

Mountain Line

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Board of Directors Minutes for Wednesday, August 19, 2026

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

The Board of Directors met in Regular Session on Wednesday, August 19, 2026, at 10:00am in the Mountain Line Ponderosa Room, 216 W. Phoenix Ave., Flagstaff, AZ 86001. This was a WEB BASED meeting. Members of the Board and Mountain Line staff attended in person, by internet conferencing, or by telephone. The public was invited to attend.

BOARD MEMBERS PRESENT:

Josh Maher, (Chair), Associate VP for Community Relations, NAU, designee;
Miranda Sweet, (Vice Chair), Vice Mayor, City of Flagstaff, (Zoom), left at approximately 11:16am;
Tony Williams, Vice President of Student Services, CCC, designee;
Jeronimo Vasquez, Board of Supervisors, Coconino County;
David Spence, City Council, City of Flagstaff, alternate
**Three of our five Board member seats must be present to constitute a quorum.*
***The City of Flagstaff holds two seats.*

BOARD MEMBERS EXCUSED:

Lori Matthews, Councilmember, City of Flagstaff

MOUNTAIN LINE STAFF IN ATTENDANCE:

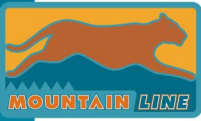
Kate Morley, Interim CEO and General Manager;
Jacki Lenner, Deputy General Manager;
Marc Perla, Deputy General Manager of Operations, (Zoom);
Sam Short, Safety and Training Director;
Megan Coons, Finance Director;
Sara Dechter, Planning Director;
Anne Dunno, Capital Project Manager;
Bizzy Collins, Strategic Performance Planner, (Zoom);
Heather Higgins, Purchasing and Contracts Officer;
Don Palmer, Transit Superintendent;
Diamond Tayah, On-Demand Transit Coordinator, left at approximately 11:54am;
Jon Matthies, IT Manager;
Rhonda Cashman, Executive Assistant and Clerk of the Board;
Scott Holcomb, Mountain Line Attorney, (Zoom)

GUESTS PRESENT:

Jeff McKay, Vice President Capital Planning and Campus Operations, NAU, alternate, (Zoom), left at approximately 11:58am;
Judy Begay, Board of Supervisors, Coconino County, (Zoom), alternate, joined at approximately 11:19am;

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Steve Hamelin, Transit Leadership Consulting (Zoom), left at approximately 12:01pm;
Jill Barnett, TransPro Consulting, left at approximately 12:00pm;
Kellie Melleady, TransPro Consulting, left at approximately 12:00pm;
Luke Allison, TransPro Consulting, left at approximately 11:28am

1. CALL TO ORDER -Chair Maher called the meeting to order at approximately 10:03am.
2. ROLL CALL
3. SAFETY MINUTE
-Sam Short, Safety and Training Director

Mr. Short reported on staying focused as we enter the fall season.

4. CALL TO THE PUBLIC

There were no members of the public in attendance. No public comments were received via email.

5. APPROVAL OF MINUTES:
 - a. Regular Meeting 6/17/2026
 - b. Special Meeting 6/29/2026

Director Vasquez made a motion to approve the minutes for both meeting dates: June 17, 2026 and June 29, 2026. 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	
David Spence	X	

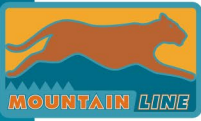
CONSENT AGENDA:

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.

6. PERSONNEL POLICY MANUAL UPDATE
-Jacki Lenners, Deputy General Manager of Administration
Staff recommend the Board of Directors approve the Personnel Policy Manual updates at a policy level.

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This item was pulled for discussion. Ms. Lenners explained the history and process of bringing personnel policy updates to the Board, typically once a year for approval. She shared the most substantive changes are the discontinuation of overtime at a double time rate and returning to the standard overtime rate of time and a half, as well as policies regarding the use of Artificial Intelligence (AI) in the workplace. There were some questions regarding the estimated cost savings of changing the overtime policy, discontinuation of the radio 10 codes, and a suggestion to integrate communications with the Flagstaff Fire Department and the Flagstaff Police Department. Ms. Coons told the Board the estimated savings is approximately \$300,000. Ms. Lenners stated staff are still working to reduce overtime. Mr. Short said that radio 10 codes are still in use, and staff would have to get permission from the Fire Department and Police Department to be able to integrate communications with them. Ms. Lenners noted that Mountain Line does have a policy on how to communicate with the Fire Department and the Police Department. There were no further questions. Director Vasquez made a motion to approve the Mountain Line Personnel Policy Manual Updates. 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	
David Spence	X	

DISCUSSION / ACTION ITEMS:

7. MOUNTAIN LINE METROPLAN MERGER

-Kate Morley, Interim CEO and General Manager

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

Ms. Morley introduced Mr. Hamelin from Transit Leadership Consultants to provide an impartial opinion from his research regarding a potential merger between Mountain Line, the regional transit agency, and MetroPlan, the regional multi-modal transportation agency. He shared a lengthy and informative presentation of his research on this topic. In summary, he noted it would be a time-consuming, costly process to merge these two government entities. Instead, he recommended as much collaboration as possible between the two agencies, thus being a more cost-effective solution. Ms. Morley stated that the Board would really need a clear purpose or decide what problem they want to solve with a merger. The consensus of the Board was to not pursue a merger.

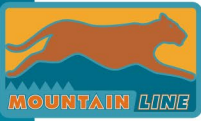
8. CHIEF EXECUTIVE OFFICER (CEO) RECRUITMENT SCOPE OF WORK

-Kate Morley, Interim CEO and General Manager

Staff recommend the Board approve the CEO Recruitment Scope of Work.

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Ms. Morley stated that now that the merger question has been determined, staff can proceed with the Request for Proposal (RFP) Process. She reviewed the tasks, timeline, and considerations associated with the process. There was a brief discussion regarding the timeline and vetting of recruitment firm responses. The Board consensus was the hybrid option for vetting RFP responses. Mr. Holcomb suggested including that decision in the motion. Director Vasquez made a motion to approve the Scope of Work for pursuing a CEO Recruitment firm and vetting responses in a hybrid manner with staff making a recommendation to the Board and Board members also reviewing all responses. Vice Chair Sweet seconded. There was no discussion. All approved, none opposed. Motion carried.

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

9. EXPECTATIONS AND ROLES OF THE CEO AND THE BOARD OF DIRECTORS

-Kate Morley, Interim CEO and General Manager

Staff recommend the Board amend the Expectations and Roles of the CEO and the Board of Directors.

Ms. Morley reviewed the proposed changes to the document and noted a redline version was in the agenda packet. She stated the amendments will make it a forward-looking document. She summarized that the changes are not intended to reduce communication between staff and the Board, the changes are intended to simplify requirements to what's necessary instead of routine, and the changes are intended to reduce staff burden. There were no questions. Director Spence made the motion to approve the amended version of the Expectations and Roles of the CEO and the Board of Directors as presented. Vice Chair Sweet seconded. There was no discussion. All approved, none opposed. Motion carried.

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

10. FY2026 FINANCIAL UPDATE

-Megan Coons, Finance Director

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

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Ms. Coons shared a FY2026 budget to actual summary with budget to actual numbers. She noted the account details are in the agenda packet. She stated she will review by programs as well as operations and capital budgets. She communicated that we did fall short on fare revenue and there was some available Coronavirus Aid, Relief, and Economic Security (CARES) Act funding for the County Vanpool program that was utilized. She noted the other local reflects other programs including Mountain Express being slightly over budget. She explained the Federal Transit Administration (FTA) and Arizona Department of Transportation (ADOT) Federal Pass Through funds are over budget due to revenue from the prior year. She stated wages and benefits were over budget; staff are taking measures to reduce overtime and have eliminated the double time rate. She shared that Operations and Maintenance was also slightly overbudget. She communicated that the Capital is under budget; these expenses are on a reimbursement basis, and some funds weren't spent within the year so there is carryover. She reviewed the projects carried forward into FY2027. There were no questions.

11. FY2026 END OF YEAR SCORECARD

-Bizzy Collins, Strategic Performance Planner

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

Ms. Collins stated this report has a lot of information; the benchmarks and the scorecard were included in the agenda packet. She explained the Fixed Route Bus performance chart. She stated staff continue to evaluate the decrease in ridership. She noted there was an audit of the Automatic People Counters (APC) which were overcounting, how routes are scheduled, increased or decreased ridership based on whether the route received some service enhancements from the passage of Proposition 488, and some routes are suffering from reliability issues due to construction and on-time performance. She noted more service enhancements were effective earlier this month which will hopefully help future ridership numbers. She shared that the Operational Assessment is assessing our reliability issues and how we deliver service enhancements with a better system design overall. There was a question about the inclusion of the gold bars on the chart for Northern Arizona University (NAU) ridership. Ms. Collins responded that Mountain Line and NAU have created a comprehensive transit alignment to see how we can be more efficient between our two systems, there is some overlap, how do we best serve the community, the students on campus and off campus. She noted this is part of our Operational Assessment; staff have been meeting with NAU staff since January, and they are changing their route alignment this semester. She shared that NAU will serve the perimeter of campus while Mountain Line will continue to provide service along the transit spine through campus. She said there is ongoing conversation. Moving on, Ms. Collins shared FY2024 peer comparisons, the most current data available from FTA; she noted Mountain Line does quite well in these peer comparisons for fixed route bus in the cost per hour, passengers per hour, boardings, and boardings per capita categories. There was a question about how Missoula compares to Flagstaff. Ms. Collins replied that Missoula, also called Mountain Line, is very close in population size and service levels to Flagstaff. Ms. Collins moved on to Demand Response performance benchmarks, including both Paratransit and Microtransit. She noted these services are comingled for shared ride efficiency. She shared that the Microtransit program started in 2022 and it serves the Huntington/Industrial corridor, while the Paratransit service requires certification of eligibility for seniors and disabled

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populations per FTA requirements. She explained the cost allocation has changed from ridership based in FY2025 to being based on revenue hours in FY2026, which seems more reflective of the service. Mountain Line has goals to bring the Paratransit cost down each year. She noted that the Microtransit fare changed to match the fixed route in November 2024 and this made it possible to use bus passes; many of the human service agencies in this corridor provide bus passes to their clients which helps those in need. She provided the peer comparisons for Demand Response; we are not looking for high ridership but rather providing the service for those who need it. She noted the Taxi Programs continue to be a top choice for the Paratransit eligible population due to the individualized service. The overall goal is to shift as many Paratransit trips as possible to the taxi service, in the City or in the County, for cost savings when it suits our clients. The Vanpool program is extremely successful. She shared the peer comparison. She also shared a map of the agencies and their locations using the Vanpool program. She reviewed the End of Year Scorecard as a look back; the newly adopted scorecard will be used in future presentations. There was a question about the fluctuation in cost for the Microtransit program. Ms. Collins responded that it is how the cost allocation has been done for the comingled service; done differently in FY2025 versus FY2026 so that is why the numbers look so different year to year. She noted that staff continue to fine tune the process. There was no further discussion.

12. FY2026 WAVE 5 EMPLOYEE ENGAGEMENT SURVEY RESULTS

-Sam Short, Safety and Training Director

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

Mr. Short reported that the Employee Engagement Survey has been conducted on an annual basis at Mountain Line since 2002; it is anonymous and administered by a third party which has been TransPro for the last several years. He noted the last survey was done in October 2025 and the report to the Board occurred in January 2026. He shared that several responses indicated that their supervisors were too new to evaluate them accurately, so at the request of the Board another survey was completed in June 2026. He noted the Wave 5 survey results would be provided by Ms. Melleady from TransPro. She shared her thought that feedback is a gift; when employees take the time to share what is working and what is not to ultimately make Mountain Line a stronger organization. She noted there were 78 responses with operations having the most respondents; this was also the first time managers were asked to take the survey. She also reminded Board members that this snapshot in time is reflective of the organization going through some staffing transition. She reported the overall employee engagement score is 71; she noted some of the “most” and “least” satisfied questions along with their response rates. She shared the key takeaways: employees remain highly committed to Mountain Line’s values of customer commitment and embodiment of challenges; the overall engagement score decreased for the second time in a row; communication from management continues to be a primary organizational challenge; employees want stronger feedback loops; and supervisor consistency is affecting trust. She explained how the employee engagement score is determined. She reviewed the results under the topics of employee engagement, values, performance, feedback, job satisfaction, management, and employee safety. She reported that the recommended next steps are to communicate these results back to employees to close the loop, communicate how concerns are being addressed so employees

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feel heard, and develop strategies to address important factors that can influence future employee engagement scores. She noted that leadership is already working on some of these items. She explained this survey should be used for more than a measurement; it can be used as a tool for continuous improvement. There was a concern voiced over the 79 percent rating for reporting safety risks without fear of negative consequences; stating 100 percent rating should be expected. Ms. Melleady stated they do not have an industry standard for that question. Mr. Allison said that question is somewhat unique to Mountain Line as not all agencies ask that question. Ms. Morley shared that Mountain Line does take these surveys seriously and staff determine the most important areas to address by developing an action plan; staff are still working through this. There was a question about seeing results over time. Ms. Melleady stated the results are reported showing wave over wave changes in the responses; specifically, from this survey items to address would be the supervisory inconsistency and completing the feedback loop. An additional question was about the sample size to draw down where the concerns are coming from. Ms. Melleady stated that the full survey can be shared with the Board and they should be able to see where the concerns are primarily originating from. There was no further discussion.

13. JULY DELEGATION OF AUTHORITY

-Heather Higgins, Purchasing and Contracts Officer

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

Ms. Higgins reported that the Mountain Express contract for the 2025-2026 season was just executed on July 20, 2026; execution was delayed from the December 16, 2025 initiation date due to prolonged legal review and delayed responses from the Arizona Snowbowl. The City of Flagstaff Service Intergovernmental Agreement (IGA) was recently executed; the agreement was updated to incorporate the increase in the sales tax rate approved by the voters on November 5, 2024 for transit service enhancements. There were no questions.

PROGRESS REPORTS:

There were no questions from Board members regarding these progress reports.

14. LONE TREE ROUNDABOUT AND IMPACTS ON COCONINO COMMUNITY COLLEGE (CCC) STUDENTS

-Anne Dunno, Capital Development Manager

15. KASPAR WATER LINE

-Anne Dunno, Capital Development Manager

16. OPERATIONAL ASSESSMENT AND FIVE-YEAR PLAN UPDATE

-Bizzy Collins, Strategic Performance Planner

17. ANNUAL SAFETY REPORT

-Sam Short, Safety and Training Director

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18. ANNUAL FLEET REPORT
-Marc Perla, Deputy General Manager of Operations
19. ANNUAL UPDATE ON THE BUS STOP REHABILITATION PROGRAM
-Marc Perla, Deputy General Manager of Operations

ITEMS TO / FROM THE CEO AND THE BOARD OF DIRECTORS:

20. INQUIRY FOLLOW UP
-Kate Morley, Interim CEO and General Manager

Ms. Morley noted that this agenda item is from the Roles and Expectations document for staff to report out what needs to be brought back to the Board at a future meeting. She reported that staff will start the procurement process for the CEO Recruitment Firm and bring all submittals to the Board, as well as a staff recommendation. She added that staff will follow up with getting Board members the entire employee survey, as well as the top actionable items including safety concerns.

21. MILESTONE ANNIVERSARIES
-Kate Morley, Interim CEO and General Manager

Ms. Morley reviewed the August milestone anniversaries.

22. SUMMARY OF CURRENT EVENTS
-Heather Dalmolin, CEO and General Manager

Ms. Morley shared the following highlights:

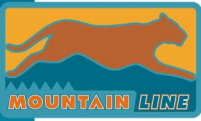
- Annual August service changes were implemented. Changes were reviewed.
- The water main at Kaspar has been replaced. Photos were shared.
- Highway 180 bus stop crossings were added for safety. This was a partnership using Mountain Line grant funds and City match funds.
- The Employee Summer BBQ took place.
- Operations is working hard to reduce overtime.
- Shelter rehab is happening – removing glass and replacing with metal which is less susceptible to vandalism.
- We have had some challenges with the building temperature this summer. Very grateful to our facilities team and Loven for resolving the issue.
- August anniversaries were reviewed.

Director Begay asked the Board to consider setting a higher goal for safety.

SCHEDULE FOR THE NEXT MEETING DATE AND IDENTIFY AGENDA ITEMS September/October Working Agenda

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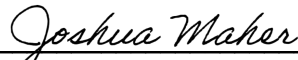


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The next Board meeting will be held on Wednesday, September 16, 2026 and it will be a hybrid in-person and Zoom meeting based in Flagstaff at the Flagstaff Aquaplex, Community Room A, 1702 North Fourth Street, Flagstaff, AZ 86004 at 10am. The public is invited to attend. September agenda items may include but not be limited to the Third Party Review of Financials, FY2026 Annual Report, CEO Recruitment Firm Contract Award, Bus Stop Construction Job Order for Service Changes, Spare Contract, Transition Plan and Scope of Work, Mountain Express Future Service, Organizational Structure and Compensation Plan Financial Analysis, Five-Year Tech Plan, FY2026 Year End Financial Report, Financial Plan Review, Adopt a New Scorecard, Economic Impact Report, Flagstaff Unified School District (FUSD) EcoPASS Report, Operational Assessment Update, and Delegation of Authority Updates. The September 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 -Chair Maher adjourned the meeting at approximately 12:12pm.


Josh Maher, Chair of the Mountain Line Board of Directors

ATTEST:


Rhonda Cashman, Executive Assistant and Clerk of the Board

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