

ANNUAL OPERATIONS FUNDING AGREEMENT (FY 2015-2016)

BETWEEN

**THE CITY OF MESA
AND
VALLEY METRO RAIL, INC.
(Agreement No. _____)**

THIS ANNUAL OPERATIONS FUNDING AGREEMENT FOR FISCAL YEAR 2015–2016 (“Annual Funding Agreement”) is made and entered into this 28th day of September, 2015, by and between the City of Mesa, a municipal corporation duly organized and existing under the laws of the State of Arizona (“CITY”) and Valley Metro Rail, Inc., a non-profit corporation, duly organized and existing under the laws of the State of Arizona (“METRO”). CITY and METRO are collectively referred to as the “Parties.”

R E C I T A L S

- A. CITY and METRO entered into a Light Rail Transit Operations Master Cooperative Funding Agreement ("Master Agreement"), effective November 17, 2008.
- B. CITY and METRO, in the Master Agreement, agreed that annual funding amounts for the operation of the Light Rail Transit (LRT) System would be determined by METRO in cooperation with CITY and that the funding amounts thus determined would be implemented in this and other annual Operations Funding Agreements.
- C. METRO’s Board members from those Member Cities providing rail operations funds for fiscal year 2015–2016 have unanimously approved its fiscal year 2015–2016 rail operations budget for Rail Base Service in the sum of \$37,654,381 (which sum includes a contingency fund of not more than three (3%) percent of the rail operating costs for the fiscal year).
- D. The proportionate share of each of the Member Cities providing rail operations funds for Rail Base Service for fiscal year 2015–2016 (including contingency funds) is in the sum of:
 - Mesa \$ 5,445,863
 - Phoenix \$ 22,716,301
 - Tempe \$ 9,492.217
- E. This Annual Funding Agreement is intended to implement CITY’s funding obligation for its share of Rail Base Service for FY 2015–2016.

A G R E E M E N T

NOW THEREFORE, IT IS HEREBY AGREED, by and between the Parties, as follows:

1. CITY Funding Obligation for FY 2015–2016. CITY acknowledges and shall pay its share of the FY 2015 – 2016 rail operations budget for Rail Base Service in the sum of FIVE MILLION FOUR HUNDRED FORTY FIVE THOUSAND EIGHT HUNDRED SIXTY THREE (\$5,445,863) dollars (which sum includes contingency funds).
2. Funding. CITY's pro-rata monthly Rail Base Service contribution will be delivered to METRO two (2) days prior to the start of each fiscal month for which Rail Transit Operations services are to be provided. Payment may be by delivering the funds or by transfer in a manner to be determined by CITY and METRO staff.
3. Integration. This Annual Operations Funding Agreement for fiscal year 2015–2016 is subject to the terms and conditions set forth in the Master Cooperative Funding Agreement between the City of Mesa and Valley Metro Rail, Inc. dated November 17, 2008, except as otherwise expressly agreed upon herein.

IN WITNESS WHEREOF, the Parties have executed this Annual Funding Agreement on the day and year first set forth above.

VALLEY METRO RAIL, INC. (METRO)

APPROVED AS TO FORM

By: _____
Michael J. Ladino
METRO General Counsel

By: _____
Stephen R. Banta, Chief Executive Officer

CITY OF MESA

ATTEST:

By: _____
City Clerk

By: _____
Christopher J. Brady, City Manager

APPROVED AS TO FORM

By: _____
Jim Smith, City Attorney