



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:

Thursday, May 21, 2026
8:00am
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 4:00 p.m. on the day before the meeting. Comments can be emailed to 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 4:00 p.m. on the day before 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 by 4:00 p.m. on the day before 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:

- a. Special Meeting 4/3/2026

-pages 5-6

- b. Regular Meeting 4/15/2026

-pages 7-17

- c. Special Meeting 4/29/2026

-pages 18-20

DISCUSSION / ACTION ITEMS:

6. FORENSIC AUDIT

-pages 21-25

-Heather Dalmolin, CEO and General Manager

No action is recommended by staff; the Board may direct staff to take additional actions to bring updated information for future action.

7. FY2027 BUDGET AND FINANCIAL PLAN

-pages 26-35

-Megan Coons, Finance Director

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

8. FREE FARE CONSIDERATION

-pages 36-41

-Heather Dalmolin, CEO and General Manager

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

9. EXPECTATIONS AND ROLES OF THE CHIEF EXECUTIVE OFFICER (CEO) AND BOARD OF DIRECTORS

-pages 42-48

-Heather Dalmolin, CEO and General Manager





Staff recommend the Board of Directors adopt the Expectations and Roles of the CEO and the Board of Directors plan to set parameters for engagement of both parties in executing Mountain Line business transactions.

10. REQUEST FOR PROPOSALS (RFP) 2022-270 BIOLOGICAL AND ARCHAEOLOGICAL PROFESSIONAL MONITORING SERVICES -pages 49-53

-Anne Dunno, Capital Development Manager

Staff recommend the Board of Directors approve Contract Amendment No. 2 and issue Task Order No. 3 for Inadvertent Archaeological Discovery Services to support Phase 2 of the Downtown Connection Center Project in amount not to exceed \$26,046.60 to Commonwealth Heritage Group LLC under Contract No. RFP 2022-270. Additionally, authorize the CEO and General Manager to execute the referenced contract documents as already approved by legal.

11. REQUEST FOR PROPOSALS (RFP) 2022-140 DOWNTOWN CONNECTION CENTER (DCC) CONTRACT AMENDMENT AND CHANGE ORDER -pages 54-65

-Anne Dunno, Capital Development Manager

Staff recommend the Board of Directors approve Contract Amendment No. 6 in amount of \$82,883.19 for additional pre-construction services and Change Order No.13 to GMP No. 4 in amount of \$25,052.42 for additional scope under Contract No. RFP 2022-140 for Loven Contracting. Additionally, authorize the CEO and General Manager to execute Amendment No. 6 and Change Order No 13 upon confirmation from Mountain Line legal that the documents are approved as prepared.

12. PROCUREMENT RESOLUTION -pages 66-75

-Heather Dalmolin, CEO and General Manager

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

13. MOUNTAIN LINE'S EQUAL EMPLOYMENT OPPORTUNITY (EEO) PROGRAM -pages 76-77

-Sam Short, Workforce Director

Staff recommend the Board of Directors adopt the 2026-2029 Equal Employment Opportunity (EEO) Program and approve submission to the Federal Transit Administration (FTA) as required for compliance with regulations.

14. CHIEF EXECUTIVE OFFICER (CEO) RETIREMENT NOTICE -pages 78-101

-Heather Dalmolin, CEO and General Manager

Staff recommend the Board of Directors formally accept the provided written notice of retirement from the CEO and approve the CEO Transition Plan, CEO Transition Communication Plan, and Interim Leadership Plan to support staff and the agency during the transition.

EXECUTIVE SESSION

Executive sessions are closed to the public.

The Board will consider a motion to convene an executive session pursuant to A.R.S. § 38-431.03(A) for the following purposes:

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1. Discussions or consultations with Mountain Line’s legal counsel for legal advice and with legal counsel and designated representatives regarding the purchase, sale, or lease of real property. ARS 38-431.03(A)(3), (4) & (7).

Following the conclusion of the Executive Session, the Board will reconvene the public meeting.

PROGRESS REPORTS:

15. EQUAL EMPLOYMENT OPPORTUNITY (EEO) WORKFORCE UTILIZATION ANALYSIS, FEDERAL FISCAL YEAR 2026 -pages 102-106
-Sam Short, Workforce Director
16. MILESTONE ANNIVERSARIES
-Heather Dalmolin, CEO and General Manager
17. SUMMARY OF CURRENT EVENTS
-Heather Dalmolin, CEO and General Manager

ITEMS TO / FROM BOARD OF DIRECTORS AND CEO:

SCHEDULE FOR THE NEXT MEETING DATE AND IDENTIFY AGENDA ITEMS

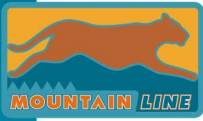
June/August Working Agenda -page 107

The next Board meeting will be held on Wednesday, June 17, 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. June agenda items may include but not be limited to the FY2027 Budget Adoption, Fare Collection Procurement Award, Grant Resolution, Procurement Resolution, Comprehensive Route Alignment, Mountain Express Future Service, Operational Assessment Update, Workforce Housing Update, Delegation of Authority Updates, Line of Credit, Personnel Policy Manual Update, Meeting Calendar Review, and the Annual Information Technology Report. The June 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.

18. ADJOURNMENT

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Board of Directors Minutes for Friday, April 3, 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 Special Session on Friday, April 3, 2026, at 2:00pm 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:

Miranda Sweet, (Vice Chair), Vice Mayor, City of Flagstaff;
Tony Williams, Vice President of Student Services, CCC, designee, arrived at approximately 2:06pm;
Jeronimo Vasquez, Board of Supervisors, Coconino County;
Lori Matthews, City Councilor, City of Flagstaff;
Jeff McKay, Vice President for Capital Planning and Campus Operations, NAU, alternate
**Three of our five Board member seats must be present to constitute a quorum.*
***The City of Flagstaff holds two seats.*

BOARD MEMBERS EXCUSED:

Josh Maher, (Chair), Associate VP for Community Relations, NAU, designee

MOUNTAIN LINE STAFF IN ATTENDANCE:

Heather Dalmolin, CEO and General Manager;
Jon Matthies, IT Manager, left at approximately 2:08pm and returned at 4:12pm;
Rhonda Cashman, Executive Assistant and Clerk of the Board, left at approximately 2:08pm and returned at 4:12pm;
Scott Holcomb, Mountain Line Attorney, (Zoom)

GUESTS PRESENT:

Judy Begay, Board of Supervisors, Coconino County, alternate

1. CALL TO ORDER -Vice Chair Sweet called the meeting to order at approximately 2:06pm.
2. ROLL CALL

At approximately 2:07pm, Director Matthews made a motion to go into executive session. Director Begay 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	

EXECUTIVE SESSION:

Executive Sessions are closed to the public.

The executive session is pursuant to A.R.S. § 38-431.03(A) for the following purpose and began at approximately 2:08pm:

1. Consultation and discussion with Mountain Line’s legal counsel for legal advice, and with Mountain Line’s legal counsel and CEO and General Manager regarding the CEO and General Manager Corrective Action and related Board, and CEO and General Manager, roles and responsibilities. A.R.S. § 38-431.03(A)(1), (3) & (4).

Following the conclusion of the Executive Session, the Board reconvened the public meeting at approximately 4:12pm.

3. ADJOURNMENT -Vice Chair Sweet adjourned the meeting at approximately 4:13pm.

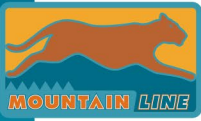
Josh Maher, Chair of the Mountain Line Board of Directors

ATTEST:

Rhonda Cashman, Executive Assistant and Clerk of the Board

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Board of Directors Minutes for Wednesday, April 15, 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, April 15, 2026, at 10:00am 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;
Jeronimo Vasquez, Board of Supervisors, Coconino County, arrival at approximately 10:03am;
David Spence, Councilmember, City of Flagstaff, alternate

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

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

BOARD MEMBERS EXCUSED:

Lori Matthews, City Councilor, City of Flagstaff

MOUNTAIN LINE STAFF IN ATTENDANCE:

Heather Dalmolin, CEO and General Manager;
Jacki Lenners, Deputy General Manager;
Sam Short, Workforce Director;
Megan Coons, Finance Director;
Anne Dunno, Capital Project Manager;
Codi Weaver, Human Resources Manager;
Heather Higgins, Purchasing and Contracts Officer;
Bizzy Collins, Strategic Performance Planner, (Zoom);
LaReina Reyes, Associate Transit Planner, (Zoom);
Jon Matthies, IT Manager;
Rhonda Cashman, Executive Assistant and Clerk of the Board;
Scott Holcomb, Mountain Line Attorney, (Zoom)

GUESTS PRESENT:

Rick Tadder, Management Services Director, City of Flagstaff, joined at approximately 10:05am and left at approximately 11:40am;
Karen Kruse, The Kruse Group, joined at approximately 10:16am and left at approximately 11:07am;
Jeff McKay, Vice President for Capital Planning and Campus Operations, NAU, alternate, joined at approximately 10:38am;
Sydney Rittershaus, Member - Free Mountain Line Project Group;





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Mico Gooden, Free Mountain Line Project Group;
Anthony Chiappetta, Free Mountain Line Project Group;
Taylor Franklin, Free Mountain Line Project Group;
Camille Spiro, Free Mountain Line Project Group;
Leshia Curtis, Free Mountain Line Project Group;
Emma Mitchell, Free Mountain Line Project Group;
Jacob Janikowski, Free Mountain Line Project Group;
Bianca Daniels, Member, Free Mountain Line Project Group;
Eryn Yeager, Free Mountain Line Project Group;
Tristan Romano, Free Mountain Line Project Group, arrived at approximately 10:05pm;
Another member of the Free Mountain Line Project Group arrived at 10:11am and left at approximately 10:40am

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

2. ROLL CALL

3. SAFETY MINUTE
-Sam Short, Workforce Director

Mr. Short reported on bicycle awareness.

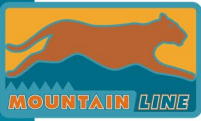
4. CALL TO THE PUBLIC

There were five members of the public in attendance at the meeting that wanted to speak.

- Leshia Curtis, 86011 – She communicated that free Mountain Line service would provide opportunities for those who cannot afford a bus pass, removing the barrier to employment, doctor appointments, and shopping. She also stated there would be fewer cars on the road, making Flagstaff a sustainable connected community.
- Emma Mitchell, 86001 – She shared that everyone deserves to travel the City in its entirety; free Mountain Line service would reduce traffic, help businesses, and allow people to enjoy our city.
- Jacob Janikowski, 86001 – He stated that a free Mountain Line service would improve air quality and offer economic benefits.
- Eryn Yeager, 86011 – She communicated that Mountain Line service should be free to students and everyone, allowing people to travel to the East side of town to the mall, theater, and small businesses. She also stated that the unsheltered community would feel supported. She noted that affordable reliable transportation is needed to get a job; it would improve the economy and the environment.
- Bianca Daniels, 86001 – She stated her major is environmental sustainability. She reported that she does drive a car in Flagstaff and that is why she is advocating for free Mountain Line service to reduce emissions. She shared that she believes it would increase ridership and reduce accidents. She stated free service would make everyone's experience smoother and safer; Flagstaff is a great city with viable transit options.

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All speakers requested that the Board of Directors vote to make Mountain Line fare free at the May meeting, and buses go fare free by August 2027.

5. APPROVAL OF MINUTES:
 - a. Regular Board Meeting 3/18/2026
 - b. Special Board Meeting 3/26/2026

Vice Chair Sweet made a motion to approve the minutes for both March 18, 2026 and March 26, 2026. 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	
David Spence	X	

DISCUSSION / ACTION ITEMS:

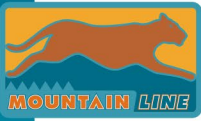
6. AUGUST SERVICE CHANGES
-Jacki Lenners, Deputy General Manager

Staff recommend the Board of Directors conduct a public hearing and close a public comment period for the proposed August 2026 service enhancements. Staff also recommend the Board of Directors approve the recommended service changes for implementation in August 2026.

Ms. Lenners reviewed the proposed service changes by route in detail. She reported the most feedback provided was against the removal of the Thompson Loop bus stops on Route 8. She stated Operations staff have tested the timing and it is possible to extend the route as proposed while keeping the Thompson Loop portion of the route. She noted the timing may be tight at certain times of day. She shared that a more comprehensive route assessment will be done as part of the Operational Assessment study that is in progress. There were no questions. Chair Maher requested to vote in two parts. Director Williams made a motion to close the public hearing. 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	
David Spence	X	





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Vice Chair Sweet made a motion to approve the Service Changes and keep the Route 8 Thompson Loop as presented. 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	
David Spence	X	

7. REVIEW OF INTERNAL CONTROLS

-Heather Dalmolin, CEO and General Manager

No action is recommended; the Board may direct staff to take additional actions to bring updated information for future action.

Ms. Dalmolin reported that staff recently met with City of Flagstaff finance team to review financials. She shared that the internal controls being presented for discussion are related to Payroll, Accounts Payable, Other, and Federal Grants. The audit revealed that some Mountain Line records were being stored in third party storage solutions (staff private accounts) in violation of record retention rules and that IT is working on solutions to cure this problem. She confirmed that Bank Reconciliation will be done by the 10th of each month; Software and Software Access is being addressed in a new User Manager Standard Operating Procedure (SOP) for Finance and Human Resources portals and websites; internal review and audit of Journal Entries and documentation for the FY2026 Audit is being conducted; Purchase Orders SOP and training is underway to ensure we complete this step as required; Authorization for ACH payments directly from our accounts was removed in October and staff are reviewing for transactions between July 1, 2025 and October for proper documentation; Developing process for posting and documenting payroll in the proper year; and Revised process for drawdown actions to ensure proper checks and balances are in place. Staff are working with the Federal Transit Administration (FTA) on mechanism to pay back those funds identified as double drawn. Ms. Dalmolin recognized the material weakness finding related to Cash Management was due to this double draw and lack of controls or checks and balances. The process did require, continues to require, that all reimbursement requests along with supporting documents be pre-approved by the Chief Executive Officer (CEO) before submitting a request for funding. She also noted that workflows are being restored in the grant system to ensure the CEO receives timely notice of drawdown activity. This workflow was altered and those notices were not being sent in FY2025 allowing drawdowns to be done without proof of documentation. There were no questions.

8. FY2027 OPERATING BUDGET

-Megan Coons, Finance Director

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





Ms. Coons explained that the overall Operating Budget will increase by 18 percent over FY2026 for a total of \$16,819,613. She noted the Workforce Budget is 64 percent of the increase at \$1,074,557. Additionally, there is a planned Service Expansion increase of \$1,375,000 and an increase of \$173,642 for Other Operating expenses. She reported the increase in Other Operating expenses is broken down into the following categories: Indirect Overhead increase of \$66,000 for Human Resources Professional Services, Legal Fees, Audit Services, and Cyber Security Staff Training; Banking Fees increase of \$25,000 which was previously reported net of revenue and the increase will now be offset by higher reported revenue; Vehicle Maintenance increase of \$57,000 due to increased repair costs related to our aging fleet; Printed Materials increase of \$15,000 for service change communication and printing new ride guides; Computer and Phone Supplies increase of \$5,000 to support multiple locations and a greater variety of equipment; Facilities Supplies increase of \$5,600 for maintenance and janitorial supplies; and there is not an anticipated Liability Insurance increase, but the budget may need to be adjusted when the final contract values are known. There were no questions.

9. FY2027 CAPITAL BUDGET

-Megan Coons, Finance Director

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

Ms. Coons reported the FY2027 Capital Budget is \$34,211,709. She reviewed the Capital Projects involved: First Mile/Last Mile, Downtown Connection Center, Kaspar Maintenance Facility, Vehicle Replacement and Rehabilitation, Bus Stops-New and Refurbished Amenities, and Planning Studies, Training, Software, Administrative Projects, with budgeted values presented in a table. She shared that the FY2026 carry forward is \$27,742,667 which was previously approved and new funding for FY2027 is \$6,469,042 with the amounts broken out for each project and year in another table. There were no questions.

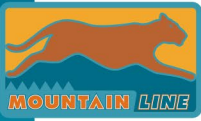
10. APPLY FOR TWO (2) HYBRID DIESEL-ELECTRIC BUSES AND APPROVE PURCHASE

-Heather Dalmolin, CEO and General Manager

Staff recommend the Board of Directors 1) direct staff to cease the attempt to obligate federal funds for no emission vehicles and modify application for low emission vehicles and 2) approve the purchase of two (2) 35 foot hybrid diesel-electric GILLIG buses using the 2025 award of federal funding obligation application (the 'grant application') for replacement low-no emission buses.

Ms. Dalmolin stated that in January she received Board approval to apply for two battery-electric buses for expansion and replacement, and that submission has been unsuccessful to date. She shared that the Federal Transit Administration (FTA) has advised that only standard bus propulsion is being approved. She noted that in light of the situation, staff recommend changing the grant application to purchase two low emission buses through the Washington State contract. She stated that with the suspension of the Procurement Resolution, we need approval to purchase two hybrid electric buses, but the expense won't be incurred until 2029; allowing us to issue a letter of intent and to get in line for that delivery. She noted she still needs to contact the City staff to confirm if Proposition 488 allows for the purchase of hybrid





buses. Director Williams made a motion to have staff stop the attempt to obligate federal funds for two zero emissions vehicles and approve purchase of two 35-foot hybrid diesel-electric Gillig buses using the 2025 award of federal funding obligation application for replacement low-no emission buses. 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	
David Spence	X	

11. APPROVE AMENDING CONTRACT NO. 2024-130 PEDESTRIAN AND BICYCLE INFRASTRUCTURE UPGRADES CONSTRUCTION MANAGER AT RISK SERVICES (CMAR) TO INCLUDE GUARANTEED MAXIMUM PRICE (GMP) NO.2 IN THE AMOUNT NOT TO EXCEED \$2,784,858.

-Anne Dunno, Capital Development Manager

Staff recommend the Board of Directors approve amending Contract No. 2024-130 Pedestrian and Bicycle Infrastructure Upgrades Construction Manager at Risk Services (CMAR) to include Guaranteed Maximum Price (GMP) No. 2 in amount not to exceed \$2,784,858.

Ms. Dunno reviewed the proposed three new Highway 180 and five new Soliere pedestrian crossings, including showing the locations on maps. She stated the Highway 180 construction will start on May 22nd and the plan is to be done before school starts, then the Soliere construction will begin, and completion is expected in December. There were no questions. Director Vasquez made a motion to approve the contract amendment 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	
David Spence	X	

12. DRUG AND ALCOHOL PROGRAM COMPLIANCE CORRECTIVE ACTION PLAN

-Sam Short, Workforce Director

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

Mr. Short reported that the Federal Transit Administration (FTA) Staff from the Drug and Alcohol Compliance Division came to Flagstaff to audit Mountain Line in November 2025. The corrective action completion was due by March 19, 2026. He reviewed the corrective action





areas that have been completed: Policy Manual Review, Drug and Alcohol Program Manager Review, Records Management Reviews, and Urine Collector and Breath Alcohol Technician Reviews. He noted the following corrective actions are still pending: Insufficient testing during all service hours, NextCare Urine Collector documents, and NextCare Breath Alcohol Technician documents. He communicated that the goal is to have the Transit Safety Specialist and the Workforce Director get Urine Collector and Breath Alcohol Technician certifications. He explained that there is no person or facility available in Flagstaff to perform this testing between 4am and 11pm. Ms. Dalmolin shared that NextCare is a Department of Transportation testing site which puts them at risk of losing their certification or designation. She also mentioned that we have changed providers several times. Mr. Short stated that services have diminished over time, especially for random testing and we may be able to cut out NextCare. Ms. Dalmolin explained we need to cover random and post-accident testing for drivers and mechanics and there are time limits on when testing can be performed. There was a question about what other agencies are doing in rural areas. Mr. Short responded that most likely they are not doing it but haven't been audited by FTA yet. Director McKay stated that Northern Arizona University (NAU) is in the same boat as Mountain Line and he would like to collaborate and help offset the burden for both organizations. Mr. Short was appreciative of the offer. There was another question about the time commitment for staff. Mr. Short explained that it will be an approximate cost of \$1,000 per person and a week's worth of time for the training to be certified and then after staff are certified, approximately eight hours per quarter for the testing and upkeep of the machinery used. There was no further discussion.

13. DOWNTOWN CONNECTION CENTER (DCC) UPDATE

-Anne Dunno, Capital Development Manager

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

Ms. Dunno stated she is providing an update only. She stated that the current construction is to place Arizona Public Service (APS) power lines underground in the bus platform area. She shared a few maps from 2022 that show the phasing of the overall DCC project, the Phase 2a Interim Operations Hub for when the Rio de Flag is under construction and then Phase 2b for the civic space. She said the plan is to complete 60 percent design by December 2026 and then sit on the plans until the Rio de Flag construction is done. She explained that staff decided against bottom of bus/ground chargers because we have already invested in the Pantograph charger at Kaspar. She reported that staff still need to meet with City staff regarding the City practice of not allowing power lines over sewer lines. She noted the Civic space portion of the project will be shared with the City Parks, Recreation, Open Space, and Events (PROSE) Department. She shared that the staff involved will meet at the end of the month and plan to confirm the 60 percent design by the end of the year. There was a question about when the Civic Space will be completed. Ms. Dunno responded that the Rio project needs more funding, and staff are hoping to find out more in June 2026; a contract may be awarded in 2027, and a contractor may be working in the area until 2030. Ms. Dalmolin stated her prediction would be for the bus area to be done by 2032, but the Civic Space may end up behind work on Mike's Pike. Ms. Dunno mentioned the need for the Rio contractor to have a north/south connection and access under the railroad tracks. There was no further discussion.





14. OPERATIONAL ASSESSMENT AND FIVE-YEAR PLAN UPDATE

-Bizzy Collins, Strategic Performance Planner

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

Ms. Collins shared that a Request for Proposals was completed last fall and we had 8 responses. Transpo was the selected consultant firm, and the kickoff was held in January. She outlined the four key elements of the assessment: System Performance - Mountain Express, Comprehensive Transit Alignment with NAU, and Route reliability and efficiency; Proposition 488 Implementation – Expand service hours, More frequent service, and New service areas; System Gaps – Support student travel needs [Northern Arizona University (NAU), Coconino Community College (CCC), Flagstaff Unified School District (FUSD), and Charter Schools], Growth outside of service area and the Permanent Transit Network, Service to Fourth Street, Safe Streets Master Plan; and Cost Sharing and Pass Programs. She said they are in the thick of the analysis now. She reviewed the project timeline: Analysis phase complete in August; Draft short-term recommendations in October; Finalize short-term recommendations in January; and Detail phased growth for years 2-5 and update the Five-Year Transit Plan in 2027. She noted that the defined success outcome is improved access to frequent transit service, now and into the future. She shared a graph that showed transit access changes achieved with the August 2026 Service Changes for categories of riders including Access to Jobs, Population, Low Income, Minority, and Youth, also noting the current access levels. Ms. Dalmolin wanted to clarify that the contractor Transpo who is doing this work should not be confused with TransPro who does more Human Resources work. There were no questions.

15. MOUNTAIN EXPRESS UPDATE

-Bizzy Collins, Strategic Performance Planner

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

Ms. Collins reported that there were 34 days of service, daily during holiday break, and then weekends in January, February, and March with 23-minute frequency, free to riders, and Arizona Snowbowl paid 63 percent of the actual costs associated with the route. She noted increased outreach was done. She shared a graph and communicated that the increased frequency resulted in a 63 percent increase in ridership. She stated there was not much snowfall this year. She reported some key performance data: the service was started in 2015 to reduce congestion on US 180; if every bus rider drove a car instead, there would have been 103 more cars per day on US 180; and 40 metric tons were saved from entering Flagstaff's air, equal to removing 9 cars for one year. She reviewed the passenger survey results from 69 respondents and of significance was that 61 percent were new riders; some areas that need improvement were noted, such as on-time performance and real time arrival information (Transit App) and staff are looking into remedies. She shared the next step is to review the Operations Assessment results related to impacts of frequency, March weekend service, and marketing improvements; understand passenger survey results; determine the future service model; and develop funding strategies. There was a question about when this topic would be brought back for Board discussion regarding future service. Ms. Collins stated she thought that would be in June. Ms. Dalmolin noted that it needs to happen before negotiating a contract





with Arizona Snowbowl. There was a comment about funding sources related to the optics of riding for free, for example Arizona Snowbowl is free to ride and Route 10 is free to ride for NAU students and FUSD students are not paying to ride while others must pay a fare. Another Board member recognized that the Arizona Snowbowl pays what would have otherwise been collected as fares. Ms. Dalmolin clarified that agencies or businesses pay on behalf of riders and the funds are used for operations. She noted this was the first season Arizona Snowbowl has not paid 100 percent of the cost because Mountain Line wanted to demonstrate that frequency would impact ridership; this was a one-time situation to help with data collection for the Operational Assessment. She further clarified that NAU students only have free access to ride Route 10 as NAU pays in lieu of fares while students pay to ride other routes and FUSD is paying for their student bus passes. There was no further discussion.

PROGRESS REPORTS: None.

16. MILESTONE ANNIVERSARIES

-Heather Dalmolin, CEO and General Manager

Ms. Dalmolin recognized the April employee milestone anniversaries. She noted the reordering of this agenda item was done per the Board's request.

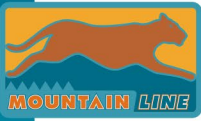
17. SUMMARY OF CURRENT EVENTS

-Heather Dalmolin, CEO and General Manager

Ms. Dalmolin shared the following highlights:

- She recognized the other April employee anniversaries.
- She shared the DCC Phase 2, Part 1 map for our modified transfer center with increased lighting in the row near the railroad tracks. She noted areas will shift in the future and staff remain dedicated to safety.
- She noted that the Phoenix Avenue construction will impact Pizzicletta for about 5-6 weeks during their busy season for outdoor seating and Mountain Line has offered to help offset the cost.
- She encouraged Board members to take a look at the Kaspar facility as we have torn down the old car shop garage area on the west end of the main facility. There was a staff celebration with shovels yesterday.
- Flagstaff Downtown Business Alliance has moved into our tenant space and there will be an exchange of services for the lease in the future.
- The South West Transit Association (SWTA) Annual Conference (March 30-April 2) was attended by the CEO and Deputy General Manager. During the conference, staff met with FTA and sessions attended included Education and Employment Transit Partnerships, AI Adoption in Transit, Training and Coaching to Improve Safety, and Federal Regulatory Changes. Ms. Dalmolin presented on Creative Local Match Plan with Northern Arizona Council of Governments (NACOG) and Value of Transit Associations on behalf of the Arizona Transit Association (AzTA). Additionally, she provided an Arizona update to the full SWTA membership.





- The AzTA Conference (April 6-8) was attended by the CEO, Deputy General Manager, Finance Director, Clerk of the Board, and the Associate Transit Planner. Staff met with the FTA Regional Administrator and the Deputy Regional Administrator. Sessions included Arizona Department of Transportation (ADOT) training, Pathway to Leadership, Employee Engagement, Mentorship programs, Microtransit stories, and FTA Grant Management practices. The CEO presented on three panels: Legislative Update (State and Federal outlook), Statewide Opportunities for funding Transit, and Fare Free – A look at three systems.
- The executive session requested by the Board will be held on April 29th, 2-4pm.
- The May 21st Board meeting will be held 8am-12pm per the Board's request for a four-hour meeting.
- Two on-site interviews for the Deputy General Manager of Operations will be held next week.
- Staff have revisited the candidate pool and hopes to have news about hiring the Planning Director soon.
- The fund balance will be reviewed in May.

ITEMS FROM BOARD OF DIRECTORS AND STAFF:

Vice Chair Sweet stated she went with Kate Morley from MetroPlan to the Rural Transit Assistance Program (RTAP) meeting and asked the Governor's staff to advocate for the AZ State Match Advantage for Rural Transportation (SMART) fund.

SCHEDULE NEXT MEETING DATE AND IDENTIFY AGENDA ITEMS

May/June Working Agenda

May agenda items were reviewed and Chair Maher asked to confirm with staff that the Free Fare item is a discussion only item in May. Ms. Dalmolin confirmed.

The next Board meeting will be held on Thursday, May 21, 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 8:00am. The public is invited to attend. May agenda items may include but not be limited to the Procurement Resolution, Adoption of Roles and Expectations of the CEO and Board of Directors, Bus Stop Improvement Plan, Fare Collection Procurement Award, RFP 2022-270 Arch and Bio Amendment 2, Adoption of Roles and Expectations of the CEO and Board of Directors, Financial Plan Review, Budget Presentation, Fare Free Discussion, Bus Stop Improvement Program, Operational Assessment Update, and Delegation of Authority Updates. The May 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.

18. ADJOURNMENT -Chair Maher adjourned the meeting at approximately 11:49am.





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Josh Maher, Chair of the Mountain Line Board of Directors

ATTEST:

Rhonda Cashman, Executive Assistant and Clerk of the Board

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Board of Directors Minutes for Wednesday, April 29, 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 Special Session on Thursday, April 29, 2026, at 2:00pm 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;
Lori Matthews, City Councilor, City of Flagstaff

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

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

BOARD MEMBERS EXCUSED:

Jeronimo Vasquez, Board of Supervisors, Coconino County;
Judy Begay, Board of Supervisors, Coconino County, alternate

MOUNTAIN LINE STAFF IN ATTENDANCE:

Heather Dalmolin, CEO and General Manager;
Sam Short, Workforce Director, left at approximately 2:05pm;
Sam Bradbury, Systems Administrator, left at approximately 2:05pm and returned at approximately 2:30pm;
Scott Holcomb, Mountain Line Attorney, (Zoom)

GUESTS PRESENT:

Jeff McKay, Vice President for Capital Planning and Campus Operations, NAU, alternate, (Zoom)

1. CALL TO ORDER -Chair Maher called the meeting to order at approximately 2:02pm.
2. ROLL CALL
3. SAFETY MINUTE
-Sam Short, Workforce Director

Mr. Short reported that May is National Bicycle Month. He shared some bicycle safety tips.

At approximately 2:04pm, Vice Chair Sweet made a motion to go into executive session. 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	
Lori Matthews	X	

EXECUTIVE SESSION:

Executive Sessions are closed to the public.

The executive session was pursuant to A.R.S. § 38-431.03(A) for the following purpose and began at approximately 2:05pm:

1. Consultation and discussion with Mountain Line’s legal counsel for legal advice and with Mountain Line’s legal counsel, CEO and General Manager, and staff as appropriate regarding the Roles and Expectations of the CEO and Board of Directors. A.R.S. § 38-431.03(A)(1), (3) & (4).

Following the conclusion of the Executive Session, the Board reconvened the public meeting at approximately 2:31pm.

DISCUSSION / ACTION ITEMS:

4. FORENSIC AUDIT

-Heather Dalmolin, CEO and General Manager

No action is recommended by staff; the Board may direct staff to take additional actions to bring updated information for future action.

Ms. Dalmolin stated she does not have any slides to share, but the staff report outlines the information she has researched regarding forensic audits and costs. She shared that staff do not believe there is a need for a forensic audit as all revenues and expenses match financial statements and there is no reason to believe there are any further issues, but staff will do what the Board determines to be the best course of action. She noted she has reached out to City Manager Keene and Management Services Director at the City, Rick Tadder, but they will not have a chance to discuss this item until next week and get back to her. Ms. Dalmolin noted that the Board could table this item until the May 21, 2026 Board meeting. One Board member stated that it would be good to hear from the City regarding a potential forensic audit and requested that Board members be able to ask questions of the current financial audit team from HeinfeldMeech. The Board consensus was to table this item to the May 21, 2026 Board meeting.

ITEMS TO / FROM THE BOARD OF DIRECTORS AND CEO:

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One Board member also requested to bring Ms. Coons, Finance Director, into the conversation to determine her comfort level regarding Mountain Line financial policies and procedures, and auditing. Ms. Dalmolin spoke to how Ms. Coons is already working to make positive changes.

Ms. Dalmolin communicated that Mountain Line has filled the Planning Director position and she will start on June 15, 2026. This was a local hire, so the person's name has not been announced yet.

Ms. Dalmolin reported that staff have received verbal acceptance and completed starting wage negotiation with the candidate offered the Deputy General Manager of Operations position with a start date of June 1, 2026.

SCHEDULE FOR THE NEXT MEETING DATE AND IDENTIFY AGENDA ITEMS

The next Board meeting will be held on Thursday, May 21, 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 8am. The public is invited to attend. May agenda items may include but not be limited to the Procurement Resolution, Fare Collection Procurement Award, RFP 2022-270 Arch and Bio Amendment 2, Roles and Expectations of the CEO and Board of Directors, Financial Plan Review, Budget Presentation, Fare Free Discussion, Bus Stop Improvement Plan, Operational Assessment Update, Delegation of Authority Updates, Equal Employment Opportunity (EEO) Program, and Workforce Utilization Report. The May 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.

5. ADJOURNMENT -Chair Maher adjourned the meeting at approximately 2:37pm.

Josh Maher, Chair of the Mountain Line Board of Directors

ATTEST:

Rhonda Cashman, Executive Assistant and Clerk of the Board

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DATE PREPARED: April 20, 2026
DATE: May 21, 2026
TO: Honorable Chair and Members of the Board
FROM: Heather Dalmolin, CEO and General Manager
SUBJECT: Forensic Audit

RECOMMENDATION:

No action is recommended by staff; the Board may direct staff to take additional actions to bring updated information for future action.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ Financial Stability
- ❖ Community Value

BACKGROUND:

On April 3, 2026, Director Matthews provided a recommendation to Mountain Line CEO and Board of Directors that as a result of the fraud identified in the FY2025 Single Audit that the Mountain Line should have a Forensic Audit conducted. In looking at the typical triggers for a forensic audit, identified fraud can indicate a forensic audit should be conducted. (see attached research)

To date:

- All revenues since 2024 have been reviewed and are accounted for through our bank and treasurer account reconciliations.
- All vendors and third-party expenses (not payroll related) have been reviewed to ensure they 1) were processed with adequate documentation and 2) that vendors are legitimate and known to our agency for our projects and work.
- All payroll expenses for the employee involved have been reviewed as part of the investigation and the theft amount calculated was reported to the police with a full recovery of the stolen funds.

We strongly believe this fraud was committed as the employee was unhappy about being demoted with a reduction in pay. They then responded by increasing the total take home pay to pre-demotion amounts and processed pay increases that would have been otherwise available in the pre-demotion role. We have found no indication that there were other fraudulent activities. We feel like we have taken the appropriate steps to ensure there is no additional fraud through rerouted revenues or inaccurate expense postings.

If the Board wishes to proceed, we will issue a solicitation to have the requested Forensic Audit completed. We estimate the cost will be between \$10,000 and \$50,000, however the Board should anticipate the cost

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will reach more than \$100,000 due to the complexity of our accounting system due to our federal funding and program structure.

FISCAL IMPACT:

If a Forensic Audit is conducted, the cost will be unbudgeted. Staff would need to use the NAIPTA General Fund, prior and current year advertising revenues, to offset the cost and ensure it does not flow through to the City of Flagstaff.

ALTERNATIVES:

- 1) Instruct staff to solicit and award a contract for a professional firm to conduct a Forensic Audit within 120 days as per Mountain Line Purchasing Policy (not recommended): As stated in the staff report, staff do not recommend a Forensic Audit, and the expense of the audit is not necessary.
- 2) Instruct staff to solicit a professional firm to conduct a Forensic Audit within 120 days and present proposals to the Board of Directors for award (not recommended): An award for Forensic Audit requiring Board action exceeds \$100,000 and staff do not believe that additional fraud exists warranting this unbudgeted expense.

SUBMITTED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

- | | |
|-------------------------------------|--------------|
| 1) Forensic Audit, What and When | -pages 23-24 |
| 2) Forensic Audit, Anticipated Cost | -page 25 |



What is a forensic audit?

A forensic audit's purpose is to investigate, detect, and document financial fraud, embezzlement, or misconduct, producing evidence suitable for legal proceedings. It goes beyond traditional auditing to identify perpetrators, quantify financial losses, reconstruct records, and uncover hidden assets. **It is often used in legal disputes, corporate fraud, and bankruptcy.**

Key purposes of a forensic audit include:

- **Detecting and Investigating Fraud:** Uncovering specific financial crimes such as asset misappropriation, bribery, or financial statement manipulation.
- **Providing Expert Evidence:** Gathering evidence to support criminal cases or civil litigation. Forensic auditors often act as expert witnesses in court.
- **Quantifying Losses:** Determining the precise monetary loss experienced due to fraud or misconduct.
- **Identifying Perpetrators:** Identifying the parties responsible for financial wrongdoing.
- **Reconstructing Records:** Rebuilding financial data that has been intentionally manipulated or destroyed.
- **Preventative Assessment:** Conducting proactive audits to find weaknesses in internal controls to prevent future fraud.

Forensic audits are commonly employed in cases of employee fraud, vendor disputes, merging and acquisitions (due diligence), and high-risk investigations

When to do a forensic audit?

A public agency should initiate a forensic audit when there is strong evidence or suspicion of fraud, embezzlement, or financial mismanagement, rather than for routine compliance. **It is designed to investigate specific wrongdoing, such as unaccounted funds, vendor kickbacks, or payroll fraud, to produce evidence suitable for legal proceedings or criminal prosecution.**

Key Triggers for a Forensic Audit in a Public Agency:

- **Suspicion of Fraud or Misconduct:** Strong reasons to believe theft, embezzlement, or "cooking the books" is occurring.

- **Whistleblower Complaints:** Specific allegations from employees or citizens regarding irregularities.
- **Missing Funds or Assets:** Unexplained financial losses or inventory shortages.
- **Questionable Procurement Processes:** Potential bid-rigging, conflict of interest, or vendor kickbacks in government contracting.
- **Unusual Financial Patterns:** Rapid, unexplained cash flow changes or consistent discrepancies in budget reports.
- **Litigation Support:** Need for expert investigation to support a lawsuit, civil case, or criminal investigation against a public official.
- **Grant/Federal Fund Misuse:** Concern that federal or state grant money was used for unauthorized purposes.

Forensic audits are distinct from routine audits as they are **reactive, forensic, and detailed**, aimed at pinpointing the "who, what, when, and how" of financial misconduct.

Anticipated Cost - Forensic Audit

Costs vary widely depending on complexity, data volume, and urgency. Typical ranges:

Key Cost Drivers

- Scope breadth (single issue vs. systemic review)
- Time period under review (months vs. years)
- Volume and quality of records
- Need for digital forensics or e-discovery
- Number of interviews
- Urgency (expedited work increases cost)
- Coordination with legal counsel

Small / Targeted Review

- **\$15,000 – \$50,000**
- Narrow scope (e.g., one department or issue)
- Limited data and interviews

Mid-Size Investigation

- **\$50,000 – \$150,000**
- **Multiple risk areas or moderate transaction volume**
- **Some data analytics and several interviews**

Large / Complex Investigation

- **\$150,000 – \$500,000+**
- Organization-wide scope or multi-year review
- Significant digital forensics, legal coordination, and reporting
- Potential litigation support



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DATE PREPARED: May 6, 2026
DATE: May 21, 2026
TO: Honorable Chair and Members of the Board
FROM: Megan Coons, Finance Director
SUBJECT: FY2027 Budget and Financial Plan

RECOMMENDATION:

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

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

❖ The FY2027 budget supports all aspects of the Strategic Plan Success Outcomes

BACKGROUND:

Staff will present information on current year’s revenues, revenue projections for FY2027 and beyond, the Transit Tax fund balance, and 5-year financial plan outlook. As the workforce, operating, and capital budget details were presented in the March and April meetings, staff will not focus on these lines in this presentation; however, questions can be addressed if any have arisen. A detailed draft of the FY2027 Budget is available for Board review.

FISCAL IMPACT:

There is no fiscal impact directly associated with this FY2027 Budget discussion. The items discussed will impact the final FY2027 budget proposed for adoption by the Board of Directors at the June 2026 meeting.

ALTERNATIVES:

No action is recommended; however, the Board may provide direction on additional information needed for budget items as presented.

SUBMITTED BY:

Megan Coons

Megan Coons
Finance Director

APPROVED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

- | | |
|---|--------------|
| 1. FY2027 Line by Line Budget | -pages 27-32 |
| 2. Financial Plan, Financial Summary only | -pages 33 |
| 3. FY2027 CEO Travel Budget Summary | -pages 34-35 |



Mountain Line FY2027 Budget Overview

Mountain Line’s available financial resources serve as the foundation for setting spending limits and priorities in the budget. It ensures that all planned expenditures have corresponding funding sources. Some financial resources may be restricted to specific uses. For example, Federal grant awards may only be spent on designated projects or operating programs.

Summary of Available Financial Resources

	Operating	Capital	Total Revenue
Fares	\$ 952,113	\$ -	\$ 952,113
City of Flagstaff	\$ 10,058,194	\$ 8,338,311	\$ 18,396,505
Coconino County	\$ 32,025	\$ -	\$ 32,025
Northern Arizona University	\$ 659,775	\$ -	\$ 659,775
Other Local	\$ 230,600	\$ 726,000	\$ 956,600
Total Local Sources	\$ 11,932,707	\$ 9,064,311	\$ 20,997,018
Federal Transit Administration	\$ 4,533,843	\$ 25,147,399	\$ 29,681,242
ADOT Federal Pass Through	\$ 353,062	\$ -	\$ 353,062
Total Federal Sources	\$ 4,886,905	\$ 25,147,399	\$ 30,034,304
Total Revenues	\$ 16,819,612	\$ 34,211,710	\$ 51,031,322

Mountain Line’s operating programs include the services and functions the agency is obligated to perform by intergovernmental agreements, local service contracts, or as required by Department of Transportation and Federal Transit Administration statutes. A cost allocation has been prepared to ensure only those costs utilized by or benefitting each program are charged to the program.

Operating Expenditures by Program

	Program	S&B	O&M	Total Program
Fixed Route	100	\$ 9,253,616	\$ 5,501,386	\$ 14,755,002
Paratransit	210	\$ 1,006,322	\$ 356,369	\$ 1,362,691
County Taxi	230	\$ -	\$ 15,025	\$ 15,025
City Taxi	240	\$ 40,699	\$ 85,115	\$ 125,814
Planning	300	\$ 313,205	\$ -	\$ 313,205
Mobility Management	310	\$ 113,199	\$ 29,220	\$ 142,419
Vanpool	320	\$ 12,907	\$ 92,550	\$ 105,457
Total All Programs		\$ 10,739,948	\$ 6,079,665	\$ 16,819,613

Mountain Line's costs have been allocated acknowledging the utilization of administration and support services (indirect) may vary by operating program. Indirect costs are allocated to operating programs based on the number of service hours each transit program performs.

Summary of Indirect and Direct Costs

	FY2027
Indirect Salaries and Benefits	\$ 1,070,836
Indirect Overhead Expenses	\$ 989,380
Total Indirect Expenditures	<u>\$ 2,060,216</u>
Direct Wages and Benefits	\$ 9,669,112
Direct Operating Expenses	\$ 5,090,285
Total Direct Expenditures	<u>\$ 14,759,397</u>
Total Operating Expenditures	<u><u>\$ 16,819,613</u></u>

Mountain Line develops a Capital Improvement Plan as part of a multi-year financial plan. Consideration of current and future capital needs helps guide prioritization of projects, as well as planning for any financial resources necessary to fund them.

Summary of Capital Expenditures

	FY2027
Planning, Admin, Special Projects	\$ 858,711
Vehicles, Charging, Rehabilitation	\$ 5,062,667
Kaspar Facility Expansion and Repair	\$ 19,674,511
Downtown Connection Center	\$ 3,700,000
New Bus Stops and Rehabilitation	\$ 1,285,820
City of Flagstaff Bike & Ped Projects	\$ 3,630,000
Total All Projects	<u><u>\$ 34,211,709</u></u>

Mountain Line - FY 2027 Budget

	Accounts	FY2026 Budget	FY2027 Budget	% Change	Program
Revenue					
Fare Revenue	40000	\$ 909,301	\$ 875,900		Fixed Route
Fare Revenue	40000	\$ 72,984	\$ 52,182		Paratransit
Fare Revenue	40000	\$ 24,031	\$ 24,031		City Taxi
Operating Revenue	41000	\$ 7,155,166	\$ 9,063,370		Fixed Route
Operating Revenue	41000	\$ 388,938	\$ 896,376		Paratransit
Operating Revenue	41000	\$ 49,569	\$ 49,569		City Taxi
Operating Revenue	41000	\$ 6,010	\$ 6,010		County Taxi
Operating Revenue	41000	\$ 26,015	\$ 26,015		Vanpool
Operating Revenue	41000	\$ 48,879	\$ 48,879		Mobility Management
Operating Revenue	41000	\$ 81,522	\$ 81,522		Vanpool
Operating Revenue	41000	\$ 4,095,608	\$ 4,125,797		Fixed Route
Operating Revenue	41000	\$ 304,900	\$ 408,046		Paratransit
Operating Revenue	41000	\$ 110,962	\$ 110,962		Mobility Management
Operating Revenue	41000	\$ 105,000	\$ 105,000		Paratransit
Operating Revenue	41000	\$ 49,568	\$ 49,568		City Taxi
Operating Revenue	41000	\$ 6,010	\$ 6,010		County Taxi
Operating Revenue	41000	\$ 642,429	\$ 659,775		Fixed Route
Operating Revenue	41000	\$ 130,000	\$ 230,600		Fixed Route
Capital Revenue	45000	\$ 7,917,626	\$ 8,338,311		Planning
Capital Revenue	45000	\$ 6,287,142	\$ 726,000		Paratransit
Capital Revenue	45000	\$ 31,714,869	\$ 25,147,399		Planning
Revenues Total		\$ 60,126,529	\$ 51,031,322	-15%	
Expenditures					
Indirect Management Salaries and Benefits					
Indirect Salaries		\$ 750,662	\$ 834,920	11%	
Indirect Benefits		\$ 247,761	\$ 235,916	-5%	
Indirect Management Salaries & Benefits Total		\$ 998,423	\$ 1,070,836	7%	
Direct Operations Wages and Benefits					
Direct Wages		\$ 6,296,100	\$ 7,006,939	11%	
Direct Benefits		\$ 2,357,650	\$ 2,662,173	13%	
Direct Wages and Benefits Total		\$ 8,653,750	\$ 9,669,112	12%	
Indirect Overhead Expenses					
Insurance - Liability	61001	\$ 281,686	\$ 281,686	0%	Fixed Route
Insurance - Liability	61001	\$ 27,859	\$ 27,859	0%	Paratransit
Board Expenses	61002	\$ 2,738	\$ 2,738	0%	Fixed Route
Board Expenses	61002	\$ 263	\$ 263	0%	Paratransit
Utility - Facilities - Electricity (Non-Vehicle)	61004	\$ 100,758	\$ 100,758	0%	Fixed Route
Utility - Facilities - Electricity (Non-Vehicle)	61004	\$ 9,891	\$ 9,891	0%	Paratransit
Utility - Mobile Phone Service & Equipment - Indirect	61005	\$ 7,622	\$ 7,622	0%	Fixed Route
Utility - Mobile Phone Service & Equipment - Indirect	61005	\$ 731	\$ 731	0%	Paratransit
Utility - Facilities - Natural Gas	61006	\$ 15,098	\$ 15,098	0%	Fixed Route
Utility - Facilities - Natural Gas	61006	\$ 1,449	\$ 1,449	0%	Paratransit
Utility - Telephone/Internet Service	61007	\$ 43,134	\$ 43,134	0%	Fixed Route
Utility - Telephone/Internet Service	61007	\$ 4,140	\$ 4,140	0%	Paratransit
Utility - Facilities - Water Sewer Wastewater	61008	\$ 36,710	\$ 36,710	0%	Fixed Route
Utility - Facilities - Water Sewer Wastewater	61008	\$ 3,631	\$ 3,631	0%	Paratransit
Professional Services - Human Resources	61009	\$ 60,537	\$ 107,562	78%	Fixed Route
Professional Services - Human Resources	61009	\$ 5,863	\$ 10,638	81%	Paratransit
Professional Services - Legal	61010	\$ 69,888	\$ 84,448	21%	Fixed Route
Professional Services - Legal	61010	\$ 6,912	\$ 8,352	21%	Paratransit
Professional Services - Information Technology	61011	\$ 3,467	\$ 4,796	38%	Fixed Route
Professional Services - Information Technology	61011	\$ 333	\$ 474	42%	Paratransit
Professional Services - Audit Services	61014	\$ 22,750	\$ 31,850	40%	Fixed Route
Professional Services - Audit Services	61014	\$ 2,250	\$ 3,150	40%	Paratransit
Computer Replacement	61015	\$ 29,120	\$ 18,200	-38%	Fixed Route
Computer Replacement	61015	\$ 2,880	\$ 1,800	-38%	Paratransit
Professional Services - Legislative Liaison	61016	\$ 178,800	\$ 178,800	0%	Fixed Route
Wellness Incentives	61017	\$ 3,285	\$ 3,285	0%	Fixed Route
Wellness Incentives	61017	\$ 315	\$ 315	0%	Paratransit
Indirect Overhead Expenses Total		\$ 922,110	\$ 989,380	7%	

Direct Operating Expenses

10002 - Administrative

Food & Beverage	62001	\$ 2,737	\$ 2,737	0%	Fixed Route
Food & Beverage	62001	\$ 263	\$ 263	0%	Paratransit
Memberships - Mountain Line Agency	62002	\$ 31,935	\$ 31,935	0%	Fixed Route
Memberships - Mountain Line Agency	62002	\$ 3,065	\$ 3,065	0%	Paratransit
Fees - Banking	62011	\$ 15,000	\$ 40,000	167%	Fixed Route
Supplies - Office	62014	\$ 11,223	\$ 11,223	0%	Fixed Route
Supplies - Office	62014	\$ 1,077	\$ 1,077	0%	Paratransit
Fees - Postage	62016	\$ 1,755	\$ 1,755	0%	Fixed Route
Fees - Postage	62016	\$ 168	\$ 168	0%	Paratransit
Fees - Postage	62016	\$ 115	\$ 115	0%	City Tax
Fees - Postage	62016	\$ 25	\$ 25	0%	County Tax
Advertising - Legal Notices	62036	\$ 4,000	\$ 4,000	0%	Fixed Route
Memberships - Individual Professional-Trade Association	62033	\$ 1,343	\$ 1,343	0%	Fixed Route
Memberships - Individual Professional-Trade Association	62033	\$ 129	\$ 129	0%	Paratransit

Administrative Total \$ 72,835 \$ 97,835 34%

10003 - Facilities

Contracted Services - Janitorial	62007	\$ 130,570	\$ 130,570	0%	Fixed Route
Contracted Services - Janitorial	62007	\$ 12,532	\$ 12,532	0%	Paratransit
Printing - Facilities-Signage	62034	\$ 3,000	\$ 3,000	0%	Fixed Route
Maintenance - Buildings & Grounds	62021	\$ 112,337	\$ 112,337	0%	Fixed Route
Maintenance - Buildings & Grounds	62021	\$ 7,025	\$ 7,025	0%	Paratransit
Temporary Staffing Services - Facilities	62028	\$ 20,093	\$ 20,093	0%	Fixed Route
Temporary Staffing Services - Facilities	62028	\$ 1,929	\$ 1,929	0%	Paratransit
Facilities Equipment - Fuel & Tax	64032	\$ 6,787	\$ 6,787	0%	Fixed Route
Facilities - Misc. Supplies	64011	\$ 4,865	\$ 4,865	0%	Fixed Route
Facilities - Misc. Supplies	64011	\$ 467	\$ 467	0%	Paratransit
Uniforms	64013	\$ 4,792	\$ 4,792	0%	Fixed Route
Facilities - Janitorial Supplies	64018	\$ 6,112	\$ 6,112	0%	Fixed Route
Facilities - Janitorial Supplies	64018	\$ 587	\$ 587	0%	Paratransit
Communication - Cell/Radio	64022	\$ 900	\$ 900	0%	Fixed Route
Facilities - Building Management Systems	64023	\$ 7,258	\$ 7,258	0%	Fixed Route
Facilities - Building Management Systems	64023	\$ 557	\$ 557	0%	Paratransit
Facilities - Bus Stop Maintenance	64024	\$ 24,242	\$ 24,242	0%	Fixed Route

Facilities Total \$ 344,053 \$ 344,053 0%

10004 - Vehicle Maintenance

Revenue Vehicle - Electricity	63001	\$ 71,752	\$ 71,752	0%	Fixed Route
Revenue Vehicle - Tax on Gas & Oil	63002	\$ 95,609	\$ 95,609	0%	Fixed Route
Revenue Vehicle - Tax on Gas & Oil	63002	\$ 9,456	\$ 9,456	0%	Paratransit
Revenue Vehicle - Oil & Other Fluids	63003	\$ 25,990	\$ 25,990	0%	Fixed Route
Revenue Vehicle - Oil & Other Fluids	63003	\$ 2,570	\$ 2,570	0%	Paratransit
Revenue Vehicle - Fuel	63004	\$ 665,153	\$ 665,153	0%	Fixed Route
Revenue Vehicle - Fuel	63004	\$ 36,299	\$ 36,299	0%	Paratransit
Revenue Vehicle - Tires	63005	\$ 117,091	\$ 117,091	0%	Fixed Route
Revenue Vehicle - Tires	63005	\$ 11,580	\$ 11,580	0%	Paratransit
Revenue Vehicle - Parts & Supplies	63006	\$ 464,782	\$ 464,782	0%	Fixed Route
Revenue Vehicle - Parts & Supplies	63006	\$ 44,052	\$ 44,052	0%	Paratransit
Route Expansion	63007	\$ 15,009	\$ 1,375,313	9063%	Fixed Route
Revenue Vehicle - Contracted Services - Janitorial	63008	\$ 88,628	\$ 96,000	8%	Fixed Route
Revenue Vehicle - Contracted Services - Repairs	63009	\$ 25,886	\$ 71,386	176%	Fixed Route
Revenue Vehicle - Contracted Services - Repairs	63009	\$ 2,560	\$ 7,060	176%	Paratransit
Non Revenue Vehicle - Tax on Fuel & Oil	64007	\$ 5,241	\$ 5,241	0%	Fixed Route
Non Revenue Vehicle - Fuel	64008	\$ 35,075	\$ 35,075	0%	Fixed Route
Non Revenue Vehicle - Tires	64009	\$ 3,198	\$ 3,198	0%	Fixed Route
Fleet - Misc. Shop Supplies	64010	\$ 21,552	\$ 21,552	0%	Fixed Route
Fleet - Misc. Shop Supplies	64010	\$ 2,068	\$ 2,068	0%	Paratransit
Skilled Trade Tool Allowance	64012	\$ 5,940	\$ 5,940	0%	Fixed Route
Uniforms	64013	\$ 17,036	\$ 17,036	0%	Fixed Route
Uniforms	64013	\$ 1,635	\$ 1,635	0%	Paratransit
Non Revenue Vehicle - Contracted Services - Repairs	64015	\$ 13,750	\$ 13,750	0%	Fixed Route
Licenses and Support - Fleet Applications	64047	\$ 7,428	\$ 7,428	0%	Fixed Route
Licenses and Support - Fleet Applications	64047	\$ 735	\$ 735	0%	Paratransit

Vehicle Maintenance Total \$ 1,790,075 \$ 3,207,751 79%

10006 - Information Technology						
Supplies - Computer & Phone	62006	\$	5,303	\$	9,853	86% Fixed Route
Supplies - Computer & Phone	62006	\$	525	\$	975	86% Paratransit
Utility - Mobile Phone Service & Equipment - Direct	62009	\$	13,700	\$	13,700	0% Fixed Route
Utility - Mobile Phone Service & Equipment - Direct	62009	\$	1,352	\$	1,352	0% Paratransit
Printing - Copier-Printers	62018	\$	7,893	\$	7,893	0% Fixed Route
Printing - Copier-Printers	62018	\$	757	\$	757	0% Paratransit
Licenses and Support - IT Security, Network Services, Storage	64045	\$	13,000	\$	13,000	0% Fixed Route
Licenses and Support - IT Security, Network Services, Storage	64045	\$	1,170	\$	1,170	0% Paratransit
Licenses and Support - IT Applications	64046	\$	36,433	\$	45,435	25% Fixed Route
Licenses and Support - IT Applications	64046	\$	3,496	\$	4,494	29% Paratransit
Information Technology Total		\$	83,629	\$	98,629	18%
10007 - Marketing						
Events - Marketing Outreach	62004	\$	3,500	\$	3,500	0% Fixed Route
Printing - Marketing Materials	62035	\$	27,716	\$	27,716	0% Fixed Route
Printing - Marketing Materials	62035	\$	2,660	\$	2,660	0% Paratransit
Advertising - Marketing	62019	\$	40,000	\$	40,000	0% Fixed Route
Professional Services - Marketing	62022	\$	72,800	\$	72,800	0% Fixed Route
Professional Services - Marketing	62022	\$	7,200	\$	7,200	0% Paratransit
Professional Services - Marketing	62022	\$	1,250	\$	1,250	0% Vanpool
Professional Services - Marketing Media	62024	\$	9,467	\$	9,467	0% Fixed Route
Professional Services - Marketing Media	62024	\$	909	\$	909	0% Paratransit
Professional Services - Marketing Website	62025	\$	32,848	\$	32,848	0% Fixed Route
Professional Services - Marketing Website	62025	\$	3,152	\$	3,152	0% Paratransit
Professional Services - Market Research	62029	\$	17,108	\$	17,108	0% Fixed Route
Communication - Cell/Radio	64022	\$	1,020	\$	1,020	0% Mobility Management
Licenses and Support - MM, Planning, & Reporting	64044	\$	22,000	\$	22,000	0% Mobility Management
Marketing Total		\$	241,630	\$	241,630	0%
10009 - Operations						
Contracted Services - Vanpool-Rideshare	63010	\$	91,300	\$	91,300	0% Vanpool
Uniforms	64013	\$	21,610	\$	21,610	0% Fixed Route
Uniforms	64013	\$	2,074	\$	2,074	0% Paratransit
Communication - Cell/Radio	64022	\$	36,304	\$	36,304	0% Fixed Route
Communication - Cell/Radio	64022	\$	3,368	\$	3,368	0% Paratransit
Contracted Services - Taxi Program Allowances	64030	\$	85,000	\$	85,000	0% City Taxi
Contracted Services - Taxi Program Allowances	64030	\$	15,000	\$	15,000	0% County Taxi
Licenses and Support - Operations - Fixed Route	64041	\$	52,444	\$	52,444	0% Fixed Route
Licenses and Support - Operations - Paratransit	64041	\$	52,444	\$	52,444	0% Paratransit
Licenses and Support - Passenger Reporting	64042	\$	19,000	\$	19,000	0% Fixed Route
Licenses and Support - Facilities Applications	64048	\$	28,358	\$	28,358	0% Fixed Route
Licenses and Support - Facilities Applications	64048	\$	2,722	\$	2,722	0% Fixed Route
Operations Total		\$	409,624	\$	409,624	0%
10011 - Workforce & Risk Management						
Trophies-Prizes-Gifts	62003	\$	11,040	\$	11,040	0% Fixed Route
Trophies-Prizes-Gifts	62003	\$	1,060	\$	1,060	0% Paratransit
Events - Employee Appreciation	62005	\$	10,338	\$	10,338	0% Fixed Route
Events - Employee Appreciation	62005	\$	992	\$	992	0% Paratransit
Insurance - Vehicle	64002	\$	456,464	\$	456,464	0% Fixed Route
Insurance - Vehicle	64002	\$	45,144	\$	45,144	0% Paratransit
Workforce - Recruitment	64005	\$	31,935	\$	31,935	0% Fixed Route
Workforce - Recruitment	64005	\$	3,065	\$	3,065	0% Paratransit
Workforce - Testing & Clinic Fees	64006	\$	5,336	\$	5,336	0% Fixed Route
Workforce - Testing & Clinic Fees	64006	\$	220	\$	220	0% Paratransit
Workforce - Orientation Food & Supplies	64016	\$	1,825	\$	1,825	0% Fixed Route
Workforce - Orientation Food & Supplies	64016	\$	175	\$	175	0% Paratransit
Workforce - Education Supplies	64019	\$	9,489	\$	9,489	0% Fixed Route
Workforce - Education Supplies	64019	\$	911	\$	911	0% Paratransit
Professional Services - Security Patrol	64028	\$	14,169	\$	14,169	0% Fixed Route
Workforce - Safety Committee	64029	\$	3,285	\$	3,285	0% Fixed Route
Workforce - Safety Committee	64029	\$	315	\$	315	0% Paratransit
Workforce Total		\$	595,763	\$	595,763	0%
Travel & Training						
Travel & Training - CEO	71001	\$	-	\$	24,570	100% Fixed Route
Travel & Training - CEO	71001	\$	-	\$	2,430	100% Paratransit
Travel & Training	71000	\$	11,830	\$	11,830	0% Fixed Route
Travel & Training	71000	\$	1,170	\$	1,170	0% Paratransit
Travel & Training	71000	\$	6,825	\$	6,825	0% Fixed Route

Travel & Training	71000	\$ 675	\$ 675	0%	Paratransit
Travel & Training	71000	\$ 2,275	\$ 2,275	0%	Fixed Route
Travel & Training	71000	\$ 225	\$ 225	0%	Paratransit
Travel & Training	71000	\$ 30,485	\$ 5,915	-81%	Fixed Route
Travel & Training	71000	\$ 3,015	\$ 585	-81%	Paratransit
Travel & Training	71000	\$ 17,062	\$ 17,062	0%	Fixed Route
Travel & Training	71000	\$ 1,688	\$ 1,688	0%	Paratransit
Travel & Training	71000	\$ 6,200	\$ 6,200	0%	Mobility Management
Travel & Training	71000	\$ 3,685	\$ 3,685	0%	Fixed Route
Travel & Training	71000	\$ 365	\$ 365	0%	Paratransit
Travel & Training	71000	\$ 2,737	\$ 2,737	0%	Fixed Route
Travel & Training	71000	\$ 263	\$ 263	0%	Paratransit
Travel & Training	71000	\$ 5,915	\$ 5,915	0%	Fixed Route
Travel & Training	71000	\$ 585	\$ 585	0%	Paratransit
Travel & Training Total		\$ 95,000	\$ 95,000	0%	
Direct Operating Expenses Total		\$ 3,632,609	\$ 5,090,285	40%	
Operating Expenses Total		\$ 14,206,892	\$ 16,819,613	18%	
Capital Expenses and Fixed Assets					
Planning Studies	80001	\$ 200,000	\$ 200,000		Planning
MetroPlan Studies	80003	\$ 34,000	\$ 18,500		Planning
Administrative Services	80004	\$ 100,000	\$ 170,211		Fixed Route
Software Purchase and Implementation	80006	\$ 550,000	\$ 30,000		Fixed Route
Facility Maintenance & Improvements	80008	\$ 50,000	\$ -		Fixed Route
Vehicle Passengers	90002	\$ 3,312,667	\$ 3,312,667		Fixed Route
CIP DCC	90007	\$ 3,330,000	\$ 3,700,000		Fixed Route
CIP New Bus Stops, Accessibility, Upgrades	90009	\$ 3,428,266	\$ 1,120,820		Fixed Route
CIP Ped/Bike/Tran	90011	\$ 6,211,959	\$ 3,630,000		Planning
Vehicle Rehab Improvements	90012	\$ 237,952	\$ 1,750,000		Fixed Route
Shelter Rehab	90013	\$ 165,000	\$ 165,000		Fixed Route
Land - Linda Vista	90014	\$ 240,000	\$ 440,000		Fixed Route
CIP Kaspar Maintenance Facility	90016	\$ 28,059,793	\$ 19,674,511		Fixed Route
Capital Expenses and Fixed Assets Totals		\$ 45,919,637	\$ 34,211,709		
Total Expenditures		\$ 60,126,529	\$ 51,031,322	-15%	
Total Revenues		\$ 60,126,529	\$ 51,031,322		
Total Expenditures		\$ (60,126,529)	\$ (51,031,322)		
Budget Balance		\$ -	\$ (0)		

Mountain Line Financial Plan Summary

	FY 2026 <i>Projected</i>	FY 2027 <i>Budget</i>	FY 2028	FY 2029	FY 2030	FY 2031
SYSTEM EXPENSES						
Operations Summary	\$ 13,986,677	\$ 16,819,613	\$ 18,883,187	\$ 19,438,140	\$ 20,009,649	\$ 20,598,209
Capital Summary	\$ 11,977,059	\$ 34,211,709	\$ 22,128,913	\$ 8,317,831	\$ 8,997,796	\$ 3,819,758
TOTAL SYSTEM EXPENSES	\$ 25,963,736	\$ 51,031,322	\$ 41,012,100	\$ 27,755,971	\$ 29,007,445	\$ 24,417,967
<i>Increase over prior year</i>	96.39%	120.25%	112.27%	102.94%	104.51%	84.18%

SYSTEM REVENUES						
Passenger Fares (on-board)	\$ 806,438	\$ 952,113	\$ 1,110,883	\$ 1,110,883	\$ 1,110,883	\$ 1,110,883
Passenger Fares (U-Pass, C-Pass and agency)	\$ 642,429	\$ 659,775	\$ 681,553	\$ 702,000	\$ 723,059	\$ 744,751
FTA Sec 5307 Formula Program (up to 50% of net operating costs)	\$ 4,400,508	\$ 4,533,843	\$ 4,533,843	\$ 4,533,843	\$ 4,533,843	\$ 4,533,843
FTA Sec 5307 Capital Program (up to 80% of costs)	\$ -	\$ 132,000	\$ -	\$ -	\$ -	\$ -
FTA Sec 5339 Capital Program (up to 80% of costs)	\$ 4,549,512	\$ 25,015,399	\$ 16,964,330	\$ 3,894,545	\$ 2,782,545	\$ 2,622,545
Other-Existing Misc Sources (this includes ADOT funds) (5)	\$ 1,673,973	\$ 1,341,687	\$ 550,925	\$ 552,331	\$ 553,766	\$ 555,229
Subtotal Non-Transit Tax Revenues	\$ 12,072,860	\$ 32,634,817	\$ 23,841,534	\$ 10,793,602	\$ 9,704,096	\$ 9,567,251
<i>Transit Tax needed to balance the budget</i>	\$ 13,890,876	\$ 18,396,505	\$ 17,170,566	\$ 16,962,369	\$ 19,303,348	\$ 14,850,715
TOTAL SYSTEM REVENUES	\$ 25,963,736	\$ 51,031,322	\$ 41,012,100	\$ 27,755,971	\$ 29,007,445	\$ 24,417,967

REVENUE FUND BALANCE	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Transit Tax	\$ 14,393,972	\$ 11,614,667	\$ 10,677,747	\$ 10,485,460	\$ 8,044,361	\$ 10,057,571
FTA 5307 (including STP and STIC)	\$ 1,209,770	\$ 1,223,987	\$ 1,370,204	\$ 1,516,421	\$ 1,662,638	\$ 1,808,855
FTA 5339 (previously 5309)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Subtotal Revenue Fund Balances</i>	\$ 15,603,742	\$ 12,838,654	\$ 12,047,951	\$ 12,001,881	\$ 9,706,999	\$ 11,866,426

Date: May 21, 2026
 To: Board of Directors
 From: Heather Dalmolin, CEO and General Manager
 Re: FY2027 CEO Travel Budget Summary

This memo has been prepared to highlight the total travel and training budget of the CEO and the planned opportunities.

The CEO Travel and training budget is as follows:

	FY2026	FY2027	Change
CEO Travel & Training, Indirect Bus	\$ 24,570	\$ 24,570	0%
CEO Travel & Training, Indirect Paratransit	\$ 2,430	\$ 2,430	0%

The events planned in FY2027 include attendance of the national conferences for the American Public Transit Association (APTA), the Community Transportation Association of America (CTAA), the South West Transit Association (SWTA), and the Arizona Transit Association (AZTA). The listed annual conferences and the specialized conference opportunities of this agencies offer a wide variety of opportunities to learn new information and skills, refresh knowledge, network with colleagues, learn from other system, meet with policy makers and funders, and gain exposure to transit solutions (vendor and products).

Additional opportunities in the FY2027 schedule include opportunities to participate in advocacy and education events with both federal and state officials. In 2026, these opportunities were crucial to gaining access to our federal obligation of funds awarded for Kaspar Maintenance Facility.

Each opportunity includes opportunities for other staff including one or both Deputy General Managers, Finance Director, Workforce Director, and other staff involved in financial management, technology decisions, planning efforts, and grant management. Staff have separate budgets and we strategically choose attendees based on offerings at the conference and role of staff.

The table on the following page includes predicted locations of event, expenses per trip, anticipated staff attendance, and reason for attendance.

FY2027 (Jul 1 2026 thru Jun 30, 2027) Travel for CEO and General Manager

This list is anticipated annual events that are typically attended by the CEO, it does not include travel for meetings in
 This list assumes CEO contract and travel stipend will be utilized for mileage statewide. Parking is still
 The costs as noted are estimates and actual cost may vary depending on locations. All travel will be conducted within the
 Changes to events and travel plans may occur. The CEO will work with the Finance Director to ensure changes are made per policy and within Budget.

<u>Event</u>	<u>Dates</u>	<u>Duration</u>	<u>Location</u>	<u>Total Cost</u>	<u>Staff Attendance</u>	<u>Reason</u>
CTAA Sun Annual Meeting, includes Bus Operator Roadeo	August	3 days	Monterey, California	\$ 2,200	DGM of Admin	seminar for small urban systems, policy and funding
APTA Annual Meeting	September	4-5 days	Chicago, Illinois	\$ 3,775	DGMs	national conf opportunity to network, learn, participate with vendors and colleagues
<i>Bus Coalition</i>	<i>occurs at APTA annual meeting</i>					
Legislative Advocacy in DC	September/ October	3 days	Washington DC	\$ 2,800	DGM of Admin	National advocacy and education on transit, funding and policies
Rural Transportation Summit	October	2-3 days	Flagstaff	\$ -		State advocacy and education on transit, funding and policies
SWTA Annual Conference	February	2-3 days	Texas	\$ 1,950	1 or 2 staff	conf for 8 states, small to large agencies. Education and policy setting for similar states
APTA CEO Conference	March	2-3 days	Atlanta, Georgia	\$ 3,550	DGMs	seminar for CEO's and Deputies, discussions on policies, funding, labor, challenges and opportunities
Legislative Advocacy in DC	March/ April	3 days	Washington DC	\$ 2,800	DGM of Admin	National advocacy and education on transit, funding and policies
AZTA Annual Conference	April	2-3 days	Tucson, Arizona	\$ 750	staff	Arizona conference to advocate for AZ policies and funding, education and networking with AZ systems
APTA Mobility Conference, includes Bus Operator Roadeo	May	2-3 days	out of state	\$ 3,550	DGM of Ops	national conf focused on mobility and access with opportunities to network, learn, participate with colleagues
CTAA Annual Meeting	Jun-26	3-4 days	out of state	\$ 3,500	DGMs	national conf opportunity for small and rural agencies to network, learn, participate with vendors and colleagues
				<u>\$ 24,875</u>		
				\$ 27,000.00		
				\$ (2,125.00)		



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DATE PREPARED: May 7, 2026

DATE: May 21, 2026

TO: Honorable Chair and Members of the Board

FROM: Heather Dalmolin, CEO and General Manager

SUBJECT: Free Fare Consideration

RECOMMENDATION:

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

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ This discussion and future action are directly related to the Strategic Plan and identified Success Outcomes.

BACKGROUND:

At different times since 2024, the Board of Directors and staff have explored whether to move Mountain Line from a fare required transit program to a fare free, or zero fare, program. In the early days, fare free was discussed as a mechanism to restore or grow ridership and due to it being a visible trend in the industry. Additionally, the cost of transportation is a known barrier to mobility including access to jobs, education, and health care. The net fare revenue (revenue after cost to collect fares) reported during these discussions was at least \$500,000 and as much as \$1.1M with the contribution made by NAU in lieu of fares. There was a significant amount of discussion by the Citizen Review Commission regarding covering operating cost paid by fare through the proposed 2024 transit tax question.

The conclusion of the Commission, the Board of Directors, and staff was that while we should seek more transit funding through a tax increase, those funds should be used to add transit service. Advancing frequency and striving for earlier/later service with improved weekend service are necessary to make our system a viable alternative for our community. Voter polling provided data on the level of funding increase that was likely to pass, and that level of funding was not enough to make service changes and make service fare free. We did consider how much transportation cost is a barrier and recommended the Board take steps to address that concern if they proceeded with recommendation to the City of Flagstaff to seek additional transit tax funding without funding free fare. The Board later enacted a reduced fare program change to give access to half fare rates to more people, including those eligible for low-income assistance in our community. These decisions were made carefully and intentionally with a keen focus on growing our transit footprint and reaching more people with better transit options.

After the tax passed in 2024, we presented to the Board on the financial viability of making Mountain Line fare free while improving service. The report in April 2025 confirmed that staff efforts to deliver to the community the promises made in Proposition 488 were the highest priority and that there was no change in the recommendation to consider making Mountain Line fare free. As committed to in the fall of 2025, staff have again looked at possibilities of fare free programs as a budget consideration and the risks associated with making that change now or in the future.

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- Mountain Line fares in FY2025 totaled \$1.6M with NAU contributions. After reducing revenues for the cost to collect fares, our net revenue was \$1.45M.
- Additional risks and considerations:
 - Proposition 488 promised the advancement of transit programs, and taking funds from these priorities put delivery at risk.
 - This concern was emphasized by the City of Flagstaff. Ultimately, the decision to make Mountain Line fare free requires concurrence from the City as the fiduciary of the transit tax funding and our team would need to be able to demonstrate the loss of fares does not delay or impact our ability to deliver improved programs promised in Proposition 488.
 - We have not evaluated how fare free impacts our paratransit program. If the bus is fare free, so is paratransit, and it is anticipated that we could experience an increase in demand of our most expensive program (paratransit is the federally mandated guaranteed transit service for persons who cannot access or navigate the bus).
 - We could still set a fare for the taxi program; however, we predict a decrease in the success of that program in favor of fare free paratransit trips.
 - Fares protect the intent of the program, a transportation alternative for the public.
 - Other transit systems that have gone fare free report an increase in staffing cost to enforce rider rules (must be riding to a destination) as removal of fare has been associated with increased loitering activities on the bus (people not riding to a destination but riding to ride, socialize, and gather).
 - We are already faced with a perception that transit is not safe, related to above loitering activities, and an increase in use of buses for non-transportation purposes only increases that concern and/or perception. This would put our relationship with families and FUSD at risk.
 - The federal administration is considering fare requirements for transit, as a required part of our local match. Mountain Line currently uses roughly \$5M a year of Federal Transit Administration funding for offsetting operating costs to our community funding source. Additionally, on average we secure between \$4M and \$10M annually to support our capital program needs. In the interest of protecting Proposition 488 funding and delivering on our promise to the community, it is concerning to move towards fare free in light of the potential impact on federal funding.

For all these reasons, staff are not including a move to fare free in setting our FY2027 budget, nor have we included that assumption in our 5-year financial plan. As reflected in the recently adopted 2026-2029 Strategic Plan, our measures of success are 1) Service Excellence, 2) Employee Investment, 3) Community Value, and 4) Financial Stability. It is our recommendation that delivering increased services to our community supports all these outcomes. To do that we need to protect our funding opportunities, locally and federally.

We strongly encourage the Board to direct staff to bring back for action in June of 2026 a recommendation to cease activities to explore how to make Mountain Line fare free until such time as 1) there is reauthorization of federal transit funding with no change to fare requirements **and** 2) a source of sustainable, long-term funding to replace fares is identified through community or partner efforts. If these funds are not secured, fare free puts strain on our programs and our success at risk.

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FISCAL IMPACT:

The fiscal impacts of this discussion are in the background; if Mountain Line were to become fare free, we would lose more than \$1.4 million dollars in funding annually without an offsetting source of funds. This loss is not financially sustainable in light of planned transit program growth and Mountain Line's capital program.

ALTERNATIVES:

No action is recommended; however, the Board may provide directions to staff on next steps and the future of the Procurement Resolution.

SUBMITTED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

1. Copy of 2025-04-25 Staff Report Free Fare Transit Update -pages 36-41





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DATE PREPARED: March 11, 2025

MEETING DATE: March 19, 2025

TO: Honorable Chair and Members of the Board

FROM: Heather Dalmolin, CEO and General Manager

SUBJECT: Fare Free Transit Update

RECOMMENDATION:

No action is recommended by staff for this discussion item.

RELATED STRATEGIC PLAN OBJECTIVE

- ❖ Goal One: Service Improvements
 - ❖ 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.
- ❖ Goal Five: Community Engagement
 - ❖ Objective: Increase the community's awareness of Mountain Line's value to the community.
- ❖ Goal Six: Fiscal Responsibility
 - ❖ Objective: Ensure a sustainable financial future through long-term financial planning.

BACKGROUND:

This report is on fare free transit consideration and an update on implementing new categories of eligibility for reduced fare. The authorization of the Board to expand our reduced fare program to include categories of low income, active military, and veterans was provided in June of 2024. The decision at the time was a result of several factors and the staff report from June is attached for your reference. A high-level summary of key points to the decision to expand reduced fare program over making our system fare free are below:

- The estimated revenue loss of making Mountain Line fare free was roughly \$534,000, but we are projected in FY2025 to reach over \$800,000 in fare revenue. Fare revenue is part of the funding used to pay for the operation of our programs.
- The Citizen Review Commission charged with considering Proposition 488 transit tax expansion prioritized delivery of service improvements with any funding that can be achieved versus replacing loss of fares with transit tax revenue.
- Fare free transit may have an additional impact on other revenues. Mountain Line, the City, and Northern Arizona University have an agreement in place for the operation of Route 10 through the University campus. The fee captured in that agreement is tied to free fare service to students while

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riding Mountain Line Route 10. If all of Mountain Line is made fare free, that change could void the agreement we have with NAU, resulting in an additional \$600,000 plus loss of operating revenue.

- The recommendation of staff was to secure funding for expanding transit programs, making our services more frequent and more convenient and focus on expanding the reduced fare program as a measure to increase access to transit for community members that struggle most with discretionary funds.
- The funding recommendation of the Board to the City for expanding the transit tax through a ballot initiative was based on public input about the maximum amount we should anticipate the public supporting. In order to replace fares generated by users, we would have needed to seek an additional 15% increase in funding. Due to feedback from surveys and the recommendation of the CAC, we didn't not include funding to replace fare revenue and make our programs fare free.

Staff have spent the last several months identifying the best ways to implement the reduced fare program changes. We are planning to replace our fare collection system by the end of the fiscal year and want to have solutions in place to launch these new fare options as part of the new system.

- We spoke with leadership at the Arizona Veteran's Home here in Flagstaff and have modified our application for reduced fare to identify that any service member can present their DD214 (military discharge documents) as evidence of their eligibility for reduced fare as a veteran. This change will go live in April 2025. We will also accept any other government issued identification that identifies the individual by name and with a photo as being a veteran, i.e. Driver's License or State Identification card.
- We are ready to accept any issued Military Identification Card issued by the Department of Defense (DoD) that demonstrates a person's name and photo as evidence of active military status. This too will go live in April of 2025.
- Staff have met with Coconino County Community Services team members about how to identify individuals qualifying for low income status in order to be eligible for reduced fare. The team at the County already manages many of the programs available to individual with low-income. Staff there have agreed to review our reduced fare application and make a recommendation on changes to add low-income as an eligible category. The goal is that any case worker within low-income case management could then complete the necessary certification in the application. This includes but is not limited to eligibility for Medicaid, Food Assistance, Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and state assisted health care/insurance. It is anticipated that this program will be live by July 1, 2025.

In all these situations, the individual will utilize the application to receive a reduced fare ID card that is provided to participants at zero cost. The ID is then the only additional information required when paying reduced fare on the bus. By altering the application, we maintain our existing fare system and impact the drivers in the most minimal way.

Once all of these mechanisms are confirmed and put in place, we will conduct the planned public outreach. Efforts include signage in the buses, flyers to riders, updating the website, changes to the Ride Guide, and an education effort for partners around the community who serve these same persons.

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This change is a critical effort to serve more people in our community, to reach more riders and connect more people to jobs, services, education, etc. Although we remain committed to researching fare free transit as an option for our community, staff have prioritized resources to planning service expansion, expanding the reduced fare program, and completing our significant capital projects. With the additional pressure of changing national administration and threats to our federal funding, it is our ongoing recommendation that now is not the time to transition to fare free transit.

FISCAL IMPACT:

There is no fiscal impact associated with this update. If the Board instructs staff to reconsider making fare free transit a priority, the anticipated impact is a loss of operating revenue that ranges from \$800,000 a year to \$1.6M.

TAC DISCUSSION:

The Transit Advisory Committee did not have any questions or discussion regarding this item.

APPROVED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

1. June 2024 Staff Report Expand Reduced Fare Program -pages 24-27

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DATE PREPARED: May 7, 2026

DATE: May 21, 2026

TO: Honorable Chair and Members of the Board

FROM: Heather Dalmolin, CEO and General Manager

SUBJECT: Expectations and Roles of the Chief Executive Officer (CEO) and the Board of Directors

RECOMMENDATION:

Staff recommend the Board of Directors adopt the Expectations and Roles of the CEO and the Board of Directors plan to set parameters for engagement of both parties in executing Mountain Line business transactions.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

❖ This plan supports execution of all aspects of the Strategic Plan Success Outcomes

BACKGROUND:

The CEO and the Board of Directors have engaged in several conversations since August of 2025 about improving engagement of the CEO and Board of Directors at and between Board meetings. It was identified that while Mountain Line has Rules of Procedures to govern Board meetings, there were no clearly identified roles and expectations for the roles of the CEO and Board. Both parties have significant interest in addressing this gap to improve effectiveness of meetings and interactions. The document as presented was developed by the CEO in coordination with the whole Board through several meetings over the last 2 months. The Board of Directors confirmed the document was acceptable and directed that the final document be presented for adoption in May.

Once adopted the document will become part of future Board member orientation materials or future CEO hiring documents in order to facilitate future successes in these areas.

FISCAL IMPACT:

There is no fiscal impact associated with the adoption of the plan as presented.

ALTERNATIVES:

- 1) Adopt the Expectations and Roles of the CEO and the Board of Directors plan (**recommended**): The expectations and roles as defined in the presented document are as developed by the CEO and Board in collaboration over the last 60 days. Both parties have agreed that this is a beneficial plan to have in place to improve effectiveness of engagement and reduce communication conflicts.





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- 2) Do not adopt the document as presented (**not recommended**): The expectations and roles were defined by the CEO and Board. If the document is not adopted, there is a lack of clarity regarding execution of transactions. If the document is not adopted, the CEO and Board should reconvene to resolve concerns as soon as possible to reach agreement on a revised document.

SUBMITTED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

1. Expectations and Roles of the CEO and the Board of Directors -pages 44-48

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Expectations and Roles of the CEO and the Board of Directors

To be Adopted: May 21, 2026

This plan is designed to clarify expectations and define roles in improving communication and information sharing between the CEO and Board of Directors of Mountain Line. In collaboration, the CEO and Board determined in a meeting on March 26, 2026, that developing and adopting this plan facilitates forward focus on the commitments needed to ensure Mountain Line's success by both the CEO and the Board of Directors.

1. **Timely completion and filing of Financial Audit Reports:** The FY2024 Financial Audit was not completed on time, and it was filed more than 9 months late. It is agreed that the audit is crucial to Mountain Line's success and timely completion ensures that financial issues are addressed timely with corrective action implemented to support future decisions and audits. It is expected that the CEO will ensure the audit is completed annually by the deadline as captured in the Amended IGA, no later than December 15 of each year. The CEO is committed to submitting monthly updates on the Audit schedule to the Board of Directors and Mountain Line's financial partners.

The audit prep schedule is attached to this plan.

2. **Proactive and consistent communication on key issues:** The CEO is responsible for timely reporting to the Board of Directors and Mountain Line's financial partners information on key issues, including financial updates, grant status, cash flow concerns, and compliance matters in a timely fashion. Regular updates will be provided to the Board of Directors and Mountain Line's financial partners in a quarterly report to the Board by the 15th of the month following the end of each quarter. It is the responsibility of the Board of Directors to provide timely review of the report and request additional information as needed or to request when items require an executive session or to be discussed at a regular meeting.

The draft of the quarterly report is attached to this plan, demonstrating report areas to be included.

3. **Timely, clear, and comprehensive responses to Board inquiries:** The CEO is responsible for ensuring inquiries of the Board are acknowledged and fully understood by staff so that responses are made timely with clear and comprehensive information. This includes inquiries made of the Board during

meetings, including requests issued during presentations and discussions. The CEO will summarize pending inquiries and action items at the conclusion of the meeting. It is the responsibility of the Board of Directors to provide restate inquiries that might have been missed during meetings and to provide timely clarification on inquiries as needed in order for staff to respond.

4. Distribution of materials for Board Meetings and Executive Sessions: Mountain Line has an adopted Board Packet Procedure that requires the agenda, staff reports, and attachments be provided to the Board at least one week before the regularly scheduled meetings. The CEO is responsible for ensuring the completeness of the packets and for communicating with the Chair and Vice Chair when an exception to this procedure is needed. The Chair and Vice Chair will provide timely review and collaborate with the CEO to approve the exception or schedule a second or special meeting in the same period so that information can be sent to the Board of Directors in accordance with this procedure. The Board of Directors is responsible for timely review of the Board packet information and ensuring the recommendation of staff is understood fully the before taking action.

The Board Packet Procedure is attached as reference.

5. Board meetings will be scheduled in accordance with Arizona public meeting requirements and scheduled with enough time necessary for discussion and decision-making: The CEO is responsible for scheduling meetings and posting agendas for the public in accordance with public meeting requirements. The CEO will ensure meeting start time is published and set in the electronic meeting invitation as sent to the Board of Directors by the Clerk of the Board. The Board of Directors is responsible for prioritizing time and attendance to support the regular meetings of the Board as well as any called special meetings and executive sessions. Board members will provide timely review of the agenda packet and advise the CEO of schedule or time commitment conflicts that may prevent the ability to complete meetings.

Mountain Line meetings do not have posted end times however the electronic meeting invitation does include an anticipated end time in the interest of assisting Board members with meeting other requirements of their time and roles. In order to address the underlying concern that enough time is not considered in setting the meeting times and to allow for adequate discussion, the electronic invitations for regularly reoccurring meeting will be expanded to be 4 hours in duration and special

sessions or executive sessions automatically be set for 2 hours in duration. It is the responsibility of the CEO to ensure staff are effective in presentations and efficient with time use. It is the responsibility of the Board of Directors to assist the CEO and staff with timely discussion by sending in advance of the scheduled meeting any questions they wish to be addressed and to clarify information shared in the staff report to facilitate timely discussion in Board meetings on the recommendation and or presentation.

6. Incorporate a recurring “To/From” communication item into the monthly Board agenda to enhance transparency and information flow: The CEO and General Manager will ensure a reoccurring ‘To/From’ communication item is placed on all agendas and specifically called out in the meeting. The CEO will use this time to summarize pending inquiries (see #3 above) and additionally is responsible for seeking from the Board of Directors updates or items not previously recognized for future agenda. The Board of Directors is responsible for identifying follow-up items to be addressed by the CEO and staff as well as asking for future agenda items.
7. Strong and consistent oversight of staff, including clear protocols for addressing performance or conduct issues: The CEO is responsible for staff oversight. This includes ensuring staff receive timely feedback, coaching and or discipline as necessary to improve performance, setting clear deadlines and defined improvement plans as triggered by failure to correct performance concerns, and additional actions to remove failing staff from their role as directed by Mountain Line policies.

The CEO will ensure timely communication to the Board of Directors on employee performance that results in a risk to reputation, that threatens agency funding, or that creates a liability concern. Regular staffing updates will be provided to the Board of Directors in a quarterly report to the Board by the 15th of the month following the end of each quarter. The Board of Directors will provide timely review and communicate to the CEO when additional information is needed.

Mountain Line Policies Section 5 regarding performance and discipline are attached.

8. Regular presence and availability in the office to support staff and provide program oversight: The CEO is responsible for staff oversight and performance and presence in the office is a significant measure of success. Additionally, the CEO is crucial to

community relationships and needs to be regularly accessible to the Board. The CEO is responsible for demonstrating a balanced schedule and working with the Chair and Vice Chair to schedule time out of the office for work related events, time off, and remote work (when desired or needed). The CEO will provide timely notice to the Chair and Vice Chair regarding schedule needs and changes, in accordance with Mountain Line policies.

9. Work-related travel schedule to be set and submitted annually for review and approval: The CEO is responsible for developing a schedule of anticipated travel and expenses as part of the annual budget setting process. At all times and in all iterations of the financial software and accounting system, the CEO travel budget will be easily identified for both budget approval and expense monitoring. Additionally, the CEO will submit the schedule to the Chair and Vice Chair for review and approval before expenses are incurred and the schedule will be used by the Finance Director to review and approve travel claims along with Mountain Line policies. Any additional travel needs will be reviewed as needed before costs are incurred throughout the year and written approval will be attached to any claims. The Chair and Vice Chair are responsible for timely review of the schedule and for seeking clarification as needed.

The CEO will include a travel report that summarizes benefits of participation and identify successful meetings/interactions, with the quarterly report to the Board of Directors by the 15th of the month following the end of each quarter. The Board of Directors will provide timely review and communicate to the CEO when additional information is needed.

10. Monthly meetings with the Chair and Vice Chair to include a report on financial oversight and organizational performance: The CEO will schedule a monthly meeting with the Chair and Vice Chair to review the prior month financial reports and organizational performance. The Chair and Vice Chair will prioritize this meeting and make themselves available for discussion and feedback on shared information. The meetings will be in person and be set for at least one hour monthly. The CEO is responsible for extending meeting times as needed.
11. Establish regular coordination with Partner finance teams to review financial reports, including cash flow and status of grant fundings, to strengthen fiscal alignment: The CEO is responsible for establishing a reoccurring meeting to include the CEO, Mountain Line's Finance Director, and partner finance team members as

identified by the partner. The frequency of the meeting will be as agreed as necessary by the partner. The Finance Director will establish agendas and review material with the CEO. The packet will be made available to the Board of Directors upon request, and the meeting summary will be included in the quarterly report to the Board of Directors by the 15th of the month following the end of each quarter. The Board of Directors will provide timely review and communicate to the CEO when additional information is needed.

This plan will guide actions and communication of the CEO and the Board of Directors. This document is hereby formally adopted by the Board of Directors and acknowledged and agreed to by the CEO.



DATE PREPARED: May 7, 2026

MEETING DATE: May 21, 2026

TO: Honorable Chair and Members of the Board

FROM: Anne Dunno, Capital Development Manager

SUBJECT: Request for Proposals (RFP) 2022-270 Biological and Archaeological Professional Monitoring Services

RECOMMENDATION:

Staff recommend the Board of Directors approve Contract Amendment No. 2 and issue Task Order No. 3 for Inadvertent Archaeological Discovery Services to support Phase 2 of the Downtown Connection Center Project in amount not to exceed \$26,046.60 to Commonwealth Heritage Group LLC under Contract No. RFP 2022-270. Additionally, authorize the CEO and General Manager to execute the referenced contract documents as already approved by legal.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ Service Excellence

BACKGROUND:

Mountain Line issued competitive procurement for on-call biological and archaeological Professional services on a task order basis in June 2022 to support the requirements outlined in the FTA Categorical Exclusion environmental documents for the NAU CDL course and the Downtown Connection Center Projects.

Mountain Line awarded the RFP to Commonwealth Heritage Group. In September 2022 the vendor was acquired by PaleoWest, LLC and is now doing business as Commonwealth Heritage Group LLC.

Mountain Line issued Contract Amendment No. 1 to extend the term of the contract to June 30, 2024, to align with project timelines. The proposed Contract Amendment No. 2 will utilize the five extensions allowed by the contract and amend the contract through June 30, 2028, as well as reflect the name change.

Mountain Line issued Task Order (TO) No. 1 for the CDL course for biological survey and on-call archaeology monitoring in amount of not to exceed \$19,000. The TO No. 1 scope was completed and closed out with total invoices of \$3,694.22. Mountain Line issued TO No. 2 for Phase 1 DCC for on-call inadvertent archaeological discovery services in amount not to exceed \$19,572.51. No services were utilized under TO 2; TO 2 is closed out.





Mountain Line’s proposed TO No. 3 is for on-call inadvertent archaeological discovery services in amount not to exceed \$26,046.60. The increased value is based on updated costs for professional services.

FISCAL IMPACT:

There are no fiscal impacts unless Mountain Line requires on-call archaeology services during DCC Phase 2 construction. The FY2026 adopted budget for the DCC in amount of \$3,330,000 includes fiscal capacity for Task Order 3.

ALTERNATIVES:

1. Approve Contract Amendment No. 2 and issue Task Order No. 3 for Inadvertent Archaeological Discovery Services to support Phase 2 of the Downtown Connection Center Project in amount not to exceed \$26,046.60 to Commonwealth Heritage Group LLC under Contract No. RFP 2022-270. **(recommended)**: Approval will provide ability for Mountain Line to utilize the on-call archaeological services if required.
2. Do not approve Contract Amendment No. 2 and issue Task Order No. 3 for Inadvertent Archaeological Discovery Services to support Phase 2 of the Downtown Connection Center Project in amount not to exceed \$26,046.60 to Commonwealth Heritage Group LLC under Contract No. RFP 2022-270. **(not recommended)**: Without approval, Mountain Line will not have the on-call archaeological services available as outlined in the FTA environmental clearance documents.

SUBMITTED BY:

Anne Dunno

Anne Dunno
Capital Development Manager

APPROVED BY:

Jacki Lenners

Jacki Lenners
Deputy General Manager

ATTACHMENTS:

- | | |
|---|----------------------|
| 1. RFP 2022-270 Arch and Bio Amendment 2 | -pages 51-53 |
| 2. RFP 2022-270 Arch and Bio Task Order 3 DCC | -separate attachment |



SECOND AMENDMENT TO CONTRACT NO. 2022-270

THIS SECOND AMENDMENT TO 2022-270. for **BIOLOGICAL AND ARCHAEOLOGICAL PROFESSIONAL MONITORING SERVICES** (“SECOND Amendment”) is made and entered into as of the **DATE** (the “Effective Date”), by and between the Northern Arizona Intergovernmental Public Transportation Authority, a political subdivision of the State of Arizona (“Mountain Line”), and **PaleoWest, LLC dba Chronicle Heritage (Chronicle)** (the “CONTRACTOR”). Mountain Line and the CONTRACTOR are sometimes referred to in this SECOND Amendment collectively as the “Parties” and each individually as a “Party.”

RECITALS:

A. The Parties entered into a CONTRACT for **BIOLOGICAL AND ARCHAEOLOGICAL PROFESSIONAL MONITORING SERVICES** dated **July 1, 2022** (the "Original Agreement"). All capitalized terms used without definition in this SECOND Amendment shall have the definitions ascribed to them in the Original Agreement, as modified by this SECOND Amendment.

B. The Parties now desire to amend the Original Agreement upon the terms and conditions contained in this SECOND Amendment.

AGREEMENTS:

NOW, THEREFORE, for and in consideration of the foregoing Recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby amend the Original Agreement as follows:

1. Amendment. **The contract is amended to utilize the five extensions allowable by the contract, through June 30, 2028, as well as to reflect the name change due to the acquisition of the firm by PaleoWest, LLC dba Chronicle Heritage (Chronicle).**

2. Reaffirmation of Original Agreement. Except as amended by this SECOND Amendment, all other terms and conditions of the Original Agreement shall remain in full force and effect. In the event of any conflict between this SECOND Amendment and the Original Agreement, the terms of this SECOND Amendment shall prevail.

3. Counterparts. This SECOND Amendment may be executed by facsimile or in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. Facsimile signatures shall have the same force and effect as original signatures and shall be binding upon the Parties.

CONTRACT NO. 2022-270

IN WITNESS WHEREOF, the Parties have executed this **SECOND** Amendment effective as of the Effective Date set forth above.

Mountain Line, a political subdivision of the State of Arizona

Date: _____

By: _____
Heather Dalmolin
Its: CEO and General Manager

Approved as to form:

By *Cameron C. Stanley*
Dickinson Wright PLLC
General Counsel, Mountain Line

**PaleoWest, LLC
Commonwealth Heritage Group LLC.**

Date: _____

By: _____
Name: Lauren Brooks
Its: Southwest Regional Principal



July 17, 2023

To Whom it May Concern,

On September 21st, 2022, PaleoWest LLC acquired Commonwealth Heritage Group Inc. and added the company to its portfolio, renaming the entity Commonwealth Heritage Group LLC. From there, the two entities are operating together as one sole company but maintaining a bit of separation for re-branding and tax purposes.

If there are further questions about the narrative of the acquisition, please feel free to contact Garrett Hiles at ghiles@paleowest.com or by phone at 517-320-6929. Thank you.

A handwritten signature in black ink, appearing to read 'Garrett Hiles'.

Garrett Hiles
Director of Integration





DATE PREPARED: May 6, 2026

MEETING DATE: May 21, 2026

TO: Honorable Chair and Members of the Board

FROM: Anne Dunno, Capital Development Manager

SUBJECT: Request for Proposals (RFP) 2022-140 Downtown Connection Center (DCC)
Contract Amendment & Change Order

RECOMMENDATION:

Staff recommend the Board of Directors approve Contract Amendment No. 6 in amount of \$82,883.19 for additional pre-construction services and Change Order No.13 to GMP No. 4 in amount of \$25,052.42 for additional scope under Contract No. RFP 2022-140 for Loven Contracting. Additionally, authorize the CEO and General Manager to execute Amendment No. 6 and Change Order No 13 upon confirmation from Mountain Line legal that the documents are approved as prepared.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ Service Excellence

BACKGROUND:

Contract Amendment No. 6 in the amount of \$82,883.19 is for pre-construction services to support Phase 2b DCC design through 60% plans. The Phase 2b design is underway with the Design Professionals, Ardurra and HDR, with a goal to complete 60% design of the “ultimate” Operations Hub and Civic Space by December 2026. Phase 2a for design of the “interim” (during Rio de Flag construction) Operations Hub is complete. Loven’s pre-construction services include constructability reviews, attending design/stakeholder meetings, cost modeling, and allowance for potholing on Phoenix Ave.

Change Order No. 13 is for three Owner requested additional scope items: 1) Restripe Phoenix Avenue near Milton Road, 2) Install a flagpole at the DCC building, and 3) Vault construction associated with removing above-grade Lumen and Optimum utility boxes in the public right of way. The value of the change order is \$25,052.42. The addition of these items does not change the GMP schedule.

FISCAL IMPACT:

The adopted FY2026 budget includes fiscal capacity in amount of \$3,300,000 for the DCC Project. The Contract Amendment No. 6 and the Change Order No. 13 fits within the available budget. The pre-





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construction scope and Owner additional items for the flagpole and the vault construction will be funded by FTA grant AZ 2025-034 in amount of \$12,374,241 (\$9,899,393 federal; \$2,474,848 local). The restriping of Phoenix Avenue will be locally funded.

ALTERNATIVES:

1. Approve Contract Amendment No. 6 in amount of \$82,883.19 for additional pre-construction services and Change Order No.13 to GMP No. 4 in the amount of \$25,052.42 for additional scope under Contract No. RFP 2022-140 for Loven Contracting. **(recommended)**: Approval will allow Mountain Line to obtain CMAR feedback into Phase 2b design development and install the Owner requested value added improvements for the DCC.
2. Do not approve Contract Amendment No. 6 in amount of \$82,883.19 for additional pre-construction services and Change Order No.13 to GMP No. 4 in the amount of \$25,052.42 for additional scope under Contract No. RFP 2022-140 for Loven Contracting. **(not recommended)**: Without approval, Mountain Line will not have CMAR feedback for constructability and cost modeling into the design development and will not install the Owner requested value added improvements to the DCC Project.

SUBMITTED BY:

Anne Dunno

Anne Dunno
Capital Development Manager

APPROVED BY:

Jacki Lenners

Jacki Lenners
Deputy General Manager

ATTACHMENTS:

- | | |
|---|--------------|
| 1. RFP 2022-10 DCC CMAR Amendment 6 | -pages 56-57 |
| 2. RFP 2022-10 DCC CMAR Change Order 13 | -pages 58-65 |

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SIXTH AMENDMENT TO CONTRACT NO. 2022-140

THIS SIXTH AMENDMENT TO 22-10. for **CONSTRUCTION MANAGER AT RISK FOR THE MOUNTAIN LINE DOWNTOWN CONNECTION CENTER** (“SIXTH Amendment”) is made and entered into as of the **May 1, 2026** (the “Effective Date”), by and between the Northern Arizona Intergovernmental Public Transportation Authority, a political subdivision of the State of Arizona (“Mountain Line”), and **Loven Contracting** (the “CONTRACTOR”). Mountain Line and the CONTRACTOR are sometimes referred to in this SIXTH Amendment collectively as the “Parties” and each individually as a “Party.”

RECITALS:

A. The Parties entered into a CONTRACT for **CONSTRUCTION MANAGER AT RISK FOR THE MOUNTAIN LINE DOWNTOWN CONNECTION CENTER** dated **May 15, 2022** (the "Original Agreement"). All capitalized terms used without definition in this SIXTH Amendment shall have the definitions ascribed to them in the Original Agreement, as modified by this SIXTH Amendment.

B. The Parties now desire to amend the Original Agreement upon the terms and conditions contained in this SIXTH Amendment.

AGREEMENTS:

NOW, THEREFORE, for and in consideration of the foregoing Recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby amend the Original Agreement as follows:

1. Amendment.

a. **ARTICLE 3 - PRE-CONSTRUCTION SERVICES** is amended to include such services as detailed in the attached Proposal.

i. Labor and material to install flagpole base and pole, excavate and install low voltage vaults and patch concrete, and striping revisions on Pheonix Avenue as directed by the Restriping Plan as provided by the Civil Engineer Ardurra.

2. Reaffirmation of Original Agreement. Except as amended by this SIXTH Amendment, all other terms and conditions of the Original Agreement shall remain in full force and effect. In the event of any conflict between this SIXTH Amendment and the Original Agreement, the terms of this SIXTH Amendment shall prevail.

3. Counterparts. This SIXTH Amendment may be executed by facsimile or in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. Facsimile signatures shall have the same force and effect as original signatures and shall be binding upon the Parties.

CONTRACT NO. 2022-140

IN WITNESS WHEREOF, the Parties have executed this SIXTH Amendment effective as of the Effective Date set forth above.

Mountain Line, a political subdivision of the State of Arizona

By: _____
Heather Dalmolin
Its: CEO and General Manager

Approved as to form:

By _____
Dickinson Wright PLLC
General Counsel, Mountain Line

Contractor

By: _____
Name: Jon Hansen
Its: President



**NORTHERN ARIZONA INTERGOVERNMENTAL PUBLIC TRANSPORTATION
AUTHORITY,
a political subdivision of the State of Arizona (“Mountain Line”)**

PROJECT CHANGE ORDER

**Project Change Order No. 13
Contract No. 2022-140
Project No. 1**

THIS CHANGE ORDER is made and entered into on the 1st day of May, 2026, by and between the Northern Arizona Intergovernmental Public Transportation Authority, a political subdivision and corporate body of the State of Arizona (“Mountain Line”) and the "Contractor" designated below. This Change Order is entered into pursuant to and incorporates herein the terms and provisions of the Contract, dated May 2, 2022, between Mountain Line and Contractor. Upon full execution of this Change Order, the Change Order, together with the Contract (including all of the Contract Documents as defined therein), shall be the Contract between the Parties for the Work.

Mountain Line and Contractor agree as follows:

Mountain Line: **Mountain Line**
216 W. Phoenix Ave.
Flagstaff, AZ 86001
Project Manager: Anne Dunno
Telephone: 928-679-8942
E-mail: adunno@mountainline.az.gov

CONTRACTOR: **Loven Contracting**
1100 S. Pinnacle Street
Flagstaff AZ 86001
Contractor Representative: Jon Hansen
Telephone: 928-774-9040
E-mail: jhansen@lovencontracting.com

CHANGE ORDER DESCRIPTION:

CHANGE ORDER SCOPE OF WORK AND PROJECT SCHEDULE/DURATION:
Attached Proposal

Original Contract Amount \$5123,759.03

Previous Change Order(s) Total \$27,007,595.79

Contract Sum Prior to This CO (1+2) \$27,131,354.61





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1. **The Contract Sum/GMP will be**
 - a. increased ___ decreased or ___ unchanged
 - b. by this Change Order in the amount of **\$25,052.42**

New Contract Sum/GMP (3+4) \$27,156,407.03

2. **Schedule Contract Time will be**
 - a. ___ increased ___ decreased or unchanged
 - b. by this Change Order by _____ days
3. **The date of ___ Substantial ___ Final Completion**
 - a. as of the date of this Change Order is **unchanged**

Other Conditions/Provisions:

Not Applicable

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IN WITNESS WHEREOF, the parties hereto have caused this Change Order to be executed by their duly authorized representatives, effective as of the date first written above.

MOUNTAIN LINE:

**NORTHERN ARIZONA INTERGOVERNMENTAL
PUBLIC TRANSPORTATION AUTHORITY,**
a political subdivision of the State of Arizona

By: Heather Dalmolin

Its: CEO and General Manager

CONTRACTOR:

By: Jon Hansen

Its: President

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May 6, 2026

Ms. Anne Dunno, PMP
Capital Development Manager
Mountain Line
216 W. Phoenix Avenue
Flagstaff, AZ 86001

**RE: Mountain Line Downtown Connection Center Civic Space and OPS Hub Preconstruction Services
Scope of Services**
Loven Contracting Project # 25-345-02

Dear Ms. Dunno,

The following is Loven Contracting's Lump Sum CMAR Compensation and Expenses proposal for Schematic and Design Development Milestone Design Phase Services for Mountain Line based upon the following documents:

1. Request for services: Meeting Minutes 8.06.2025 DCC Phase 2 meeting.
 - a. Subsequent meeting on 5/2/2026 to combine the two projects into one design assist phase.

Project Understanding:

Mountain Line is requesting preconstruction services for the Downtown Connection Center Civic Space and OPS Hub. This is to be a change order to the original preconstruction services agreement.

Services include program evaluation, onsite investigations and existing conditions verification, construction feasibility assessment, schedule development and management, budget development and refinement, develop procurement strategy, and cost estimates in CSI Master Format. Includes participation in design meetings. Upon Completion of the proposed services noted within this proposal a subsequent proposal for Construction Documents Design Assist proposal will be provided.

These services for the Civic Space and OPS Hub will be completed on an every other alternating week schedule for design meetings. Within this proposal the scopes referenced below will be completed for each space and have been separated within the cost breakdown included with Attachment 'A'.

Basis of Services:

Project Site Observation and Analysis

1. Conduct a project site visit to review existing conditions.
 - a. **Deliverable:** Provide PDF document noting locations, material types, and depths, within project limits for incorporation into the plans by others and shared with owner and architect of record.

Project Meetings

1. Participate in project kickoff meeting and provide meeting minutes to design team and Mountain Line
2. Participate in bi-weekly virtual design meetings and provide meeting minutes to design team and Mountain Line. Civic Space and OPS Hub to both be conducted within same meeting.

3. Includes one meeting at Schematic Design and Design Development budget milestones with Mountain Line and stakeholders to review budgets and scopes of work.
 - a. **Deliverable:** Coordination of meeting agendas, meeting materials, and meeting minutes.

Design Document Review

1. Provide review of design documents at schematic design and design development design review, including constructability analysis, biddability review, and alternative systems strategies.
 - a. **Deliverable:** PDF markup of design documents provided to the owner and design team.

Budgeting:

- i. **Cost Model (30% Plan Milestone):**
 - a. Provide cost model based on architect's 30% milestone plans and narratives. The final deliverable will be a conceptual estimate utilizing quantities, and unit costs with selective input from trade partners.
- ii. **Cost Estimate (60% Plan Milestone): December, 2026**
 - a. Provide cost estimate based on architect 60% milestone plans and specifications. The cost estimate will utilize quantities and unit costs with selective input from trade partners.
- iii. NOTE: Both Civic and OPS project will receive standalone budgeting documents.

Procurement Plan/Schedule

1. Provide a procurement plan coordinated with the construction schedule. Identify materials long- lead times and pre-purchasing strategies coordinated with the construction schedule. Provide analysis of alternative products for time or cost impacts.
 - a. **Deliverable:** Procurement schedule within the master schedule identifying milestones and lead times for equipment coordinated with the weekly project schedule.

Construction Management Plan

1. Includes development of site logistics plan, site-specific safety plan, and contractor parking plan.
 - a. **Deliverable:** PDF of site logistics plan, site-specific safety plan, traffic control plan, and contractor parking plan.

Permit Support

1. Coordinate with the City of Flagstaff to provide support with the future permitting process.

Insurance

1. Includes general liability, workers' compensation, and automobile liability.
 - a. **Deliverable:** Certificate of Insurance.

Additional Services (TBD)

1. Additional services will be provided as requested and approved. Additional services will be reimbursed at the hourly rates provided or at an agreed-upon lump sum.

Reimbursables

1. Not included within these services.

Utility Locating

1. **Includes an allowance of \$30,500.00 for utility locating and PDF of as found conditions. Final survey and recording of depths by owner contracted civil engineer.**

Permit Fees:

1. The City of Flagstaff Building Entitlement and Concept Review Fees shall be paid by the owner.

Design Schedule:

1. The design is scheduled for a duration of **7-months** Please note this schedule could be affected by variables beyond Loven's control, such as user input timeframes, approvals, sign off time frames, agency review time frames, etc.

The following are exclusions that are not provided within the development of this proposal:

1. Any work not specifically stated above.
2. Bonds.
3. Construction or phase mock-ups.
4. Design and construction document production
5. 3rd party or trade partner BIM modeling.
6. Life cycle or maintenance cost development.

Loven Contracting appreciates the opportunity to respectfully submit this design assist proposal for preconstruction services, the value of these services is **\$82,883.19**

We appreciate the opportunity to provide this proposal.

Regards,



Ryan Stevens
Director of Preconstruction, CHC

Cost Breakdown

PROJECT NAME:	DCC Civic Space & OPS Hub Precon		
PROJECT NUMBER:	25-345-02		
LAST UPDATED:	Updated 5.06.2026		
OWNER(S):	Mountain Line		
DURATION:	7 months (May 26-Dec 26)		

PHASE #	CATEGORY	CATEGORY DESCRIPTION	NOTES / SCOPE	CIVIC and OPS
DIVISION 00-PRE-CONSTRUCTION				
DIVISION PHASE CODE	CATEGORY DESCRIPTION		NOTES/SCOPE	CIVIC
002401	Pre-Con Project Executive			\$ 3,118.50
002408	Pre-Con Senior Project Manager			\$ 3,260.25
002402	Pre-Con Director			\$ 36,792.00
002404	Pre-Con Project Manager			\$ -
002405	Pre-Con Senior Superintendent			\$ 4,620.00
002500	Pre-Con Electronic Media			\$ -
003121	Utility Potholing		Allowance	\$ 30,500.00
003126	Reimbursibles			\$ -
003132	Geotechnical Data		By Mountain Line	\$ -
00-Pre-Construction Total				\$ 78,290.75

ESTIMATE SUMMARY			
			CIVIC
Subtotal			\$ 78,290.75
Insurance	1.55%		\$ 1,213.51
Construction Fee	4.25%		\$ 3,378.93
Bond			\$ -
Total Estimate			\$ 82,883.19

Design Assist Hours Breakdown

Preconstruction Development Breakdown								
Project Name	DCC Civic Space Design Assist 30/60		Design meetings every two weeks. 3 SD 4DD . Budget Review meetings included in Budget Development?	Plan Review Markup and Distribution at SD & DD.	Weekly Schedule Distribution, long lead confirmataion, early procurement	SD and DD. CD to be subsequent proposal under other services agreement		
Date	5/6/2026							
Duration of Preconstruction	7 Months (May 26-Dec 26)							
Milestone List	Team Member	Site Investigation	OAC Meetings	Constructability Review	Schedule Management	Budget Develop/Procurement	Trade Partner Verification	Site/Logistics plan
		Hourly Breakdown:						
Schematic Design								
	Pre-Con Project Executive		7	2	0	1		
	Pre-Con Senior Project Manager		2	0	0	0		
	Pre-Con Project Manager		0		0	0		0
	Director of Preconstruction		36	16	8	64		4
	Assistant Estimator							
	Pre-Con Senior Superintendent							
Design Development								
	Project Executive		8	2	1	1		
	Senior Project Manager	1	12	4	4	4		
	Pre-Con Project Manager							0
	Director of Preconstruction	4	48	32	12	64		4
	Assistant Estimator							
	Pre-Con Senior Superintendent	40						
Totals		45	113	56	25	134	0	8
Team Member	Team Member Total Hours	Preconstruction Member %	Allocated Team Member					
Pre-Con Project Executive	22	6%						
Pre-Con Senior Project Manager	27	7%						
Pre-Con Project Manager	0	0%						
Director of Preconstruction	292	77%						
Assistant Estimator	0							
Pre-Con Senior Superintendent	40	10%						
Totals	381							

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This scope of work, its cost, and the associated information included in this document are considered to be the property of and proprietary information from Loven Contracting. Any dissemination to other parties requires prior approval by Loven Contracting.





DATE PREPARED: May 6, 2026

DATE: May 21, 2026

TO: Honorable Chair and Members of the Board

FROM: Heather Dalmolin, CEO and General Manager

SUBJECT: Procurement Resolution

RECOMMENDATION:

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

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ Financial Sustainability

BACKGROUND:

The Procurement Resolution was first developed and implemented in the Fall of 2019 at the direction of the Board of Directors, as identified possible by Mountain Line legal counsel, and as supported by Mountain Line Purchasing Policy.

The idea was brought forward by Mountain Line legal counsel in response to the Board's desire to manage less of the day-to-day business transactions and allow for Board discussions stayed focused on policy setting and business strategy in support of the CEO and staff. Per the staff report and discussion with the Board of Directors in September 2019, the provisions of the Intergovernmental Public Transportation Authority (IPTA) language of the Arizona Revised Statutes allow the NAIPTA Board of Directors to delegate the responsibilities related to procurement and contracts to the CEO and General Manager. The delegation was seen by staff and the Board as desirable as it supports staff in making timely consideration of awards, contracts, and changes. Another benefit was seen as the preservation of limited Board Meeting time for in depth and broad policy and strategy discussions.

At the direction of the Board, staff developed the Procurement Resolution to authorize the CEO and General Manager to act on behalf of the Board of Directors to approve procurement award recommendations after such procurements are conducted in a manner directed by the purchasing policies and execute contracts with vendors selected as best value after a competitive process. The original plan for the resolution included an annual process to approve the Procurement Resolution as related to the projects named and included in the approved fiscal year budget, the 10-year financial plan and where applicable supported by the annual Grant Resolution. While the resolution uses delegation for award of procurement and contracts, the process was designed to ensure the Board of Directors remains informed on future projects and continues to engage in the approval of the funding necessary to award procurements and authorize contracts.

The process also included that any procurement decisions that have a high impact to the community, that are protested or appealed or should be considered controversial will be brought before the Board of Directors for formal action including determining the outcome of any protest or appeal.





Since implementation of the resolution in 2019, the Procurement Resolution has been presented to the Board of Directors for annual approval, including in June 2025.

At the request of the Board, staff are seeking feedback on the resolution and the delegations granted to the CEO. Staff believe the resolution is an important tool that supports the Board of Directors meeting priorities and that supports staff in timely contract award decisions and enacting work. Staff are willing and prepared to modify the resolution before June 2026 if that is the preferred direction.

FISCAL IMPACT:

There is no fiscal impact directly associated with having a Procurement Resolution in place each year. If procurement and contract decisions are delayed, there may be associated costs for redoing procurements or for escalation or prices available.

ALTERNATIVES:

No action is recommended; however, the Board may provide direction to staff on next steps and the future of the Procurement Resolution.

SUBMITTED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

- | | |
|---|--------------|
| 1. Staff Report Procurement Resolution, August 2019 | -pages 68-69 |
| 2. Staff Report Procurement Resolution 2020-110, September 2019 | -pages 70-72 |
| 3. Staff Report Resolution 2025-210: FY2026 Procurement Resolution, June 2025 | -pages 73-75 |





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DATE PREPARED: July 24, 2019

MEETING DATE: August 21, 2019

TO: Honorable Chair and Members of the Board

FROM: Heather Dalmolin, Administrative Director

SUBJECT: Consider Developing a Procurement Resolution

RECOMMENDATION:

Staff recommends the Board of Directors direct the NAIPTA CEO and General Manager to develop an annual Procurement Resolution for future procurement awards and contract authorizations related to the approved fiscal year budget and approved Grant Resolution.

RELATED STRATEGIC WORKPLAN OBJECTIVE:

Guiding Principles:

- ❖ Strive for continuous improvement in all we do
- ❖ Collaborate to enhance service delivery

5 Year Horizon:

- ❖ Establish financial policies and seek revenue sources to maintain fiscal strength.
- ❖ Build cooperative relationships regionally to expand and enhance NAIPTA's positive impact.

BACKGROUND:

The Board of Directors adopted and updated NAIPTA's procurement policies in October of 2017. These policies are used to guide all activities related to the use of public funding, i.e. transit funding, for goods and services necessary to support provision of public transit in and around NAIPTA's service area. The policy delegates Board authority to the CEO and General Manager for award of procurements and authorization of contracts of less than \$100,000 while retaining authority with the Board for procurements and contracts of \$100,000 or greater. These authorizations result in large procurements being presented to the Board for consideration and approval on a regular basis, and results in Board action being required for all amendments that change the contract by more than \$20,000 or 15%. As the Board meets only once monthly, these requirements can create some challenges for staff and/or delays in projects while work is paused to await Board action.

Under the provisions of the Intergovernmental Public Transportation Authority (IPTA) language of the Arizona Revised Statutes, the NAIPTA Board of Directors may further delegate the responsibilities related to procurement and contracts to the CEO and General Manager. This delegation could provide staff with an option that allows for more timely consideration of awards, contracts, and changes. Another benefit would be preservation of limited Board Meeting time for in depth and broad policy and strategy discussions.



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If the Board is interested in staff developing a Procurement Resolution, staff can move forward to create the recommended resolution to authorize the CEO and General Manager to act on behalf of the Board. Staff would then bring the resolution to the Board, on an annual basis, along with a related project list that is based on the approved fiscal year budget, the long-term financial plan, and the associated fiscal year Grant Resolution. These tools ensure the Board continues to be informed of projects and approves of funding necessary to award procurements and authorize the contract. NAIPTA staff will continue to provide project updates and allow for Board discussion of projects at regular meetings.

Any procurement decisions that are protested or appealed will be brought before the Board for formal action and resolution of the protest.

TAC DISCUSSION:

ALTERNATIVES:

- 1) **Direct staff to develop a Procurement Resolution (recommended):** This resolution is in line with allowances under NAIPTA's procurement policies and the State rules for an IPTA and allows for staff to be responsive and agile to timely award and action on procurements. Development of the Resolution will afford the NAIPTA Board an opportunity to comment on the process and provide further consideration of this approach.
- 2) **Do not direct staff to develop a Procurement Resolution (not recommended):** This alternative is not recommended as then each procurement of \$100,000 or more will continue to need to be timed accordingly to Board meetings and as such may cost staff and projects time.

FISCAL IMPACT:

There is no fiscal impact directly related to the development of the resolution. The resolution is expected to offer the opportunity to process procurements and related contracts in a more efficient manner while creating an opportunity to be timely in engaging contractors on projects. Each procurement will require support from the annual approved budget and be named in the 10-year financial plan.

APPROVED BY:

Heather Dalmolin, Administrative Director

Erika Mazza, CEO and General Manager

ATTACHMENTS:

None.



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DATE PREPARED: September 11, 2019

MEETING DATE: September 18, 2019

TO: Honorable Chair and Members of the Board

FROM: Heather Dalmolin, Administrative Director

SUBJECT: Consider Procurement Resolution 2020-110

RECOMMENDATION:

Staff recommends the Board of Directors approve Procurement Resolution 2020-110 authorizing the CEO and General Manager to 1) authorize and award procurements and 2) execute contracts that support projects that are within the approved fiscal year budget, the 10-year financial plan, and which may be related to the approved annual Grant Resolution.

RELATED STRATEGIC WORKPLAN OBJECTIVE:

Guiding Principles:

- ❖ Strive for continuous improvement in all we do
- ❖ Collaborate to enhance service delivery

5 Year Horizon:

- ❖ Establish financial policies and seek revenue sources to maintain fiscal strength.
- ❖ Build cooperative relationships regionally to expand and enhance NAIPTA's positive impact.

BACKGROUND:

The Board of Directors adopted and updated NAIPTA's procurement policies in October of 2017. These policies are used to guide all activities related to the use of public funding, i.e. transit funding, supplying goods and services necessary to support public transit in and around Mountain Line's service area. The policy delegates Board authority to the CEO and General Manager for award of procurements and authorization of contracts of less than \$100,000 while retaining authority with the Board for procurements and contracts of \$100,000 or greater. These authorizations result in large procurements being presented to the Board for consideration and approval on a regular basis, and results in Board action being required for all amendments that change the contract by more than \$20,000 or 15%. As the Board meets only once a month, these requirements can create some challenges for staff and/or delays in projects while work is paused to await Board action.

Under the provisions of the Intergovernmental Public Transportation Authority (IPTA) language of the Arizona Revised Statutes, the NAIPTA Board of Directors may further delegate the responsibilities related to procurement and contracts to the CEO and General Manager. This delegation could provide staff with an option that allows for more timely consideration of awards, contracts, and changes. Another benefit would be preservation of limited Board Meeting time for in depth and broad policy and strategy discussions.



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Staff is recommending Procurement Resolution 2020-110 to authorize the CEO and General Manager to act on behalf of the Board of Directors to approve procurement award recommendations after such procurements are conducted in a manner directed by the purchasing policies and execute contracts with vendors selected as best value after a competitive process. The resolution will be an annual process for projects named and included in the approved fiscal year budget, the 10-year financial plan and where applicable supported by the annual Grant Resolution. These parameters and documents ensure the Board of Directors remain informed on future projects and continue to approve the funding necessary to award procurements and authorize the contract.

Any procurement decisions that are high impact to the community, protested or appealed, or considered controversial will be brought before the Board of Directors for formal action including making determination of any protest or appeal.

Detailed project updates, including contract or procurement decisions, will be made available at the next regular occurring Board Meeting in order to engage the Board in discussion of the projects as a whole.

TAC DISCUSSION:

The Transit Advisory Committee supported the recommendation to the Board of Directors.

ALTERNATIVES:

- 1) **Approve Procurement Resolution 2020-110 (recommended):** This resolution is in line with allowances under NAIPTA's procurement policies and the State rules for an IPTA and allows for staff to be responsive and agile to timely award and action on procurements. Procurement Resolution 2020-110 will afford the NAIPTA Board an opportunity to engage a thoughtful manner on strategic purpose projects, issues, and policies while delegating management of procurements and contracts to the CEO and General Manager.
- 2) **Do not approve Procurement Resolution 2020-110 (not recommended):** This alternative is not recommended as then each procurement of \$100,000 or more will continue to need to be timed accordingly to align with Board meetings and as such may cost staff and projects time, and such Board consideration will consume time at Board meetings that could otherwise be used for strategic planning and engagement.

FISCAL IMPACT:

There is no additional fiscal impact directly related to approving Procurement Resolution 2020-110 as the resolution reflects projects approved in the annual fiscal year budget and 10-year financial plan. The resolution offers the opportunity to process procurements and related contracts in a more efficient manner while creating an opportunity to be timely in engaging contractors on projects.



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APPROVED BY:

Heather Dalmolin, Administrative Director

Erika Mazza, CEO and General Manager

ATTACHMENTS:

- | | |
|---------------------------------------|-----------------------|
| 1) Procurement Resolution 2020-110 | -pages 26-27 |
| 2) FY2020 Annual Budget, Project List | -available at meeting |
| 3) FY2020 Financial Plan, excerpt | -available at meeting |



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DATE PREPARED: June 11, 2025

MEETING DATE: June 18, 2025

TO: Honorable Chair and Members of the Board

FROM: Josh Stone, Financial Manager

SUBJECT: Resolution 2025-210: FY2026 Procurement Resolution

RECOMMENDATION:

Staff recommends the Board of Directors approve Resolution 2025-210: FY2026 Procurement Resolution to authorize the CEO and General Manager to 1) approve and award procurements and 2) execute contracts that support projects that are within the approved fiscal year budget, the 5-year capital improvement plan, the financial plan, and which may be related to the approved annual Collective Grant Resolution.

RELATED STRATEGIC PLAN OBJECTIVE:

- ❖ Resolution 2025-210: FY2026 Procurement Resolution supports all aspects of the Strategic Plan and Key Objectives

BACKGROUND:

The Board of Directors adopted and updated Mountain Line's procurement policies in August of 2022. These policies are used to guide all activities related to public funding, i.e., transit funding, used to supply goods and services necessary to support public transit in and around Mountain Line's service area. The procurement policy delegates authority to the CEO and General Manager for the award of procurements and authorization of contracts of less than \$100,000 while retaining authority with the Board for procurements and contracts of \$100,000 or greater. These authorizations result in large procurements being presented to the Board for consideration and approval on a regular basis and result in Board action being required for all amendments that change the contract by more than \$20,000 or 15%. As the Board meets only once a month, these requirements can create challenges for staff and/or delays in projects while work is paused to await Board action. The Board of Directors first approved a Procurement Resolution in 2019, as allowed by regulatory language, to authorize the CEO and General Manager to act on behalf of the Board of Directors to approve procurement award recommendations after such procurements are conducted in a manner directed by the purchasing policies and execute contracts with vendors selected as the best value after a competitive process. The resolution provides staff with an option that allows for more timely consideration of awards, contracts, and changes while preserving limited time at meetings for the Board to engage in broad policy and strategy discussions.

The resolution was determined to be an annual process for procurements included in the approved fiscal year budget, the 5-year capital improvement plan, the financial plan, and where applicable,





supported by the annual Grant Resolution. Any procurement decisions that have high impact to the community, protested or appealed, or considered controversial will be brought before the Board of Directors for formal action, including the decision of any protest or appeal.

Staff are recommending the Board approve Resolution 2025-210: FY2026 Procurement Resolution to support procurements for FY2026 as defined in the adopted budget, the 5-year capital improvement plan, the financial plan, and as supported by the annual Collective Grant Resolution. Detailed project updates, including contract or procurement decisions, will be made available at the regular meetings of the Board of Directors to engage the Board in a discussion of the projects.

FISCAL IMPACT:

There is no additional fiscal impact directly related to approving Resolution 2025-210: FY2026 Procurement Resolution as the resolution reflects projects approved in the annual fiscal year budget, the 5-year capital improvement plan, and the financial plan. The resolution offers the opportunity to process procurements and related contracts in a more efficient manner while creating an opportunity to be timely in engaging contractors on projects.

ALTERNATIVES:

- 1) Approve Resolution 2025-210: FY2026 Procurement Resolution (**recommended**): This resolution is in line with allowances under Mountain Line’s procurement policies, and the State rules for an IPTA, and allows for staff to be responsive and agile to timely award and action on procurements. Resolution 2025-210 will afford the Board of Directors an opportunity to engage in a thoughtful manner on strategic purpose projects, issues, and policies while delegating routine management of procurements and contracts to the CEO and General Manager.
- 2) Do not approve Resolution 2025-210 (**not recommended**): This alternative is not recommended as then each procurement of \$100,000 or more would need to be timed accordingly to align with Board meetings and as such may cost staff and projects time, and such Board consideration will consume time at Board meetings that could otherwise be used for strategic planning and engagement.

TAC DISCUSSION:

This item was presented to the Transit Advisory Committee on the consent agenda; there were no questions or comments.

SUBMITTED BY:

Josh Stone
Financial Manager

APPROVED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

- 1. Resolution 2025-210: FY2026 Procurement Resolution -pages 88-89
- 2. FY2026 Capital Improvement Plan -page 90

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3. FY2026 Financial Plan Summary

-page 91

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DATE PREPARED: May 8, 2026

MEETING DATE: May 21, 2026

TO: Honorable Chair and Members of the Board

FROM: Sam Short, Workforce Director

SUBJECT: Mountain Line's Equal Employment Opportunity (EEO) Program

RECOMMENDATION:

Staff recommend the Board of Directors adopt the 2026-2029 Equal Employment Opportunity (EEO) Program and approve submission to the Federal Transit Administration (FTA) as required for compliance with regulations.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ Employee Investment
- ❖ Financial Stability
- ❖ Community Value

BACKGROUND:

Mountain Line is dedicated to the principles of equal employment opportunity. We prohibit unlawful discrimination against applicants or employees on the basis of age 40 and over, race, sex (including pregnancy and breastfeeding), color, religion, national origin, disability, military status, genetic information (including results of genetic testing), status as a registered medical marijuana cardholder, sexual orientation, gender identity and expression, or any other status protected by applicable federal, state, or local law.

Since the Board's last approval of EEO in November of 2023, the Triennial Review identified required elements that are missing from our EEO Program. Changes made by staff include:

- Employment Practices Analysis data and narrative report for 2023.
- Added reporting and monitoring procedure in the EEO Program.
- Added the following to the EEO Statement of protected categories: "genetic information, disability, or other protected class."
- Added the following statement to the EEO Program: "The agency evaluates the performance of managers, supervisors, and others based on the success of the EEO program in the same manner that the agency evaluates their performance in other agency programs."

In 2025, other items were updated as follows:

- In 2025, the Employment Practices Analysis data and narrative report were updated for the current fiscal year (FY2026).

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- Updated policies related to the EEO Program. These are minor changes to our current policies within the EEO program to help reflect our Personnel Policy Manual. These policies include:
 - Compensation and Benefits; Status of Positions and New Member Agencies and Transition

The current status of the federal EEO program requirement remains active for federal agencies. FTA EEO requirements, primarily governed by [Circular 4704.1A](#), apply to recipients of FTA funds (over \$1M or >50 employees). Programs must include a signed policy, internal/external dissemination, a designated EEO Officer, an assessment of employment practices, and a monitoring/reporting system. FTA is currently requiring agencies to continue preparing their EEO programs while they wait to hear more about these changes. At this time, we anticipate that the EEO program requirement may be removed by the FTA.

FISCAL IMPACT:

There is no fiscal impact to updating the Mountain Line EEO Program; however, failure to update could result in fines and/or loss of federal funding. Identified action steps, including recruitment, are part of the adopted Mountain Line FY2027 budget.

ALTERNATIVES:

- 1) Approve the updated three-year EEO program (**recommended**): The program is required by the Federal Transit Administration and Mountain Line policies. The program ensures employment practices, including recruitment and hiring, are completed in full compliance with federal, state, and local regulations and in consideration of keeping a diverse workforce throughout the organization.
- 2) Do not approve the EEO Program (**not recommended**): If the program is not approved, Mountain Line will not be compliant with federal regulations and non-compliance means risking federal funding.

This staff report was prepared by Codi Weaver, Human Resources Manager.

SUBMITTED BY:

Samuel Short
Sam Short
Workforce Director

APPROVED BY:


Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

1. EEO Program and Policies -separate attachment





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DATE PREPARED: May 7, 2026

DATE: May 21, 2026

TO: Honorable Chair and Members of the Board

FROM: Heather Dalmolin, CEO and General Manager

SUBJECT: Chief Executive Officer (CEO) Retirement Notice

RECOMMENDATION:

Staff recommend the Board of Directors formally accept the provided written notice of retirement from the CEO and approve the CEO Transition Plan, CEO Transition Communication Plan, and Interim Leadership Plan to support staff and the agency during the transition.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

❖ This plan supports execution of all aspects of the Strategic Plan Success Outcomes

BACKGROUND:

On May 5, 2026, CEO Heather Dalmolin presented written notice to the Board of Directors of her intent to retire on November 6, 2026. Attached to the notice was a drafted CEO Transition Plan and CEO Transition Communication Plan designed to guide Mountain Line through the process of transitioning from current leadership to an Interim Leader and or a new CEO depending on timing of the hire. The CEO Transition Plan guides all involved through various steps and phases to move from sharing an announcement to the onboarding of a replacement and it accounts for business continuity, stakeholder and risk management, and defines measures of success. The Transition Plan is connected to the drafted CEO Transition Communication Plan that creates a timeline for communicating the CEO's retirement and the plans for eventual replacement with a new CEO, along with key messages that can be used for internal stakeholders, partners, and community stakeholders. The third drafted plan for consideration is an Interim Leadership Plan that identifies roles and authorities to ensure business continuity and Mountain Line's success continues during the transition from the current CEO to a new CEO.

In order to support Mountain Line and the Board of Directors, staff have prepared scopes of work for the proposed Board Governance Retreat to be conducted before the CEO's retirement and for the Executive Recruitment anticipated. Mountain Line does have a contract for HR Consulting and Board Strategy Planning with TransPro. The Board of Directors can either 1) direct staff to engage TransPro to gain quotes for these services and authorize the Chair and Vice Chair to approve the engagements or 2) direct staff to use procurements to support these needs. Contracting with TransPro has the benefit of time (saving time that would be required to issue new procurements) and also the benefit that TransPro is familiar with the Board and Mountain Line saving overall time and cost that would be required for a new vendor to learn about our team and our practices.





Mountain Line

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The CEO Transition Plan, the CEO Transition Communication Plan, and the Interim Leadership Plan are attached for your consideration. Whether those plans are approved or require revision, it is recommended the Board take action to accept the CEO's retirement notice.

FISCAL IMPACT:

There is no fiscal impact associated with the adoption of the plan as presented.

ALTERNATIVES:

- 1) Accept the CEO retirement notice and adopt the plans as recommended, including directing staff to get quotes from TransPro for support services. **(recommended)**: This action respects the CEO's desire to retire while giving staff and the agency the necessary plans to define steps to take in the transition. This offers staff, the community, and Mountain Line's partners assurances on continuity of programs, funding, and leadership.
- 2) Accept the CEO retirement notice and adopt the plans as recommended, asking staff to issue two procurements for Executive Recruitment and Board Governance Retreat firms. **(not recommended)**: While this action includes the benefits of the recommended action for recognizing the retirement notice and adopting the drafted plans, the procurements are not necessary and cost the agency time in enacting the CEO Transition Plan.
- 3) Accept the CEO retirement notice without adopting the plans. **(not recommended)**: This action accepts the CEO retirement notice but leaves staff and Mountain Line's partners without the assurances offered in the plans for how the agency will handle the retirement and transition of leadership that will ensure service and funding continue.

SUBMITTED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

1. Notice of Retirement from Heather Dalmolin, dated May 5, 2026 -pages 80-81
2. CEO Transition Plan -pages 82-86
3. CEO Transition Communication Plan -pages 87-90
4. Interim Leadership Plan -pages 91-96
5. Scope of Work, Board Governance Retreat -pages 97-100
6. Scope of Work, Executive Recruitment -page 101



Date: May 5, 2026
To: Mountain Line Board of Directors
From: Heather Dalmolin, CEO and General Manager
Subject: Notice of Retirement, November 2026

Dear Board of Directors,

I am writing to share my decision to retire from my role as CEO and General Manager of Mountain Line, effective on November 6, 2026, and to provide six months' notice.

After more than two decades with Mountain Line, this decision comes with both deep gratitude and reflection. I began my career here in 2002, and over the years, this organization has shaped not only my professional path, but who I am as a leader. Growing alongside an organization I care deeply about, in a community that I grew up in, has been such a meaningful part of my life.

When I reflect on my time here, I do so through the lens of people and purpose. I think about the employees who show up every day committed to “getting you where you want to go,” the leaders who have stepped forward to carry the organization through change, and the Board members who have provided steady guidance and shared in the community vision for transit services. Together, we have built more than a transit system—we have built an organization grounded in service, resilience, and community connection.

I am especially proud of how Mountain Line has evolved under my leadership over the last six years. We have experienced a strengthening of our culture, navigated uncertainty with intention, and positioned Mountain Line for a strong and sustainable future. The work we have done to invest in our people, expand our impact, and remain responsive to the needs of this community will continue to carry the organization forward long after my tenure.

Leadership is ultimately about stewardship—leaving an organization stronger, more prepared, and well-positioned for what comes next. It is with that perspective that I make this decision, confident in the foundation we have built together and in the team that will carry it forward.

Over the next six months, I am fully committed to ensuring a thoughtful and seamless transition. I will support the Board in the transition to interim and or new leadership, share institutional knowledge, and do everything possible to set the next leader, Mountain Line, and this Board of Directors up for continued success. Accordingly, I drafted for your consideration several documents designed to ensure a successful transition.

- CEO Transition Plan
- Communication Plan
- Interim Leadership Plan
- Executive/CEO Recruitment Scope of Work
- Board Governance Retreat Scope of Work

Thank you for your partnership, the trust placed in me over the last 5 years, and your unwavering commitment to this organization and the community we serve. It has been a privilege to work with the Mountain Line team, the Transit Advisory Committee, the Board of Directors, and to be part of Mountain Line's story. Leading this team and serving in this role has been the honor of a lifetime.

With deep appreciation,
Heather

CEO Transition Plan: Mountain Line Transit

Objectives

- Ensure **seamless continuity of operations** (no service disruption)
- Maintain **public and stakeholder trust**
- Preserve **institutional knowledge**
- Position the incoming CEO for **early success**
- Align transition with **strategic priorities (2026-2029 Strategic Plan)**

1. Governance & Oversight

Lead: Board of Directors (Chair and Vice Chair)

Actions:

- Adopt the Transition and Communication Plans
- Approve Interim Leadership Plan
- Schedule Board Governance Retreat with CEO and Executive Team
- Hire an Executive Search contractor

2. Transition Phases & Timeline

Phase 1: Pre-Announcement (Weeks 0–2)

Goal: Controlled and aligned preparation

- Align Board and executive team on messaging
- Prepare transition materials:
 - Strategic plan
 - Budget + funding sources (FTA grants, local contributions)
 - Key contracts (fuel, fleet, construction, labor)
- Conduct risk assessment
 - Service risks

- Staffing
- Capital project dependencies

Phase 2: Announcement & Stabilization (Weeks 2–6)

Goal: Build confidence and eliminate uncertainty

Actions:

- **See Communication Plan**

Phase 3: Recruitment / Selection (Weeks 4–16)

- Define candidate profile:
 - Public transit leadership experience
 - Community engagement and political navigation
 - Financial / grant expertise
- Engage executive search firm
- Confirm Job Description and Pay Range
- Conduct structured interviews + scenario testing
 - Include staff and stakeholder input panels

Phase 4: Knowledge Transfer (Overlap Period of 2–6 weeks)

Critical Briefings:

- Financial health & funding risks
- Capital projects (e.g., electrification, facilities)
- Staffing status and dynamics
- Regulatory compliance (FTA requirements)
- Community/political relationships

Deliverables:

- “CEO Transition Binder” (digital + structured):
 - Org chart + leadership assessments
 - Active initiatives dashboard

- Top 10 risks & mitigation plans
- Key contacts list
- Calendar of recurring commitments

Phase 5: First 90 Days (Potential Onboarding Plan for NEW CEO)

First 30 Days – Listen & Learn

- Meet and Greet: Board members (1:1), Executive team, City/state partners, Leadership Team
- Ride system routes (visibility with operators and riders)
- Review: Financials, Service performance metrics, Customer satisfaction data

Days 30–60 – Align & Assess

- Evaluate leadership team capabilities
- Identify **quick wins** (e.g., service reliability improvements)
- Validate or refine strategic priorities
- Establish leadership cadence (weekly exec meetings, KPI tracking)

Days 60–90 – Act & Communicate

- Present 90-day findings + adjustments to Board
- Confirm CEO priorities for first year (1–3 years)
- Launch priority initiatives and communicate transition vision to Staff, Community, Riders

3. Operational Continuity Plan

Critical Areas

- Service delivery: maintain schedules, operator availability
- Fleet operations: maintenance, fuel/charging systems
- Safety & compliance: no lapse in FTA requirements
- Finance: ensure uninterrupted grant reporting & reimbursements

- Technology: dispatch, fare systems, real-time tracking

Safeguards

- Interim authority clearly documented
- Monthly operational dashboard shared with Board
- Backup approvals for key expenditures/contracts

4. Stakeholder Management

High-Priority Relationships

- City of Flagstaff (primary funding + policy alignment)
- Regional partners
- Federal Transit Administration (FTA)
- Arizona DOT
- Community organizations & universities
- Riders (especially transit-dependent populations)

Actions:

- Proactive briefings during transition
- Assign relationship owners internally
- Maintain regular reporting cadence

5. Risk Management

Risk	Mitigation
Staff uncertainty / turnover	Frequent internal communication, leadership visibility
Service disruption	Strong interim ops oversight + daily KPIs
Political friction	Early outreach to local/state leaders
Funding delays	Tight financial monitoring + grant compliance focus

Strategic drift

Board-guided priorities + 90-day plan

6. Success Metrics

- No disruption to service levels
- Employee retention (first 6 months)
- On-time performance maintained or improved
- Stakeholder satisfaction (Board + Partner agencies)
- New CEO achieves 90-day milestones
- Progress continues on strategic priorities (e.g., ridership, electrification)

7. Optional Enhancements

- **Independent transition advisor** (short-term)
- **Board retreat** with new CEO (within 90 days)
- **Leadership team assessment tool (Predictive Index)**
- **Community partnership sessions**

CEO Transition Communication Plan: Mountain Line

1. Purpose

To ensure a clear, coordinated, and transparent communication approach during the CEO retirement transition that:

- Maintains public and stakeholder confidence
- Reinforces continuity of service and leadership
- Supports staff stability and morale
- Aligns messaging across all channels

Principles

- Transparent but controlled
- Consistent messaging
- Frequent updates

Channels

- Internal email + town halls
- Website & rider alerts
- Press releases
- Social media
- Partner briefings

2. Communication Objectives

1. Communicate the transition proactively and consistently
2. Reinforce operational continuity and organizational stability
3. Protect and strengthen relationships with key stakeholders
4. Support a smooth transition to interim and permanent leadership
5. Position Mountain Line as stable, professional, and forward-looking

3. Key Messages (Core Narrative)

All communications should reinforce:

Transition Message

- “Mountain Line is entering a planned leadership transition with strong governance and continuity in place.”

Stability Message

- “Transit services, projects, and priorities will continue without disruption.”

Leadership Message

- “An experienced interim leadership structure will ensure ongoing success while the Board conducts a national search.”

Appreciation Message

- “We recognize and appreciate the outgoing CEO’s contributions to Mountain Line and the Flagstaff region.”

Forward-Looking Message

- “This transition is an opportunity to build on momentum and position Mountain Line for the future.”

4. Audiences & Communication Approach

Internal (Highest Priority)

Audience	Approach
Employees (operators, staff)	CEO announcement and messaging
Leadership team	Advance briefing + talking points

External Stakeholders

Audience	Approach
Board of Directors	First notification, aligned messaging
City/County/University/CCC	Direct calls/briefing before public announcement

FTA / ADOT	Formal notification
Partner Leadership	Targeted outreach
Community organizations	Email/briefings
Riders/Public	Press release, website, social media

5. Communication Phases & Timeline

Phase 1: Develop Announcement (within 10 days of notice)

Led by: CEO + Communications Lead + Board Chair

Actions:

- Retirement announcement language
 - Interim leadership plan
 - CEO search approach
- Develop:
 - FAQ (as needed)
 - Key talking points
- Identify:
 - Spokespersons (Board Chair + designee)

Phase 2: Provide Announcement (Week 2)

Message 1

1. Board alignment (if needed)
2. Internal announcement (CEO + Board Chair joint message)
3. Notify leadership team and supervisors
4. Notify union leadership

Message 2

1. External stakeholder calls:

- City leadership
- Major partners

Message 3

1. Public announcement:

- Press release
- Website update
- Social media

DRAFT

Interim Leadership Plan: Mountain Line CEO Transition (Nov 2026)

Purpose: Ensure seamless leadership continuity during the transition while:

- Maintaining safe, reliable transit service
- Preserving stakeholder confidence (City of Flagstaff, FTA/ADOT, regional partners)
- Advancing key initiatives (grants strategies, Kaspar Maintenance Facility, DCC Phase 2, Service Changes, Operational Assessment/5-year Plan)
- Supporting the successful onboarding of the permanent CEO

Guiding Principles

- No operational disruption
- Clear authority and decision rights
- Transparency with staff & stakeholders
- Short-term stability, not long-term redirection
- Board governs; interim executes

1. Interim Leadership Structure

Option A (Recommended): Interim Leadership Model

Appoint an Internal Senior Executive (Deputy General Manager of Administration) as Interim CEO.

Why this works for Mountain Line:

- Deep knowledge of operations and FTA requirements
- Maintain relationships with City/partners
- Faster stabilization than external hire

Interim CEO

- Full executive authority (with defined limits)
- Reports directly to Board

Support by Executive Leadership Team (“ELT”)

- Operations
- Finance & Grants

- Planning
- Workforce (HR and Safety)

Board Oversight by Chair and Vice-Chair

- Provides guidance (not day-to-day management)

2. Authority & Guardrails

Interim CEO authorized to:

- Oversee operations, staffing, and safety
- Execute approved budget
- Maintain contracts and partnerships
- Represent agency publicly

Board approval required for:

- New major capital commitments
- Long-term policy changes
- Organizational restructuring

3. Timeline

Phase 1: Pre-Retirement (May–Oct 2026)

Key Actions:

- Select Interim CEO by September 2026
- Develop transition binder:
 - Strategic plan status
 - Budget & grant pipeline
 - Capital projects (e.g., electrification)
 - Risk register
- Conduct shadowing period (Sept-Oct)

Deliverables:

- Interim CEO contract / terms

- Communications plan
- Stakeholder briefing list

Phase 2: Transition Activation (October 2026)

Week 1:

- Internal staff announcement (same day)
- External announcement (within 24 hours)

Week 2–4:

- Formal Board resolution appointing Interim CEO
- Stakeholder outreach:
 - City of Flagstaff/NAU/Coconino County/CCC
 - FTA regional office
 - ADOT
 - Regional partners
- Conduct staff town halls (if applicable)

Phase 3: Interim Period (Nov 2026 – New CEO Start)

Core Focus Areas:

1. Operational Stability

- Maintain service levels
- Monitor:
 - On-time performance
 - Operator availability
 - Safety metrics

2. Financial Management

- Protect grant funding and compliance
- Maintain reimbursement flows (FTA)
- Avoid budget surprises

- Ensure FY2026 Audit is completed on time

3. Capital & Strategic Projects

- Continue capital projects underway
- Develop and Plan future capital projects that are already funded or in pipeline
- Avoid major strategic pivots

4. Workforce Stability

- Retain key staff
- Maintain strong employee relationships
- Communicate frequently

4. Communication Plan

Key Messages:

- “No disruption to service”
- “Strong leadership continuity”
- “Search for permanent CEO underway”

Internal (High Priority)

- Immediate announcement with clear messaging:
 - Continuity
 - Confidence in interim leader
- Monthly updates from Interim CEO
- Open forums / Q&A sessions

External Stakeholders

- City of Flagstaff/NAU/Coconino County/CCC
- Regional partners
- FTA & state agencies
- Community organizations

- Riders

7. Support Structure for Interim CEO

Board Role

- Provide clear direction, not operational involvement
- Weekly check-ins initially (first 30–60 days)
- Transition to monthly governance cadence

Internal Support

- Strong ELT alignment
- Dedicated support for transition tracking

Optional:

- External advisor for:
 - Governance coaching
 - CEO search interface

8. Coordination with CEO Search

The interim plan should integrate tightly with recruitment:

- Interim CEO not required to be candidate (clarify upfront)
- Interim may assist with: (if not participating)
 - Candidate briefings
 - Agency insights
- Avoid biasing the selection process

9. Risks & Mitigation

Risk	Mitigation
Staff uncertainty / turnover	Frequent communication, leadership visibility
Interim perceived as “temporary only”	Empower with clear authority
Strategic slowdown	Maintain progress dashboards

Political concerns	Early and proactive external outreach
Decision bottlenecks	Clearly defined approval thresholds

10. Success Metrics

- Zero service disruptions
- Stable or improved:
 - On-time performance
 - Service improvements
- Staff retention (especially leadership roles)
- No grant or compliance issues
- Smooth onboarding of permanent CEO

11. Interim CEO Profile (Ideal Internal Candidate)

- Deep understanding of transit operations
- Experience with FTA funding/compliance
- Strong credibility with staff and partners
- Ability to work with public boards and local government
- Calm, steady leadership style (stability > transformation)

Executive Summary

This interim leadership plan ensures:

- Strong operational continuity
- Clear governance boundaries
- Confidence from staff, riders, and funding partners
- A stable platform for the new CEO to succeed

Public Transit Agency Board Governance Retreat

Scope of Work (SOW) & Agenda Framework

1. Purpose of the Retreat

Strengthen Board effectiveness to support:

- Strategic oversight (not operational drift)
- CEO/GM partnership and accountability
- Leadership and stakeholder alignment
- Long-term system sustainability (funding, ridership, zero-emissions transition)

2. Retreat Objectives

By the end of the retreat, the Board will:

1. Clarify **roles & responsibilities** (Board vs. CEO vs. staff)
2. Align on **governance best practices**
3. Establish **strategic priorities oversight framework**
4. Improve **decision-making and meeting effectiveness**
5. Strengthen **Board–CEO partnership**
6. Confirm **Board norms, culture, and expectations**
7. Identify **top 3–5 governance improvements** to implement within 6–12 months

3. Scope of Work

A. Pre-Retreat Preparation (4–6 Weeks Prior)

Facilitator Responsibilities

- Conduct 1:1 confidential interviews with:
 - Board members
 - CEO/GM
 - Key executives
- Review critical documents:

- Strategic plan
- Recent Board packets/minutes
- Governance policies
- Benchmark against peer transit agencies

Deliverables:

- Key themes summary (strengths, gaps, risks)
- Draft retreat agenda
- Governance maturity snapshot

B. Retreat Design & Facilitation

Duration: 1 full day (or 1.5 days preferred)

Format:

- Facilitated discussions
- Breakout exercises
- Scenario-based governance exercises
- Decision frameworks

C. Post-Retreat Deliverables

- Retreat summary report
- Governance improvement roadmap
- Recommended policy/process updates, including development of by-laws
- Board self-assessment framework

4. Core Retreat Agenda

- Session 1: Roles & Responsibilities (60-90 min)
- Session 2: Governance Best Practices (40-60 min)
- Session 3: Strategic Oversight vs Operational Drift (60-90 min)
- Session 4: Board–CEO Partnership (45-60 min)
- Session 5: Decision-Making & Meetings Effectiveness (45-60 min)
- Session 6: Strategic Risks & Future Readiness (60-90 min)
- Session 7: Board Culture & Norms (45-60 min)

- Closing & Commitments (30 min)

5. Key Deliverables

1. Governance Improvement Roadmap

- Prioritized actions
- Timeline
- Ownership

2. Board Norms Charter

3. Strategic Dashboard Framework

- Monthly reporting structure

4. CEO Evaluation Structure

- KPIs aligned to strategic plan

6. Sample Governance Improvement Priorities

Common outcomes for transit boards:

- Shift 70% of meeting time to **strategic topics**
- Establish **Board education program** (transit trends, funding)
- Refine **committee structure**

7. Roles & Responsibilities

Board Chair

- Sponsor of retreat
- Ensures follow-through

CEO/GM

- Provides candid agency insights
- Supports implementation of governance changes

Facilitator

- Neutral guide

- Ensures productive discussion
- Synthesizes outcomes

8. Timeline Overview

Phase	Timing
Planning & interviews	4–6 weeks prior
Retreat delivery	1 day
Summary report	Within 2 weeks
Implementation	3–12 months
Follow-up session	6 months

9. Success Metrics

- Improved Board meeting effectiveness
- Clear separation of governance vs operations
- Stronger Board-CEO alignment
- Faster decision-making
- Increased stakeholder confidence

10. Optional Add-Ons

- Annual Board self-assessment survey
- New Board member onboarding toolkit
- Governance policy rewrite (bylaws, committees)
- Strategic plan alignment session (if outdated)

CEO and General Manager Executive Recruitment Scope of Work

Purpose

To facilitate a smooth, proactive and opportunity focused leadership transition to a new CEO and General Manager by November 2026

Approach:

- Conduct a critical assessment of organizational needs, skill sets, experiences and management style required for success.
- Engagement of the Board, partner leadership, and Mountain Line staff team in the recruitment and selection process.
- Rely on leadership from the Chair and Vice Chair of the Board of Directors to refine the process, initiate the effort, and see the process through to timely completion.
- Provide transition training to Mountain Line's Executive Leaders and Leadership Team so they can engage in and embrace the opportunity.
- Develop and execute a basic communication plan for staff, partners, and interested members of the community.
- Manage the recruitment and hiring process for the CEO & General Manager from the initial assessment through the signing of a CEO contract by all parties.

Timeframe: Issue recruitment by June 30, 2026

- May-June 2026:
 - Conduct critical assessment of organizational needs.
 - Articulate and document qualities needed in the CEO role
- June 18, 2026: Present updated job description to the Board for approval
- June 30, 2026: Develop recruitment material
- July-Aug 2026: Conduct recruitment for 60 days
- September 2026: Screen applicants, conduct interviews and select finalists
- October 2026: Make offer, negotiate contract, and schedule start date

Terms:

- It is anticipated that this is a flat fee award to include all cost for the recruitment and placement.
- It is expected that the recruitment and placement be guaranteed for one year.



MOUNTAIN LINE MEMORANDUM

DATE: May 21, 2026

TO: Honorable Chair and Members of the Board

FROM: Sam Short, Workforce Director

SUBJECT: Equal Employment Opportunity (EEO) Workforce Utilization Analysis, Federal Fiscal Year 2026

Mountain Line has the following update regarding the Workforce Utilization Analysis:

Mountain Line has been evaluating the overall diversity of the workforce by completing the Workforce Utilization report two times per year in accordance with the United States Equal Employment Opportunity Commission (EEOC). Mountain Line updates the Workforce Utilization Goals every three years to represent the actual workforce in the Flagstaff, AZ area using data available from Data USA (<https://datausa.io/profile/geo/flagstaff-az/>). Mountain Line's current workforce encompasses Coconino County and utilizes the American Community Survey for Coconino County, AZ, to obtain additional demographics.

Mountain Line is a small-sized employer within Flagstaff; thus, our workforce is also a small portion in comparison to the community workforce. Mountain Line employees are divided into 6 categories: **Executive/Senior Level Officials** (Officials and Administration), **First/Mid-Level Officials** (Officials and Administration), **Craft Workers/Labor & Helpers** (Mechanics/Maintenance), **Office/Clerical** (Administration Staff), **Service/Transit** (Operations), **Professional** (Training/IT/Purchasing/Strategic Performance). The EEO reporting further evaluates Mountain Line's workforce based on males, females, unidentified and minorities in the 6 categories. When there is a change to the diverse workforce, Mountain Line will see a significant change in the 6 categories that are evaluated.

It should be noted that due to Mountain Line's employment group size as compared to the various other employment opportunities in Flagstaff, AZ, our current staff levels represent a diverse group of employees comparable to applicant availability. Mountain Line continues to use in-house tracking of those applicants who elected to answer our areas of demographics at the time of their hire.

This progress report was prepared by Codi Weaver, Human Resources Manager.

Attachment: EEO Workforce Analysis, FFY2026 04-01-2026

-pages 103-106





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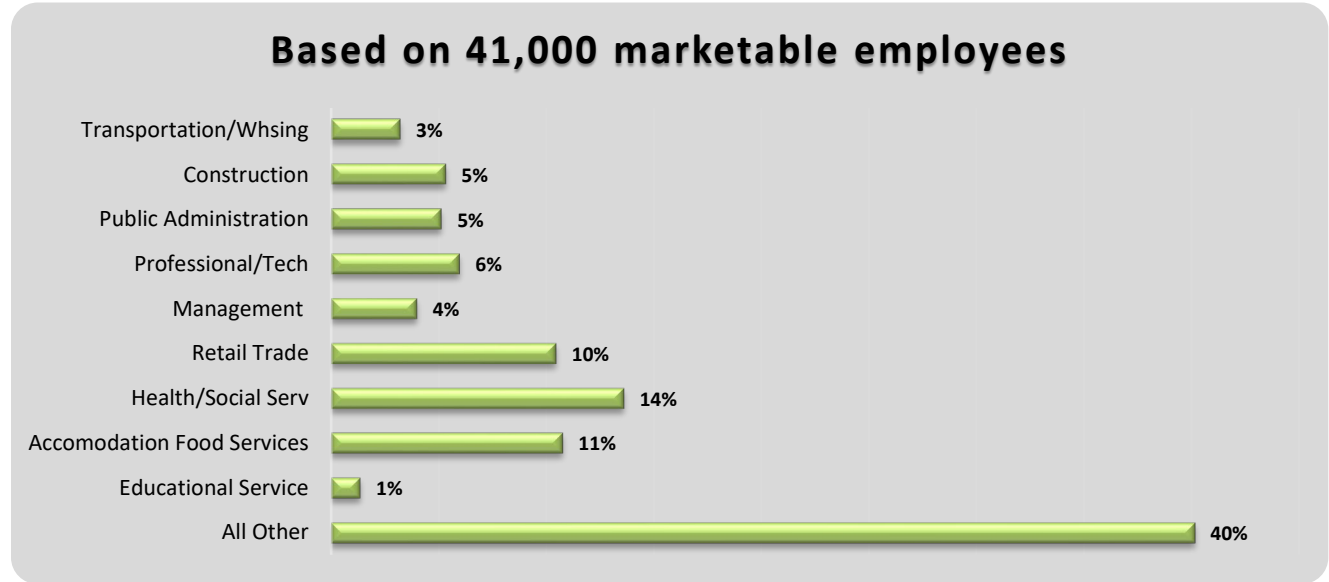
Human Resources Equal Employment Opportunity (EEO) Workforce Utilization Based on the Federal Fiscal Year 2026

For the Period October 1, 2025 through March 31st, 2026

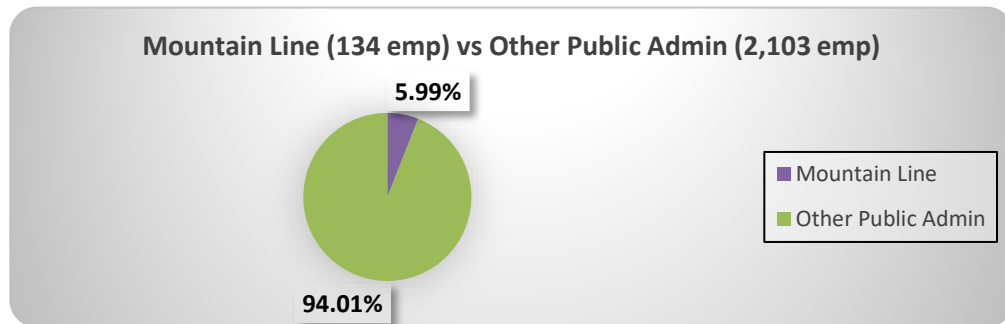
The Equal Employment Opportunity (EEO) program aids organizations in evaluating whether their recruiting, hiring, and termination practices follow all the diversity program requirements.

FLAGSTAFF BACKGROUND INFORMATION AND CONSIDERATIONS

From 2023 to 2024, Flagstaff’s employment grew at a rate of 3.15% from 39.7K employees to 41K (*respectfully, 40,970*) employees. The most common employment sectors for those who live in Flagstaff, AZ are as follows:



Mountain Line had 134 employees during the first half of the Federal Fiscal Year 2026. This accounts for all employees who were hired and terminated during the designated period. Mountain Line is part of the Public Administration sector. The 134 employees during the reporting period equated to 0.33% of all employment sectors and 6.37% of all Public Administration sector employees. The pool of marketable employees is extremely competitive.



¹ American Community Survey/US Census Bureau has been used to review the most current statistics as of 2024 for the Flagstaff, Coconino County, AZ diversity employment population.

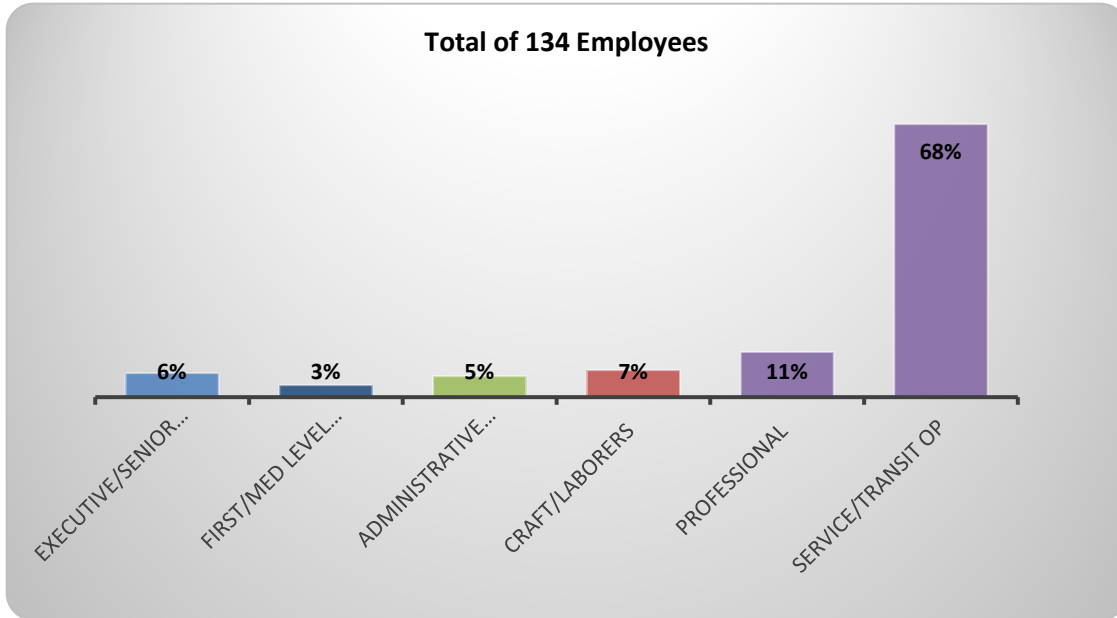
Getting you where you want to go





MOUNTAIN LINE EMPLOYEE COMPARISONS BY GENDER

Mountain Line’s 134 employees are categorized into 6 EEO areas: Officials and Administrators, Professionals, Office/clerical, skilled Craft, and Service/Transit



Males represent 61.19% of Mountain Line’s employee workforce, and females represent 28.36%. The largest department within the organization is Operations (Service/Transit) with 84 employees in total. ****Please note we have 14 unidentified employees. Categorized by “Unidentified”.***

	Male	Male	Female	Female	Unidentified	Total All Emp	
Executive/Senior Level Officials	2	25.00%	5	62.50%	1	8	6%
First/Med Level Officials	2	50.00%	2	50.00%		4	3%
Administrative Support	1	14.29%	5	71.43%	1	7	5%
Craft/Laborers	8	88.89%	0	0.00%	1	9	7%
Professional	5	33.33%	6	40.00%	4	15	11%
Service/Transit Op	64	70.33%	20	21.98%	7	91	68%
	82	61.19%	38	28.36%		134	100%

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Of Mountain Line’s 82 male and 38 female employees, the minority population has 21 male and 6 female employees. Mountain Line also has 2 minorities who are unidentified and 9 majorities who are unidentified. ***Please note we have 3 employees who are unidentified in both gender and race.**

Male Employees:

Non-minority males represent 45.52 % of the male population while minority males represent 15.67%

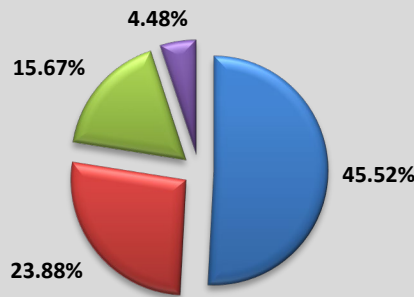
Female Employees:

Non-minority females represent 23.88 % of the female population, while minority females represent 4.48%

MOUNTAIN LINE DIVERSITY UTILIZATION AND GOALS

As part of Mountain Line’s efforts to comply with the Equal Employment Opportunity (EEO) program and demonstrate commitment, a diverse workforce is employed, and staff have completed the year’s workforce analysis.

Diversity Overview of 134 Employees



- Non-minority Male Employees
- Non-minority Female Employees
- Minority Male Employees
- Minority Female Employees

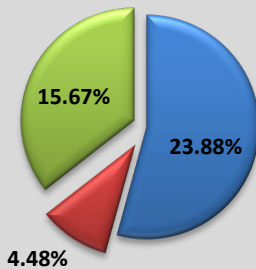
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Non-minority employees (male and female) represent 77.50% of Mountain Line’s total workforce, while minority employees (male and female) represent 22.50% of the workforce. The combined population of all females and minorities represents 44.03% of the overall workforce at Mountain Line, as seen in the pie graph below. Mountain Line has a higher representation of non-minority females primarily identifying as White/Caucasian and Native American. Minority female representation primarily includes individuals who identify as African American, Asian, Hispanic, or as belonging to two or more racial or ethnic groups.

A total of 59 of the 134 employees represent female and minority employees



■ Non-minority Female Employees ■ Minority Female Employees ■ Minority Male Employees

This report is based on the following data, assumptions, and methodology:

- “DATA USA for Flagstaff AZ” webpage has been used to review the most current statistics as of 2024 for the Flagstaff, Coconino County, AZ diversity employment population. <https://datausa.io/profile/geo/flagstaff-az/>
- It should be noted that due to Mountain Line’s employment group size as compared to the various other employment opportunities in Flagstaff, AZ, our current staff levels represent a diverse group of employees comparable to applicant availability.
- As per the new federal EEO reporting form, the compilation of diversity data will be broken into Female and Minorities. Non-Minority males will be excluded from diversity data.
- Mountain Line information has been used in comparison to data supplied by the 2023-2024 and 2024 American Community/ US Census Bureau Surveys for Coconino County, AZ.
- In-house applicant tracking of those applicants who elected to answer our areas of demographics at the time of their hire.

Getting you where you want to go



June: No TAC Meeting Board Meeting is Wed, 6/17

ITEMS:	WHO & WHAT:
Safety Minute	Sam S
Budget Adoption	Megan - D/A
Fare Collection Procurement Award	Jon - D/A
Grant Resolution	Jacki - D/A
Procurement Resolution	Megan - D/A
Comprehensive Route Alignment	Bizzy - D/A
Mountain Express Future Service	Bizzy - D/A
Operational Assessment Update	Bizzy - D
Delegation of Authority Update – Grants and Agreements	Heather H - D
Workforce Housing Update	Jacki/Heather D-D
Line of Credit	Megan - C
Personnel Policy Manual Update	Codi - C
Meeting Calendar Review	Rhonda - PR
Annual Information Technology Report	Jon - PR
August/September Working Agenda	

July: Recess

August: TAC Meeting is Thurs, 8/6 Board Meeting is Wed, 8/19

ITEMS:	WHO & WHAT:
Safety Minute	Sam S
Possible Executive Session – CEO Evaluation Results/Contract and Possible Action Item	HR/TransPro - D
All Procurements Placeholder	
Operational Assessment Update	Bizzy - D
Delegation of Authority Update – Grants and Agreements	Heather H - D
Quarterly Scorecard Report	Bizzy - D
HR Assessment Tool Update	Sam S - D
5 Year Tech Plan	Jon - D
Annual Safety Report	Sam - PR
Annual Fleet Maintenance Report	Marc P - PR
Annual Facilities Maintenance Report	Marc P - PR
Bus Stop Rehabilitation Report	Robert - PR
September/October Working Agenda	

C = Consent, D/A = Discussion/Action, D = Discussion, PR = Progress Report