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

# Board of Directors Minutes for Wednesday, September 16, 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, September 16, 2026, at 10:00am in the Flagstaff Aquaplex Community Room A, 1702 N Fourth St., Flagstaff, AZ 86004. This was a WEB BASED meeting. Members of the Board and Mountain Line staff attended in person, by internet conferencing, or by telephone. The public was invited to attend.

*BOARD MEMBERS PRESENT:*
Josh Maher, (Chair), Associate VP for Community Relations, NAU, designee;
Miranda Sweet, (Vice Chair), Vice Mayor, City of Flagstaff;
Tony Williams, Vice President of Student Services, CCC, designee;
Jeronimo Vasquez, Board of Supervisors, Coconino County, arrival at approximately 10:04am;
Lori Matthews, Councilmember, City of Flagstaff, (Zoom) until arrival at approximately 10:12am;
Judy Begay, Board of Supervisors, Coconino County, alternate, acting member until 10:04am
**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:*
Kate Morley, Interim CEO and General Manager, (Zoom);
Jacki Lenners, Deputy General Manager of Administration;
Marc Perla, Deputy General Manager of Operations, left at approximately 10:26am and returned at approximately 11:04am;
Megan Coons, Finance Director;
Sara Dechter, Planning Director, left at approximately 10:26am and returned at approximately 11:04am;
Anne Dunno, Capital Project Manager, left at approximately 10:26am and returned at approximately 11:04am;
Bizzy Collins, Strategic Performance Planner, (Zoom), left at approximately 10:26am and returned at approximately 11:04am;
Diamond Tayah, On-Demand Transit Coordinator, (Zoom), joined at approximately 10:09am, left at approximately 10:26am;
Jon Matthies, IT Manager, left at approximately 10:29am and returned at approximately 11:02am;
Rhonda Cashman, Executive Assistant and Clerk of the Board, left at approximately 10:29am and returned at approximately 11:02am;
Scott Holcomb, Mountain Line Attorney, (Zoom)

*GUESTS PRESENT:*
Eric Bram, Rieth Jones Advisors, (Zoom), left at approximately 10:55am



Massie Flippin, Rieth Jones Advisors, (Zoom), left at approximately 10:55am;

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

**2.** ROLL CALL

**3.** SAFETY MINUTE
-Sam Short, Safety and Training Director

Mr. Perla reported on minimizing risk.

**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 8/19/2026

Director Vasquez made a motion to approve the minutes for August 19, 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 | |
| Lori Matthews | X | |

**DISCUSSION / ACTION ITEMS:**

**6.** <u>WORKFORCE HOUSING UPDATE</u>
-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 Rieth Jones Advisors (RJA) staff to provide an update on the Workforce Housing project. Mr. Bram stated they have been in frequent communication with our partner, Servitas, over the last year. He noted that the project has a very small niche in serving the 100 percent workforce market with very limited funding sources. He reported that the development concept and design have not changed with capturing 80-100 percent Area Median Income (AMI) tenant opportunity; still 136 units with parking, outdoor spaces, and connection to the Flagstaff Urban Trail System (FUTS). He explained they are seeking a ground lease of the land to a not-for-profit borrower and in this tax-exempt structure, Mountain Line would receive all excess cash flow coming back to the project after all debt and financing obligations are met.



He shared that the Board was engaged early in the exploration and determined two purposes: one is that the land continue to serve a public purpose and two that they find creative strategies to provide reoccurring cash flow for the transit system. He noted that Servitas is a fee developer and they will be the operating partner; all excess cash flow goes to Mountain Line. He shared that they are still in the conceptual stage, and preconstruction costs are estimated to be almost $2 million; the developer needs confidence in this volatile market so there is no risk of having to pause the project later. He noted that it is approximately a 36-month process to complete and Mountain Line's responsibility will be to get to an executable agreement with our partner so the project can move forward. There was a question about it being workforce housing but confused by mention of low-income housing. Mr. Bram apologized for any confusion. He said low-income housing would have to be less than 60 percent AMI and this project is not pursuing low income; looking for 60-120 percent AMI for workforce housing. There was another question about workforce housing going up to 150 percent AMI. He responded that the location has an impact and this project location is not near downtown or close to as many walkable amenities, so they are not seeking the upper AMI limit. An additional question was about the ground lease and the thought that Mountain Line would have a future revenue stream. Mr. Bram replied that since Servitas was selected the plan has been for all excess cash flow to go to Mountain Line. He said before that, there was consideration that pay out to Mountain Line may occur prior to payment of debt service for more of a guarantee, but as construction costs and interest rates have escalated, that opportunity has decreased; anything paid to Mountain Line prior to debt service further challenges the execution of the project. There was a question about just hearing about the shift in plans today. Mr. Bram explained that the plans are fluid, and they are seeking any financial opportunities out there that may strengthen the position of the project so that Mountain Line will reap as much benefit as possible. There was concern voiced about this not being a typical ground lease and Mountain Line my foot the bill on cost. Mr. Bram stated Mountain Line would not foot the bill, it is all opportunity back to Mountain Line, but the economic equation is evolving until financial close. There was a comment about being glad the project is moving forward and pleased with the focus on workforce housing; asking if Alliance members can get priority or a percentage of the rentals. Mr. Bram noted that conversations are ongoing, they are not that specific yet, and he understands those organizations have an interest for their employees. He shared conceptual renderings harmonious with the nearby neighborhood and zoning. He noted that there will be a single point of entry for the complex from Linda Vista, but further construction of the Linda Vista and Kaspar Extension has been paused until funding can be identified in the future. Ms. Morley stated more information can be shared in executive session if the Board is interested.

Vice Chair Sweet made a motion to go into executive session at approximately 10:26am. 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 Matthews | X | |

**EXECUTIVE SESSION**

Executive sessions are closed to the public.

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

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).

2. Discussions or consultations with Mountain Line's legal counsel for legal advice and with legal counsel and designated representatives regarding information related to an ongoing criminal case. ARS § 38-431.03(A)(2) and (3).

Following the conclusion of the Executive Session, the Board reconvened the public meeting at approximately 11:04am.

**DISCUSSION / ACTION ITEMS:**

**7.** FY2027 PROPOSED PAY TABLE
-Kate Morley, Interim CEO and General Manager
Staff recommend the Board of Directors adopt the Fiscal Year 2027 Proposed Pay Table.

Ms. Morley reported that Mountain Line completed a compensation study in 2025 and adopted a new pay table for implementation in FY2026. She said some employees were moved to market and there are always lessons to be learned in the process. Staff have worked on developing a new pay table with recommended adjustments to increase equity and create more consistency. She noted staff salaries were reviewed and there is no recommendation to change employee pay, just adjust the pay table. She explained the employee retention ramifications. She reviewed the midpoint progression and change in percentages in the new pay table compared to the old. She communicated the next recommended change is in the range width and keeping the same for all grades as a percentage compared to the old pay table which creates a standard range for each step. She noted that these changes were discussed with partner agency staff. She shared that these changes should allow for employees to receive their longevity increases and to not "max out" on the pay table which creates an issue with retention. She stated that currently, there is no fiscal impact, but as employees stay longer, there may be a small impact. She noted the top four grades have been reduced a little, but there is still plenty of room for growth without "capping out" in those grades. She explained that there are more opportunities for hiring and for growth in the lower grades and the upper grades are slightly compressed but still offer plenty of room for growth; in a better position to provide the longevity increases for all employees. She said there are two vacant positions that could have a fiscal impact, Human Resources Manager and Communications Manager, that will



increase in grade as well as have additional responsibilities when they are hired. She noted the Board never adopted Grade 16 as the CEO grade, but she recommends leaving that grade on the table as a reference point. She shared that many organizations consider the CEO in an unclassified grade; the CEO would have the ability to negotiate ancillary benefits unlike other employees, and this gives the Board some flexibility. She said with this recommendation the CEO would be unclassified. She is asking for adoption today to start use of this pay table to function as needed. There was a question about communicating this new pay table to staff. Ms. Morley replied that she has not talked with staff because their pay is not getting changed and she believes all staff would be supportive of the change; creating more opportunities, not less. Vice Chair Sweet made a motion to approve the FY2027 Pay Table as presented. 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 | |

**8.** FY2026 ANNUAL REPORT

-Bizzy Collins, Strategic Performance Planner

Staff recommends the Board of Directors approve the FY2026 Annual Report and authorize staff to submit the report to the State of Arizona and partner agencies as required in the Master IGA.

Ms. Collins noted that the Annual Report is a required document and the detailed report was sent along with the agenda packet so it should be readily available to Board members. She stated its contents have been reported on to the Board at various times and should look familiar and key information sent was sent to stakeholders in the Mountain Line Minute so nothing should be a surprise. She shared screenshots of each section of the report. There was a request to make the font a little bigger in the future. Director Matthews made a motion to approve the FY2026 Annual Report as presented. Director Vasquez seconded. There was no discussion. All approved, none opposed. Motion carried.

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



**9.** AWARD JOB ORDER NO. 4 UNDER REQUEST FOR PROPOSAL 2023-1110 HORIZONTAL JOB ORDER CONTRACTING (JOC) FOR 2026 SERVICE CHANGES NEW BUS STOPS
-Anne Dunno, Capital Development Manager
Staff recommend the Board of Directors award Job Order No. 4 to Kinney Construction in amount of $105,302 for construction of new bus stops associated with 2026 service changes under RFP 2023-1110 Horizontal Job Order Contracting.

Ms. Dunno stated she is asking for Board action today. She explained this request is for Route 8 bus stops, three will be constructed by Mountain Line, one of the two others will be constructed by the developer, and the other one be a simple sign stop since Mountain Line was not able to obtain right-of-way from the property owner for further amenities. Director Vasquez made a motion to approve the award of the JOC contract to Kinney as presented. 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 | |

**10.** MOUNTAIN EXPRESS
-Bizzy Collins, Strategic Performance Planner
Staff recommend the Board of Directors continue Mountain Express service for the 2026-2027 winter season.

Ms. Lenners reported that last season was the first time Mountain Line offered 20-minute service during the holiday week and each weekend January through March; unfortunately, there was not much snowfall. She communicated that Snowbowl paid for their standard 30-minute holiday week and weekend service through February, and Mountain Line paid for the difference as a pilot program for the Operational Assessment. Jacki shared some comparisons year over year, and last season had lower productivity due to the lack of snowfall. She explained there are a lot of factors out of our control like snowfall, parking at Snowbowl, and closure of Wing Mountain. She noted that Mr. Murray, with Snowbowl, wanted to be at the meeting to share his appreciation for the partnership, but he had a conflict. She additionally noted that Mountain Express is not an ideal transit route; it is very much a singular use service with no other trip generators. She also mentioned that most people who can afford to ski can afford a car, but there are times when chains or four-wheel drive are required and cars may not be able to make it up the mountain. She said this all sounds negative, but people in the community appreciate the service. Per her conversations with stakeholders, she stated the feedback has been that this service cannot be strictly based on cost and there is desire to keep it going. She shared that the requirement for transit is that it must be published, predictable, sustainable, and available to everyone. She noted that staff have worked with stakeholders and Snowbowl staff to come up with a proposed new schedule for the 2026-2027 season; Daily



December 26-January 3, then weekends in January and February at 30-minute frequency, three buses 7:30am-12pm and 3-5pm, and 45-minute frequency, two buses 12-3pm for more cost effectiveness. She shared that weather reports are forecasting more snow this season. She reported that she tried to find peer comparisons, but there really weren't any that were apples to apples. There was a Board member comment in appreciation of recognition of the viability of the service, also that it is hard to compare when there is not much snow; she stated she is interested in seeing the ridership during a good snow season. Ms. Lenners reiterated that Snowbowl plans to pay 100 percent of the cost for the proposed service. Another Board Member commented on the importance of the service for local resident use, and he is in favor of Snowbowl paying for the service. There was a Board member question about single use service versus charter service. Ms. Lenners explained the service needs to be a published schedule, and it is open to anyone for any purpose; it cannot be dictated who rides. Another Board member commented that she and Supervisor Horstman have worked hard on this endeavor on behalf of the community. She recommended getting the word out about the changes. She noted that this Mountain Line and Snowbowl partnership is important to the community. Ms. Lenners commented that Mr. Murray is supportive of this partnership and that Snowbowl really has a heavy lift in the marketing of the service. Vice Chair Sweet made a motion to approve the proposed Mountain Express service as presented. 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 | |

**11.** FIVE-YEAR STRATEGIC TECHNOLOGY PLAN

-Jon Matthies, IT Manager

Staff recommend the Board of Directors approve the Five-Year Strategic Technology Plan.

Mr. Matthies stated why the Five-Year Strategic Technology Plan matters: aligns technology investments with our Mission, Vision, and Success Outcomes, transitions technology from a reactive support function to a strategic asset and supports service growth and increasing cybersecurity requirements. He noted there are five goals of the plan: Data Integration and Business Intelligence-do away with most or all manual reporting and offer real-time dashboards with data driven information; System Modernization and Integration-replacement of the fare collection system in June 2027 and improve integration with over 30 different business systems used so data is more accessible in one location and continue to move to cloud-based solutions; Governance and Policy Framework-establish a technology steering committee within Mountain Line to strengthen our policies and procedures, standardize technology project prioritization, making sure all technology projects are approved through the same process; Infrastructure and Operations Excellence-continue to modernize our networks, servers, and connectivity, and strengthen our IT staffing to support growth; Security, Compliance, and Risk Management-



continue to ensure our cybersecurity capabilities align with Transportation Security Administration (TSA) directives and cybersecurity framework, advance monitoring and training, and incidence response capability, improve resilience, fast recovery and supporting adjustability, equity, and regulatory compliance. He noted this will take all of five years. He summed it up as improved decision-making, operational efficiency, cybersecurity, employee productivity, and rider experience. There was a question about the 30 different business systems. Mr. Matthies replied that maintenance has two systems, one for vehicles and one for facilities, there is charging software for the electric buses, there are financial systems; staff are hoping to integrate systems as much as possible. Director Vasquez made a motion to approve the Five-Year Strategic Technology Plan as presented. Vice Chair Sweet seconded. There was no discussion. All approved, none opposed. Motion carried.

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

**12.** MOUNTAIN LINE FY2025 ECONOMIC CONTRIBUTION AND IMPACT ANALYSIS
-Bizzy Collins, Strategic Performance Planner
The Board may provide direction, but there is no recommendation from staff at this time.

Ms. Collins stated staff partnered with the Economic Policy Institute at Northern Arizona University to publish this report. She explained that the IMPLAN modeling software was used; its methods have been widely used and published; it was reported in 2026 dollars, and it is a very reliable methodology. She shared an infographic related to fixed route and on-demand services provided by Mountain Line; there is Coconino County economic output noted. She explained the jobs year category. She noted the statewide ripple effects felt elsewhere in Arizona. She discussed the additional community benefits. She specifically focused on the $420,547 in vehicle operating costs saved for our riders that have access to a vehicle; money saved due to trips avoided which seemed low. She reviewed the breakdown on how that dollar amount was achieved; she noted it excludes fixed ownership costs such as insurance, registration, depreciation, and finance charges. She shared the statistics for capital investment in the Downtown Connection Center (DCC) and the Commercial Driver's License (CDL) Training and Testing Course; a breakdown of output over the years of construction was provided. There were no questions.

**13.** FLAGSTAFF UNIFIED SCHOOL DISTRICT (FUSD) ECOPASS REPORT
-Jacki Lenners, Deputy General Manager of Administration
The Board may provide direction, but there is no recommendation from staff at this time.

Ms. Lenners noted staff were out there in full force at 15 back to school events. She reviewed a chart showing FY2024 (half year), FY2025, and FY2026 statistics for Flagstaff Unified School District (FUSD) student ridership. She deducted from the data that students are using their



passes for more than just going to and from school, perhaps to a job or to meet friends, etc. She also reviewed FUSD staff ridership. She noted this pass program is also included in the Operational Assessment. There were no questions.

**14.** OPERATIONAL ASSESSMENT ANALYSIS RESULTS

-Bizzy Collins, Strategic Performance Planner

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

Ms. Dechter reviewed the Scope of Work and high-level findings recently provided to staff from the consultants. She discussed the major findings: first, was the evening and peak-period demand for all modes that extend beyond current service levels. There was a question about "daily trips," does that mean riders. Ms. Dechter explained that it is typically daily demand by hour from October 2025, across the system, not a specific route. She stated the second major finding was that weekend service was the strongest near-term service opportunity. She said the recommendation is to duplicate Monday-Friday service on Saturdays. She noted the third major finding is the significant impact the Rio de Flag construction work will have at the DCC and on the Five-Year Plan; during that time, Mountain Line will have to operate in a compressed area on Phoenix Avenue. She stated it will eventually set us up for long-term growth. Another major finding she reported on is that Route 10 has a lot of transfers to and from other routes; most transfers occur at the DCC. And another major finding she reviewed was Route 7; they are trying to figure out the cause of the delays that don't necessarily coincide with traffic congestion. She said there is potential for an additional vehicle at more times of day and week, and there is also potential for increasing frequency to 15-minute service to get the maximum benefit for passengers. She reported another major finding is related to amenities; improvements should focus on areas with high transfer rates away from existing connection centers-a chart of Transfer Volume by Route was shared. Lastly, she noted the major findings related to our pass programs: reloadable fare media demonstrate strong utilization, unlimited-use pass programs from organizations or employers generate substantial ridership, and printed day passes remain important but have operational implications. She stated next steps are to hold an internal operational workshop on October 29 and 30 in which agency partners will be included at key points, conceptual run-cutting by Operations and cost estimates, draft recommendations in November, and final recommendations in January. There was a question about Route 5 ridership now that Flagstaff Arts and Leadership Academy (FALA) has closed. Ms. Dechter responded that Route 5 is not part of the Operational Assessment, only the Five-Year Plan. Ms. Lenners stated that there is a lot more ridership than just FALA on Route 5; frequency was increased last year, and ridership has increased as well. Ms. Dechter confirmed there is more than one school served by Route 5. She shared the Operational Assessment Recommendations for the Five-Year Plan Scope: through-routing opportunities, route restructuring, Route 4/14 loop redesign concepts, GO! Microtransit and Americans with Disabilities Act (ADA) service efficiency improvements, fare policy and ecoPASS changes, Mall Connection Center improvements, Zero-emission fleet transition planning, and new service areas and routes. She noted the Operational Assessment included a lot of background information for the Five-Year Plan. There were no other questions.



**PROGRESS REPORTS:**

There were no questions from Board members regarding the progress report.

**15.** DELEGATION OF AUTHORITY UPDATES
-Heather Higgins, Purchasing and Contracts Officer

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

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

Ms. Lenners noted Ms. Morley needed to step away. She was attending a planning conference, and she needed to leave the meeting to support MetroPlan Planning Manager, Dave Wessel, who is receiving a lifetime achievement award for nearly 30 years of service.

Ms. Lenners reported staff have been working hard to make staff more comfortable reporting safety concerns. Mr. Perla's leadership has added some things, more training and more recognition. She reiterated that Board member concerns were heard at the last meeting.

Ms. Lenners stated that staff will plan to include Snowbowl staff in future discussions and provide notice when items will come to the Board.

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

Ms. Lenners reviewed the September milestone anniversaries.

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

Ms. Lenners shared the following highlights:

- Ms. Dalmolin's retirement Save the Date invitation was sent out.
- Photos were shown of the power poles being taken down and the view now without them at the Downtown Connection Center (DCC).
- A photo of the vertical construction of the maintenance facility at Kaspar was shared.
- September anniversaries were reviewed.

Director Matthews asked for further discussion regarding the viability of the Workforce Housing project. She stated it is not as she envisioned. Ms. Lenners noted she would convey that to Ms. Morley. She stated everyone has concerns and they have to make sure any financial discussions occur in another executive session versus a public meeting.

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



The next Board meeting will be held on Wednesday, October 21, 2026 and it will be a hybrid in-person and Zoom meeting based in Flagstaff at the Mountain Line Ponderosa Room, 216 W. Phoenix Ave., Flagstaff, AZ 86001 at 9am. The public is invited to attend. October agenda items may include but not be limited to the Board Retreat - Board Roles and Expectations and Board Business Meeting - Spare Contract, and Delegation of Authority Updates. The October agenda will be available for review on Mountain Line's website and at Mountain Line's public posting places (listed on the Mountain Line website) at least 24 hours prior to the meeting and should be consulted for a list of items that will come before the Board.

**19.** ADJOURNMENT -Chair Maher adjourned the meeting at approximately 12:17pm.

Joshua Maher
Josh Maher, Chair of the Mountain Line Board of Directors

ATTEST:

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



