



# City Council Report

**Date:** April 15, 2024  
**To:** City Council  
**Through:** Scott Butler, Assistant City Manager  
**From:** Jodi Sorrell, Transit Services Director  
**Subject:** Second Amendment to Intergovernmental Agreement with the Regional Public Transportation Authority (RPTA) for FY2023/2024 for citywide Fixed Route Bus, Paratransit and Ride Choice services.  
Citywide

## Purpose and Recommendation

The purpose of this report is to review the proposed amendments to the Intergovernmental Agreement (IGA) between the City of Mesa and Regional Public Transportation Authority (RPTA) for operation and administration of transit services operated within the city of Mesa. Staff recommends the City Council adoption of the attached resolution authorizing the City Manager to execute the amendment with the RPTA. Total cost of this amendment to the City is \$859,296.

## Background

The City of Mesa contracts with Valley Metro to operate and administer fixed-route bus, paratransit, RideChoice and the ADA Platinum Pass services for Mesa residents. The City enters into a new master IGA with RPTA every seven years. In the subsequent years, the IGA is amended to adjust the estimated annual costs to provide the services.

## Discussion

The City of Mesa and RPTA entered into a Transit Services Master Intergovernmental Agreement for transit services in FY 2019. The agreement is a seven-year agreement and is amended each fiscal year with updated service estimates for fixed-route bus, paratransit and RideChoice services.

At the end of each fiscal year the RPTA reconciles the revenue received from each Member City to the cost of services and uses this analysis to determine which cities have overpaid and which have underpaid for service provided during the fiscal year.

During the reconciliation process for FY 2023, it was determined the City of Mesa had underpaid Valley Metro \$258,611 for fixed-route and \$375,902 for RideChoice services. The amounts owed for FY 23 costs are the result of RPTA not invoicing the City of Mesa for May and June 2023 fixed-route bus service as RPTA staff had mistakenly estimated final costs would be under budget to the extent that payments from Mesa for May and June would be unnecessary. The underpayment for RideChoice is due to Valley Metro not accounting for Board approved labor rate increases in our accessible transit estimates.

Neither the Transit Services Master Intergovernmental Agreement or the FY 2023 or annual service agreement amendments included contractual language that would allow Mesa to pay Valley Metro in a situation where we had underpaid them for a fiscal year. Therefore, an amendment to the Transit Services Master Agreement is needed to enable the City of Mesa to issue a payment to reimburse RPTA for FY 23 costs for fixed route and RideChoice transit services. This amendment will also enable the City of Mesa to issue payment in subsequent years if as a result of the year-end reconciliation it is determined that an underpayment has occurred.

In August 2024, the RPA Board of Directors awarded a new contract for bus service operating in the East Valley. It is necessary to amend the FY24 amendment to increase the estimated cost to operate regionally funded fixed route bus service and City of Mesa funded fixed route bus service to reflect the most recent updated estimates. The amounts shown in the existing FY24 annual service agreement amendment were understated by \$224,783.

### **Fiscal Impact**

The total cost for this amendment is \$859,296.

### **Coordinated With**

This Intergovernmental Agreement has been coordinated with the City Attorney's Office and the Regional Public Transportation Authority.