



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

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

Wednesday, June 17, 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). 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 1-6

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. Regular Meeting 5/21/2026

-pages 7-15

- b. Special Meeting 5/28/2026

-pages 16-19

DISCUSSION / ACTION ITEMS:

6. FISCAL YEAR 2027 BUDGET

-pages 20-34

-Megan Coons, Finance Director

Staff recommends the Board of Directors adopt the Fiscal Year 2027 Budget with a total budget of \$51,031,322, including operating expenditures of \$16,819,613 and capital expenditures of \$34,211,709.

7. CHIEF EXECUTIVE OFFICER (CEO) TRANSITION DECISIONS

-pages 35-44

-Heather Dalmolin, CEO and General Manager and Kate Morley, Interim

Staff recommend the Board 1) identify members of the hiring committee, 2) determine if the Board would like to pursue a retreat in combination with the recruitment, 3) approve the scope of work for a recruitment firm and direct staff to solicit bids, 4) approve the updated CEO Transition Plan.

8. REQUEST FOR STATEMENT OF QUALIFICATION (RSOQ) 2022-400 DOWNTOWN CONNECTION CENTER (DCC) CIVIL ENGINEERING CHANGE ORDER CIVIC SPACE TASK ORDER NO. 6

-pages 45-46

-Anne Dunno, Capital Project Manger





Staff recommend the Board of Directors approve Task Order No.6 in amount of \$94,749 for 60% design of the civic space under Contract No. RSOQ 2022-400 for Ardurra. Additionally, authorize the CEO and General Manager to execute Task Order No. 6.

9. REQUEST FOR PROPOSAL (RFP) 2024-100 KASPAR MAINTENANCE FACILITY CHANGE ORDER NO. 2 FOR LUMEN RELOCATION DELAY -pages 47-53

-Anne Dunno, Capital Project Manger

Staff recommend the Board of Directors approve Change Order No.2 to GMP No. 1 in amount of \$205,656.08 for the Lumen Relocation Delay under Contract No. RFP 2024-100 for Kinney Construction. Additionally, authorize the CEO and General Manager to execute Change Order No. 2.

10. REQUEST FOR PROPOSAL (RFP) 2024-100 KASPAR MAINTENANCE FACILITY CHANGE ORDER NO. 1 INFORMATION TECHNOLOGY (IT) DATA, SECURITY ACCESS AND CAMERAS -pages 54-55

-Anne Dunno, Capital Development Manager

Staff recommend the Board of Directors approve Change Order No.1 to GMP No. 1 in amount of \$386,960.24 for IT Data, Security Access and Cameras under Contract No. RFP 2024-100 for Kinney Construction. Additionally, authorize the CEO and General Manager to execute Change Order No. 1.

11. REQUEST FOR PROPOSALS (RFP) 2024-130 PEDESTRIAN AND BIKE FIRST MILE LAST MILE (FMLM) CONSTRUCTION MANAGER AT RISK (CMAR) CHANGE ORDER

-Anne Dunno, Capital Development Manager -pages 56-65

Staff recommend the Board of Directors approve Change Order No.1 to GMP No. 2 in amount of \$98,863 for a curb bump out under RFP 2024-130 for Kinney Construction. Additionally, authorize the CEO and General Manager to execute Change Order No. 1.

12. REQUEST FOR STATEMENT OF QUALIFICATION (RSOQ) 2025-130 BUS STOP DESIGN HUNTINGTON GRANT CHANGE ORDER -pages 66-73

-Anne Dunno, Capital Development Manager

Staff recommend the Board of Directors approve Change Order No. 1 to Task Order No. 2 in amount of \$22,800 for bus stop design under Contract No. RSOQ 2025-130 for Ardurra. Additionally, authorize the CEO and General Manager to execute Change Order No. 1.

13. REQUEST FOR PROPOSALS (RFP) 2026-170, FARE COLLECTION SYSTEM

-Jon Matthies, Information Technology Manager -pages 74-76

Staff recommend the Board of Directors award RFP 2026-170, Fare Collection System to Masabi in an amount not to exceed \$409,687. Additionally, authorize the CEO and General Manager to execute the contract upon confirmation from Mountain Line legal that the documents are approved as prepared.





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14. RESOLUTION 2026-100: FY2027 PROCUREMENT RESOLUTION -pages 77-81
-Megan Coons, Finance Director
Staff recommends the Board of Directors approve Resolution 2026-100: FY2027 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.
15. RESOLUTION 2026-200: FY2027 COLLECTIVE GRANT RESOLUTION -pages 82-85
-Jacki Lenners, Deputy General Manager
Staff recommend the Board of Directors adopt Resolution 2026-200: FY2027 Collective Grant Resolution for federal and state transit grant applications and subsequent contract executions as necessary to support transit programs within the 5-year capital improvement plan and 10-year financial plan.
16. FORENSIC AUDIT -pages 86-91
-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.
17. FREE FARE CONSIDERATION -pages 92-94
-Heather Dalmolin, CEO and General Manager
Staff recommend the Board of Directors 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.
18. DELEGATIONS OF AUTHORITY -page 95-97
-Heather Higgins, Purchasing and Contracts Officer
The Board may provide direction, but there is no recommendation from staff at this time.

CONSENT AGENDA:

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

19. LINE OF CREDIT RENEWAL FROM WESTERN ALLIANCE BANK FOR \$1,000,000
-Megan Coons, Finance Director -pages 98-99
Staff recommends the Board of Directors authorize the CEO and General Manager, or designee, to activate a Western Alliance Bank credit line of up to \$1,000,000 to provide cash flow assistance, if necessary, to meet cash flow commitments during FY2027.

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- 20. PUBLIC COMMENT PROCESS UPDATE** -pages 100-104
-Rhonda Cashman, Executive Assistant and Clerk of the Board
Staff recommend the Board of Directors approve the proposed update to the Public Comment Process.

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:

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:

- 21. FY2027 BOARD MEETING DATES** -pages 105-106
-Rhonda Cashman, Executive Assistant and Clerk of the Board
- 22. ANNUAL INFORMATION TECHNOLOGY REPORT** -pages 107-108
-Jon Matthies, Information Technology Manager

ITEMS TO / FROM CEO AND BOARD OF DIRECTORS:

- 23. MILESTONE ANNIVERSARIES**
-Heather Dalmolin, CEO and General Manager
- 24. SUMMARY OF CURRENT EVENTS**
-Heather Dalmolin, CEO and General Manager

SCHEDULE FOR THE NEXT MEETING DATE AND IDENTIFY AGENDA ITEMS

August/September Working Agenda -page 109

The next Board meeting will be held on Wednesday, August 19, 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. August agenda items may include but not be limited to the Personnel Policy Manual Update, Bus Stop Construction Job Order for Service Changes, Operational Assessment Update, Delegation of Authority Updates, Quarterly Scorecard Report, HR Assessment Tool Update, Five Year Tech Plan, Workforce Housing Update, Annual Safety Report, Annual Fleet Maintenance Report, Annual Facilities Maintenance Report, and the Bus Stop Rehabilitation

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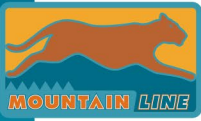
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Report. The August agenda will be available for review on Mountain Line's website and at Mountain Line's public posting places (listed on the Mountain Line website) at least 24 hours prior to the meeting and should be consulted for a list of items that will come before the Board.

25. ADJOURNMENT

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Board of Directors Minutes for Thursday, May 21, 2026

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

The Board of Directors met in Regular Session on Thursday, May 21, 2026, at 8:00am 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, (Zoom);
Lori Matthews, Councilmember, 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:

None.

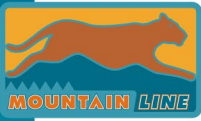
MOUNTAIN LINE STAFF IN ATTENDANCE:

Heather Dalmolin, CEO and General Manager;
Jacki Lenners, Deputy General Manager, left at approximately 9:59am and returned at approximately 10:54am;
Sam Short, Workforce Director, left at approximately 9:59am;
Megan Coons, Finance Director, left at approximately 9:59am and returned at approximately 10:54am;
Anne Dunno, Capital Project Manager, left at approximately 9:59am and returned at approximately 10:54am ;
Heather Higgins, Purchasing and Contracts Officer, left at approximately 9:59am;
Bizzy Collins, Strategic Performance Planner, (Zoom), left at approximately 9:59am;
LaReina Reyes, Associate Transit Planner, (Zoom), left at approximately 9:59am;
Jon Matthies, IT Manager, left at approximately 10:01am and returned at approximately 10:52am;
Rhonda Cashman, Executive Assistant and Clerk of the Board, left at approximately 10:01am and returned at approximately 10:52am;
Scott Holcomb, Mountain Line Attorney, (Zoom)

GUESTS PRESENT:

Mike Lauzon, HeinfeldMeech, left at approximately 8:35am.
Michele James, Friends of Flagstaff's Future, left at approximately 9:00am;
Jill Barnett, TransPro, left at approximately 9:59am





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1. CALL TO ORDER -Chair Maher called the meeting to order at approximately 8:01am.

2. ROLL CALL

3. SAFETY MINUTE

-Sam Short, Workforce Director

Mr. Short reported on prescription drug or over the counter medication use by Commercial Driver's License operators.

4. CALL TO THE PUBLIC

There were no members of the public in attendance wishing to speak at this time.

5. APPROVAL OF MINUTES:

- a. Special Meeting 4/3/2026
- b. Regular Meeting 4/15/2026
- c. Special Meeting 4/29/2026

Vice Chair Sweet made a motion to approve the minutes for all meeting dates: April 3, 2026, April 15, 2026, and April 29, 2026. Director Matthews seconded. There was no discussion. All approved, none opposed. Motion carried.

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

DISCUSSION / ACTION ITEMS:

6. 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 maintains that staff do not have a recommendation and staff are open to direction from the Board. She noted a staff member of HeinfeldMeech was in attendance to answer any questions or make recommendations as appropriate. She shared that City of Flagstaff staff have been contacted several times, but they have not provided a response regarding this item; she plans to share the response when received. She addressed reasoning behind the questions of whether a forensic audit is necessary and if it is advisable in her presentation. There was a lengthy discussion; questions were answered by Mountain Line and





HeinfeldMeech staff. Ms. Dalmolin noted that Mountain Line has not received any communication from the Federal Transit Administration (FTA) that our grant eligibility has changed; two grants have been processed recently without any problem. Ms. Coons shared that FTA did request Mountain Line's corrective action plan. The Board supported a request to show due diligence and would like to hear from City of Flagstaff staff as a major funding partner. Ms. Dalmolin recommended bringing this item back on the June agenda and asking City staff to attend. The Board was supportive of this approach.

7. FY2027 BUDGET AND FINANCIAL PLAN

-Megan Coons, Finance Director

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

Ms. Coons explained this report would focus primarily on revenues and the financial plan since Workforce, Operations, and Capital expenses have been discussed over the last few months. She reviewed the revenue sources by type of funding or program. She noted an annual funding request has been presented to our partners at the City, NAU, and the County with approvals expected in June. She presented the FY2027 Budget breakdown by source. She also presented the fund balance graph, noting there is a 25 percent of annual operating costs minimum requirement. There is a dip in 2030 due to the Downtown Connection Center (DCC) Phase 2 construction, but then it evens out. She reviewed a slide related to the FY2027 Travel Budget due to a request to track CEO travel separately. There were no comments from the Board.

8. FREE FARE CONSIDERATION

-Heather Dalmolin, CEO and General Manager

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

Ms. Dalmolin stated staff have brought back an annual update as to whether we should be considering free fare since 2024. She noted the transit tax that passed was for service expansion, not to cover operating costs in place of fares. She reported that Ms. Coons just presented the FY2027 Budget and fund balance that did not include free fare. She noted the focus of today's discussion would not be about if Mountain Line can absorb the cost of free fare but more about if we should. She explained that FY2025 net fares were approximately \$1.4 million; the question is then how we replace those fares. She shared potential risks involved and unintended consequences; one example being free fare Paratransit service (required if fixed route is free fare) which is our most expensive program, likely resulting in an increase in demand for this service and in turn an uncontrolled cost. She noted that fare free does not automatically change fares for taxis; however, free fare on paratransit could change use of taxi programs. Potentially reduced use of the lower cost program if a fare for taxi is maintained while paratransit is free. She shared that fares protect the intent of the program being a transportation alternative for the public versus a social gathering place with no restrictions. She also noted that the federal administration is debating requiring in the reauthorization bill that fares be required as part of the local match necessary for using federal funds; if fares are required and we are fare free the approximate \$5 million in operating funds used by Mountain Line would need to be replaced, creating a threat to our service plan. Ms. Dalmolin





recommended the Board direct staff to bring this item back for action in June with 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. Ms. James had no comments, but noted she appreciated the information, acknowledging the valid concerns against free fare and the public request for it. There was a brief discussion about Paratransit cost and access, with a suggestion we could offer reduced fares on Paratransit versus free fare, as well as potential timing of the vote on reauthorization. There was support for Ms. Dalmolin’s recommendation, noting that discussion with other communities to learn about options used to fund fares are an option, and consider ways to mitigate the unintended consequences. Ms. Dalmolin stated the group requesting free fare could be part of researching funding options. There were no further questions or comments.

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

-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.

Ms. Dalmolin stated she does not have a presentation; this document is a culmination of discussions over the last several months in public meetings and executive sessions. There have not been any changes made since the April 29th executive session. She shared that this document was developed to answer the twelve points related to the CEO and Board roles regarding communication, governance, and participation in meetings. There was no further discussion. Vice Chair Sweet made a motion to approve the Expectations and Roles document as recommended. Director Williams seconded. There was no discussion. All approved, none opposed. Motion carried.

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

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

-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





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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.

Ms. Dunno explained that this contract was initiated with the start of work at the Downtown Connection Center (DCC); it is a National Environmental Policy Act (NEPA) requirement to have available professional should the contractor discover something during construction. She noted that the contract amendment and task order will support Phase 2 of the project for future years. Director Matthews made a motion to approve Contract Amendment No. 2, Task Order No. 3, and authorize the CEO and General Manager to execute the contract documents as presented. Vice Chair Sweet seconded. There was no discussion. All approved, none opposed. Motion carried.

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

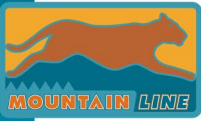
11. REQUEST FOR PROPOSALS (RFP) 2022-140 DOWNTOWN CONNECTION CENTER (DCC) CONTRACT AMENDMENT AND CHANGE ORDER

-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.

Ms. Dunno stated this item is related to the DCC Phase 2 for our transit operations center at the DCC and the planned civic space. She noted that our Construction Manager at Risk (CMAR) contractor is Loven and they would advise staff on constructability reviews, cost modeling, and attend to things on this property. The change order is for the work going on right now for additional items related to third party utilities, installation of a flagpole out in front of our building, and restriping of Phoenix Avenue. She said it will not change the Guaranteed Maximum Price (GMP) schedule. Director Matthews made a motion to approve Contract Amendment No. 6, Change Order No. 13, and authorize the CEO and General Manager to execute the contract documents as presented. Director Williams 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	

12. PROCUREMENT RESOLUTION

-Heather Dalmolin, CEO and General Manager

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

Ms. Dalmolin reported that the Procurement Resolution has been in place since the fall of 2019; the purpose was to decrease Board administration of procurements. She noted the resolution has been renewed each year since. She explained the resolution assigns authority to the CEO for items in the procurement list attached to the annual resolution, in the current adopted budget, in the financial plan with secured funds for a future year, and for procurements supported by the annual Grant Resolution. She shared that the benefits of having the Procurement Resolution in place have been to exercise rights and authorities granted by state regulation, allows the CEO to complete administrative oversight for the agency, facilitates effective and efficient Board meetings focused on Board engagement on policy and transit program planning, and creates an opportunity to be nimble in decision making and moving projects forward. She reviewed the signs of success and alternatives. Mr. Holcomb stated that this process is used elsewhere in a variety of different ways. There was a lengthy discussion. Board members expressed their desire for transparency and oversight with some degree of delegation. The Board provided direction to the CEO to work with legal counsel to draft a Procurement Resolution with parameters discussed today.

13. MOUNTAIN LINE'S EQUAL EMPLOYMENT OPPORTUNITY (EEO) PROGRAM

-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.

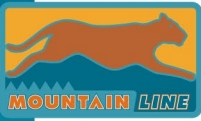
Mr. Short stated this item was planned to seek Board approval of the program in order to submit to FTA as required. He noted as of yesterday, he received notification that FTA has done away with oversight of this program the requirement of adoption, citing it will alleviate unnecessary regulatory burdens. He explained this program is still required by other federal agencies and that it is still in place; this removes the requirement that the program be provided to FTA. There were no questions. The Board decided to take no action at this time.

14. CHIEF EXECUTIVE OFFICER (CEO) RETIREMENT NOTICE

-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





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Communication Plan, and Interim Leadership Plan to support staff and the agency during the transition.

Ms. Dalmolin conveyed that she is eligible for retirement in November and plans to retire on November 6, 2026. She provided a proposed Transition Plan timeline, noting recruitment is likely to take 4-16 weeks. She recommended having a Communications Plan, Board Governance Retreat, Initiation of an Executive Search with identification of key traits needed, and an Interim Leadership Plan. She shared the key components of a Communication Plan and an Interim Leadership Plan. She stated that the transfer of knowledge will be important for key staff. She said she has sent a personal note to all staff, but not to vendors. She recommended the Board take action to accept her retirement notice. Ms. Dalmolin stated that she asked Ms. Barnett of TransPro, Mountain Line's contracted HR Services provider, to join the meeting in case the Board had any questions regarding the recruitment process. Ms. Barnett fielded a couple questions from Board members regarding the process and what to expect. Chair Maher stated that he has some questions regarding this item he would like to address with the Board in an executive session.

At approximately 9:59am, Chair Maher made a motion to move into executive session. Vice Chair Sweet seconded. There was no discussion. All approved, none opposed. Motion carried.

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

The Board convened an executive session for this item on the agenda at approximately 10:01am and it ended at approximately 10:52am. The Board reconvened the public meeting at approximately 10:54am.

Chair Maher shared comments of thanks to Ms. Dalmolin for the many contributions to Mountain Line over the years.

Director Matthews made a motion to accept Ms. Dalmolin's retirement notice effective November 6, 2026, and leave other items for future consideration. Vice Chair Sweet 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 – This executive session topic was skipped and direction was provided to add it to the June Board agenda.

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:

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

-Sam Short, Workforce Director

16. MILESTONE ANNIVERSARIES

-Heather Dalmolin, CEO and General Manager

This agenda item was skipped.

17. SUMMARY OF CURRENT EVENTS

-Heather Dalmolin, CEO and General Manager

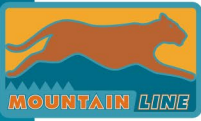
This agenda item was skipped.

ITEMS TO / FROM BOARD OF DIRECTORS AND CEO:

Ms. Dalmolin shared that staff are working on service agreements with the City and the County. She stated those agreements will be agendized for their respective governing bodies in June. She communicated that she plans to sign those intergovernmental agreements (IGAs) under the Delegation of Authority for agreements.

Getting you where you want to go





Ms. Dalmolin noted that the new memo for CEO Travel shared today will be offered going forward as part of the Operating Budget.

Ms. Dalmolin reported that construction at Kaspar has resumed as of May 18th after 19 days, not 90 days, which is good news! The team is back to work following resolution with Lumen.

Director Matthews shared her thanks for all Ms. Dalmolin has done. She stated time will pass quickly between now and November and she suggested planning a retirement party.

Ms. Lenners stated she has a list of people from the recent conference that want to attend Ms. Dalmolin's retirement party.

Ms. Dalmolin conveyed comments of thanks for her long and meaningful career at Mountain Line.

Director Vasquez shared his thanks to Ms. Dalmolin, admitted the Board has been hard on her at times, but she is a true professional, and he said he is happy for her.

Vice Chair Sweet stated Ms. Dalmolin will be missed and shared that she has learned some leadership skills from Ms. Dalmolin.

SCHEDULE NEXT MEETING DATE AND IDENTIFY AGENDA ITEMS

June/August Working Agenda

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, Kinney Change Order, Huntington Bus Stops, Fare Collection Procurement Award, Grant Resolution, Procurement Resolution, Mountain Express Future Service, Operational Assessment Update, Delegation of Authority Updates, Line of Credit, 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.

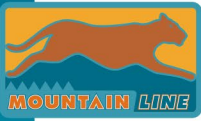
18. ADJOURNMENT -Chair Maher adjourned the meeting at approximately 11:01am.

Josh Maher, Chair of the Mountain Line Board of Directors

ATTEST:

Rhonda Cashman, Executive Assistant and Clerk of the Board





Board of Directors Minutes for Thursday, May 28, 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, May 28, 2026, at 11:00am 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, (Zoom);
Jeronimo Vasquez, Board of Supervisors, Coconino County;
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:

None.

MOUNTAIN LINE STAFF IN ATTENDANCE:

Heather Dalmolin, CEO and General Manager, left at approximately 11:59 and returned at approximately 12:37pm;
Jon Matthies, IT Manager, left at approximately 11:03am and returned at approximately 12:37pm;
Rhonda Cashman, Executive Assistant and Clerk of the Board, left at approximately 11:03am and returned at approximately 12:37pm;
Scott Holcomb, Mountain Line Attorney, (Zoom)

GUESTS PRESENT:

Kate Morley, Executive Director, MetroPlan, left at approximately 11:03am and returned at approximately 11:08am

1. CALL TO ORDER -Chair Maher called the meeting to order at approximately 11:00am.
2. ROLL CALL





At approximately 11:01am, Vice Chair Sweet made a motion to go into executive session. Director Matthews seconded. There was no discussion. All approved, none opposed. Motion carried.

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

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, the CEO and General Manager transition, and staff as appropriate, concerning the CEO Transition Plan, CEO Transition Communication Plan, and Interim Leadership Plan to support staff and the agency during the transition. A.R.S. § 38-431.03(A)(1), (2), (3) & (4).

Following the conclusion of the Executive Session, the Board reconvened the public meeting at approximately 12:37pm.

DISCUSSION / ACTION ITEMS:

Chair Maher chose to reorder the Discussion/Action items on the agenda.

3. INTERIM LEADERSHIP APPOINTMENT

-Josh Maher, Board Chair
(No Staff Report)

Director Matthews made a motion to appoint Kate Morley to be the Interim CEO of Mountain Line and allow legal counsel to negotiate and finalize the amendment to the Intergovernmental Agreement (IGA) between Mountain Line and MetroPlan regarding all items discussed in executive session. Chair Maher seconded. There was no discussion. All approved, none opposed. Motion carried.

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





4. CONSIDER THE CHIEF EXECUTIVE OFFICER (CEO) TRANSITION COMMUNICATION PLAN, AND THE INTERIM LEADERSHIP PLAN

-Heather Dalmolin, CEO and General Manager

Staff recommend the Board of Directors approve the CEO Transition Plan, CEO Transition Communication Plan, and Interim Leadership Plan to support staff and the agency during the transition.

Chair Maher said he would like to have Ms. Morley, Interim CEO, review the transition plan. He stated he wanted to allow space for discussion. Vice Chair Sweet stated she is comfortable approving the CEO Transition Communication Plan today which allows the Interim CEO some time to review the other plans. Vice Chair Sweet moved to approve the CEO Transition Communication Plan and hold the other plans until the June 17th Board meeting. Director Matthews seconded. There was no discussion. All approved, none opposed. Motion carried.

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

ITEMS TO / FROM THE BOARD OF DIRECTORS AND CEO:

Ms. Dalmolin stated she did not have anything to share with the Board at that time. There were no comments from any Board members.

SCHEDULE FOR THE NEXT MEETING DATE AND IDENTIFY AGENDA ITEMS

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 8am. The public is invited to attend. June agenda items may include but not be limited to Budget Adoption, Kinney Change Order, Huntington Bus Stops, Fare Collection Procurement Award, Grant Resolution, Procurement Resolution, Mountain Express Future Service, Forensic Audit, Free Fare Closeout, Operational Assessment Update, Delegation of Authority, Line of Credit, Personnel Policy Manual Update, Public Comment Process Amendment, 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.

5. ADJOURNMENT -Chair Maher adjourned the meeting at approximately 12:42pm.





Mountain Line

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

Josh Maher, Chair of the Mountain Line Board of Directors

ATTEST:

Rhonda Cashman, Executive Assistant and Clerk of the Board

Getting you where you want to go





DATE PREPARED: June 2, 2026

DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

FROM: Megan Coons, Finance Director

SUBJECT: Fiscal Year 2027 Budget

RECOMMENDATION:

Staff recommends the Board of Directors adopt the Fiscal Year 2027 Budget with a total budget of \$51,031,322, including operating expenditures of \$16,819,613 and capital expenditures of \$34,211,709.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ The adoption of the Fiscal Year 2027 Budget provides financial resources to support all aspects of the Strategic Plan and Key Objectives.

BACKGROUND:

Per the Master Intergovernmental Agreement, and in accordance with Arizona Revised Statutes Title 28, Chapter 26, Article 3, Mountain Line is responsible for managing transit operations within the region. Section 9.3 of the Master IGA identifies provisions for the establishment of a Public Transportation Authority Fund and financial responsibility for managing various transit funding sources including member appropriations, farebox proceeds, state grants, federal grants, and other miscellaneous sources. As such, no later than June 30th of each year, Mountain Line is required to hold a public hearing and adopt an annual budget. Staff has been working with the financial managers of member agencies to ensure adequate revenues are available for planned programs and program budgets have been submitted accordingly.

Through the fall of 2025 and early 2026, Mountain Line staff collaborated to develop a fiscal year 2027 budget proposal that carries out our requirement and commitment to provide transit services in the City of Flagstaff and focus on the objectives identified in our Strategic Plan. At the March 2026 Board of Directors meeting, staff presented the proposed workforce budget related to salaries, benefits, and professional development of staff. At the April 2026 Board meeting, staff presented the proposed operating budget focused on the costs of maintaining, operating, and managing the public transportation system's programs. During the April meeting, staff also reviewed capital improvement plans and some highlights of current projects crossing fiscal years. During these meetings, the Board members were invited to consider, discuss, and ask questions or provide direction to Mountain Line staff regarding the budget proposals presented.





FISCAL IMPACT:

The final budget adoption allows Mountain Line to commit and spend funds for the operation of transit programs as described in the Fiscal Year 2027 Budget. This will establish the maximum allowable expenditures for FY2027. Budget adoption authorizes the CEO and General Manager to act on grants and contracts necessary for funding, and to procure goods and services as necessary to support transit programs.

The City of Flagstaff and Coconino County have indicated approval of our budget requests at their respective management levels. If any member agency does not adopt their proposed budget or federal funds are not awarded as budgeted, staff would be prepared to scale back and delay capital projects for future years when funding is available.

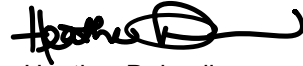
ALTERNATIVES:

- 1) Adopt the Fiscal Year 2027 Budget of \$51,031,322 as presented (**recommended**): By adopting the FY2027 Budget as proposed, staff will be authorized to continue providing all planned programs and capital projects as funded with current and future grant awards. Adoption of the budget authorizes the CEO and General Manager to act on behalf of the Board in the oversight and management of financial concerns.
- 2) Do not adopt the Fiscal Year 2027 Budget (**not recommended**): Per the Arizona Revised Statutes, a budget must be adopted by June 30 to operate in the new fiscal year. If the budget is not adopted at the regularly scheduled June meeting, we will need to schedule additional meetings until an agreement is reached and the budget is adopted, otherwise Mountain Line is not able to undertake any expenditures directly related to the FY2027 budget.

SUBMITTED BY:

Megan Coons
Megan Coons
Financial Manager

APPROVED BY:


Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

- | | |
|---|--------------|
| 1. FY2027 Proposed Budget | -pages 22-27 |
| 2. March Staff Report FY2027 Workforce Budget | -pages 28-30 |
| 3. April Staff Report FY2027 Operating Budget | -pages 31-32 |
| 4. April Staff Report FY2027 Capital Budget | -pages 33-34 |



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)		



DATE PREPARED: March 3, 2026

DATE: March 18, 2026

TO: Honorable Chair and Members of the Board

FROM: Megan Coons, Finance Director

SUBJECT: FY2027 Workforce Budget

RECOMMENDATION:

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

RELATED STRATEGIC PLAN OBJECTIVE

- ❖ Goal: Investing in Mountain Line Workforce
 - ❖ Objective: Enhance workplace culture to support employee development and work-life balance.
- ❖ Goal: Fiscal Responsibility
 - ❖ Objective: Ensure a sustainable financial future through long-term financial planning.

BACKGROUND:

The goal of this report is to provide detailed information on the proposed FY2027 Workforce Budget as related to salaries, benefits, and our strategies to develop and retain staff. Unless otherwise indicated, these are continued efforts and not new programs or offerings to staff.

Our FY2027 Workforce Budget includes:

- A total workforce budget of \$10,726,730, which is an increase of 11% or \$1,074,557 over FY2026.
- Approximately \$225,000 of the budget increase can directly be attributed to the 3% compensation adjustment for existing staff as of July 1, 2026. This adjustment moves employees further within their pay ranges and does not adjust base salary rates.
- Inclusion of budget capacity for additional FTEs. An organizational assessment is ongoing to identify staff changes necessary to support growth in services related to the successful passing of Proposition 488.
- Inclusion of eight Part-Time 20+ Transit Operator Positions that had previously been approved but expenses assumed to be paid from vacancy savings. Due to the permanent and ongoing nature of the wages and EREs related to these positions, they have been included in the budget for FY2027.
- On March 1, 2026, the overtime policy was revised to end double-time (2.0x) pay for overtime and instead recognize the federally required overtime rate of time and a half (1.5x). As staffing levels have stabilized, the ongoing need to fill approximately 15% of shift work with overtime hours has remained. With that assumption, the policy was rolled back to strengthen fiscal sustainability into future years.





- Benefits: taxes, retirement, health insurance, dental insurance, vision insurance, life insurance, unemployment, workers' compensation insurance.
 - Benefits are budgeted to increase approximately \$300,000 due to higher employer taxes on increased income and increases to health insurance premiums.
 - NAPEBT has approved a 6.0% increase to health insurance premiums for FY2027. The cost increase is shared between employer and employee. This includes extensive wellness programs targeted at improving the health of staff most at risk for high-cost treatment needs now and in the future.
 - Arizona State Retirement System has a slight decrease to employer contribution requirements from 12.00% of earnings in FY2026 to 11.98% of earnings in FY2027.
 - A full array of benefits is offered to part-time employees working at least 20 hours. While the number of part-time staff is limited, this allows flexibility for hiring needs and assists with maintaining an appropriate level of staff needed for operating all scheduled service, while reducing the dependence on overtime.
- The indirect management rate has increased from 9% to 10% of total salaries and benefits. 10% is lower than other comparable organizations. The increase is attributable to a compensation review that recommended salary adjustments for a number of positions, including some of those categorized as indirect.
- Budget capacity is included to bolster succession planning efforts. When recruitment of upper-level management positions is required from the national labor pool the salary requirements are often higher than they might be when recruiting for the position within current employees.
- Paid Leave: 13-30 days of vacation leave annually, 12 days of sick leave including up to 8 hours for wellness, 8 hours of volunteer time annually, up to 16 hours of anniversary leave, up to 40 hours of evacuation/emergency declaration leave.
- Conversion of unused sick to vacation: once annual conversion of up to 48 hours after five years of employment.
- Payout of leave: once annual vacation sellback option of up to 40 hours, payout of all vacation remaining accrued at the time of termination, payout of 25% of sick leave remaining accrued at the time of termination after 20 years of employment.
- Anniversary recognition: a cash gift at each 5-year anniversary worth \$100 per 5-year increment of service.

Additional programs available:

- Education and professional development opportunities both through Mountain Line and through external education institutions. Support includes financial assistance as well as schedule flexibility to attend courses.
- Employee Assistance Program that provides 12 one-hour counseling appointments on personal matters, including financial well-being.
- Referral Program encourages employees to refer friends and community members for open positions with Mountain Line. Employees may receive as much as \$800 in bonuses for a referral that results in a hire that stays employed for more than a year.
- New driver employees have an opportunity to earn a stay-on bonus of up to \$3,000 for staying on for more than a year with Mountain Line after completing the training program.
- Housing assistance is available to help prevent loss of housing or to secure new leases or mortgages.

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- Reward time can be granted by any manager to authorize an employee to take up to one additional day off in recognition of work above and beyond expectations.
- Recognition cards and movie tickets are available to express thanks and appreciation for staff that step up to help or perform work above and beyond. These cards range in value from \$5 to \$25 and are available to managers and supervisors.
- Assistance with CDL permits and medical card physical costs during employment.
- Tool allowance is provided to vehicle maintenance team members, as well as safety equipment and uniforms.
- Uniforms are purchased for many of our operations positions to ensure professional dress and good repair conditions.
- Wellness room and equipment are provided to promote employee health and wellness at the Kaspar office and Downtown Connection Center.
- Employee computer stations are available at the main office and in our Downtown Connection Center breakroom.

FISCAL IMPACT:

Staff are not recommending any action at this time.

ALTERNATIVES:

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

SUBMITTED BY:

Megan Coons

Megan Coons
Finance Director

APPROVED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

None.

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DATE PREPARED: March 30, 2026

DATE: April 15, 2026

TO: Honorable Chair and Members of the Board

FROM: Megan Coons, Finance Director

SUBJECT: FY2027 Operating Budget

RECOMMENDATION:

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

RELATED STRATEGIC PLAN SUCCESS OUTCOMES:

- ❖ FY2027 budget supports all aspects of the Strategic Plan

BACKGROUND:

Staff will present information on the operating portion of the FY2027 budget, excluding workforce expenditures. Our overall operating budget request represents an FY2027 increase of \$2.6 million, or 18% over FY2026, from \$14.2 million to \$16.8 million.

As presented with the workforce budget, approximately \$1.1 million of the increase is an important investment in our workforce.

The most significant portion of the budget increase is a \$1,375,000 allocation that is set aside for service expansion.

The remaining operating budget increase after the workforce is \$173,642.

- The budget for indirect overhead expenses has been increased by approximately \$66,000.
 - Expenses for payroll processing services have increased in tandem with higher staffing levels.
 - The fixed monthly fee for legal services will be increasing in FY2027
 - This budget increase aligns the budget for audit services with the contracted amount.
 - Budget allocation for all-staff cyber security training has been added.
- The budget for administrative expenses includes a \$25,000 increase for banking fees, which were previously reported net of revenue. This increase is for reporting only and will be offset by higher reported fare revenue.
- The budget for vehicle maintenance has increased by \$57,000 due to higher usage of outside repair services resulting from an aging fleet.
- A \$15,000 budget increase for printed marketing materials has been added for FY2027 to allow capacity for printed materials needed to communicate upcoming service changes and print new ride guides.





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- FY2027 includes a \$5,000 increase for computer and phone supplies needed to support multiple locations and a greater variety of equipment.
- The liability insurance budget is not changing for FY2027. Although Mountain Line's current broker has quoted a minor decrease, final contract amounts are pending and are expected to be close to current budgeted amounts.

FISCAL IMPACT:

There is no fiscal impact currently associated with this FY2027 budget discussion. The items discussed will impact the final FY2027 budget proposed at the June 2026 meeting.

ALTERNATIVES:

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

SUBMITTED BY:

Megan Coons

Megan Coons
Finance Director

APPROVED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS

None.

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DATE PREPARED: March 30, 2026

MEETING DATE: April 15, 2026

TO: Honorable Chair and Members of the Board

FROM: Megan Coons, Finance Director

SUBJECT: FY2027 Capital Budget

RECOMMENDATION:

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

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

❖ FY2027 budget supports all aspects of the Strategic Plan

BACKGROUND:

The FY2027 capital budget is \$34,211,709. This capital budget includes \$27,742,667 of FY2026 continuing projects with all funding previously approved. New projects in the FY2026 capital budget were identified and evaluated through a Capital Improvement Plan process by staff for urgency of need, feasibility of achieving project outcomes, financial capacity, and funding options. Projects are ranked on a 5-year timeline, and projects and funding sources for future years serve as a guide for future planning and are subject to further review and modification. The FY2026 budget includes the following items:

- Administrative Projects including professional services for the workforce housing project (locally funded).
- Downtown Connection Center Phase 2 planning and design (80% federally funded).
- Construction of Kaspar Maintenance Facility expansion to allow maintenance of new vehicle types and facility size appropriate to accommodate maintenance without exposure to weather for comfort and safety of vehicle maintenance staff (80% federally funded).
- Bus stop improvement design costs, including a Huntington Drive protected pedestrian crossing and a left turn off Pine Cliff (80% federal funded).
- Bus fleet rehabilitation for two buses at end of federally mandated useful life (80% federally funded).
- New bus stops for Route 8 extension of service to neighborhoods on West Route 66 (locally funded).
- Various bus stop accessibility upgrades and additions (locally funded).

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FISCAL IMPACT:

There is no fiscal impact currently associated with this FY2027 Budget discussion. The items discussed will impact the final FY2027 budget proposed at the June 2026 Board meeting, which will be delivered to the Board in May 2026 for review.

ALTERNATIVES:

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

SUBMITTED BY:

Megan Coons

Megan Coons
Finance Director

APPROVED BY:

A handwritten signature in black ink, appearing to read "Heather Dalmolin".

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

None.

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DATE PREPARED: June 1, 2026

DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

FROM: Heather Dalmolin, CEO and General Manager and Kate Morley, Interim CEO

SUBJECT: Chief Executive Officer (CEO) Transition Decisions

RECOMMENDATION:

Staff recommend the Board 1) identify members of the hiring committee, 2) determine if the Board would like to pursue a retreat in combination with the recruitment, 3) approve the scope of work for a recruitment firm and direct staff to solicit bids, and 4) approve the updated CEO Transition Plan.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ Financial Stability
- ❖ Community Value

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. At its May 28, 2026 special meeting, the Board appointed Kate Morley to be the Interim CEO.

The draft CEO transition plan has been updated to reflect the latest decisions of the Board. 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.

In order to support Mountain Line and the Board of Directors, staff have drafted scopes of work for the proposed Board Governance Retreat to be conducted before the CEO's retirement and for the Executive Recruitment anticipated.

There are four decisions for the Board today.

1. Decide if the full Board would like to be involved in the selection and oversight of the recruitment firm and its deliverables or appoint up to two members to be on a transition committee.
2. Approve the scope of work for the Board Governance retreat and determine whether to solicit bids or engage existing contractor.
3. Approve the scope of work for the recruitment firm and direct staff to solicit three quotes.
4. Approve the CEO Transition plan.

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FISCAL IMPACT:

It is expected a recruitment firm will cost up to 35% of the negotiated CEO wage and the Governance retreat is expected to add an additional \$10,000. Neither of these expenses are budgeted but both are key to success of Mountain Line in recruiting and onboarding a new CEO in the coming months.

ALTERNATIVES:

1) **Recommended:** Staff recommend the Board 1) identify members of the hiring committee, 2) determine if the Board would like to pursue a retreat in combination with the recruitment, 3) approve the scope of work for a recruitment firm and direct staff to solicit bids, 4) approve the updated CEO Transition Plan.
2) **Alternative recommendation:** The Board could not make all or any one of the above decisions regarding recruitment. The Board could direct staff to bring them additional information before they formally begin any recruitment processes.

SUBMITTED BY:

Heather Dalmolin
CEO and General Manager

Kate Morley
Interim CEO

ATTACHMENTS:

1. Scope of Work, Board Governance Retreat
2. Scope of Work, Executive Recruitment
3. CEO Transition Plan

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Public Transit Agency Board Governance Retreat

Scope of Work (SOW) & Agenda Framework

1. Purpose of the Retreat

Strengthen Board effectiveness to support:

- Strategic oversight
- Prepare for new 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. Improve decision-making and meeting effectiveness
4. Strengthen Board–CEO partnership
5. Confirm Board norms, culture, and expectations
6. 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. CEO Evaluation Structure

- KPIs aligned to strategic plan

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.
- Develop job description and salary range
- 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: (dates below based on full board participation. May change if a committee)

- July- August2026:
 - Conduct critical assessment of organizational needs.
 - Articulate and document qualities needed in the CEO role
- September 2026, Work session with Board of Directors
- October, 2026: Present updated job description to the Board for approval
- October, 2026: Present recruitment material to the Board for approval
- October- December 2026: Conduct recruitment for 60 days
- January 2027: Screen applicants, conduct interviews and select finalists
- February 2027: 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.

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 Plan
- Hire an Executive Search contractor and participate in recruitment as outlined in the Transition Phase and Timeline section of this document

Authority & Guardrails:

Interim CEO authorized to:

- Oversee operations, staffing, and safety
- Execute approved budget per procurement policy and grant resolution
- Maintain contracts and partnerships
- Represent agency publicly

Board approval required for:

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

2. Role of the Interim

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
5. Maintain Board Relationship and Oversight

3. Recruitment Phases & Timeline

Phase 1: Hire an Executive Recruitment firm

Timeline:

- Committee- July
- Board- August meeting

Phase 2: Recruitment firm to prepare materials

Timeline:

- Committee- Discussion August meeting, approvals September
- Board- Discussion September meeting, approvals October
- Job description including key competencies and traits, including:
 - Public transit leadership experience
 - Community engagement and political navigation
 - Financial / grant expertise
- Salary range
- Recruitment materials
- Selection process
- Staff involvement

Phase 3: Recruitment / Selection

Timeline: 4-6 weeks, could extend

- Committee-Sept-Nov
- Board- Oct- Dec

- Solicit and screen candidates
- Recommend finalists for interview to Board
- Conduct structured interviews
 - Include staff and stakeholder input panels

Phase 4: Make offer, negotiate

Timeline: 6 weeks to start date

- Committee-Jan
- Board- Feb

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
- Planning processes underway
- Operations overview
- Regulatory compliance (FTA requirements)
- Community/political relationships
- 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

Deliverables:

- “CEO Transition Binder” (digital + structured):
 - Org chart + leadership assessments
 - Top 10 risks & mitigation plans
 - Key contacts list
 - Calendar of recurring commitments

5. Stakeholder Management

High-Priority Relationships

- City of Flagstaff
- Coconino County
- NAU
- FUSD
- Federal Transit Administration (FTA)
- Arizona DOT
- Community organizations
- Riders (especially transit-dependent populations)

Actions:

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

6. Risk Management

Risk	Mitigation
Staff uncertainty / turnover	Frequent internal communication, leadership visibility
Political friction	Early outreach to local/state leaders
Strategic drift	Board-guided priorities + 90-day plan



DATE PREPARED: June 3, 2026

MEETING DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

FROM: Anne Dunno, Capital Development Manager

SUBJECT: Request for Statement of Qualification (RSOQ) 2022-400 Downtown Connection Center (DCC) Civil Engineering Change Order Civic Space Task Order No. 6

RECOMMENDATION:

Staff recommend the Board of Directors approve Task Order No.6 in amount of \$94,749 for 60% design of the civic space under Contract No. RSOQ 2022-400 for Ardurra. Additionally, authorize the CEO and General Manager to execute Task Order No. 6.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

❖ Service Excellence

BACKGROUND:

Mountain Line is working with City of Flagstaff Parks and Recreation and Community Investment on the civic space located to the east of the long-term Operations Hub space. Flagstaff City Council adopted a “bubble diagram” concept for the civic space that includes a splash pad, public art, outdoor amenities, and restroom. Mountain Line and the City will develop 60% design by December 2026. Mountain Line and the City will pause design development at 60% design since there is no confirmed Rio de Flag (RDF) construction schedule. Final design would reconvene in 2028/2029 assuming there is a confirmed RDF timeline.

Task Order 6 is a new Task Order under RSOQ 2022-400 for design services to develop 60% design of the DCC civic space. Mountain Line continues to work on 60% design of the operations hub under Task Order 4. Prior Task Orders are closed with work completed for Phase 1 DCC civil engineering design and construction administration, Milton/Phoenix traffic signal design, preliminary civic space design, and Phoenix Avenue restriping design.

Task Order 6 scope includes project management and design development of the civic space including subconsultants Norris Design, for landscape architecture, and Aqua International, for the splash pad design. Design development will require coordination with City technical stakeholders, US Army Corps of Engineers for coordination with the RDF Project, third party utilities, and Owner reviews with City and Mountain Line. The scope includes illustrative visualizations for stakeholder communication.





Task Order 6 is scheduled for completion by December 31, 2026.

FISCAL IMPACT:

The adopted FY2026 budget includes fiscal capacity in amount of \$3,300,00 for the Downtown Connection Center to cover Task Order No. 6 civic space design. The overall DCC Phase 2 is funded with an FTA 5307/5339 Grant awarded in total amount of \$13,993,000 (\$11,194,400 federal/\$2,798,600 local). The grant is partially obligated as AZ 2025-034.

Mountain Line has grant funding to complete DCC Phase 2b final design and construction (in current dollars) for the operations hub and the portion of the civic space associated with transit. The City of Flagstaff will fund the City’s portion of the civic space components for final design and construction including the splash pad, restroom, and public art. Since construction is not anticipated until 2030 or beyond, additional funds may be needed to close the gap for future construction of Phase 2b, which will be included in Mountain Line’s grant strategy.

ALTERNATIVES:

1. Approve Change Order No.6 in amount of \$94,749 for 60% design of the civic space under Contract No. RSOQ 2022-400 for Ardurra. Additionally, authorize the CEO and General Manager to execute Task Order No. 6. **(recommended)**: Approval will allow Mountain Line and the City to continue with design development of the civic space.
2. Do not approve Change Order No.6 in amount of \$94,749 for 60% design of the civic space under Contract No. RSOQ 2022-400 for Ardurra. **(not recommended)**: Without approval, Mountain Line will not continue with design development of the civic space.

SUBMITTED BY:

Anne Dunno
Anne Dunno
Capital Development Manager

APPROVED BY

Jacki Lenner
Jacki Lenner
Deputy General Manager

ATTACHMENTS:

1. RSOQ 2022-400 DCC Civil Engineering Task Order No. 6 Civic Space -separate attachment





DATE PREPARED: June 3, 2026

MEETING DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

FROM: Anne Dunno, Capital Development Manager

SUBJECT: Request for Proposals (RFP) 2024-100 Kaspar Maintenance Facility Change Order No. 2 for Lumen Relocation Delay

RECOMMENDATION:

Staff recommend the Board of Directors approve Change Order No.2 to GMP No. 1 in amount of \$205,656.08 for the Lumen Relocation Delay under Contract No. RFP 2024-100 for Kinney Construction. Additionally, authorize the CEO and General Manager to execute Change Order No. 2.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ Service Excellence

BACKGROUND:

RFP 2024-100 Kaspar Maintenance Facility CMAR Change Order No. 2 in the amount of \$205,656.08 is for costs associated with delay caused by Lumen to relocate their fiberoptic infrastructure located on Mountain Line’s property. Early in project design, Mountain Line had coordinated with Lumen for the relocation. Lumen was scheduled to complete the relocation work in mid-March 2026 when Lumen discovered additional third-party ATT lines in the Lumen manhole vault on approximately March 26. This triggered additional third-party coordination between Lumen and ATT. Ultimately the Lumen/ATT relocation and removals from the Mountain Line property were to be 100% complete by May 15 but didn’t finish until May 19. Due to the extension of Lumen’s work into the following week this caused Kinney to redirect equipment scheduled to start May 18 to another project and reschedule the delivery and work start until May 26 so Lumen’s original projected schedule of completion on May 22 stood true, inflicting a delay of 18 days to the project schedule. During this time, KCS endeavored to stay productive in other areas of the building site but ultimately demobilized subcontractors during the delay period. The Change Order is to cover the additional project management, general requirements, increased costs for temp heating (due to critical path pushing activities into winter), and remobilization costs for civil and concrete.

Change Order No. 2 for the Lumen delay modifies the critical path for the master GMP schedule by 18 days revising the contract substantial completion date from March 24, 2027 to April 19, 2027.





FISCAL IMPACT:

The adopted FY2026 budget includes fiscal capacity in amount of \$28,059,793 for the Kaspar Maintenance Project. Change Order No. 2 fits within the available budget but the change order utilizes the majority of unallocated project funds which could be used for other relevant Owner needs to support the Maintenance Project. Mountain Line is consulting with legal counsel on the option of pursuing a legal claim with Lumen for cost recovery.

The Change Order will be funded by FTA FY2023 Low or No Emissions (LoNo) 5339 Grant, obligated as grant AZ 2026-001, valued at \$20,447,500 (\$16,358,000 federal/\$4,089,500 local).

ALTERNATIVES:

1. Approve Change Order No. 2 to GMP No. 1 in amount of \$205,656.08 for the Lumen Relocation Delay under Contract No. RFP 2024-100 for Kinney Construction. Additionally, authorize the CEO and General Manager to execute Change Order No. 2. **(recommended)**: Approval will compensate Kinney Construction for the delay caused by Lumen and facilitate continuation of the project.
2. Do not approve Change Order No. 2 to GMP No. 1 in amount of \$205,656.08 for the Lumen Relocation Delay under Contract No. RFP 2024-100 for Kinney Construction. **(not recommended)**: Without approval, Mountain Line will discuss next steps with Kinney Construction which may include halting the project until the costs associated with the Lumen delay are mitigated.

SUBMITTED BY:

Anne Dunno

Anne Dunno
Capital Development Manager

APPROVED BY:

Jacki Lenners

Jacki Lenners
Deputy General Manager

ATTACHMENTS:

1. RFP 2024-100 Kaspar Maintenance Change Order No. 2 -pages 49-53





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

PROJECT CHANGE ORDER

**Project Change Order No. 2 to GMP No. 1
Contract No. 2024-10
Project No. 1**

THIS CHANGE ORDER is made and entered into on the 15th day of June, 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 February 1, 2024, 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: **Kinney Construction Services**
121 E. Birch Ave. Ste 500
Flagstaff, AZ 86001
Contractor Representative: Mike Thomas
Telephone: 928-779-2820
E-mail: mt@kinneyconstruction.net

CHANGE ORDER DESCRIPTION: Lumen relocation delay

CHANGE ORDER SCOPE OF WORK AND PROJECT SCHEDULE/DURATION:
Attached Exhibit 1

- 1. Original Contract Amount \$107,149.00**
- 2. Previous Change Order(s) Total \$26,450,771.24**
- 3. Contract Sum Prior to This CO (1+2) \$26,557,920.24**





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4. **The Contract Sum/GMP will be**
 - a. **X** increased ___ decreased or ___ unchanged
 - b. by this Change Order in the amount of \$205,656.08

5. **New Contract Sum/GMP (3+4) \$26,763,576.32**

6. **Schedule Contract Time will be**
 - a. **X** increased ___ decreased or unchanged
 - b. by this Change Order by **18** days

7. **The date of X Substantial ___ Final Completion**
 - a. as of the date of this Change Order is **April 19, 2027**

Other Conditions/Provisions:

Not applicable

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Mountain Line

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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: Michael Thomas

Its: President

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PCO #002



Kinney Construction Services
121 E. Birch Ave, Suite 500
Flagstaff, Arizona 86001
Phone: (928) 779-2820

Project: K250801 - Mountain Line Kaspar Maintenance Facility
3773 N Kaspar Dr.
Flagstaff, Arizona 86004

Prime Contract Potential Change Order #002: Change Order #002 - Lumen Relocation Delay

TO:		FROM:	
PCO NUMBER/REVISION:	002 / 0	CONTRACT:	K250801 - Mountain Line Kaspar Maintenance Facility
REQUEST RECEIVED FROM:	Anne Dunno (Mountain Line)	CREATED BY:	Mike Devolder (Kinney Construction Services, Inc.)
STATUS:	Pending - In Review	CREATED DATE:	5/27/2026
REFERENCE:		PRIME CONTRACT CHANGE ORDER:	None
FIELD CHANGE:	No		
LOCATION:		ACCOUNTING METHOD:	Amount Based
SCHEDULE IMPACT:	18 days	PAID IN FULL:	No
EXECUTED:	No	SIGNED CHANGE ORDER RECEIVED DATE:	
		TOTAL AMOUNT:	\$205,656.08

POTENTIAL CHANGE ORDER TITLE: Change Order #002 - Lumen Relocation Delay

CHANGE REASON: Client Request

POTENTIAL CHANGE ORDER DESCRIPTION: (The Contract Is Changed As Follows)

Change Order #002 - Lumen Relocation Delay

1. Project Management Team costs/day: 29Hrs./Day x \$140.00/Hr. = 4,060.00/Day x 18 Days Delayed = \$73,080.00
 2. General Requirements costs/day: \$3956.00/Day x 18 Days Delayed = \$71,208.00
 3. Concrete Winter Conditions (Hot Water Mix): 730CY x \$30.00/CY = \$21,900.00
 4. Remobilization for Civil and Concrete Trade Contractors: Civil (2) \$6,800.00 + Concrete (2) \$2,400.00 = \$9,200.00
- Subtotal of Change Order #002 cost of above = \$175,388.00

ATTACHMENTS:

#	Budget Code	Description	Amount
1	01-0025-___.LAB SENIOR PROJECT MANAGER.Labor	Project Management Team	\$73,080.00
2	01-3150-___.OTHER CONSTRUCTION SOFTWARE/EQUIPMENT/MANAGEMENT - PROCORE.Other	Project General Requirements	\$71,208.00
3	01-5729-___.OTHER WEATHER MITIGATION & SNOW REMOVAL - ALLOWANCE.Other	Concrete Winter Conditions	\$21,900.00
4	03-0100-___.SUBS CONCRETE PROTECTION & MISC. ITEMS.Subcontractors	Remobilization Civil & Concrete Trades	\$9,200.00
Subtotal:			\$175,388.00
Contractors Contingency (3.66%):			\$6,419.20
CMAR Fee (4.40%):			\$7,999.52
Insurance (1.21%):			\$2,296.66
Bond (0.90%):			\$1,728.93
Tax (6.10%):			\$11,823.77
Grand Total:			\$205,656.08

PCO #002



M. Edwards 5-27-26
SIGNATURE DATE

SIGNATURE DATE



DATE PREPARED: June 3, 2026

MEETING DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

FROM: Anne Dunno, Capital Development Manager

SUBJECT: Request for Proposals (RFP) 2024-100 Kaspar Maintenance Facility Change Order No. 1 Information Technology (IT) Data, Security Access and Cameras

RECOMMENDATION:

Staff recommend the Board of Directors approve Change Order No.1 to GMP No. 1 in amount of \$386,960.24 for IT Data, Security Access and Cameras under Contract No. RFP 2024-100 for Kinney Construction. Additionally, authorize the CEO and General Manager to execute Change Order No. 1.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

❖ Service Excellence

BACKGROUND:

RFP 2024-100 Kaspar Maintenance Facility CMAR Change Order IT/Security Change Order No. 1 in the amount of \$386,960.24 is for IT Data, Access and Security Cameras. The scope of work includes CMAR project management and subcontractors for purchase and installation of conduit pathways, data cabling for phones and Wi-Fi access, and purchase of security door access hardware, cameras, and installation of security access and camera systems.

Change Order No. 1 does not modify the critical path schedule.

FISCAL IMPACT:

The adopted FY2026 budget includes fiscal capacity in amount of \$28,059,793 for the Kaspar Maintenance Project. Change Order No. 1 fits within the available budget. The Change Order will be funded by FTA FY2023 Low or No Emissions (LoNo) 5339 Grant, obligated as grant AZ 2026-001, valued at \$20,447,500 (\$16,358,000 federal/\$4,089,500 local).

ALTERNATIVES:

1. Approve Change Order No.1 to GMP No. 1 in amount of \$386,960.24 for IT Data, Security Access and Cameras under Contract No. RFP 2024-100 for Kinney Construction. Additionally, authorize the CEO and General Manager to execute Change Order No. 1. **(recommended):**





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Approval will allow KCS to include the coordination of the IT Data, Security Access and Cameras into the project sequencing and reduce risk of cost escalation for materials and equipment.

2. Do not approve Change Order No.1 to GMP No. 1 in amount of \$386,960.24 for IT Data, Security Access and Cameras under Contract No. RFP 2024-100 for Kinney Construction. **(not recommended)**: Without approval, there is risk of scope gap between subcontractor sequencing and cost escalation for materials and equipment.

SUBMITTED BY:

Anne Dunno

Anne Dunno
Capital Development Manager

APPROVED BY:

Jacki Lenners

Jacki Lenners
Deputy General Manager

ATTACHMENTS:

1. RFP 2024-100 Kaspar Maintenance Change Order No. 1 -separate attachment

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DATE PREPARED: June 3, 2026

MEETING DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

FROM: Anne Dunno, Capital Development Manager

SUBJECT: Request for Proposals (RFP) 2024-130 Pedestrian & Bike First Mile Last Mile (FMLM) Construction Manager at Risk (CMAR) Change Order

RECOMMENDATION:

Staff recommend the Board of Directors approve Change Order No.1 to GMP No. 2 in amount of \$98,863 for a curb bump out under RFP 2024-130 for Kinney Construction. Additionally, authorize the CEO and General Manager to execute Change Order No. 1.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ Service Excellence

BACKGROUND:

In April 2026, the Mountain Line Board of Directors awarded GMP 2 for construction of eight pedestrian crossings (three on Highway 180; five on Soliere Drive). Final design was still in review with the City and ADOT this spring during development of the Guaranteed Maximum Price (GMP). Ultimately, the final design for the Soliere/Fox Lair West pedestrian crossing identified a new curb “bump out” located at the intersection of Soliere and Fox Lair West. This scope was not included in GMP 2. Curb bump outs are roadway modifications that slow down vehicle traffic for increased safety; the curb bump out will reduce the pedestrian crossing distance on Soliere for access to the bus stop.

The scope of the change order includes general conditions for supervision/management, traffic control, removals, earthwork, concrete, asphalt patching and striping to construct the curb bump out.

Change Order No. 1 does not modify the overall project schedule which is scheduled for substantial completion by November 30, 2026, and final completion by December 7, 2026.

FISCAL IMPACT:

The adopted FY2026 Mountain Line budget includes capacity to cover Change Order No. 1 to GMP No. 2. The City of Flagstaff is providing the 20% local match for the FMLM grants outlined below: The FMLM Project is funded by two competitive grants with the following breakdown:





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- Design Grant: ADOT FTA 5307/5339 Grant valued at \$1,245,616 (\$996,493 Federal/\$249,123 Local). Approximately \$871K of the total grant is for pedestrian design and \$373K for bicycle design.
- Construction Grant: ADOT FTA 5307/5339 Grants valued at \$5,674,478 (\$4,539,582 federal/\$1,134,896 local). Approximately \$3.9M of the total grant is for pedestrian construction and \$1.7M for bicycle construction.

ALTERNATIVES:

1. Approve Change Order No.1 to Amendment No. 3 to GMP No. 2 in amount of \$98,863 for a curb bump out under RFP 2024-130 for Kinney Construction. Additionally, authorize the CEO and General Manager to execute Change Order No. 1. **(recommended)**: Approval will allow the City to implement the roadway safety improvements associated with the new pedestrian crossing.
2. Do not approve Change Order No.1 to Amendment No. 3 to GMP No. 2 in amount of \$98,863 for a curb bump out under RFP 2024-130 for Kinney Construction. **(not recommended)**: Without approval, the City will not implement the roadway safety improvements associated with the new pedestrian crossing.

SUBMITTED BY:

Anne Dunno

Anne Dunno
Capital Development Manager

APPROVED BY:

Jacki Lenners

Jacki Lenners
Deputy General Manager

ATTACHMENTS:

1. RFP 2024-130 Ped & Bike FMLM Change Order No. 1 to GMP No. 2 -pages 58-65

Getting you where you want to go





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

PROJECT CHANGE ORDER

**Project Change Order No. 1 to GMP No. 2
Contract No. 2024-130
Project No. 2**

THIS CHANGE ORDER is made and entered into on the 15th day of June, 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 March 1, 2024, 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: **Kinney Construction LLC**
121 E. Birch Ave., Ste 500
Flagstaff, AZ 86001
Federal Tax ID No: 86-0951847
CMAR Representative: Mike Thomas
Telephone: 928-779-2820
E-mail: mt@kinneyconstruction.net

CHANGE ORDER DESCRIPTION: In April 2026, the Mountain Line Board of Directors awarded GMP 2 for construction of eight pedestrian crossings (three on Highway 180; five on Soliere Drive). Final design was still in review with the City and ADOT this spring during development of the Guaranteed Maximum Price (GMP). Ultimately, the final design for the Soliere/Fox Lair West pedestrian crossing identified a new curb “bump out” located at the intersection of Soliere and Fox Lair West. This scope was not included in GMP 2. Curb bump outs are roadway modifications that slow down vehicle traffic for increased safety; the curb bump out will reduce the pedestrian crossing distance on Soliere for access to the bus stop.





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The scope of the change order includes general conditions for supervision/management, traffic control, removals, earthwork, concrete, asphalt patching and striping to construct the curb bump out.

Change Order No. 1 does not modify the overall project schedule which is scheduled for substantial completion by November 30, 2026, and final completion by December 7, 2026.

CHANGE ORDER SCOPE OF WORK AND PROJECT SCHEDULE/DURATION:

Attached Exhibit 1

1. **Original Contract Amount** \$81,266.00
2. **Previous Change Order(s) Total** \$2,181,057.41
3. **Contract Sum Prior to This CO (1+2)** \$2,262,323.41
4. **The Contract Sum/GMP will be**
 - a. increased ___ decreased or ___ unchanged
 - b. by this Change Order in the amount of \$98,863
5. **New Contract Sum/GMP (3+4)** \$2,361,186.41
6. **Schedule Contract Time will be**
 - a. ___ increased ___ decreased or unchanged
 - b. by this Change Order by _____ days
7. **The date of ___ Substantial Final Completion**
 - a. as of the date of this Change Order is **December 7, 2026.**

Other Conditions/Provisions:

Not applicable

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Exhibit 1

Board Agenda Packet
6/17/2026 - Page 60 of 109
121 E BIRCH AVE STE 500
FLAGSTAFF, AZ 86001
928.779.2820 (P)
kcs@kinneyconstruction.net



LICENSES:

ROC145666 B-01
ROC233700 KA

Proposal

5/21/2026

Alec Latino
Capital Improvements
City of Flagstaff

Re: Mountain Line – First Mile Last Mile – Soliere Ave and Fox Lair West “Bump Out” Added Scope - COR

Dear Mr. Latino,

KCS Civil is pleased to provide this pricing for the construction services related to the added “bump out” scope for the **First Mile Last Mile Soliere Avenue and Fox Lair West Location**

Total (see attached summary): \$98,863.00

General Information

Pricing is based on the following bid documents:

- Civil drawing added Sheet 40 (P37) by Ardurra with the 100% First Mile/Last Mile Projects Pedestrian Improvement Construction Plans. This sheet by Ardurra was added to the 100% First Mile Last Mile Crossings Plan Set received on 4-16-26 after GMP approval. This drawing sheet and plan set have a stamp date of 4-13-26. This sheet and scope were originally in the 90% “Bikeways” Drawing Set dated January 2025 (sheet 58) with budget pricing submitted on 8-5-25 for location 6 (Soliere Avenue). This sheet was not part of the GMP Crossings plan set for drawings stamped 1-21-26 and GMP pricing submitted on 3-3-26 (assumed to not be part of this project).
- Davis Bacon prevailing wage document: General decision number: AZ20260044 01/02/2026
- A geotechnical report has not been provided.

Construction Scope of Services

General Items

- Equipment transport
 - Surveying stakeout
 - SWPPP, establishment of best practices, straw wattles as required for each site
-

Traffic Control

- Traffic control has been added for this scope for the improvements. Traffic control was previously not included on the South side of Soliere Avenue at the Fox Lair West location, since the referenced improvements on sheet P12 were for the North side of Soliere only.

Removals

- Saw cutting and hardscape demolition per plan for location.

Earthwork

- Clear and grub, scarify and recompact, earthwork cut, haul off, grading.

Concrete

- Concrete flatwork per as called out on drawings.
- All concrete to include aggregate base underneath as specified.

Asphalt

- Asphalt patching if figured as 6" thick for Soliere Avenue.) A cost for 8" thick aggregate base is included under new asphalt areas.

Striping

- This includes the added striping per drawing sheet P37, sheet 40.

Miscellaneous

- This includes the stop sign and the relocated bus stop sign.

Supervision and support

- Supervision and management costs for an additional 2 week duration are included.

Additional Clarifications & Assumptions

- We acknowledge the Davis Bacon prevailing wage document for this project. Costs for prevailing wages are incorporated into the pricing per the wage decision referenced above.
- We acknowledge that this extra scope to be processed as a change order to the contract outside of contractor contingency.

Exclusions

- Permit costs, franchise utility fees, engineer of record fees, builder's risk insurance, third party testing, COF inspection costs, COF chip seal maintenance costs, contingencies
 - Remediation of unsuitable soils
 - Third party testing at Soliere locations
 - COF chip seal fees if required, fog coat if required
-

- Obliteration, fog coat, chip seal if required

Thank you for this opportunity to provide you with our services.

Sincerely,



Travis Moore

tm@kinneyconstruction.net



Project: **FMLM Crossings Soliere-Fox Lair West Bump Out**
Added scope
Location: **Flagstaff, AZ**

Project No.:
Bid Date: **05/21/2026**

Pay Item	Description	Quantity	Unit	Unit Price	Extension
General Items					
02	Surveying	1	LS	1,500.00	1,500.00
General Items Total					1,500.00
Striping and Obliteration					
24	6" solid white bike lane striping per COF 16-06-010 and spec 13-16-006- Note 600	338	LF	1.00	338.00
25	6" white bike lane skip striping (1' segments with 3' gaps) per COF 16-06-010 detail F - Note 601	150	LF	1.00	150.00
26	White bike lane marking per COF 16-06-010- detail E and spec 13-16-006 - Note 602	1	EA	225.00	225.00
37	18" white stop bar per COF 16-06-010 and 13-16-006 - Note 611	23	LF	24.00	552.00
39	Green intersection crossing markings per detail 1 - Note 652	133	SF	5.00	665.00
Striping and Obliteration Total					1,930.00
Miscellaneous					
40	Stop sign (R-1) per MUTCD w/street name signs per COF 10-03-010 - Note 620	1	EA	985.00	985.00
41	Relocate bus stop sign	1	EA	570.00	570.00
Miscellaneous Total					1,555.00
Removals and Earthwork					
42	Sawcut and remove hardscape- sheet 40	1	LS	8,350.00	8,350.00
43	Earthwork and grading- sheet 40	1	LS	12,305.00	12,305.00
Removals and Earthwork Total					20,655.00
Base and Paving					
44	Construct 6" AB section per COF 10-09-010 - Note 200	558	SF	9.20	5,133.60
45	Construct 6" asphalt section per COF 10-09-010 - Note 200	558	SF	12.90	7,198.20
Base and Paving Total					12,331.80
Concrete					
46	MAG 220-1 curb and gutter on 3" AB - sheet 58	88	LF	70.00	6,160.00
47	Ramp curb per note 222	31	LF	120.00	3,720.00
48	MAG 230 sidewalk on 3" AB - Note 230	673	SF	16.00	10,768.00
49	Sidewalk ramp per DT03 on 3" AB- Note 234 (70 SF)	2	EA	2,600.00	5,200.00
Concrete Total					25,848.00
Traffic Control					
50	Traffic control for above scope	1	LS	3,888.20	3,888.20
Traffic Control Total					3,888.20
Supervision and Support					
51	Superintendent (2 additional weeks)	1	LS	9,840.00	9,840.00
52	Project Manager	1	LS	5,400.00	5,400.00



Project: **FMLM Crossings Soliere-Fox Lair West Bump Out**
Added scope
Location: **Flagstaff, AZ**

Project No.:
Bid Date: **05/21/2026**

Pay Item	Description	Quantity	Unit	Unit Price	Extension
53	Project Engineer	1	LS	3,360.00	3,360.00
	Supervision and Support Total				18,600.00
	Cost Total				86,308.00
Contingency					
54	CMAR Contingency (NIC)	1	LS	0.00	0.00
55	Owner Contingency - NIC	1	LS	0.00	0.00
	Contingency Total				0.00
CMAR Fee					
56	CMAR Fee (5%)	1	LS	4,315.00	4,315.00
	CMAR Fee Total				4,315.00
Insurance, Bond, Tax					
57	General Liability Insurance (1.3%)	1	LS	1,178.00	1,178.00
58	Payment and Performance Bonds (1.5%)	1	LS	1,377.00	1,377.00
59	Sales Tax (6.10%)	1	LS	5,685.00	5,685.00
	Insurance, Bond, Tax Total				8,240.00
	General Items Total				12,555.00
TOTAL BID					98,863.00



Mountain Line

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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: Mike Thomas

Its: President

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DATE PREPARED: June 3, 2026

MEETING DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

FROM: Anne Dunno, Capital Development Manager

SUBJECT: Request for Statement of Qualification (RSOQ) 2025-130 Bus Stop Design
Huntington Grant Change Order

RECOMMENDATION:

Staff recommend the Board of Directors approve Change Order No. 1 to Task Order No. 2 in amount of \$22,800 for bus stop design under Contract No. RSOQ 2025-130 for Ardurra. Additionally, authorize the CEO and General Manager to execute Change Order No. 1.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ Service Excellence

BACKGROUND:

Task Order 2 under RSOQ 2025-130 is for design services to develop a new signalized pedestrian crossing on Huntington Drive in the vicinity of Grant Street. Mountain Line has two existing bus stops that were installed in 2017 that provide transit access to hotels, businesses, and transitional housing.

Change Order 1 is for scope to design new shelter bus stops in coordination with the new signalized pedestrian crossing. Scope includes project management, survey, and design development for final plans.

Change Order No. 1 does not modify the Task Order No. 2 schedule for project delivery. Final design is still tracking for approximately September 2026.

Mountain Line will utilize Mountain Line's Job Order Contracting (JOCs) procurement process to award a new Job Order in fall 2026 for construction of the signalized pedestrian crossing and bus stops. Due to longer lead times for signal equipment, Mountain Line is planning for construction in spring 2027.

FISCAL IMPACT:

The adopted FY2026 budget includes fiscal capacity in amount of \$22,800 for Change Order No. 1, which will be funded by the 5305e transit access grant.





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ALTERNATIVES:

1. Approve Change Order No. 1 to Task Order No. 2 in amount of \$22,800 for bus stop design under Contract No. RSOQ 2025-130 for Ardurra. Additionally, authorize the CEO and General Manager to execute Change Order No. 1. **(recommended)**: Approval will allow Ardurra to integrate the design of the bus stops with the pedestrian crossing.
2. Do not approve Change Order No. 1 to Task Order No. 2 in amount of \$22,800 for bus stop design under Contract No. RSOQ 2025-130 for Ardurra. **(not recommended)**: Without approval, Mountain Line will need to initiate a separate project delivery process for design of the bus stops and the bus stop design won't be integrated with the pedestrian crossing.

SUBMITTED BY:

Anne Dunno

Anne Dunno
Capital Development Manager

APPROVED BY:

Jacki Lenners

Jacki Lenners
Deputy General Manager

ATTACHMENTS:

1. RSOQ 2025-130 Bus Stop Design Huntington Grant Change Order 1 -pages 68-73

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

PROJECT CHANGE ORDER

**Project Change Order No. 1 to Task Order No. 2
Contract No. 2025-130
Project No. 2**

THIS CHANGE ORDER is made and entered into on the 15th day of June, 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 "Professional" designated below. This Change Order is entered into pursuant to and incorporates herein the terms and provisions of the Contract, dated December 15, 2024, between Mountain Line and Professional. 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 Professional 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

PROFESSIONAL: Ardurra Group
1801 W. Route 66, Suite 117
Flagstaff AZ 86001
Contractor Representative: Rick Schuller
Telephone: 928-774-4636
E-mail: rschuller@ardurra.com

CHANGE ORDER DESCRIPTION: The proposal is for the design of 2 shelter stops, one on each side of Huntington Drive including plan preparation and the construction document approval process.

CHANGE ORDER SCOPE OF WORK AND PROJECT SCHEDULE/DURATION:
Attached Exhibit 1

- 1. Original Contract Amount \$0**
- 2. Previous Change Order(s) Total \$295,042.50**





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3. **Contract Sum Prior to This CO (1+2) \$295,042.50**
4. **The Contract Sum/GMP will be**
 - a. **X** increased ___ decreased or ___ unchanged
 - b. by this Change Order in the amount of \$22,800
5. **New Contract Sum/GMP (3+4) \$317,842.50**
6. **Schedule Contract Time will be**
 - a. ___ increased ___ decreased or **X** unchanged
 - b. by this Change Order by _____ days
7. **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

PROFESSIONAL:

By: Rick Shuller

Its: Engineering Group Leader

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May 28, 2026

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

RE: Mountain Line - Engineering Design Services
Huntington Drive – New Shelter Stops

Dear Anne,

Thank you for the opportunity to propose to continue to work with you as part of our Engineering On-Call Contract. We understand that Mountain Line is proposing to upgrade and re-locate the bus stops on Huntington Drive that will be in proximity to the proposed pedestrian crossing also being proposed by Mountain Line (under Task Order 2) in the vicinity of the existing bus stops. Demand for the new stops and crossing is being created partially with the new Flagstaff Shelter Services housing project at the old Motel 6 site. Mountain Line has obtained a 5305 Planning Grant for the design phase of the new shelter stops.

This is our Engineering Design Services Scope and Fee for a Change Order to TO 2, Mountain Line Engineering On-Call. The proposal is for the design of 2 shelter stops, one on each side of Huntington Drive including plan preparation and the construction document approval process.

TASK ORDER #2, CO #1 HUNTINGTON DRIVE SHELTER STOPS

1. Services

A. Meeting and Administration

Ardurra will provide administration and project management. This includes coordination with Mountain Line, and the City of Flagstaff through the approval process. This work includes regular meetings with Mountain Line. We anticipate approximately four (4) meetings will be required to complete this phase of work.

Fee \$6,800

B. Survey

We will provide a Field Topographic Survey of the proposed shelter pad locations as part of the original Task Order. For the shelter pad placement, a Right-of-Way survey will be performed to establish the public right-of-way construction limits and verify that no Transit Easements will be required for the shelters or pedestrian crossing.



Fee \$1,200

C. Design and Construction Plans

For the proposed Shelters, Ardurra shall prepare and submit for approval construction plans to the City of Flagstaff prepared per the Mountain Line Guidelines, per City of Flagstaff Engineering Standards and Specifications and per MAG Standard Details. Ardurra will be providing the roadway design hardscape and Shelter Stop features. Specifications for construction will be listed on the plans. An Engineer's Opinion of Probable Cost (EOPC) will be prepared at the 90% and Final plans levels. The plans will enter the City of Flagstaff's Civil Construction Plan Submittal & Processing for Residential & Commercial Development Projects. The process for Construction Plan approvals assumes three (3) submittals (2 for review and 1 for final approval) which is typical for projects of this type. The following submittal levels will be provided:

- 50% Construction Plans internal to Mountain Line
- 90% Level Submittal of Plans with Comment Resolution Meeting
- 100% Level Submittal of Plans with Comment Resolution Meeting
- Final Sealed Plans

Bus Stop improvements include bus landings, shelter and structure pads, relocations, retaining curb or short walls, curb and gutter, sidewalk, pavement (does not include the design of pavement structural section), pavement markings and signage and site grading. Sightlines will be calculated and shown on the plans. We will prepare an Erosion Control Plan with notes/details per the Agency stormwater requirements. Utility relocation plans if required, will be prepared by the Utility Franchise impacted by the shelter pads.

Fee \$14,800

E. Post-Design and Construction Administration

Post-Design Services and Construction Administration is beyond the scope of this project at this time. Ardurra can provide these services and will provide a subsequent proposal at that time the services are needed.

2. Times for Rendering Services

A schedule will be developed with the Client upon a signed copy of this agreement. It is understood that Mountain Line is anticipating that the Final Plans will be approved in September 2026.

3. Basis for Payment

A. **Ardurra services Task A through Task D** will be billed on a lump sum basis per the summary below. Ardurra's invoices will be based upon the estimated percentage of Services completed during the billing period.

Task A	Meetings and Administration	\$ 6,800
Task B	Survey	\$ 1,200
Task C	Design and Construction Plans	<u>\$14,800</u>
Total		\$22,800



4. Assumptions:

- Post Design and Construction Services is beyond the scope of this proposal.
- Shelters will be constructed within existing Right of Way and no legal descriptions are included.
- Geotechnical, Landscaping, Lighting and Structural Design/Plans are excluded.
- NEPA environmental assessment and/or cultural resource assessments/reports are excluded.
- Additional requests made by the Client and/or Client's authorized agent will be billed for at current hourly rates with written authorization.

Please let me know if you have any questions. I am available to discuss the proposal at your convenience. If acceptable, please issue a Change Order to the current Task Order and we will get started immediately.

Thank you,

A handwritten signature in black ink, which appears to read "Richard P. Schuller". The signature is written in a cursive, flowing style.

Ardurra Group, Inc.

Rick Schuller, PE

Engineering Group Leader



DATE PREPARED: May 29, 2026

MEETING DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

FROM: Jon Matthies, Information Technology Manager

SUBJECT: Request for Proposals (RFP) 2026-170, Fare Collection System

RECOMMENDATION:

Staff recommend the Board of Directors award RFP 2026-170, Fare Collection System to Masabi in an amount not to exceed \$409,687. Additionally, authorize the CEO and General Manager to execute the contract upon confirmation from Mountain Line legal that the documents are approved as prepared.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ Service Excellence

BACKGROUND:

Mountain Line’s existing electronic fare collection solution was implemented in 2014, and a mobile ticketing solution provided by a separate vendor was added in 2021. In Fall of 2025, Mountain Line conducted a Request for Information (RFI) to survey state of the art fare collection systems. After seeing demonstrations from 15 different vendors, it was determined that the fare collection landscape had changed significantly enough that Mountain Line would benefit from releasing an RFP and evaluating replacement solutions.

Concerns with Mountain Line’s currently implemented fare collection systems (electronic and mobile) include: increasing incidence of hardware failures, inconsistent fare capping capabilities, contactless card transactions not completing, reading of QR codes slow at times (increasing dwell time), inaccessibility of data, and inflexible data visualization and download tools. These deficiencies increase the cost, both in time and staff hours, of managing the existing system and result in a loss of productivity for staff in multiple departments.

RFP 2026-170 was released on February 6, 2026, and closed on March 13, 2026, with nine proposals being submitted. The scoring committee was comprised of 5 Mountain Line staff members:

- Aliya De La Torre, Finance Coordinator
- Bizzy Collins, Strategic Performance Planner
- Don Palmer, Operations Superintendent





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- Jacki Lenners, Deputy General Manager
- Jon Matthies, IT Manager

The scoring committee completed a review of the written proposals and assigned scores for each proposal out of a possible 100 points in accordance with the evaluation and scoring criteria set forth in the RFP. Averages of the scores assigned by committee members for each vendor are as follows:

Masabi	84.8
Matawan Mobility LLC	74.4
Modeshift	67.2
Token Transit	67.2
Kontron America, Inc.	63.2
Moovel North America	63.2
CarMedialab Corp.	59.6
TransitFare	58.8
Transit Technologies	58.4

After initial scoring was completed, the top two scoring vendors were invited to provide in-person demonstrations of their solutions to the committee. Following evaluation of written proposals and demonstrations, Masabi was determined to be the preferred solution.

Masabi's solution offers the following features:

- Electronic (QR codes, smart cards, open-loop) and mobile ticketing in one system, with consistent fare capping across all fare media types
- Proven solution for accepting credit cards on board buses ("open-loop" payments)
- Native integration with the existing Transit app, providing a seamless experience for riders
- Integration with the InComm/VanillaDirect payment network, which has 22 existing locations in Flagstaff to facilitate digitization of cash
- Support for additional 3rd party sales locations
- Fast (under one second) on-board fare scanning
- Family rider accounts
- Apple Express Transit integration
- General Transit Feed Specification (GTFS) syncing with Mountain Line's existing Computer Aided Dispatch (CAD) provider, which will reduce administrative overhead
- Robust, flexible reporting options
- Cloud-based solution
- Ability to integrate with a third-party transit loyalty program in the future if desired

Most of the proposals submitted did not offer a solution for printing day passes on board, as the transit

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industry is moving away from day passes in favor of fare capping. With Mountain Line's existing pass sales locations plus the ability to load cash on smart cards or the mobile app at dozens of locations on route, combined with a robust rider education campaign, staff are confident that moving the sale of day passes off board is feasible. If it is determined that Mountain Line would like to continue offering day pass sales on board, Masabi offers a solution at an additional cost.

Based on these strengths, the evaluation committee is recommending the Board of Directors award RFP 2026-170 Fare Collection System to Masabi in an amount not to exceed \$409,687. This amount includes \$20,000 for new fare media; actual fare media needs will be determined closer to implementation and will be based on anticipated open-loop payment use and whether existing smart cards can be read by the new solution. Anticipated implementation would be Q3-Q4 of fiscal year 2027.

FISCAL IMPACT:

The project total of \$409,687 will be funded using 80% 5339 grant funding (\$327,750) and 20% local match (\$81,937). After the first year, annual cost is anticipated to be approximately \$44,000 plus any associated transaction fees.

ALTERNATIVES:

1. Approve award of RFP 2026-170 Fare Collection System to Masabi in an amount not to exceed \$409,687 (**recommended**): Approval will allow Mountain Line to proceed with implementation of identified solution, increasing efficiency for the agency and convenience for riders.
2. Do not approve award of RFP 2026-170, Fare Collection System to Masabi in an amount not to exceed \$409,687 (**not recommended**): Without approval, Mountain Line will have to continue using the existing system, risking increased operating costs, additional staff time, and inconvenience to riders.

SUBMITTED BY:

Jon Matthies

Jon Matthies
IT Manager

APPROVED BY:

Heather Dalmolin
CEO & General Manager

ATTACHMENTS:

1. Vendor Proposal -available on request

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DATE PREPARED: June 9, 2026

MEETING DATE: June 19, 2026

TO: Honorable Chair and Members of the Board

FROM: Megan Coons, Finance Director

SUBJECT: Resolution 2026-100: FY2027 Procurement Resolution

RECOMMENDATION:

Staff recommends the Board of Directors approve Resolution 2026-100: FY2027 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 SUCCESS OUTCOMES:

❖ Resolution 2026-100: FY2027 Procurement Resolution supports all aspects of the Strategic Plan

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.





Changes were made in this FY2027 version to narrow the scope of the resolution to only:

- A. Renewal of previously awarded contracts in annual amount of \$100,000 or above. [SH5.1]
- B. No cost extensions of awarded contracts.
- C. Change orders to contracts with aggregate sums for each contract or project under \$100,000 annually.
- D. Issuance of procurements.

Staff are recommending the Board approve Resolution 2026-100: FY2027 Procurement Resolution to support procurements for FY2027 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 2026-100: FY2027 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 2026-100: FY2027 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 staff to be responsive and agile to timely award and action on procurements. Resolution 2026-100 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 2026-100 (**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.

SUBMITTED BY:

Megan Coons
Megan Coons
Finance Director

APPROVED BY:

Kate Morley
Kate Morley
Interim CEO and General Manager

ATTACHMENTS:

- 1. Resolution 2026-100: FY2027 Procurement Resolution -pages 79-81





RESOLUTION 2026-100

A RESOLUTION DELEGATING AUTHORITY FOR PROCUREMENT BIDS AND PROPOSALS, GRANT AWARDS, AND AUTHORITY OVER CONTRACTS FOR THE FISCAL YEAR 2027 (2026-2027) TO THE CEO AND GENERAL MANAGER ON BEHALF OF THE BOARD OF DIRECTORS OF THE NORTHERN ARIZONA INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY (MOUNTAIN LINE).

Whereas Mountain Line is involved in the procurement and completion of an increasing number of and complexity in transportation projects; and

Whereas the Board of Directors (“Board”) devotes a substantial portion of its meeting time to the consideration of procurements, contracts, and contract amendments for transportation projects; and

Whereas the Board relies on the CEO and General Manager in considering and approving procurements, contracts, and contract amendments for transportation projects; and

Whereas the Board desires that Mountain Line efficiently fulfill its mission to provide transportation solutions to the members of the public it serves; and

Whereas the Board adopted and has been operating under Section 1.2.2 of the Mountain Line Purchasing Policy which provides for delegation to the CEO and General Manager of additional authority by resolution specifically delegating authority to the CEO and General Manager, including Fiscal Year Delegation Resolutions under Section 1.2.2(A) authorizing the CEO and General Manager to (i) issue procurement requests, (ii) request and execute grant awards, (iii) sign and enter into individual contracts or agreements, and (iv) sign such additional documents and take such actions as are reasonably necessary to effectuate the terms of such awards, contracts and/or agreements, up to the amount budgeted for each individual project (“Project Budget”) as specified in an approved budget for a particular fiscal year (“Fiscal Year Budget”), up to an aggregate limit for all projects that shall not exceed the total authorized budget amount for such projects in the Fiscal Year Budget;

Whereas the Board has previously delegated authority to the CEO and General Manager to issue and award procurements and authorize contracts as provided in Section 1.2.2(A); and

Whereas Arizona Revised Statutes §§ 28-9101, et seq. also authorizes the Board to delegate additional authority to the CEO and General Manager; and

Whereas the Board delegating additional authority to the CEO and General Manager will enable Mountain Line to more timely consider awards, contracts, and amendments, as well as administer and report to the Board on a whole project basis; and

Whereas the Board delegating additional authority to the CEO and General Manager will preserve limited Board meeting time to devote to broad and deep policy and strategy discussions; and

Whereas the Board has reviewed the Fiscal Year Budget for the 2027 fiscal year (2026-2027) (“2027 Fiscal Year”) including budgets for operation of Mountain Line and including a list of projects based on Mountain Line’s fiscal year budget, this fiscal year Grant Resolution, and long-term financial plan.

IT IS THEREFORE RESOLVED by the Mountain Line Board of Directors that:

Section 1: In addition to the authority granted in the Mountain Line Purchasing Policy, the CEO and General Manager is delegated the authority, on the Board's behalf, to sign and enter into on the Board's behalf, individual contracts and/or agreements up to the amount budgeted for each expense and project as included in the approved budget, up to an aggregate limit for all such expenses and projects not exceeding the total authorized budget amount for that expense or the Project Budget included in the 2027 Fiscal Year Budget including :

- A. Renewal of previously awarded contracts in annual amount of \$100,000 or above.
- B. No cost extensions of awarded contracts.
- C. Change orders to contracts with aggregate sums for each contract or project under \$100,000 annually.
- D. Issuance of procurements.

New contracts of \$100,000 or above shall require Board Approval.

Section 2: The CEO and General Manager, as the budget for additional projects are established and formally approved by the Board, may present to the Board additional Delegation Resolutions for each specific project for which the budget is approved consistent with the delegation of authority set forth in this Resolution; and

Section 3: The CEO and General Manager is authorized to sign such documents in such form as is finally approved and take such actions as are reasonably necessary to effectuate the terms of the awards, contracts, services, and/or agreements pursuant to this Resolution; and

Section 4: The CEO and General Manager shall, to the extent possible, continue to provide to the Board in the Board Meeting Packets information related to upcoming project and contracts of \$100,000 or above; and

Section 5: The CEO and General Manager will continue to provide to the Board quarterly reports on projects and contracts executed of \$100,000 or above, or as otherwise directed by the Board in relation to specific contracts or projects; and

Section 6: The Board, through the Board Chair, may request upon timely notice that any contract of \$100,000 or above may be brought to the Board for presentation and/or approval; and

Section 7: The CEO and General Manager will bring to the Board any procurement decisions that are protested or appealed for formal action and resolution of the protest consistent with the Mountain Line Purchasing Policy; and

Section 8: The delegations of authority in this Resolution shall not diminish the authority of the Board to act within its existing authority; and

Section 9: This Delegation of Authority shall remain in force until the end of the 2027 Fiscal Year or until revoked by a subsequent, validly passed resolution of the Board.

Adopted this day _____ of _____, 2026

Board Agenda Packet
6/17/2026 - Page 81 of 109
BY: _____
Chair, Board of Directors

ATTEST:

BY: _____
Clerk of the Board

APPROVED AS TO FORM:

BY: _____
Scott A. Holcomb, General Counsel



Mountain Line

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DATE PREPARED: May 28, 2026

MEETING DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

FROM: Jacki Lenners, Deputy General Manager

SUBJECT: Resolution 2026-200: FY2027 Collective Grant Resolution

RECOMMENDATION:

Staff recommend the Board of Directors adopt Resolution 2026-200: FY2027 Collective Grant Resolution for federal and state transit grant applications and subsequent contract executions as necessary to support transit programs within the 5-year capital improvement plan and 10-year financial plan.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

❖ Financial Stability

BACKGROUND:

The Mountain Line Board of Directors first adopted a Collective Grant Resolution in 2019 to give staff the opportunity to process applications for funding and related reimbursement requests in an efficient manner while creating the ability to be agile with funding applications. State and federal grant programs require documentation of Board approval in the application process, but they often have tight turnaround times that may not align with the Board meeting schedule. The resolution allows the CEO and General Manager to submit transit grant applications to both the Arizona Department of Transportation (ADOT) and the Federal Transit Administration (FTA) for projects identified in the Transit Program within the Transportation Improvement Program and the 10-year financial plan, and to execute subsequent awards. Staff will provide the Board with regular updates on applications made and awards granted. The resolution allows Staff to act on the following elements:

- FTA or ADOT anticipated appropriations and awards of federal financial assistance for projects as detailed in the Transit Program of the 2027-2031 TIP.
- Local funds match requirements and obligations to apply for and receive federal financial assistance.
- Mountain Line's requirements to complete and submit annual certifications and assurances to FTA and ADOT.
- Authorization to Mountain Line staff to complete and submit federal funding applications as required for the identified projects and programs.
- Authorization to the CEO and General Manager to execute awards for federal assistance.
- Incorporates the TIP as submitted for the current and future year funding cycles. The TIP is adopted by the MetroPlan board biannually and amendments are approved as needed when grants are awarded.

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This resolution allows Mountain Line to be more agile in meeting financial assistance deadlines and competitive in demonstrating support and readiness. The resolution is effective for the identified fiscal year and requires annual adoption to renew authorization for each subsequent year.

FISCAL IMPACT:

There is no fiscal impact directly related to the adoption of the resolution; however, the resolution is expected to offer the opportunity to process applications for funding and related reimbursement requests in an efficient manner while creating the ability to be more agile with application submissions. Each grant application requires a local funds match and staff will ensure adequate capacity is established within the annual fiscal year budget as well as identified future year applications within the 5-year capital improvement plan and the 10-year financial plan.

ALTERNATIVES:

- 1) Adopt the FY2027 Collective Grant Resolution (**recommended**): Adoption of the resolution will afford staff the opportunity to be efficient and timely in making transit grant applications.
- 2) Do not adopt the FY2027 Collective Grant Resolution (**not recommended**): This alternative is not recommended as each grant application submittal and execution of awards will need to be timed according to Board meetings. As such Mountain Line may miss out on opportunities and or delay access to necessary federal funding.

SUBMITTED BY:

Jacki Lenners

Jacki Lenners
Deputy General Manager

APPROVED

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

1. Resolution 2026-200 : FY2027 Collective Grant Resolution -page 84
2. FY2027-FY2031 TIP Table -page 85

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RESOLUTION 2026-200

A RESOLUTION AUTHORIZING THE SUBMITTAL OF ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) AND FEDERAL TRANSIT ADMINISTRATION (FTA) TRANSIT GRANT APPLICATIONS AND THE SUBSEQUENT EXECUTION OF TRANSIT GRANT AGREEMENTS AND CONTRACTS FOR THE FISCAL YEAR 2027 (2026-2027) BY THE CEO AND GENERAL MANAGER ON BEHALF OF THE NORTHERN ARIZONA INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY (MOUNTAIN LINE).

WHEREAS Mountain Line has a responsibility to carry out transit planning, operations, and capital investment activities on behalf of its partners; and,

WHEREAS Mountain Line believes itself to be qualified, and is willing and able to carry out all activities described in the transit grant application; and,

WHEREAS Mountain Line has confirmed the technical, legal, and financial capacity required to carry out all grant activities and has met all requirements of the transit grant applications including FTA requirement for execution of the Master Certification and Assurances as well as annual certification of same; and,

WHEREAS Mountain Line adopts an annual budget and maintains a 5-year financial plan to manage and confirm matching funds are available; and,

WHEREAS Mountain Line has submitted a Transit Program to the Flagstaff Metropolitan Planning Organization (MetroPlan) which illustrates anticipated projects to be funded by federal transit grants; and,

WHEREAS MetroPlan has included the ADOT transit programs and Mountain Line's Transit Program in the approved FY2027 – FY2031 Transportation Improvement Program (TIP); and,

WHEREAS the Arizona Department of Transportation and the Federal Transit Administration provide appropriation and award of various transit grants annually,

IT IS THEREFORE RESOLVED that the Board of Directors requests the funds and assistance available from ADOT and FTA transit grant applications and will comply with all regulations, and,

HEREBY AUTHORIZES CEO and General Manager to act on behalf of Mountain Line to submit and sign transit grant applications, sign related documents, and,

HEREBY AUTHORIZES CEO and General Manager to act on behalf of Mountain Line to sign the grant agreement and contracts if the grant funds are awarded.

Adopted this day _____ of _____, 2026

BY: _____
Chair, Board of Directors

ATTEST:

BY: _____
Clerk of the Board

MetroPlan Transportation Improvement Program FY 2027-2031

Table 3. Federal Transit Projects in the FMPO Region															
Updated: 03/12/2026															
Agency	MP Proj ID	DOT Proj ID	Project name - location - description	Fund Source	Project cost	Total Federal Share (27-28)	Total Local Match	FY 2027	FY 2028	2029	FY2030	FY2031	Local Required	Additional	Total All Funds
F5305e															
Mountain Line	MMT-24-11	100136	Operating Assistance, including Project Management	including	\$	22,669,215	\$ 83,261,609	\$ 4,533,843	\$ 4,533,843	\$ 4,533,843	\$ 4,533,843	\$ 4,533,843	\$ 83,261,609		\$ 105,930,824
Mountain Line	MMT-24-12	100137	Passenger Shelters, Signs, and Poles	State Flex	\$	293,860	\$ 819,710	\$ 58,772	\$ 58,772	\$ 58,772	\$ 58,772	\$ 58,772	\$ 819,710		\$ 1,113,570
Mountain Line	MMT-24-20	104040	5307 Maintenance Facility Construction	5307	\$	834,838	\$ -	\$ 104,980					\$ 104,980		\$ 104,980
Mountain Line	MMT-24-17	104045	Support Vehicles	5307/5340	\$	522,720	\$ -	\$ 55,680					\$ 55,680		\$ 55,680
Mountain Line	MMT-27-03		5307 Maintenance Facility Construction	5307/5339	\$	-	\$ 1,400,000						\$ 1,400,000		\$ 1,400,000
Mountain Line	MMT-25-31-3	104043	5307 Low Emission Replacement Buses (2)	5307	\$	839,044	\$ -	\$ 87,577					\$ 87,577		\$ 87,577
Mountain Line	MMT-23-25-21	105009	5339 Low Emission Replacement Buses (2)	5339	\$	1,742,407	\$ -	\$ 282,537					\$ 282,537		\$ 282,537
Mountain Line	MMT-26-55		Transit Improvements: Bus Shelter Installation	5307									\$ 32,160		\$ 32,160
				5307									\$ 2,157,036		\$ 2,157,036
				5339									\$ 690,055		\$ 690,055
Mountain Line	MMT-27-04		5339 Low Emission Replacement Buses (2)	5339	\$	-	\$ 86,875						\$ 86,875		\$ 86,875
Mountain Line	MMT-27-05		General Route Infrastructure Improvements	5339	\$	-	\$ 801,920						\$ 801,920		\$ 801,920
Mountain Line	MMT-26-37-3	101530	DCC Bus Plaza Construction	5307	\$	17,006,227	\$ 5,214,458	\$ -	\$ 5,214,458	\$ 1,531,705					\$ 5,214,458
TOTAL ALL CATEGORIES						\$20,945,236	\$28,177,533	\$86,900,887	\$9,807,073	\$4,592,615	\$4,592,615	\$4,592,615	\$4,592,615	\$0	\$117,957,671

[] = multi-phased or multi-funded projects under the same ID number
 Fiscal Year is local fiscal year of July 1 thru June 30 to express year of obligation.
 **Local Match increases by an average of 2% annually. Local match is combination of City taxes, NAU and other partner funds.

Table 3a. FTA Section 5310 transit projects within the FMPO area															
Updated: 3/12/2026															
Agency	MP Proj ID	DOT Proj ID	Project name - location - description	Fund Source	Project cost	Total Federal Share (27-28)	Total Local Match	FY 2027	FY 2028	FY 2029	FY2030	FY2031	Local Required	Additional	Total All Funds
Mountain Line	MMT-27-01		ADA Plus	5310	\$	630,000.00	\$ 525,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ -	\$ 630,000
Mountain Line	MMT-27-02		Mountain Line Taxi Program	5310	\$	372,000.00	\$ 310,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ -	\$ 372,000
TOTALS						\$ 1,002,000	\$ 835,000	\$ 167,000	\$ 167,000	\$ 167,000	\$ 167,000	\$ 167,000	\$ 167,000	\$ -	\$ 1,002,000

Table 3b. FTA Section 5311 transit projects within the FMPO area															
Updated: 3/12/2026															
Agency	MP Proj ID	DOT Proj ID	Project name - location - description	Fund Source	Project cost	Total Federal Share (27-28)	Total Local Match	FY 2027	FY 2028	FY 2029	FY2030	FY2031	Local Required	Additional	Total All Funds
Mountain Line	MMT-22-01		Administration	5311		\$ 140,000	\$ 124,800	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000	\$ 124,800		\$ 264,800
Mountain Line	MMT-2202		Vanpool Service Contract	5311		\$ 256,000	\$ 0	\$ 51,200	\$ 51,200	\$ 51,200	\$ 51,200	\$ 51,200			\$ 256,000
TOTALS						\$ 396,000	\$ 124,800	\$ 79,200	\$ 79,200	\$ 79,200	\$ 79,200	\$ 79,200	\$ 124,800	\$ -	\$ 520,800



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DATE PREPARED: May 28, 2026

DATE: June 17, 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.

At the May 21, 2026 meeting of the Board of Directors, Heinfeld Meech was available to speak to concerns regarding risks of unidentified fraud. Michael Lauzon addressed remarks about testing completed,

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lookback period used by staff to look for other concerns, and what potential exposure might still be identified.

Staff did invite the finance team from the City of Flagstaff to attend the June 17, 2026 meeting, to be available to speak to City's need or request for a forensic audit. Management Services Director, Rick Tadder, reported that he was not available to attend the meeting and he instead provided comments and questions that he recommended the Board consider in determining whether they should direct staff to engage in a forensic audit. Those remarks are captured in the attached memo and are similar to the questions discussed at the May meeting.

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 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. Memo to the Board: Comments from the City of Flagstaff | -page 88 |
| 2. Forensic Audit, What and When | -pages 89-90 |
| 3. Forensic Audit, Anticipated Cost | -page 91 |



Memo to the Board of Directors

Date: June 17, 2026
To: Board of Directors
From: Heather Dalmolin, CEO and General Manager
Regarding: Forensic Audit remarks from the City

City staff were invited to attend the June 17 Board of Directors meeting; however, are not available. This memo captures the considerations they encourage Mountain Line and the Board to consider in making a determination on whether to request a Forensic Audit.

Results of the audit and identifying fraud:

- Once the fraud activity was identified, what additional testing above the annual audit work was completed?
- What period was reviewed; how far did you go back?
 - If only to the point where the primary employee change occurred, why not go back further?
- Do you think there was any collusion for the identified issues or possible collusion with other staff?

If the Board is still concerned and wants to do more, Mountain Line could:

- Bring the Auditors into the discussion for their perspective.
 - What additional testing would they recommend?
 - What is the level of risk that there is additional fraud?
- Get a quote for services for additional auditing high-risk areas, including increased sampling and testing.
 - Some high-risk areas include Purchasing Cards, Journal Entry Reviews, Accounts Payable approval, and ACH transactions.
 - A question to consider in seeking this additional effort, have staff or the auditors identified transactions done for personal purchases?

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 7, 2026

DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

FROM: Heather Dalmolin, CEO and General Manager

SUBJECT: Free Fare Consideration

RECOMMENDATION:

Staff recommend the Board of Directors 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.

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

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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.

- 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.

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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:

1. Direct staff to cease activities to move towards fare free (recommended): Staff believe a strong message to the agency and public regarding fare free efforts is crucial to protecting existing funds to provide for existing programs and enable the agency's ability to expand transit.
2. Continue having staff explore fare free transit programs (not recommended): At this time, a replacement source for loss of fares has not been identified. Staff time and resources are focused on growing transit programs as improved service was promised in the local funding initiative in 2024.

SUBMITTED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

None.





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DATE PREPARED: June 4, 2026
DATE: June 17, 2026
TO: Honorable Chair and Members of the Board
FROM: Heather Higgins, Purchasing and Contracts Officer
SUBJECT: Delegation of Authority

RECOMMENDATION:

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

RELATED STRATEGIC PLAN OBJECTIVE:

- ❖ Financial Stability

BACKGROUND:

Agreements and Contracts Authority – Resolution 2020-100

Coconino County Elections Facilities Lease

Coconino County Elections has executed an agreement with Mountain Line for the use of the Ponderosa Room at the Downtown Connection Center during both the primary and general election periods. The room is reserved for Coconino County Elections' use from July 20 through July 22, and again from November 2 through November 4, to allow time for setup and breakdown before and after the election days of July 21 and November 3.

The agreement was executed on April 1, 2026, with a \$75 fee paid to Mountain Line for each election period.

FISCAL IMPACT:

No fiscal impact. Discussion item only.

ALTERNATIVES:

No action is recommended; however, the Board may provide direction to staff on next steps.

SUBMITTED BY:

Heather Higgins

Heather Higgins
Purchasing and Contracts Officer

APPROVED BY:

Megan Coons

Megan Coons
Finance Director

ATTACHMENTS:

1. Coconino County Elections Lease EXECUTED 2026-04-01 -pages 96-97



- g) Facility agrees to place facility key(s) inside elections provided and designated key lock box or give keys to designated election board worker for the days before and after an election.

2. FACILITY RENTAL FEE:

The County agrees to pay the Facility a rental fee of (RECOMMENDED \$75) **\$75**, if required, made payable to: **Mountain Line** for each election.

3. USE OF THE FACILITY:

- a. The Facility agrees that the County will be able to deliver the supplies on the Monday preceding the election and pick up the supplies the Wednesday following the election between 7 AM and 5 PM. The Facility will ensure that the room listed in section 1 is unlocked and available when the County requires access and thereafter secured whenever County property is stored in the room.
- b. The Facility agrees that the County will be able to have a Pre-Election set-up meeting on the Monday prior to an election between 2 PM and 8 PM. The Facility will ensure that the room listed in section 1 is unlocked and available when the County requires access and thereafter secured whenever County property is stored in the room.
- c. The Facility agrees to allow the presence of election personnel in the above-described facility on the dates listed above from 5:00 a.m. until approximately 9:00 p.m. on Election Day.
- d. The Facility will ensure that the room listed in section 1 is unlocked and available when the County requires access and thereafter secured whenever County property is stored in the room.
- e. The Facility agrees to allow election activities (including electioneering) under state law A.R.S. 16-515 & 16-411.
- f. The Facility agrees to provide designated ADA parking or allow County provided remediation materials to meet federal requirements under ADA and HAVA and ensure free voter parking.
- g. The Facility will make available all facilities like restrooms and sinks for use by voters and poll workers.

COCONINO COUNTY


Chairman, Board of Supervisors

Coconino County
219 E. Cherry Ave
Flagstaff, AZ 86001

FACILITY PERMITTER:



Authorized Agent Signature

Heather Dalmolin

Please Print Name

CEO and General Manager

Title

928-679-8909

Phone Number

hdalmolin@mountainline.az.gov

Email Address

NOTE: Please mail two copies to the addresses listed on the footer or email to elections@coconino.az.gov. A fully executed copy will be returned to the Facility with the Board of Supervisor's signature.

THIS DOCUMENT IS TWO SIDED. PLEASE COMPLETE BOTH SIDES.

COCONINO COUNTY ELECTIONS DEPARTMENT
1300 W University Ave STE 180, Flagstaff, AZ 86001 - 928-679-7896



COCONINO COUNTY
ELECTIONS DEPARTMENT



DATE PREPARED: June 9, 2026

MEETING DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

FROM: Megan Coons, Finance Director

SUBJECT: Line of Credit Renewal from Western Alliance Bank for \$1,000,000

RECOMMENDATION:

Staff recommends the Board of Directors authorize the CEO and General Manager, or designee, to activate a Western Alliance Bank credit line of up to \$1,000,000 to provide cash flow assistance, if necessary, to meet cash flow commitments during FY2027.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

❖ Financial Stability

BACKGROUND:

Mountain Line has limited cash funding readily available as the organization is funded on a reimbursement basis by the partner and granting agencies. Due to the potential for cash flow issues related to the timing of reimbursement funds and the lag in federal funding, a line of credit has historically been secured as an option to close the gap in cash necessary for solvency. The line of credit as recommended is important to ensure we keep accounts payable with vendors current while waiting for reimbursement.

The line of credit makes funds available as needed to help cover costs. A line of credit with a maximum limit of \$1,000,000 is available for an interest rate based on the US prime rate at the time of funds draw + 0.95%. Staff selected Alliance Bank due to Mountain Line's existing banking services relationship with Alliance Bank. The line of credit makes funds available to draw as needed and would only be used as a last resort. Mountain Line would only incur interest costs based upon the amount of funds drawn for the time required for repayment of the line of credit. The line of credit is subject to renewal once annually.

Action as recommended allows the CEO and General Manager, or designee, to authorize the renewal of the line of credit when and if the line of credit becomes necessary.

FISCAL IMPACT:

There are no application fees or maintenance costs associated with renewing the line of credit.

If funds are drawn against the line of credit, Mountain Line would be charged the interest rate until such time as the funds are repaid. Mountain Line did not budget for the interest rate that would incur if funds





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were drawn on the line of credit. If Mountain Line uses the line of credit, a budget adjustment, and disclosure to the Board of Directors will be required to cover interest costs related to the expenditure.

ALTERNATIVES:

- 1) Authorize the CEO and General Manager, or designee, to renew the line of credit (**recommended**): The line of credit will provide assurance of adequate cash flow if necessary while reimbursements from various funding sources are pending.
- 2) Do not approve the renewal of the line of credit (**not recommended**): Mountain Line could operate without the line of credit. On occasion, this option could prevent the timely payment of invoices and cost additional finance or late fees.

SUBMITTED BY:

Megan Coons

Megan Coons
Finance Director

APPROVED BY:

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

None.

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DATE PREPARED: May 26, 2026

MEETING DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

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

SUBJECT: Public Comment Process Update

RECOMMENDATION:

Staff recommend the Board of Directors approve the proposed update to the Public Comment Process.

RELATED STRATEGIC PLAN SUCCESS OUTCOMES

- ❖ Service Excellence
- ❖ Community Value

BACKGROUND:

We incorporated our public comment process language into our Board and TAC agendas during our FY2025 Triennial Review Audit. In FY2026 we have had many special meetings on different dates and at different times than specified in our public comment process. This process is visible on our Board webpage and on each agenda.

Please consider revising the public comment process language to make it more general on the website, so that each individual agenda can specify the deadline to submit public comments for a particular meeting. This will allow for changes in meeting dates and times; the deadline will not be set for less than one hour prior to the start of the meeting.

Staff have been changing the timing on each individual agenda for additional and lengthened meetings recently until the policy could be reviewed by the Board.

This change may affect other projects and plans, i.e. Title VI, and approval will allow staff to update those as needed.

Also, this language is no longer part of the Transit Advisory Committee (TAC) agenda since November 19, 2025 when the Board voted to approve the restructuring of the committee and it no longer holds public meetings. The Public Comment Process language could potentially be removed from the TAC webpage.





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FISCAL IMPACT:

There is no fiscal impact on making this change.

ALTERNATIVES:

- 1) Approve the Public Comment Process Update. (**recommended**): this update will keep us in compliance with our process when meeting dates and times change or when special meetings are scheduled at various times.
- 2) Do not approve the Public Comment Process Update. (**not recommended**): this will require either staff to develop a new Public Comment Process or restrict meetings to start at 10:00am per the time stated in the current policy and posted on our website.

SUBMITTED BY:

Rhonda Cashman
Executive Assistant and Clerk of the Board

APPROVED

Heather Dalmolin
CEO and General Manager

ATTACHMENTS:

- | | |
|---|-----------|
| 1. Current Public Comment Process | -page 102 |
| 2. Current Public Comment Process Redline | -page 103 |
| 3. Public Comment Process Updated Clean | -page 104 |



Public Comment Process

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

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

Public Comment Process

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Mountain Line

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MOUNTAIN LINE MEMORANDUM

DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

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

SUBJECT: FY2027 Board Meeting Dates

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

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

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

FUSD's spring break is scheduled for March 15-19, 2027. The March Board meeting has been moved to the fourth Wednesday, March 24th to avoid any quorum issues.

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

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

Attachment: FY2027 Meeting Dates

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MOUNTAIN LINE FY2027 BOARD REGULAR MEETINGS

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

Date	Meeting	Location	Time
7/2026	Recess	-----	-----
8/19/2026	BOD	Zoom Mountain Line Based	8am
9/16/2026	BOD	Zoom Mountain Line Based at the Flagstaff Aquaplex	8am
10/21/2026	BOD/TAC Strategic Retreat	Mountain Line Ponderosa Room (In Person Only)	8am-2pm
11/18/2026	BOD	Zoom Mountain Line Based	8am
12/2026	Recess	-----	-----
1/20/2027	BOD	Zoom Mountain Line Based	8am
2/17/2027	BOD	Zoom Mountain Line Based	8am
3/24/2027 (4 th Wed)	BOD	Zoom Mountain Line Based	8am
4/21/2027	BOD	Zoom Mountain Line Based	8am
5/19/2027	BOD	Zoom Mountain Line Based	8am
6/16/2027	BOD	Zoom Mountain Line Based	8am

Subject to change up until 24 hours before meeting

Updated 5/27/2026



MOUNTAIN LINE MEMORANDUM

DATE: June 17, 2026

TO: Honorable Chair and Members of the Board

FROM: Jon Matthies, Information Technology Manager

SUBJECT: Annual Information Technology Update

The following is a report on activities and successes achieved during the past year, as well as future directions.

In the past year, the Mountain Line Information Technology (IT) team has:

- Implemented a new on-board camera system fleet-wide. The new system supports higher quality video and allows video to be downloaded while buses are on-route.
- Conducted an RFI and RFP to upgrade Mountain Line's fare collection system to a modern, unified solution.
- Completed migration of Windows 10 computers to Windows 11 in advance of Microsoft sunsetting Windows 10 in October of 2025.
- Removed IT assets from Kaspar Shop 0 building to prepare for demolition.
- Provided technology planning and support for new Kaspar maintenance facility.
- Automated Microsoft and 3rd party software patching to maintain security posture.
- Partnered with NAU College of Business to provide raw data for Business Analytics students to use for a capstone project and participated in judging their results.
- Partnered with Dr. Gurney at NAU to test prototype traffic sensors on Mountain Line buses.
- Continued migration of applications to Single Sign-On (SSO) to increase security and decrease the number of accounts that need to be secured when an employee leaves.
- Replaced network equipment at Kaspar that had reached end of life.
- Centralized server logs to a cloud location to maintain integrity and availability in the event of a cyber-attack.
- Moved towards managing accounts and security roles in the HR and Finance systems as a check and balance.
- Streamlined personnel records and consolidated them in our HR management system.
- Freed 1 terabyte (TB) of space on our shared drives through compression and eliminating duplicate files, saving over \$7,000 annually in storage costs.





Mountain Line

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Next steps:

- Complete a 5-Year Strategic Technology Plan.
- Partner with the Arizona National Guard to complete a security audit.
- Implement new fare collection system.
- Continue to develop cybersecurity procedures and training in support of Mountain Line's Cybersecurity Policies.
- Continue migrating applications to Single Sign-On (SSO) to increase security.
- Change Mountain Line's Password Policy to align with industry standards.

Getting you where you want to go



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
Personnel Policy Manual Update	Sam S - C
Bus Stop Construction Job Order for Service Changes	Anne - D/A
Mountain Express Future Service	Bizzy - D/A
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
Workforce Housing Update	Jacki/Heather D-D
Annual Safety Report	Sam S - PR
Annual Fleet Maintenance Report	Marc P - PR
Annual Facilities Maintenance Report	Marc P - PR
Bus Stop Rehabilitation Report	Marc P - PR
Milestone Anniversaries	Heather D
Current Events	Heather D
Updates To/From Board and CEO	
September/October Working Agenda	

September: No TAC Meeting Board Meeting is Wed, 9/16

ITEMS:	WHO & WHAT:
Safety Minute	Sam S
Mountain Line Annual Report	Bizzy - D/A
Clean Air Consortium	Bizzy - D/A
Year End Scorecard Report	Bizzy - D
Operational Assessment Update	Bizzy - D
Milestone Anniversaries	Heather D
Current Events	Heather D
Updates To/From Board and CEO	
October/November Working Agenda	

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