2026

**DATE:** February 18, 2026

**TO:** Honorable Chair and Members of the Board

**FROM:** Heather Dalmolin, CEO and General Manager

**SUBJECT:** In-Kind Time for MetroPlan

**RECOMMENDATION:**

Staff recommend the Board of Directors agree to allow MetroPlan to record time that staff, Transit Advisory Committee members, and the Board spend engaged in planning and executing the Mountain Line Board and Transit Advisory Committee meetings as in-kind donations to MetroPlan.

**BACKGROUND:**

Per the attached staff report from MetroPlan Executive Director, Kate Morley, MetroPlan collects and uses timesheets to record time spent reviewing transportation information and attending meetings as in-kind match for their Federal Funds. Ms. Morley would like the Mountain Line Board of Directors to consider how our time on Transit can be included.

Mountain Line does not use in-kind as match for any of our federal applications and staff support MetroPlan's recommendation.

**FISCAL IMPACT:**

There is no expected fiscal impact on this item.

**ALTERNATIVES:**

- 1) Approve reporting in-kind to MetroPlan as recommended (**recommended**): This is consistent with how MetroPlan matches their federal funds and our time as Mountain Line is an applicable part of allowable transportation planning. We do not use in-kind match and MetroPlan would benefit from recording this time as in-kind to their organization.
- 2) Do not approve (**not recommended**): Approving this request is part of how we collaborate to improve transportation planning and the request is reasonable. Not approving can impact MetroPlan's access to federal funds.

**SUBMITTED BY:**

Heather Dalmolin  
CEO and General Manager





## Mountain Line

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### ATTACHMENTS:

1. MetroPlan Executive Director Staff Report to MetroPlan TAC -pages 16-17
2. MetroPlan Adopted In-Kind Policy -pages 18-20

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# METROPLAN

GREATER † FLAGSTAFF

## STAFF REPORT

**REPORT DATE:** June 23, 2025

**MEETING DATE:** July 16, 2025

**TO:** Honorable Chair and Members of the Technical Advisory Committee

**FROM:** Kate Morley, Executive Director

**SUBJECT:** MetroPlan In-Kind Policy and Procedures

### 1. STAFF RECOMMENDATION:

None. This item is for information and discussion only.

### 2. RELATED STRATEGIC WORKPLAN ITEM:

**Goal 1:** Maximize Funding for Transportation Projects and Programs

**Objective 1.3:** Coordinate partners' legislative priorities related to transportation

### 3. BACKGROUND:

MetroPlan's federal funds require either a 5.7% or 20% match on all federal funds expended. These funds must come from either local fund sources, local in-kind or cash match, or other donations. MetroPlan members agree to pay annual dues and grant matching funds that contribute to the local cash match required, although those funds may not completely account for the match required. Therefore, in-kind match is required. This is captured by tracking partner time spent on MetroPlan Unified Planning Work Program (UPWP) projects or activities, or for competitive grant awards.

MetroPlan's policy is to record partner time spent at each known event. No less than quarterly, MPO staff will send out a timesheet with those recorded hours. Partner staff should review this timesheet and add any additional time spent for the time period requested. This time should be modified to include hours NOT recorded by the MPO, as MPO staff does not have access to partner staff calendars. Partner staff should work with their accounting staff to ensure that their time is not funded with federal funds, to ensure in-kind time is valid.

With the increase in in-kind requirements, diligent reporting of time spent on MetroPlan-related activities is going to be key. Staff will facilitate a discussion on how to best collect it.



# METROPLAN

GREATER † FLAGSTAFF

#### **4. TAC AND MANAGEMENT COMMITTEE DISCUSSION:**

Pending

#### **5. FISCAL IMPACT:**

The FY2026 budget estimates that \$118,126 in in-kind will be needed to match awarded grants. For reference, \$105,337 was required for FY2025.

#### **6. ALTERNATIVES:**

None. This item is for information and discussion only.

#### **7. ATTACHMENTS:**

MetroPlan In-Kind Policy



Document: **Local Match and In-Kind Policy**

Adopted: **February 5, 2020**

Effective: **July 1, 2020**

**METROPLAN**  
GREATER † FLAGSTAFF

**Purpose:**

MetroPlan’s federal funds require either a 5.7% or 20% match on all federal funds expended. These funds must come from either local fund sources, local in-kind or cash match, or other donations. MetroPlan members agree to pay annual dues and grant matching funds that contribute to the local cash match required, although those funds may not completely account for the match required. Therefore in-kind match is required. This is captured by tracking partner time spent on MetroPlan Unified Planning Work Program (UPWP) projects or activities. The most consistent activities would include time spent preparing for, travelling to and attending Technical Advisory and Management Committee meetings.

**Definitions:**

Cash Match: Member Dues as determined by the Executive Board each year.

In-Kind Match: Staff time and related expenses, such as mileage, of partner agencies spent to benefit the projects of the Metropolitan Planning Area

In-Kind Donations: Supplies, Material, Equipment given to the MPO to support operations or projects at no cost.

Member Agency: Member agencies are those agencies that have voting members on the MetroPlan Executive Board and include the City of Flagstaff, Coconino County, Mountain Line Transportation (NAIPTA), and the Arizona Department of Transportation.

Partner Agency: Are those agencies that have voting members on the TAC or Management Committee and/or are stakeholders in the plans of the MPO because they represent the population or agencies that are impacted by MPO’s plans. Partner agencies may also be known as Member agencies or Third Parties.

Third party: A third party is an entity (other than a recipient, subrecipient, or Federal agency) that is not party to a Federal-aid project agreement, but who may derive a benefit associated with the completion of the project. As a recipient, a State cannot be considered a third party.

Third Party In-kind Contribution: means the value of non-cash contributions (i.e., property or services) that—

- (a) Benefits a federally assisted project or program; and
- (b) Are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award. [2 CFR 200.96]

## **Governing Regulations:**

### Uniform Guidance

Federal Uniform Guidance (2 CFR 200.306) address Federal Cost Sharing or matching. Shared costs or matching funding may be included as part of match funds when contributions meet the following requirements:

- (1) Are verifiable from the non-Federal entity's records;
- (2) Are not included as contributions for any other Federal award;
- (3) Are necessary and reasonable for accomplishment of project or program objectives;
- (4) Are allowable under Subpart E— Cost Principles of this part;
- (5) Are not paid by the Federal government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
- (6) Are provided for in the approved budget when required by the Federal awarding agency; and
- (7) Conform to other provisions of this part, as applicable.

Volunteer services provided by third-parties (such as partner agencies) may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for third-party volunteer services must be consistent with those paid for similar work by the non-Federal entity, at the employee's regular rate of pay and benefits including indirect costs, or they must be consistent with those paid for similar work in the labor market. Additionally, paid fringe benefits that are reasonable, necessary, allocable, and otherwise allowable may be included in the valuation.

Donated property from third parties may also be counted as match or in-kind, and may include such items as equipment, office supplies, laboratory supplies, or workshop and classroom supplies. Value assessed to donated property included in the cost sharing or matching share must not exceed the fair market value of the property at the time of the donation.

### [Eligible Donations and Credits \(FHWA\)](#)

In accordance with 23 U.S.C. §323, as amended by section 1902 of SAFETEA-LU, private donations of right-of-way, funds, materials, or services may be used toward the non-Federal share on any eligible Title 23, U.S.C. project. Also, local government donations of right-of-way,

funds, materials, or services performed by local government employees may be used toward the non-Federal share on any eligible title 23, U.S.C. project.

Any right-of-way donated at any time during the development of a project in accordance with the requirements of 23 U.S.C. §323, may be applied to the matching share. Other costs, including eligible donated services and materials, incurred prior to FHWA authorization of the project, cannot be applied to the non-Federal matching share of the project.

**Partner Staff Roles and Responsibilities:**

MetroPlan's policy is to record partner time spent at each known event. No less than quarterly, MPO staff will send out a timesheet with those recorded hours. Partner staff should review this timesheet and add any additional time spent for the time period requested. This time should be modified to include hours NOT recorded by the MPO, as MPO staff does not have access to partner staff calendars. Partner staff should work with their accounting staff to ensure that their time is not funded with federal funds, to ensure in-kind time is valid.

City of Flagstaff, Coconino County, NAU, and NAIPTA are Third Party members that derive benefit from the completion of projects funded through FMPO. Third Party staff time provides non-cash contribution of skills and knowledge that benefit the federally assisted projects (such as Milton Corridor). There is the expectation that ALL Third Party time benefits their own agency. Only the portions of their time spent on MPO projects that have joint benefit to the Metropolitan Planning Area should be counted as match. It should be noted that the benefit is NOT to the MPO, as the MPO only serves as liaison to benefit the represented partner agencies.

Additionally, when member agencies directly receive MPO federal funding or derive direct benefit from them, the member must provide appropriate cash or in-kind match to draw down funds.



**DATE PREPARED:** February 6, 2026

**MEETING DATE:** February 18, 2026

**TO:** Honorable Chair and Members of the Board

**FROM:** Heather Dalmolin, CEO and General Manager

**SUBJECT:** Mountain Line's Strategic Plan

**RECOMMENDATION:**

Staff recommend the Board of Directors adopt the Mountain Line Strategic Plan.

**BACKGROUND:**

Mountain Line and TransPro engaged with the Board of Directors and the Transit Advisory Committee to complete a joint review and update of the 2020-2025 Strategic Plan. The Strategic Advance took place in November 2025 and efforts included:

- Confirmation of the Mountain Line Mission
- Discussion of updates for the Mountain Line Vision
- Collaboration to evaluate goals and develop Success Outcomes
- SWOT Analysis for the identified Success Outcomes

In January 2026, Mountain Line and TransPro reviewed the updated plan, focusing on developed Success Outcomes and supporting Score Card with performance measures as developed by staff.

Staff will present the finalized Strategic Plan for Board adoption.

**FISCAL IMPACT:**

The Strategic Advance and Strategic Plan update have no direct financial impact although the finalized Success Outcomes and KPI's will act as guideposts for future decision making including operating and capital budgets.

**ALTERNATIVES:**

- 1) Adopt the Strategic Plan (**recommended**): Staff recommend the Board adopt the plan as completed and reflective of the six plus months of stakeholder meetings, interactive conversations and meetings, and finalized development of measurable outcomes. The Strategic Plan is an important tool in communicating priorities to the public, our partners, and our funding agencies.





## Mountain Line

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- 2) Do not adopt (**not recommended**): If the Strategic Plan is not adopted it could have unintended impact on staff not having clearly defined objectives and the delay may result in lack of performance measurement guidance.

### SUBMITTED BY:

Heather Dalmolin  
CEO and General Manager

### ATTACHMENTS:

1. Strategic Plan -available at meeting

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**DATE PREPARED:** February 4, 2026

**DATE:** February 18, 2026

**TO:** Honorable Chair and Members of the Board

**FROM:** Heather Dalmolin, CEO and General Manager

**SUBJECT:** 2026-2027 Legislative Priorities

**RECOMMENDATION:**

Staff recommend the Board of Directors approve and adopt the 2026-2027 Legislative Priorities.

**RELATED STRATEGIC PLAN OBJECTIVE**

❖ The proposed Legislative Priorities support all aspects of the Strategic Plan.

**BACKGROUND:**

Legislative Priorities are necessary for setting the stage for conversation at the federal, state, and local levels regarding transit administration, policies, and funding. These policies also shape our grant applications and inform our annual budget.

- Our funding responsibilities are shared by many staff members from planning, operations, and finance, led by the CEO and the Deputy General Manager.
- We are supported by both a federal Legislative Liaison, Nexus Consulting and a state Legislative Liaison, The Kruse Group.
- We participate in the Arizona Transit Association, Southwest Transit Association, Community Transportation Association of America, The Bus Coalition, and American Public Transportation Association.

In a typical year, the CEO and Deputy General Manager meet with our representatives in Washington, DC as part of several Legislative Conferences hosted by varying transit associations. In March, staff will join both SWTA and CTAA in Washington, DC for a day of transit advocacy and joined APTA last October. While we join our transit peers in many conversations, we also set individual appointments with Arizona representatives to discuss our projects and priorities. We also provide our priorities to our partners, like the City, County, and MetroPlan, and ask our Board members and other elected officials to share these in their respective conversations with our representatives.

In FY2023, we engaged with the Arizona Transit Association to create a reoccurring funding ask of the State Legislature that can be used by Greater Arizona to match federal grants and complete capital projects. We continue to take advantage of every opportunity to meet with our State legislators in an effort to continue the education that was started in 2022 about the community benefits of public transportation programs and express our gratitude for the support of our funding ask for the DCC.





The Board adopted the 2025-2026 Legislative Priorities in the fall of 2024 and staff feel like while most are still relevant, that it is important to focus on specific efforts for regulatory change. The updated 2026-2027 Legislative Priorities will be presented during the February meeting and have been developed through a review of our programs and projects and as seen through the lens of reauthorization efforts already underway. Establishing both Federal and State Priorities is key to our efforts and to leveraging local funding. These priorities were first adopted in 2021 and are key to our asks when we are visiting our representatives.

**FISCAL IMPACT:**

There is no expected fiscal impact to this item; however, the Federal and State Priorities could impact future funding levels for Mountain Line and our partners.

**ALTERNATIVES:**

- 1) Approve the Legislative Priorities (**recommended**): Through adoption of the updated Legislative Priorities staff will have direction on conversations to have with our representatives. Additionally, these priorities can then be shared with our partners to ensure our requests and messages are clear and represent the needs of transit in the greater Flagstaff area.
  
- 2) Do not approve (**not recommended**): If the proposed priorities are not adopted at this time, staff can take additional direction from the Board on changes needed and place this item on a future agenda for discussion. The risk is that conversations with elected officials and transit associations are happening now, and these Legislative Priorities are key to those discussions.

**SUBMITTED BY:**

Heather Dalmolin  
CEO and General Manager

**ATTACHMENTS:**

- |   |          |
|---|----------|
| 1. 2025-2026 Legislative Priorities         | -page 25 |
| 2. 2026-2027 Legislative Priorities (draft) | -page 26 |



## Federal Priorities

- **Ensure Reauthorization of Transportation Funding:**  
The 5-year funding levels authorized in the Infrastructure Investment & Jobs Act (IIJA) have been instrumental in improving infrastructure and keeping our state of good repair with a variety of programs to fit our needs. This was a historic investment and maintaining existing federal funding levels and ensuring adequate flexibility for its use are the region's top priorities. (National Transit Associations)
- **Seek an increase in the Small Transit Intensive Cities Set Aside from 3% to 5%:**  
Small Transit Intensive Cities (STIC) funding is a mechanism to provide added funding to high performing small urban transit systems (communities under 200,000 people). Increasing the set-aside does not require more funding and ensures that authorized funding is distributed to high-performing transit systems that prioritize performance. (National Transit Associations)
- **Update Transit Regulations:**  
During reauthorization, policy and regulatory reform can ease the burden on transit agencies to make it more cost effective to maintain and expand service. (National Transit Associations)
  - Update Commercial Driver's License Requirements for Transit Operators.
  - Allow transit agencies to keep value of sold end-of-life vehicles.
  - Eliminate conflicting rules and reducing requirements.

## State Priorities

- **State Funding for Transit:** (ongoing)  
Make the case for the State of Arizona to make available reoccurring funding that can be used as match by transit agencies across the state to drawdown and keep federal funding in Arizona.
- **Introduce transit support changes to regulations and rules:** (modified, ongoing)  
Advocate for the State of Arizona to support transit operations through laws like Yield to Bus, Bus Stops on Roadways, and Transit Signal Priority.

## Local Priorities

- **Codify Transit into City Regional Plan and Development Process: (continued from prior year)**  
Advocate for transit and inclusion of transit planning methods and features in City development plans and codes, including bus pass credits, bus operating contributions, bus lanes, bus stop investments, pedestrian crossings and bike lanes, and signal priorities.

## Federal Priorities

- **Ensure Reauthorization of Transportation Funding:**  
The 5-year funding levels authorized in the Infrastructure Investment & Jobs Act (IIJA) have been instrumental in improving infrastructure and keeping our state of good repair with a variety of programs to fit our needs. This was a historic investment and maintaining existing federal funding levels and ensuring adequate flexibility for its use are the region's top priorities. (National Transit Associations)
- **Seek an increase in the Small Transit Intensive Cities Set Aside from 3% to 5%:**  
Small Transit Intensive Cities (STIC) funding is a mechanism to provide added funding to high performing small urban transit systems (communities under 200,000 people). Increasing the set-aside does not require more funding and ensures that authorized funding is distributed to high-performing transit systems that prioritize performance. (National Transit Associations)
- **Advocate Transit Regulations:**
  - The Federal Transit Administration authorized saliva testing to meet the testing requirements for employees of transit programs nearly two years ago. The certification process and guidelines are still pending implementation by Health and Human Services. Saliva testing allows federal drug testing to identify impairment versus historical use. With legalization of marijuana in many states, it is imperative that testing standards be updated to measure impairment, like alcohol testing.
  - A year ago, the Federal Motor Carrier Safety Administration (FMCSA) authorized a temporary waiver on certain Commercial Driver License (CDL) Testing requirements for transit operators. The waiver requires State Departments of Transportation to revise their testing methods and licensing certifications. Many states are concerned about administrative burden for a temporary condition. A permanent change to CDL licensing for transit operators is needed to make the license relevant to the job performed by these professionals.

## State Priorities

- **State Support for Federal Transit Regulations changes:**  
The Transit Regulations have a far-reaching impact across Arizona. We need to work together to bring the voice of all of Arizona and our leadership to this conversation.
- **Dedicated funding:**  
Continue to engage as a stakeholder in discussions toward a dedicated statewide funding source for transportation and transit.
- **Ensure operational efficiencies:**  
Develop a strategy and identify partners to ensure operations costs are as reasonable as possible through tort law changes.
- **Introduce transit supportive changes to regulations and rules:** (modified, ongoing)  
Advocate for the State of Arizona to support transit operations through laws like Yield to Bus, Bus Stops on Roadways, and Transit Signal Priority.

## Local Priorities

- **Codify Transit into City Regional Plan and Development Process: (continued from prior year)**  
Advocate for transit and inclusion of transit planning methods and features in City development plans and codes, including bus pass credits, bus operating contributions, bus lanes, bus stop investments, pedestrian crossings and bike lanes, and signal priorities.
- **Activate Transit considerations in Plans and Development conversations:**  
In addition to ensuring updated codes include transit needs, we need to be at the table with our partners when they are considering development of job centers, housing, and road changes to ensure that Transit is part of the solution. Transit is critical to affordable housing, access to jobs, school, and medical, and meeting the carbon neutrality goals of our community and partners.



**DATE PREPARED:** February 6, 2026  
**DATE:** February 18, 2026  
**TO:** Honorable Chair and Members of the Board  
**FROM:** Sam Short, Workforce Director  
**SUBJECT:** Insurance Policy Excess Limit Reduction

**RECOMMENDATION:**

Staff recommend the Board of Directors approve a reduction in Mountain Line's Excess Liability Insurance coverage from 13 million dollars to 10 million dollars.

**RELATED STRATEGIC PLAN OBJECTIVE**

- ❖ Goal: Fiscal Responsibility
  - ❖ Objective: Ensure a sustainable financial future through long-term financial planning

**BACKGROUND:**

Mountain Line had previously maintained insurance coverage with an excess liability policy of 13 million dollars. This level of coverage was established during the August 27, 2025, meeting. At that meeting, it was discussed that staff would return to the Board of Directors in the early spring of 2026, to possibly recommend additional changes to Mountain Lines excess liability coverage. As we prepare for the FY2027 insurance renewals, staff have been advised by Mountain Line Insurance Broker, Eddie Thomas, that Mountain Line can save approximately 20% on our insurance premiums this upcoming fiscal year, by purchasing our first 5 million dollars of excess liability coverage through the Community Transit Risk Purchasing Group, instead of renewing our excess liability primary layer coverage with Travelers Insurance. Mountain Line would then renew with TransitRE Insurance for the 5-million-dollar secondary layer, giving Mountain Line 10 million dollars in excess liability coverage

Mountain Line currently pays the following in excess liability premiums:

- Travelers Insurance - \$363,000 for a 6-million-dollar excess liability coverage
- Futuristic Insurance - \$41,102 for a 2-million-dollar excess liability coverage
- TransitRE Insurance - \$45,000 for a 5-million-dollar excess liability coverage

Mountain Line currently pays approximately \$450,000 annually for insurance premiums. Binding coverage with the Community Transit Risk Purchasing Group and TransitRe only, will save approximately \$73,000 in insurance premiums for FY2027.

Transit agencies of similar size and scope of service often carry Excess Liability Coverage of between 5 and 10 million dollars, which is considerably lower than what Mountain Line has been carrying.





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Historical claims indicate that Mountain Line's exposure does not require coverage of more than 10 million dollars, to be more in line with current industry standards of a transit agency our size.

### **FISCAL IMPACT:**

Mountain Line will reduce their current insurance premium cost by approximately \$73,000.

### **ALTERNATIVES:**

- 1) Approve the recommendation of reducing Mountain Line's excess liability coverage to 10 million dollars (**recommended**) which will allow Mountain Line to reduce premium costs and improve the ability to procure affordable coverage each new fiscal year.
- 2) Do not approve the recommendation of reducing Mountain Line's excess liability coverage to 10 million dollars (**not recommended**) which will make procuring excess liability coverage more difficult each year and require Mountain Line to pay 10-20 percent more each year in insurance premiums.

### **SUBMITTED BY:**

*Samuel Short*

Samuel Short  
Workforce Director

### **APPROVED BY:**

Heather Dalmolin  
CEO and General Manager

### **ATTACHMENTS:**

None.

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**DATE PREPARED:** February 2, 2026

**DATE:** February 18, 2026

**TO:** Honorable Chair and Member of the Board

**FROM:** Jacki Lenners, Deputy General Manager

**SUBJECT:** July 2026 Service Changes

### **RECOMMENDATION:**

Staff recommend the Board of Directors conduct a public hearing and open a public comment period through April 10, 2026, for the proposed July 2026 service enhancements.

### **RELATED STRATEGIC PLAN**

- ❖ Goal: Service Excellence
  - ❖ Objective: Deliver service enhancements that are in line with our 5-Year transit plan and make transit an attractive mode choice.
  - ❖ Objective: Invest in capital to improve efficiencies and infrastructure to enhance service delivery.
- ❖ Goal: Stewardship of Resources
  - ❖ Objective: Be exemplary at supporting community goals towards environmental sustainability.

### **BACKGROUND:**

With the successful passing of Proposition 488 in November 2024, Mountain Line is developing an implementation strategy to roll out service enhancements over the next 3-5 years. These enhancements are centered on delivering Mountain Line's Five-Year Transit Plan – Flagstaff in Motion. The initial service changes were successfully implemented in July 2025, and the proposed service changes for July 2026 include:

- 1) **Route 2:** Addition of two eastbound bus stops on McMillan Mesa at Pine Cliff and Forest Ave. (near The Lofts Apartments) and Gemini Rd. and Jasper Dr. (near the Arizona State Veteran Home).
- 2) **Route 3:** Increased weekday peak frequency (approx. 6 a.m. – 6 p.m.) to 20 minutes from the current peak frequency of 30 minutes.
- 3) **Route 5:** Addition of a westbound bus stop on Highway 180 and Whiting Rd., near the Starpoint Apartments. This bus stop is in conjunction with the development of a Highway 180 crosswalk near Anderson Road.
- 4) **Route 8:** Route 8 will extend service on the W. Route 66 corridor, by making a full loop from Woody Mountain Rd. to McAllister Ranch Road and Alvan Clark Blvd. before returning to W. Route 66. New bus stops are proposed at:

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- a. McAllister and Charon
- b. Alvan Clark Blvd. (Adora at Timber Sky)
- c. Alvan Clark Blvd. (Woody Mountain Apartments)
- d. W. Route 66/Woody Mountain Rd. (LivTimber)
- e. W. Route 66/Thompson St. (eastbound)

With the extended service on W. Route 66, it is proposed that Route 8 no longer serves the Thompson St. / University Ave. / Woodlands Village Blvd. loop, impacting service to the following stops:

- f. Stop 10 on Thompson St., south of W. Route 66– this stop would be removed. Riders who use this stop will be able to access the new stop on W. Route 66 and Thompson St.
  - g. Stop 11 on University Ave. and Forest Meadows St. – this bus stop is also served by Route 10 and will not be removed.
  - h. Stop 12 at Woodlands Village and University – this stop would be removed.
- 5) **Route 66:** Increased weekday peak frequency (approx. 6 a.m. – 6 p.m.) to 20 minutes from the current peak frequency of 30 minutes. Addition of a bus stop on eastbound Hwy 89 and E. Trails End Dr., offering more convenient transit access to the Sacred Peaks Health Center.

These proposed service changes trigger the need to conduct a public hearing and open a public comment period pursuant to Mountain Line's adopted Title VI Policy regarding service changes. Per the Federal Transit Administration (FTA), Title VI requires that Mountain Line consider equity impacts for disadvantaged populations related to a variety of programs and policies. Specific to service changes, Title VI requires public participation in any service change that increases or decreases transit frequency by more than 25% or that changes the hours of operations for a route. Specifically, a 30-day public comment period must be opened by the Mountain Line Board of Directors. While each individual service change does not trigger Title VI, Mountain Line is packaging them together for the public to consider.

Following Board approval and the opening of a public comment period, Mountain Line will post changes under consideration to our website and invite public review and comments using flyers in buses and posters at bus stops that are proposed to be removed. Additional outreach tactics include social media postings, direct mail, press release, and HOA outreach. Staff will review public comments to ensure proposed changes best meet the travel needs of our current and future riders. Public comments will be presented to the Board at the April meeting for consideration when adopting service changes for July 2026.

Staff plans to implement Board-approved service changes the week before Flagstaff Unified School District begins their fall semester, currently to be determined but likely in late July or early August.

### **FISCAL IMPACT:**

These service enhancements are included in Flagstaff in Motion and were therefore part of the tax increase initiated with Proposition 488. The enhancements prioritized for Summer 2026 have been accounted for in the Fiscal Year 2027 budget.

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### ALTERNATIVES:

- 1) Conduct a public hearing to accept comments from public and open public comment period for the proposed July 2026 service enhancements through April 10, 2026 (**recommended**): Opening a public comment period for a minimum of 30 days is required to comply with Mountain Line's Title VI policy regarding service changes. This action will allow Mountain Line to accept comments from the public to consider final action regarding the implementation of the proposed service changes in April.
- 2) Do not open public comment period for the proposed July 2026 service enhancements (**not recommended**): Not opening the public comment period would not allow the Mountain Line Board to approve service changes in compliance with Mountain Line's Title VI Policy and would prevent Mountain Line from implementing several of the proposed service enhancements.

### SUBMITTED BY:

*Jacki Lenners*

Jacki Lenners  
Deputy General Manager

### APPROVED:

Heather Dalmolin  
CEO and General Manager

### ATTACHMENTS:

None.

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**DATE PREPARED:** February 3, 2026

**MEETING DATE:** February 18, 2026

**TO:** Honorable Chair and Members of the Board

**FROM:** Bizzy Collins, Strategic Performance Planner

**SUBJECT:** Ability to Assess Impact Fees for Necessary Transit Infrastructure Costs

**RECOMMENDATION:**

Staff recommend the Board of Directors do not pursue impact fees for transit infrastructure costs at this time.

**RELATED STRATEGIC PLAN OBJECTIVE:**

- ❖ Goal: Service Excellence
  - ❖ Objective: Develop and improve community partnerships and interagency relationships to enhance transit and improve our ability to meet community needs and deliver public transit services.

**BACKGROUND:**

A recommendation of the City of Flagstaff Land Availability Site Suitability Code Analysis Project (LASS CAP) Transit Assessment was to conduct further legal research to determine how much and under what circumstances transportation impact fees can be directed into transit improvements. Currently the City of Flagstaff only assesses impact fees for public safety (police and fire districts) and does not have a transportation impact fee program and instead requires offsite transportation system mitigation on a case-by-case basis as determined by Transportation Impact Analysis (TIA) studies, which are typically only required for larger developments. Mountain Line worked with our legal team at Dickinson-Wright to conduct this research and the Transit Street Infrastructure Research Memo is attached. The conclusions are:

- Necessary transit infrastructure can be included in the fees assessed for streets infrastructure under § 9-463.05;
- There is no prohibition;
- There are requirements which must be met to do so, but the requirements are the same requirements applicable to fees for other necessary infrastructure; and
- A necessary first step in doing so is to include those improvements in the City's adopted infrastructure plans.

The City of Tempe currently assesses and collects impact fees for Valley Metro's transit improvements. Mountain Line, City of Flagstaff, and MetroPlan met with Tempe to understand their process. Staff learned that bus stop easements and amenities are owned and maintained by the City of Tempe, and transit improvements are included in their engineering standards and zoning codes. Tempe expressed that the impact fee process still involves a lot of negotiation with developers and it is not as prescriptive as Mountain Line imagined it might be.





Mountain Line met with City and MetroPlan partners to discuss the Memo's findings. While it clearly identifies that impact fees can fund transit improvements, there are likely legal barriers in the City passing fees to an outside agency, as Mountain Line owns bus stops easements and amenities. This could likely be overcome through additional legal research, collaboration with the City, and intergovernmental agreements. The City offered to include transit capital improvements in their current impact fee analysis to understand what the transit component might look like among all desired public safety, park, library, and road improvements.

After weighing all the options, staff recommend Mountain Line does not pursue impact fees for transit infrastructure costs at this time. Staff recommends we continue collaboration with the City to include transit capital improvements into engineering standards and the public improvement section of the zoning code through the Safe Streets Master Plan (SSMP) effort. This path would set aside space in the road right-of-way for bus stops, so the transit impact is clear for development and City partners. It would improve first- and last-mile connections to bus stops. It would not require developments to contribute any funds or increase right-of-way to accommodate bus stop improvements, but Mountain Line can continue requesting voluntary contribution from developers. Staff also recommend that Mountain Line be involved early and often in the City's development review process, so the transit system does not miss opportunities as Flagstaff is planned and developed. The City is already leading steps towards this goal.

Research that staff and the legal team have conducted has given us a greater understanding of our options now and for future decisions. Once the SSMP and development review process have been in play for some time, Mountain Line will reevaluate whether pursuing impact fees for transit capital improvements makes sense.

### **FISCAL IMPACT:**

Mountain Line has a contract with the Dickinson-Wright legal team with a line item for special projects. This effort was covered by the current contract without additional funds expended to conduct research and complete the Memo.

Out of 171 existing bus stops, Mountain Line has identified 46 for improvements in accordance with our Transit Guidelines for total infrastructure costs of \$4.5 million. In 2025, Mountain Line applied for and was awarded a competitive grant for \$3.2 million in federal funds to improve our top 39 bus stops and install a protected pedestrian crossing. Mountain Line will use \$801,919 in transit sales tax as local match.

The 2024 transit tax increase included capital costs for new bus stops to support service additions identified in the Five-Year Transit Plan, Flagstaff in Motion.

### **ALTERNATIVES:**

- 1) Do not pursue impact fees for transit infrastructure costs at this time (**recommended**): Staff recommends we continue collaboration with the City to include transit capital improvements into engineering standards and the public improvement section of the zoning code through the Safe Streets Master Plan (SSMP) effort. Staff also recommend that Mountain Line be involved early and often in the City's development





## Mountain Line

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review process so the transit system does not miss opportunities as Flagstaff is planned and developed; the City is already leading steps towards this goal. Once the SSMP and development review process have been in play for some time, Mountain Line will reevaluate whether pursuing impact fees for transit capital improvements makes sense.

- 2) Pursue impact fees for transit infrastructure costs at this time (**not recommended**): The impact fee analysis would be reviewed and scrutinized by the public and may put Mountain Line's reputation at risk after a successful ballot measure in 2024. Additionally, grant funding for capital improvements are readily available, and Mountain Line has a strong history of applying for and securing grant awards.

**SUBMITTED BY:**

Bizzy Collins  
Strategic Performance Planner

**APPROVED BY:**

*Jacki Lenners*

Jacki Lenners  
Deputy General Manager

**ATTACHMENTS:**

1. 2025-08-01 Transit Street Infrastructure Research Memorandum -pages 35-40

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**MEMORANDUM**

**To:** Heather Dalmolin, Mountain Line CEO and General Manager

**From:** Scot A. Holcomb and Cameron C. Stanley, Dickinson Wright PLLC

**Date:** August 1, 2025

**Re:** **Ability to Assess Impact/Development Fees for Necessary Transit Infrastructure Costs**

---

**I. INTRODUCTION.**

This memorandum has been prepared to address the legal issues noted in the December 2024 City of Flagstaff & Mountain Line Transit-Related Codes Assessment (“TRCA”). Specifically Section 3.2.3 of the LASS Assessment, Impact Fees and Transit Infrastructure Improvements at page 21 states:

“[T]here are significant constitutional and statutory limitations that can challenge the direct application of impact fees toward transit improvements such as bus stops, charging infrastructure, or other transit-specific capital improvements.”

We agree there are requirements that must be met to include necessary transit infrastructure in the impact fees for streets and transportation, but those are the same restrictions that apply to imposition of impact/development fees in general. We do not think that there are any “significant constitutional and statutory limitations” that preclude the use of such fees for necessary public transit infrastructure in the City’s right of way – instead they set the parameters that must be satisfied to include the transit infrastructure in the City’s capital and infrastructure plans, and associated fees analysis.

As noted at page 21 of the in the TRCA:

“City stakeholders in the LASS+CAP process suggested that a more equitable and predictable way to fund transportation infrastructure in the City could involve an impact fee program that would generally assess all development a fee to help fund a capital improvement project list (rather than rely on mitigation projects required on development projects).”

This memo supports the legal basis for the effort to provide a more equitable and effective mechanism to fund planned capital street improvements which also support public transit in the City of Flagstaff.

**II. INFRASTRUCTURE NECESSARY TO SUPPORT TRANSIT MAY BE INCLUDED IN THE DETERMINATION OF IMPACT FEES FOR STREETS.**

The primary Arizona statute that regulates the imposition and use of impact/development fees is A.R.S. § 9-463.05 “Development fees; imposition by cities and towns; infrastructure

improvements plan; annual report; advisory committee; limitation on actions; definitions.” Subsection A sets forth the general authorization to collect such fees:

A. A municipality may assess development fees to offset costs to the municipality associated with **providing necessary public services to a development**, including the **costs of infrastructure, improvements, real property, engineering and architectural services, financing** and professional services required for the preparation or revision of a development fee pursuant to this section, including the relevant portion of the infrastructure improvements plan. (**Bold** and underlining added).

We believe that applying the provisions of the statute leads to the conclusion that if the necessary transit infrastructure is properly defined, analytically supported, and included in the City’s adopted infrastructure and capital plans, it can be included in the impact/development fees assessed by the City.

A.R.S. § 9-463.05(T) sets forth the definition of some of the terms in § 9-463.05, including what is a “necessary public service”:

7. "Necessary public service" means any of the following facilities that have a life expectancy of three or more years and that are **owned and operated by or on behalf of the municipality**:

- (a) Water facilities, including the supply, transportation, treatment, purification and distribution of water, and any appurtenances for those facilities.
- (b) Wastewater facilities, including collection, interception, transportation, treatment and disposal of wastewater, and any appurtenances for those facilities.
- (c) Storm water, drainage and flood control facilities, including any appurtenances for those facilities.
- (d) Library facilities of up to ten thousand square feet that provide a direct benefit to development, not including equipment, vehicles or appurtenances.
- (e) **Street facilities located in the service area, including arterial or collector streets or roads that have been designated on an officially adopted plan of the municipality, traffic signals and rights-of-way and improvements thereon.**
- (f) Fire and police facilities, including all appurtenances, equipment and vehicles. Fire and police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere

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in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training firefighters or officers from more than one station or substation.

- (g) Neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.
- (h) Any facility that was financed and that meets all of the requirements prescribed in subsection R of this section. (**Bold** and underlining added).

The entirety of subsection T(7) defining “necessary public service” is quoted above because the necessary improvements for public transit within the city street right of way should be considered the same as water, wastewater, library, parks, etc. - they are all systems which require capital improvements and fees to pay for the infrastructure to support the entire system, not just fees for improvement immediately adjacent to the development.

If the development is in an area on the City’s “officially adopted plan,” which would be the City’s “infrastructure improvement plan”, under Subsection T(5) this could be the City’s “capital improvement plan”. This interpretation is also consistent with Subsection T(9):

9. "Service area" means any specified area within the boundaries of a municipality in **which development will be served by necessary public services or facility expansions and within which a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the infrastructure improvements plan.** (**Bold** and underlining added).

There is no statutory prohibition on assessing development fees for capital improvements in the City’s streets and rights of way necessary to allow use of the public transportation system. In many ways, such improvements are no different than bike lanes, sidewalks, and pedestrian crosswalks (which are also necessary in places to support public transit), all of which are considered to be street improvements – the bus lanes, turnouts, bus stops, and associated crosswalks should also be treated as necessary “Street Facilities” included in the City’s plan and in the calculation of the impact fees for residential and commercial developments.

As demonstrated by the above, the starting point for assessing development fees for the transit infrastructure within the City's street right of way is for that infrastructure to be included in the City's infrastructure plans.

**III. INCLUDING NECESSARY TRANSIT INFRASTRUCTURE IN THE FEES ADOPTED BY THE CITY MUST MEET THE SAME REQUIREMENTS AS OTHER IMPACT FEES.**

A.R.S. § 9-463.05 also sets forth the requirements that must be met for a municipality to assess fees for necessary public services, including as examples (B)(2), (3) and (7):

B. Development fees assessed by a municipality under this section are subject to the following requirements:

...

2. The municipality shall **calculate the development fee based on the infrastructure improvements plan adopted pursuant to this section.**

3. The development fee shall not exceed a proportionate share of the cost of necessary public services, **based on service units**, needed to provide necessary public services to the development

...

7. Development fees may be collected **if any** of the following occurs:

(a) The collection is made to pay for a necessary public service or facility expansion that is **identified in the infrastructure improvements plan and the municipality plans to complete construction and to have the service available within the time period established in the infrastructure improvement plan**, but in no event longer than the time period provided in subsection H, paragraph 3 of this section.<sup>1</sup>

(b) The municipality reserves **in the infrastructure improvements plan adopted pursuant to this section** or otherwise agrees to reserve capacity to serve future development.

(c) **The municipality requires or agrees to allow the owner of a development to construct or finance the necessary public service** or facility expansion and any of the following apply:

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<sup>1</sup> For non-water and -wastewater infrastructure, the time period is 10 years after the fee is paid. A.R.S. § 9-463.05(H)(3).

- (i) The costs incurred or money advanced are credited against or reimbursed from the development fees otherwise due from a development.
- (ii) The municipality reimburses the owner for those costs from the development fees paid from all developments that will use those necessary public services or facility expansions.
- (iii) For those costs incurred the municipality allows the owner to assign the credits or reimbursement rights from the development fees otherwise due from a development to other developments for the same category of necessary public services in the same service area.

(**Bold added**). These and the other requirements set forth in the statute would apply necessary transit infrastructure the same as they would to the other components of the fees assessed for street improvements by the City. They also repeatedly underscore the need for the City to make the initial commitment to providing the necessary transit improvements in its adopted infrastructure plans.

**IV. THE CONSTITUTIONAL LIMITATIONS ON INCLUDING NECESSARY TRANSIT INFRASTRUCTURE IN THE CITY'S FEE STRUCTURE ARE ALSO THE SAME AS APPLICABLE TO FEES FOR OTHER NECESSARY INFRASTRUCTURE.**

As noted above, the TRCA references “significant” constitutional limitations on the implementation of fees for transit related infrastructure. There are constitution limitations, but there are the same limitations that apply to the implementation of all other such fees.

The TRCA does not specifically identify the “significant constitutional limitations” referred to, but the main such limitation is the *Nollan-Dolan* standard, which arises from two U.S. Supreme Court cases, *Nollan v. California Coastal Commission*, 483 U.S. 825 (1987), and *Dolan v. City of Tigard*, 512 U.S. 374 (1994). Both cases deal with the concept of exactions and regulatory takings.<sup>2</sup>

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<sup>2</sup> The Arizona Constitution includes Article 9, Section 14, “Use and distribution of vehicle, user, and gasoline and diesel tax receipts”, which provides:

No moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on the public highways or streets or to fuels or any other energy source used for the propulsion of vehicles on the public highways or streets, shall be expended for other than highway and street purposes . . .

This should not apply to the impact fees, but even if it did, the transit infrastructure at issues should be considered as “street purposes” which under that section includes “construction, reconstruction, maintenance, repair, roadside development, of county, city and town roads, streets, and bridges and payment of principal and interest on highway and street bonds.”

The United States Supreme Court recently affirmed the application the *Nollan-Dolan* standard to the assessment of traffic impact fees in order to obtain a building permit in *Sheetz v. El Dorado County*, 601 U.S. 267 (2024). The Court described the standard as a 2-part test:

First, permit conditions must have an “essential nexus” to the government’s land-use interest. *Nollan*, 483 U. S. at 837. The nexus requirement ensures that the government is acting to further its stated purpose, not leveraging its permitting monopoly to exact private property without paying for it. See *id.* at 841. Second, permit conditions must have “rough proportionality” to the development’s impact on the land-use interest. *Dolan*, 512 U. S. at 391. A permit condition that requires a landowner to give up more than is necessary to mitigate harms resulting from new development has the same potential for abuse as a condition that is unrelated to that purpose. See *id.* at 393. This test applies regardless of whether the condition requires the landowner to relinquish property or requires her to pay a “monetary exactio[n]” instead of relinquishing the property. *Koontz*, 570 U. S. at 612–615.<sup>3</sup>

601 U.S. at 275-76. That is the same test applicable to all impact fees. Significantly, the Court did not invalidate the fees, but instead held that the test applies and remanded the case back to lower court for determination. *Id.* at 280.

Significantly, the type of analysis required under the *Nollan-Dolan* standard is what is encapsulated in A.R.S. § 9-463.05 (see, e.g., the “substantial nexus” requirement in Subsection T(9); see also *S. Arizona Home Builders Ass’n v. Town of Marana*, 254 Ariz. 281, 285 (2023) (reasoning that the Arizona legislature adopted “terminology from *Dolan*” when it added A.R.S. § 9-463.05(B)(3)). The application of the *Nollan-Dolan* standard is also reflected in the recommendations set forth on pages 24-25 of the TRCA, 3.2.4.1 *Recommendations*.

## V. CONCLUSION.

Simply stated:

- Necessary transit infrastructure can be included in the fees assessed for streets infrastructure under § 9-463.05;
- There is no prohibition;
- There are requirements which must be met to do so, but the requirements are the same requirements applicable to fees for other necessary infrastructure; and
- A necessary first step in doing so is to include those improvements in the City’s adopted infrastructure plans.

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<sup>3</sup> *Koontz v. St. Johns River Water Management Dist.*, 570 U. S. 595 (2013).



**DATE PREPARED:** February 9, 2026

**DATE:** February 18, 2026

**TO:** Honorable Chair and Members of the Board

**FROM:** Heather Dalmolin, CEO and General Manager

**SUBJECT:** Benefits of Bus Rebuilds

**RECOMMENDATION:**

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

**RELATED STRATEGIC PLAN OBJECTIVE**

- ❖ Service Excellence
- ❖ Stewardship of Resources
- ❖ Financially Sustainable

**BACKGROUND:**

In 2023, staff had the opportunity to view a rebuilt 40-foot Gillig transit bus at transit association conference. The vehicle had been rebuilt from top to bottom with new undercarriage, new flooring and seats, and new mechanical components. While we were aware of mid-life overhauls, this was our first time learning about the option to fully rebuild a bus and make it new again. Conversations were initiated about our aging buses that we intended to retire and see off or put in the junk yard. One of our concerns was the amount of investment put into one or more of those buses in the last 5 years in order to preserve their usefulness. The investments included engines, transmissions, and exhaust systems that were required to get the vehicles back in working order for the remainder of the federally defined useful life. The disposal plan was related to overall vehicle health vs health of one or more components.

The option to rebuild the bus allows us to keep buses that have already experienced significant investments that give us an opportunity to extend the useful life. By rebuilding a bus, we catch all components up to new condition and restore the useful life to another 8-10 years. In order to rebuild a bus, our contractor inspects each component of the vehicle for wear and tear as well as potential pending failures. Through careful examination, the unit receives replacements and updates that are necessary to get to that renewed useful life while keeping any components that are still in excellent condition, like recently replaced transmissions and engines. A rebuilt bus includes at least a one-year warranty on components replaced and, in most cases, a rebuilt bus gets more than another half life (more than 6 years).

We have four buses that are excellent candidates for rebuilding. They were originally purchased from 2007 through 2009 with an anticipated useful life of 12 years. The vehicles are fully depreciated under the federally defined useful life, with no federal use requirements. All four are still in working order with mixed sentiments from our operators on how effectively they operate. Through the rebuild process, we will be able to fix and improve performance and make these vehicles new again.





The cost to rebuild the bus is roughly \$550,000 per bus. This is approximately 44% of what our new hybrid buses cost and estimated to be 33% of what a new battery electric vehicle cost. As the life of a new vehicle is longer than a rebuilt vehicle, staff did look at cost savings per year for each anticipated year of useful life, and the rebuilt bus is still nearly 34% less per year. The final cost to rebuild the buses may be less than anticipated as the contractor will only replace items determined necessary to ensure another 8 years of useful life and the inspection to provide a quote was surface level. For example, our bus wash may have a positive impact that prevents a complete replacement of the under-carriage system.

The timeline for a rebuilt bus is significantly shorter than delivery of new vehicles from the 2 manufacturers still operating in the United States. Our four new hybrid buses will take 28 months from date of order till date delivered while the first two rebuilds are estimated to take 6 months. This timing can be critical in light of potential catastrophic failures or damages that have the risk of impacting our ability to deliver services. Knowing that we can rebuild a bus in 6 months offers a significant assurance around service resiliency. Knowing that we can rebuild buses timely mitigates the long line for delivery of new buses that is likely to grow in coming years as a result of reduced manufacturing in the United States.

There is one last benefit to Mountain Line's rebuilt buses. The rebuilt buses are being funded locally, allowing these buses to be placed in our fleet as reserve fleet, or contingency. There are no federal use restrictions on these vehicles, and we can use them to exceed the federal spare ration (which limits us to having only 20% more than our peak demand buses) and offers service resiliency while we transition to and operate battery electric buses. These vehicles can also support our training functions as well as community outreach, special services, and public marketing. When we don't have extra buses, we are limited in our ability to respond to and provide community programs that are in excess of our federally funded public transit program.

In closing, participating in the rebuild of our aging buses has many positive benefits.

- Stewardship of resources
- Environmentally responsible
- Financially sustainable
- Mitigates inventory concerns
- Improved service resiliency
- Expands our fleet

**FISCAL IMPACT:**

Above and beyond the stewardship and sustainability of reusing the bus, it is a sound financial practice that reduces cost of investing in new fleet vehicles every 12 years. These first four buses will cost Mountain Line \$2.2M and save approximately \$2.7M. We are considering these first four buses a pilot with the hopes of having a balanced approach to our fleet replacement needs in the future.

**ALTERNATIVES:**

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





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### SUBMITTED BY:

Heather Dalmolin  
CEO and General Manager

### ATTACHMENTS:

None.

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**DATE PREPARED:** February 4, 2026

**DATE:** February 18, 2026

**TO:** Honorable Chair and Members of the Board

**FROM:** Heather Dalmolin, CEO and General Manager

**SUBJECT:** Purchase the Rebuild of 2 Gillig 35-foot Buses

**RECOMMENDATION:**

Staff recommend the Board of Directors authorize the CEO and General Manager to purchase rebuilding of two (2) 35' Gillig Buses from Complete Coach Works for a not to exceed price of \$610,000 per bus.

**RELATED STRATEGIC PLAN OBJECTIVE**

- ❖ Service Excellence
  - ❖ Invest in capital to improve efficiencies and infrastructure to enhance service delivery.
- ❖ Stewardship of Resources
  - ❖ Be exemplary at supporting community goals towards environmental sustainability.
  - ❖ Maintain our facilities and equipment to demonstrate the pride we take in service excellence and to maximize their useful life.
- ❖ Fiscal Responsibility
  - ❖ Ensure a sustainable financial future through long-term financial planning.

**BACKGROUND:**

In 2025, we authorized the rehab of our two oldest buses using local funds and available contracting opportunity made possible through the Washington State cooperative procurement. The cost of the rehab was identified in the financial plan and the FY2026 budget as a result of Mountain Line's decision to purchase four hybrid buses instead of battery electric buses in 2024. Since the cost was approved in those financial mechanisms, staff approved the first two buses using the Delegation of Authority granted by the Board. With the FY2027 budget pending, and the rehabilitation of additional fleet not being in the financial plan, staff are seeking approval of the Board.

As mentioned in the Benefits of Bus Rebuilds report, rehabbing our buses as they near the end of life has positive impacts to our ability to meet service demands, increase flexibility of community asks that we can serve, improve financial cost of buses, and environmental impacts.

The Washington State contract opportunity with Complete Coach Works meets our procurement requirements, as well as those of FTA. The cost is roughly \$550,000 per unit and we are seeking 10% more than that in this approval for items that might be uncovered during the rehab process. We have local capacity for making this purchase with the purchase in the drafted FY2027 budget and financial plan. Our goal is to secure permission now in order to lock in the quote from CCW and to allow CCW to purchase long lead time parts that we have already identified as necessary replacements. Some of those items take





six months or more to obtain. The two vehicles proposed for rehabilitation would then be picked up by CCW in the fall of 2026 when the first two vehicles are returned.

The proposed rehabilitation is a full rebuild of our buses. CCW warrants its products and services against defects in material and workmanship for the scope of work (SOW) contracted, for a period of one (1) year from the delivery date of the vehicle or completion date of the service (SOW) provided. CCW will provide parts to the customer location and will provide labor or contracted labor to install the affected components as outlined in the Warranty Administration section below.

The cost of rehabilitation is roughly 60% of the cost of a new hybrid bus while almost doubling the life of the bus. While rehabilitation is a federally allowable expense, we will fund the rehab through local funds as they buses can then be used for special services in the community, training, and education and outreach.

**FISCAL IMPACT:**

The cost of the rehabilitation is in the proposed FY2027 budget as submitted to the City of Flagstaff and in the updated financial plan. The cost of rehabbing is 40% cheaper than a new bus.

**ALTERNATIVES:**

- 1) Approve the purchase of rebuild of two buses (**recommended**): The decision to rebuild buses has many benefits that align with Mountain Line's Strategic Plan. Rebuilding and keeping these buses expand our fleet resources, keeps end of life vehicles out of junk yards, and is cost effective. As we transition to battery electric buses, contingency fleet, like these rebuilt buses, ensure we can maintain services while learning about range of batteries.
  
- 2) Do not approve (**not recommended**): Without rehabbing these vehicles, we will need to consider the purchase of new buses which includes pursuit of new grant funds and a bus order that is anticipated to take more than two and a half (2.5) years. We would then need to retain these older buses which are a higher cost to operate.

**SUBMITTED BY:**

Heather Dalmolin  
CEO and General Manager

**ATTACHMENTS:**

None.





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# MOUNTAIN LINE MEMORANDUM

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**DATE:** February 18, 2026

**TO:** Honorable Chair and Members of the Board

**FROM:** Bizzy Collins, Strategic Performance Planner

**SUBJECT:** FY2024 Triennial Review Closeout

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This is the final report on Mountain Line's FY2024 Triennial Review in which the Federal Transit Administration (FTA) completes a review of Mountain Line programs and policies for compliance with regulations. The final report identified five deficiencies (out of 159 questions examined) in three review areas. Deficiencies require corrective actions to be completed and documentation demonstrating implementation of missing elements to be submitted to the FTA.

Staff successfully completed the corrective actions prior to FTA's deadlines. FTA found four of the corrective actions acceptable and closed two deficiencies in July 2024 and two more in October 2024. The fifth and final corrective actions under the Disadvantaged Business Enterprise review area were submitted in January 2025.

Due to the new federal administration and changes to diversity, equity and inclusion policies, the final deficiency is still not closed as of February 3, 2026. Staff understand all corrective actions have been met according to published FTA requirements. Staff have reached out to FTA Region IX for resolution multiple times, but they have not provided guidance on additional corrective actions Mountain Line should take to close the deficiency or provided a timeline for when it might be closed.

Unless the Board of Directors advise otherwise, staff are considering the deficiency closed and the 2024 Triennial Review complete.

Listed here are the 23 Triennial Review areas; deficiencies were found in the three areas that are bolded:

- Legal
- Financial Management and Capacity
- Technical Capacity – Award Management, Program Management, and Project Management
- Transit Asset Management
- Satisfactory Continuing Control

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- Maintenance
- **Procurement**
- **Disadvantaged Business Enterprise**
- Title VI
- Americans with Disabilities Act – General, Complementary Paratransit
- Equal Employment Opportunity
- School Bus
- Charter Bus
- Drug-Free Workplace Act
- **Drug and Alcohol Program**
- Sections 5307, 5310, and 5311 Program Requirements
- Public Transportation Agency Safety Plan (PTASP)
- Cybersecurity

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## MOUNTAIN LINE MEMORANDUM

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**DATE:** February 18, 2026

**TO:** Honorable Chair and Members of the Board

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

**SUBJECT:** FY2027 Board Meeting Dates

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Pursuant to the current practice of Mountain Line, the meeting date calendar for the Board of Directors (Board) is reviewed twice a year in January and June. This allows all Board and staff members to plan and have meetings marked on their calendars.

Typically, the Coconino County Board of Supervisors is on summer recess from late June to early August and the Flagstaff City Council is on summer recess early July to mid-August. Fall Semester classes at NAU and CCC typically begin the last week of August. Since the County Board of Supervisors and City Council members are on recess in July, it has been previously determined to be appropriate to have the Mountain Line meeting recess in July as well.

Staff also propose to continue the December recess as it is often difficult to achieve a quorum.

No dates are available for FUSD's spring break in FY2027 yet.

Also, in FY2027, the TAC will be invited to join the Board for the Strategic Retreat in October. The retreat meeting will be held for an extended amount of time.

If any member wishes to discuss these dates further, please request this topic be added to a future agenda.

Attachment: Proposed FY2027 Meeting Dates

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# MOUNTAIN LINE FY2027 BOARD REGULAR MEETINGS

## Board of Directors (BOD) – Third Wednesday of each Month

Date	Meeting	Location	Time
7/2026	Recess	-----	-----
8/19/2026	BOD	Zoom Mountain Line Based	10am
9/16/2026	BOD	Zoom Mountain Line Based	10am
10/21/2026	BOD/TAC Strategic Retreat	Mountain Line Ponderosa Room (In Person Only)	9am-2pm
11/18/2026	BOD	Zoom Mountain Line Based	10am
12/2026	Recess	-----	-----
1/20/2027	BOD	Zoom Mountain Line Based	10am
2/17/2027	BOD	Zoom Mountain Line Based	10am
3/17/2027	BOD	Zoom Mountain Line Based	10am
4/21/2027	BOD	Zoom Mountain Line Based	10am
5/19/2027	BOD	Zoom Mountain Line Based	10am
6/16/2027	BOD	Zoom Mountain Line Based	10am

Subject to change up until 24 hours before meeting

Updated 1/6/2026



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# MOUNTAIN LINE MEMORANDUM

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**DATE:** February 18, 2026

**TO:** Honorable Chair and Members of the Board

**FROM:** Anne Dunno, Capital Development Manager

**SUBJECT:** Kaspar Maintenance Project Update

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Mountain Line began construction on the Kaspar Maintenance Project in early October 2025. The project was on Mountain Line's 2020-2025 Strategic Workplan and will be carried forward to Mountain Line's 2025-2030 Strategic Workplan to support goals for Service Excellence and Employee Investment.

The Kaspar Maintenance Project is Phase 1 of Mountain Line's Kaspar Headquarters Master Plan with the goal to maximize bus storage and maintenance on the Kaspar Property. Phase 2 will construct a future bus storage facility in the location of the former administrative building. Phase 2 is valued at approximately \$41M and identified as an unfunded project on Mountain Line's Capital Improvement Plan. Phase 1 Maintenance Facility is valued at approximately \$30M for design and construction and \$1M for equipment. The Maintenance Facility design and construction is fully funded; this budget includes capacity for purchase of initial equipment needed upon opening of the facility. Future equipment needs will be prioritized and purchased over multiple fiscal years.

The new 21,000 SF maintenance facility will provide existing and future capacity for fleet maintenance, as well as new fleet technologies, to support long term growth. Currently the maintenance facility does not have the size capacity for articulated buses nor an adequate number of maintenance bays. The new facility will improve working conditions for safety and efficiency by reconfiguring tools, tires, and parts storage and will address battery maintenance and safe storage in a climate-controlled environment.

Next steps in 2026:

- February: Complete majority of site work and utilities; obtain rough grading certificate.
- March: Obtain final grading certificate and building permit; Demolition Shop 0.
- April-June: Construct building pad, foundations, and stem walls.

Building construction is scheduled for completion by June 2027. Mountain Line will schedule an informal groundbreaking with the Mountain Line Board of Directors in March 2026.

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# MOUNTAIN LINE MEMORANDUM

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**DATE:** February 18, 2026

**TO:** Honorable Chair and Members of the Board

**FROM:** Heather Dalmolin, CEO and General Manager

**SUBJECT:** Delegations of Authority Update

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In keeping with the requirements of the various authorities granted by the Board of Directors to the CEO and General Manager and as per the most recently adopted Resolutions, this update reports on all actions, including funding applications and executions of awards, enacted by the CEO and General Manager.

### **Collective Grant Authority – Resolution 2024-100**

### **Procurement Authority – Resolution 2024-110**

#### RFP 2026-103 Operational Assessment and Five-Year Transit Plan

In spring of 2025, Mountain Line identified a need for an Operational Assessment and Five-Year Transit Plan. A competitive procurement was released on September 8, 2025, and closed on October 24, 2025, with seven Proposals. An evaluation committee reviewed the Proposals as per the criteria listed in the RFP. As the highest scoring team, a Best and Final Offer (BaFO) was requested from Transpo Group due to high costs. Transpo Group responded with a BaFO that fit within Mountain Line's budget while still meeting needs satisfactorily, at a not to exceed value of \$299,677. Based on this scoring and BaFO, the evaluation committee has made a recommendation to award RFP 2026-103 Operational Assessment and Five-Year Transit Plan to Transpo Group for a not to exceed value of \$299,677.

#### RSOQ 2025-130 Bus Stop Engineering Task Order 2

RSOQ 2025-130 Bus Stop Engineering was awarded to Ardurra Group in February of 2025 on a task order basis for bus stop and transit infrastructure design services. Task Order #1 was completed in 2025 for design of Route 8 bus stops. The scope for Task Order #2 is to deliver final design plans for an at-grade pedestrian crossing on Huntington Drive west of Grant Street near two existing Route 7 bus stops. The pedestrian crossing and existing bus stops are located near hotels and The Lantern, a transitional housing complex; the improvement will improve transit access and safety in the corridor. Ardurra will

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provide design development services from concept through 100% final plans. The scope includes topographic survey and traffic analysis for the pedestrian crossing. If a pedestrian signalized crossing is required, the subconsultant, CivTech, will provide the final design for the signalized pedestrian crossing. The scope includes project management and coordination with the City for design review in order to obtain a construction permit. Task Order 2 is estimated for completion by July 31, 2026. The value of Task Order #2 is for a not to exceed value of \$109,770.

### Transit-Oriented Workforce Housing Project Phase III

Mountain Line entered into a Sole Source Contract on August 15, 2024 for Transit-Oriented Workforce Housing Project consulting with Rieth Jones Advisors, LLC (RJA). Phases I and II of the project have been completed. Phase III includes continued support throughout the pre-development period by providing guidance and acting as the liaison with key stakeholders. These tasks include pre-development and advances agreement negotiations, Board approval support, key stakeholder coordination and support, pro forma and economic viability review, and development program management services. The Phase III Agreement was executed October 1, 2025 at a not to exceed value of \$32,500 per month with an additional \$5,000 + reimbursable expenses per trip added to the invoice for each month in which a trip occurs.

### **Agreements and Contracts Authority – Resolution 2020-100**

#### RFP 2025-120 High-Definition Camera and DVR System for Transit Vehicles Change Order #2

A competitive procurement for the removal of existing camera systems and the installation of new, high-definition cameras and DVR systems in the Mountain Line fleet was released on September 25, 2024, closing on November 25, 2024, with nine proposals. An evaluation committee reviewed the Proposals as per the criteria listed in the RFP. Based on the resulting scores, an award was made to Radio Engineering Industries (REI) in a two-step process; a pilot program and full implementation of the system after satisfactory completion of pilot in an amount not to exceed \$228,255. During the pilot, Mountain Line staff identified that the wide-angle “fish-eye” cameras initially specified by REI were not as effective as our current views, so REI reworked the camera layout and specifications to include a higher number of narrow-angle cameras. This change increased the overall camera count in all buses and necessitated a second DVR for each of the articulated buses in particular. This change increased the overall cost of the implementation to a not to exceed value of \$285,125.

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# MOUNTAIN LINE MEMORANDUM

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**DATE:** February 18, 2026

**TO:** Honorable Chair and Members of the Board

**FROM:** Heather Dalmolin, CEO and General Manager

**SUBJECT:** Summary of Current Events

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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.

### Operations

- Mountain Express, service to the ski area, experienced a 39% increase from December 2024 to December 2025. A great start to our seasonal service.
- Mountain Line is again applying for Section 5311 Federal Transit Administration funding through the Arizona Department of Transportation to support our Vanpool program. A public hearing was held at the Downtown Connection Center to hear any comments on the program. Although no one attended, we recognize this is an important opportunity for the public.

### Partnerships and Outreach

- Mountain Line and MetroPlan will be speaking with State Legislators on February 18 on the importance and value of State Funding opportunities like the Rural Transportation (RTAC) bill and the AZ SMART bill. We are honored to be joined by Vice Chair Sweet in making the case for why funding is needed across Arizona.
- Mountain Line will be presenting with Northern Arizona Council of Governments (NACOG) at the upcoming South West Transit Association meeting in Albuquerque, New Mexico on the completed Creative Local Match study completed last fall. We are grateful for the partnership of MetroPlan on this report and look forward to sharing with our colleagues the many funding opportunities we might use for transit programs.
- Jacki Lenner, Deputy General Manager, and myself are joining our transit colleagues for the spring Fly-In to Washington, DC. We will be speaking with Arizona officials and committees about our local Federal priorities and on Reauthorization needs. This is a crucial time to be educating decision makers on the value of what we do and sharing the stories of how support for transit keeps our communities moving.

### Finance and Compliance

- We completed the onsite portion of the FY2025 audit the week of February 2. Heinfeld Meech brought 4 staff to our Downtown Connection Center and spent time interviewing staff engaged in

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- financial functions and oversight. They also performed testing on documentation and internal controls. At the end of the visit, they confirmed they had 90% of everything needed to complete the audit and were confident about our ability to file our report by March 31 as required.
- Sam Short, Workforce Director, continues to make the policy updates needed to respond to the findings of the FTA Drug and Alcohol Audit. We will have an update in March and are confident in our ability to address all issues by the deadline.

### Staffing

- Training will start another Operator training class the week of February 23. We already have several candidates that have applied who already have a CDL with the required passenger endorsement. We are excited to round out our employment numbers.
- In February our Transit department will hold small group trainings to emphasize sensitivity in working with riders experiencing homelessness and potentially struggling with addiction or mental illness. We are grateful for the opportunity to partner with the Community Action Team (CAT) on this training opportunity.
- The recruitment for the Deputy General Manager of Operations has been initiated. We have hired our external recruitment firm as they are connected to many transit systems and officials and are highly skilled in testing competencies and skills. We are excited to get this job open.

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**March: No TAC Meeting Board Meeting is Wed, 3/18**

ITEMS:	WHO & WHAT:
Safety Minute	Sam S
Milestone Anniversaries	Heather D
FY2025 Financial Audit	Megan - D/A
Workforce Budget Overview	Megan - D
Operating Budget Overview	Megan - D
Biannual Performance Report	Bizzy - D
Electric Bus Performance Report	Bizzy - D
CEO and General Manager Evaluation Criteria and KPIs	Heather D/Consultant -D/A
Delegation of Authority Update – Agreements, Grants, and Procurements:	Heather H - PR
April/May Working Agenda	

**April: TAC Meeting is 4/2 Board Meeting is Wed, 3/18**

ITEMS:	WHO & WHAT:
Safety Minute	Sam S
Milestone Anniversaries	Heather D
The Coordinated Plan	LaReina - C
Capital Budget Overview	Megan - D
Mountain Express Update/Discussion	Bizzy - D/A
Drug and Alcohol Program Compliance Corrective Action Plan	Sam S - D/A
DCC Phase 2 Update	Anne - D
Delegation of Authority Update – Agreements, Grants, and Procurements:	Heather D - PR
May/June Working Agenda	