

AGREEMENT NO. AOFA-2019-MESA
ANNUAL OPERATIONS FUNDING AGREEMENT (FY 2018-2019)
BETWEEN
THE CITY OF MESA
AND
VALLEY METRO RAIL, INC.

THIS ANNUAL OPERATIONS FUNDING AGREEMENT FOR FISCAL YEAR 2018 - 2019 ("Annual Funding Agreement") is made and entered into this ___ day of July, 2018, by and between the City of Mesa, a municipal corporation duly organized and existing under the laws of the State of Arizona (hereinafter referred to as "COM" or "CITY") and Valley Metro Rail, Inc., a non-profit corporation, duly organized and existing under the laws of the State of Arizona (hereinafter referred to as "METRO"). COM and METRO are collectively referred to as the "Parties."

RECITALS

WHEREAS, COM and METRO entered into a Light Rail Transit Operations Master Cooperative Funding Agreement ("Master Agreement"), effective November 17, 2008; and,

WHEREAS, in the Master Agreement COM and METRO agreed that annual funding amounts for the operation of the Light Rail Transit (LRT) System would be determined by METRO in cooperation with COM and that the funding amounts thus determined would be implemented in this and other annual Operations Funding Agreements; and,

WHEREAS, METRO's Board members from those Member Cities providing rail operations funds for fiscal year 2018 - 2019 have unanimously approved its fiscal year 2018 - 2019 rail operations budget for Rail Base Service in the sum of \$52,041,000 [which sum includes a contingency fund of not more than three (3%) percent of the rail operating costs for the fiscal year]; and,

WHEREAS, the proportionate share of each of the Member Cities providing rail operations funds for Rail Base Service for fiscal year 2018 – 2019 (including contingency funds) is in the sum of:

Mesa	\$ <u>8,159,000</u>
Phoenix	\$ <u>32,533,000</u>
Tempe	\$ <u>11,349,000</u>

WHEREAS, this Agreement is intended to implement COM's funding obligation for its share of Rail Base Service for FY 2018 - 2019;

AGREEMENT

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

SECTION 1. COM Funding Obligation for FY 2018 - 2019. COM acknowledges and shall pay its share of the FY 2018 - 2019 rail operations budget for Rail Base Service in the sum of EIGHT MILLION ONE HUNDRED FIFTY-NINE THOUSAND (\$8,159,000) DOLLARS (which sum includes contingency funds).

SECTION 2. Funding. COM'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 COM and METRO staff.

SECTION 3. Integration. This Annual Operations Funding Agreement for fiscal year 2018 - 2019 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 April 27, 2009, 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: _____
Scott W. Smith,
Chief Executive Officer

By: _____
Michael J. Minnaugh
METRO General Counsel

CITY OF MESA

ATTEST:

By: _____
Christopher Brady, City Manager

By: _____
City Clerk

APPROVED AS TO FORM

By: _____
James Smith, City Attorney