

#### **AGENDA**

#### **Executive Board Meeting**

1:00 – 3:00 PM March 6, 2025

#### **Teams Virtual Meeting**

Join on your computer, mobile app or room device.

Join the meeting now

Meeting ID: 261 652 365 288 Passcode: m5fm7Yc3 In-Person Location
City Hall

City Council Chambers 211 W. Aspen Flagstaff, AZ 86001

Regular meetings and work sessions are open to the public. Persons with a disability may request a reasonable accommodation by contacting MetroPlan via email at <a href="mailto:planning@metroplanflg.org">planning@metroplanflg.org</a>. The MetroPlan complies with <a href="mailto:Title VI of the Civil Rights Act">Title VI of the Civil Rights Act</a> of 1964 to involve and assist underrepresented and underserved populations (age, gender, color, income status, race, national origin, and LEP — Limited English Proficiency.) Requests should be made as early as possible to allow time to arrange the accommodation.

PURSUANT TO A.R.S. §38-431.02, as amended, NOTICE IS HEREBY GIVEN to the general public that the following Notice of Possible Quorum is given because there may be a quorum of MetroPlan's Technical Advisory Committee present; however, no formal discussion/action will be taken by members in their role as MetroPlan Technical Advisory Committee.

Public Questions and Comments must be emailed to <u>planning@metroplanflq.org</u> prior to the meeting or presented during the public call for comment.

#### NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the MetroPlan Executive Board and to the general public that, at this regular meeting, the MetroPlan Executive Board may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the MetroPlan Executive Board's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

#### **EXECUTIVE BOARD MEMBERS** ☐ Miranda Sweet, Vice Mayor of Flagstaff, Chair ☐ Judy Begay, Chair Coconino County Board of Supervisors, Vice-Chair ☐ Austin Aslan, Flagstaff City Council ☐ Tony Williams, Mountain Line Board of Directors ☐ Becky Daggett, Mayor of Flagstaff ☐ Jamescita Peshlakai, Arizona State Transportation Board Member ☐ Jeronimo Vasquez, Coconino County Board of Supervisors ☐ Patrice Horstman, Coconino County Board of Supervisors (alternate for Coconino County) ☐ Anthony Garcia, Flagstaff City Council (alternate for City of Flagstaff) **METROPLAN STAFF** ☐ Kate Morley, Executive Director □ David Wessel, Planning Manager ☐ Sandra Tavel, Transportation Planner ☐ Corey Cooper, Safe Routes to School Coordinator ☐ Aubree Flores, TDM Fellow ☐ Ty Holliday, Montoya Fellow

#### A. PRELIMINARY GENERAL BUSINESS

#### 1. CALL TO ORDER

#### 2. ROLL CALL

#### 3. PUBLIC COMMENT

At this time, any member of the public may address the Board on any subject within their jurisdiction that is not scheduled before the Board on that day. Due to Open Meeting Laws, the Board cannot discuss or act on items presented during this portion of the agenda. To address the Board on an item that is on the agenda, please wait for the Chair to call for Public Comment at the time the item is heard.

#### 4. APPROVAL OF MINUTES

(Pages 5-9)

Annual MetroPlan Advance Meeting Minutes of February 11, 2025

#### 5. CONSENT AGENDA

Items on the consent agenda are routine in nature and/or have already been budgeted or discussed by the Executive Board.

#### **B. GENERAL BUSINESS**

#### 1. VISION ZERO POLICIES AND COMMITMENT

(Pages 10-13)

MetroPlan Staff: Mandia Gonzales

Recommendation: None. For information and discussion only.

#### 2. AUDIT RESULTS (Pages 14-58)

MetroPlan Staff: Kate Morely

Recommendation: None. This item is for information and discussion only.

#### 3. FINANCIAL QUARTERLY REPORT

(Pages 59-61)

MetroPlan Staff: Kate Morley

Recommendation: None. For information and discussion only.

#### 4. BUDGET SCENARIO PLANNING

(Pages 62-66)

MetroPlan Staff: Kate Morley

Recommendation: None. For information and discussion only.

#### 5. SAFER PEOPLE CAMPAIGN UPDATE

(Pages 67-68)

MetroPlan Staff: Kim Austin

Recommendation: None. For information and discussion only.

#### 6. KEY PERFORMANCE MEASURES UPDATE

(Page 69)

MetroPlan Staff: All

Recommendation: None. For information and discussion only.

#### 7. METROPLAN HAPPENINGS

(Pages 70-71)

MetroPlan Staff: Kate Morley

Recommendation: None. For information and discussion only.

#### **C. CLOSING BUSINESS**

#### 1. ITEMS FROM THE BOARD

Board members may make general announcements, raise items of concern, or report on current topics of interest to the Board. Items are not on the agenda, so discussion is limited, and action not allowed.

#### 2. NEXT SCHEDULED EXECUTIVE BOARD MEETING

April 3, 2025

#### 3. ADJOURN

The Transportation Improvement Program (TIP) includes the Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA) final program of projects for Sections 5307 and 5339 funding under the Federal Transit Administration unless amended. Public notice for the TIP also satisfies FTA public notice requirements for the final program of projects. The MetroPlan Public Participation Plan (PPP) provides public participation notices and processes for NAIPTA as required to meet federal and state requirements for public participation and open meetings.

#### **CERTIFICATION OF POSTING OF NOTICE**

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Mountain Line Front Office and MetroPlan website on 2/27/2025 at 12:00 pm.

Mandia Gonzales, Transportation Planner

Dated this Thursday, February 27, 2025



#### **Meeting Minutes**

#### **Annual Strategic Advance**

9:00 AM- 12:00 PM February 11, 2025

\_\_\_\_\_

#### **IN-PERSON MEETING**

ADOT Northcentral District Offices 1959 S. Woodlands Village Blvd. Flagstaff, AZ 86001

Regular meetings and work sessions are open to the public. Persons with a disability may request a reasonable accommodation by contacting MetroPlan via email at <a href="mailto:planning@metroplanflg.org">planning@metroplanflg.org</a>. The MetroPlan complies with <a href="mailto:Title VI of the Civil Rights Act">Title VI of the Civil Rights Act</a> of 1964 to involve and assist underrepresented and underserved populations (age, gender, color, income status, race, national origin, and LEP – Limited English Proficiency.) Requests should be made as early as possible to allow time to arrange the accommodation.

PURSUANT TO A.R.S. §38-431.02, as amended, NOTICE IS HEREBY GIVEN to the general public that the following Notice of Possible Quorum is given because there may be a quorum of MetroPlan's Technical Advisory Committee present; however, no formal discussion/action will be taken by members in their role as MetroPlan Technical Advisory Committee.

Public Questions and Comments must be emailed to <u>planning@metroplanflq.org</u> prior to the meeting or presented during the public call for comment.

#### NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the MetroPlan Executive Board and to the general public that, at this regular meeting, the MetroPlan Executive Board may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the MetroPlan Executive Board's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

#### **EXECUTIVE BOARD MEMBERS**

	27120011112201111021110
$\boxtimes$	Miranda Sweet, Vice Mayor of Flagstaff, Chair
$\boxtimes$	Judy Begay, Coconino County Board of Supervisors, Vice-Chair
$\boxtimes$	Austin Aslan, Flagstaff City Council
$\boxtimes$	Tony Williams, Mountain Line Board of Directors
	Becky Daggett, Mayor of Flagstaff
	Jamescita Peshlakai, Arizona State Transportation Board Member
$\boxtimes$	Jeronimo Vasquez, Coconino County Board of Supervisors
	Patrice Horstman, Coconino County Board of Supervisors (alternate for JVasquez)
	Anthony Garcia, Flagstaff City Council (alternate for BDaggett)
	METROPLAN STAFF
$\boxtimes$	Kate Morley, Executive Director
	David Massal Dispuise Managar

- □ David Wessel, Planning Manager
- □ Sandra Tavel, Transportation Planner

-----

#### **MEETING GOALS:**

To share successes from the past year, identify a Vision Zero Policy, and set MetroPlan priorities for projects on the ADOT system in the region.

**Other Guests:** Jason James, Jess McNeely, Ruth Garcia, Nate Riesner, Jeff Bauman, Heather Dalmolin, Paul Mood, Anne Dunno, Jeremy Degeyter

#### A. PRELIMINARY GENERAL BUSINESS

#### 1. CALL TO ORDER

Chair Sweet called the meeting to order at 9:05 am

#### 2. WELCOME AND INTRODUCTIONS

MetroPlan Staff: Dave Wessel

Staff member Wessel kicked off the advance as the master of ceremony and conducted roll call.

#### 3. PUBLIC COMMENT

At this time, any member of the public may address the Board on any subject within their jurisdiction that is not scheduled before the Board on that day. Due to Open Meeting Laws, the Board cannot discuss or act on items presented during this portion of the agenda. To address the Board on an item that is on the agenda, please wait for the Chair to call for Public Comment at the time the item is heard.

None.

#### 4. APPROVAL OF MINUTES

Executive Board Regular Meeting Minutes of January 9, 2025

**Motion:** Board Member Vasquez made a motion to approve the January 6, 2025, meeting minutes. Board Member Williams seconded the motion. None opposed. Motion passed.

#### 5. CONSENT AGENDA

Items on the consent agenda are routine in nature and/or have already been budgeted or discussed by the Executive Board.

 Consider Safe Streets Master Plan Intergovernmental Agreement with Coconino County

**Motion:** Board Member Vasquez made a motion to approve the Safe Streets Master Plan IGA with Coconino County. Board Member Williams seconded the motion. None opposed. Motion passed.

#### **B. GENERAL BUSINESS**

#### SAFE ROUTES TO SCHOOL CONTRACT

MetroPlan Staff: Corey Cooper

*Recommendation:* Staff recommends the Board approve a master contract and three task orders with Nelson/Nygaard Consulting Associates, Inc. for the Safe Routes to School Infrastructure Project.

**Motion:** Board Member Williams made a motion to approve the Safe Routes to School Contract with Nelson/Nygard Consulting Associates, Inc. Board Member Aslan seconded the motion. None opposed. Motion passed.

#### 2. STRATEGIC GRANTS PLAN UPDATE

MetroPlan Staff: Sandra Tavel

Recommendation: Staff recommend the Executive Board adopt the updated Strategic

Grants Plan FY25-28

**Motion**: Board Member Vasquez made a motion to approve the FY25-28 Strategic Grants Plan. Board Member Begay seconded the motion. None opposed. Motion passed.

#### 3. YEAR IN REVIEW

MetroPlan Staff: David Wessel

Recommendation: None. This item is for discussion only.

Staff member Wessel provided a presentation that highlighted MetroPlan accomplishments for calendar year 2024.

#### 4. REGION-WIDE MAJOR PROJECT STATUS UPDATES

MetroPlan Staff: Kate Morley

Recommendation: None. This item is for discussion only.

Agency members provided major project updates by their jurisdictions.

- ADOT Retrofitting lighting throughout the city interchanges and select corridors.
- Coconino County Received an AZ Smart Fund Grant to review design concept of Bellemont Design. New TI moving from existing location.
- City of Flagstaff:
  - Butler Safety Improvements SS4A grant. Milton to Sawmill Raising the bike lane. 100% grant funding. In 30% design.
  - Cedar/4<sup>th</sup> Roundabout. ADOT is administering the project. Construction begins in March 2025 for the legs. Then the intersection will be fully closed

- once school is out.
- Lone Tree Bridge/Corridor Construction starts next week. Lone Tree to
   O'Leary will be first. Award for construction to come for the bridge.
- o Downtown Mile is at 65% design. Soon to advertise for contractors.
- JW Powell will connect to 4<sup>th</sup> street. The city approved the road to be built in three phases with developers and one section paid for by the city.
- o Beulah Underpass and signal almost complete
- Bulter/4<sup>th</sup> Complete Streets with support from a RAISE grant. Currently at 30% design.

#### Mountain Line

- O Downtown Connection Center on track to move-in mid-May.
  - Developing phase 2 plan with the City for the Rio De Flag underpass passing.
  - Once Rio is done then operations and public space will be worked on.
- Maintenance Bays at Kaspar Working through the permits with planning and zoning. Pending approval.

## 5. CONSIDER REGIONAL PRIORITY PROJECTS ON ARIZONA DEPARTMENT OF TRANSPORTATION ROADS | PRIORITIZATION ACTIVITY

MetroPlan Staff: Sandra Tavel

<u>Part 1:</u> Staff member Tavel provided a presentation on ADOT's Planning to Programming (P2P) process to assist in the development of a prioritized list of transportation projects in the region on the ADOT system. Staff facilitated an activity to identify and prioritize projects across three groups.

#### 6. VULNERABLE ROAD USERS (VRU) | VISION ZERO ACTIVITY

MetroPlan Staff: Mandia Gonzales

Recommendation: None. This item is for discussion only.

Staff member Gonzales provided a presentation on the VRU and Vision Zero. Staff facilitated an activity to develop both MetroPlan policy and Vision Zero commitment for future consideration by the Board.

# 7. CONTINUE REGIONAL PRIORITY PROJECTS ON ARIZONA DEPARTMENT OF TRANSPORTATION ROADS | PRIORITIZATION ACTIVITY

MetroPlan Staff: Sandra Tavel

Recommendation: Adopt the Regional Priority Projects on Arizona Department of

**Transportation Roads** 

#### Part 2: Staff member Tavel provided the results of the activity.

**Motion:** Board member Vasquez made a motion to approve the Regional Priority Projects for ADOT Planning to Programming (P2P) submission. Board member Begay seconded the motion. None opposed. Motion passed.

Projects nominated in prioritized list

- 1) US180/Fort Valley Corridor-Wide Pedestrian Improvements
- 2) Milton and Route 66 Enhanced Crossing
- 3) Route 66 Crossing at Ponderosa
- 4) Milton Pedestrian Separated Crossings Phoenix, Malpais and Starbucks
- 5) Route 66 Corridor Pedestrian Safety Improvements from Milton to Flden
- 6) West Route 66 Corridor Improvements

#### 8. WRAP UP/NEXT STEPS

MetroPlan Staff: Dave Wessel/ Kate Morley

#### C. CLOSING BUSINESS

#### 1. ITEMS FROM THE BOARD

Board members may make general announcements, raise items of concern, or report on current topics of interest to the Board. Items are not on the agenda, so discussion is limited, and action not allowed.

#### 2. NEXT SCHEDULED MEETING

Executive Board | March 6, 2025 Technical Advisory Committee | April 23, 2025

#### 3. ADJOURN

Chair Sweet adjourned the meeting at 11:47 am

The Transportation Improvement Program (TIP) includes the Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA) final program of projects for Sections 5307 and 5339 funding under the Federal Transit Administration unless amended. Public notice for the TIP also satisfies FTA public notice requirements for the final program of projects. The MetroPlan Public Participation Plan (PPP) provides public participation notices and processes for NAIPTA as required to meet federal and state requirements for public participation and open meetings.

#### STAFF REPORT

REPORT DATE: February 13, 2025
MEETING DATE: March 6, 2025

TO: Honorable Chair and Members of the Board FROM: Mandia Gonzales, Transportation Planner

**SUBJECT: Vision Zero Policies and Commitment Discussion** 

#### 1. **RECOMMENDATION**:

Recommendation: None. For information and discussion only.

Staff are seeking feedback on both the MetroPlan Vision Zero commitment of a 40% reduction in fatalities and serious injuries by 2045 and supporting Vision Zero Policies.

#### 2. RELATED STRATEGIC WORKPLAN ITEM:

**Goal 2:** Deliver Plans that Meet Partner and Community Needs **Objective 2.4:** Position partners for successful implementation of plans.

#### 3. BACKGROUND:

As a requirement to receive the Safe Streets and Roads for All (SS4A) grant for the Vulnerable Road Users Safety Action Plan, MetroPlan must commit at some level to reducing or eliminating traffic fatalities and serious injuries on our region's roadway. By adopting Vision Zero policies and goals, MetroPlan is stating our commitment to reducing or eliminating crashes. MetroPlan will acknowledge the Vision Zero Fundamentals, per the Vision Zero Network, through our plans, programs, and projects:

- Traffic deaths and severe injuries are acknowledged to be preventable
- 2. Human life and health are prioritized within all aspects of transportation systems
- 3. Acknowledgement that human error is inevitable, and the transportation system should be forgiving
- 4. Safety work should focus on system-level changes above influencing individual behavior
- 5. Speed is recognized and prioritized as the fundamental factor in crash severity.



MetroPlan also recognizes that transportation safety goes beyond project recommendations and will work with our partner agencies to further our regional goals by:

- Influencing policy and legislation
- Changing MetroPlan's organizational practices
- Educating partners and the public
- Promoting community education
- Strengthening individual knowledge and skills

#### POLICY DEVELOPMENT

At MetroPlan's Annual Advance on February 11, 2025, Board and TAC members had an opportunity to weigh in on policy options that would inform Metroplan's commitment to Vision Zero. In many cases, consensus was found across the groups. A summary of results is attached. Below are the recommended policies based on the feedback received from partners.

It should be noted that the following policies would not limit opportunities for our partners. These policies would be strictly to achieve MetroPlan's values and goals. Policies 1-4 are a minimum requirement as per the SS4A grant agreement with FHWA.

#### **Recommended Policies**

- 1 Recognize there is no acceptable number of traffic deaths and serious injuries on our roadway system.
- 2 Adopt a resolution to reduce serious and fatal crashes.
- **3** Establish and maintain an annual review of targets, goals, and performance measures.
- 4 Have the Technical Advisory Committee serve as the Safety Committee.
- 5 Support/implement demonstration projects that showcase proven countermeasures.

6

- 7 Implement safety education campaigns and training.
- 8 Support partners in recognizing the importance of proven technology (e.g., automated speed enforcement).
- Provide bike and pedestrian counts, report on findings, and provide data to support plans, policies, and programs.
- 10 Coordinate road safety audits w/ADOT Road Safety Audit program on behalf of partners.
- 11 Grant seeking prioritizes projects through a scoring method that heavily emphasizes safety.
- 12 Educate on the need for local and state Vision Zero policies.

Some of these policies are already being implemented in MetroPlan's efforts to encourage transportation safety as a priority in the region. These policies, if supported to move forward, will be further defined through the creation of strategies to implement them.

#### COMMITMENT LEVEL CONSIDERATION

It is MetroPlan's belief that we can strive for a **40% reduction in fatal and serious injuries** *(for all modes)* **by 2045** with the proposed policies above. This 20-year period aligns with both the Regional Transportation Safety Plan (Stride Forward) and Region Plan/Comprehensive Plan.

As an example of the impacts to our region, the following table demonstrates a 40% reduction in crashes and lives saved over 20 years. Each number represents a crash. A life saved, an injury avoided, and an overall reduction regardless of the severity of the crash.

Outcomes of a 40% reduction in crashes by 2045

		Annual Target	20-Year Target
	Fatal	2	40
VRU	Serious	4	89
	All severities	28	559
Si	Fatal	5	91
All Modes	Serious	17	346
Σ	All severities	806	16,122

While the Vulnerable Road Users Plan is setting a Vision Zero commitment, this commitment will have impacts on all modes as transportation safety becomes a core priority for MetroPlan. This commitment goes beyond just MetroPlan. By doing his we are aligning with our partners and their safety goals.

#### 4. TAC AND MANAGEMENT COMMITTEE DISCUSSION:

These recommendations are a result of the Annual Advance in which TAC and Management Committee participated. This specific item was not presented to the TAC not the Management Committee.

#### 5. FISCAL IMPACT:

The VRU Safety Action Plan is funded through a Safe Streets for All (SS4A) planning grant awarded to MetroPlan. The grant value is \$201,360 federal and \$50,360 in local match split between in-kind and cash. The grant agreement was executed on August 9, 2023.

#### 6. ALTERNATIVES:

None.

#### 7. ATTACHMENTS:

Policy Outcomes Spreadsheet

Status	Impact	Effort	Cost	Туре	Language	Impact #	Table Totals	Impact	Final Rec?
None	Low	Low	Low	Required	Recognize there is no acceptable number of traffic deaths and serious injuries on our roadway system				Х
None	Low	Low	Low	Required	Adopt a resolution to reduce serious and fatal crashes				Х
None	Med	Med	Med	Required	Establish and maintain an annual review of targets, goals, and performance measures				Х
Exsting	Med.	Low	Low	Required	Establish a Safety Committee - currently using the TAC as our safety advisors				Х
					Support/implement demonstration projects				
	ļ			DI (D.	that showcase proven countermeasures.				Х
Ad-hoc	high	High	High	Plan/Prgm	Short-term action for long-term change.  Work with partners to strategically prioritize projects	15	3	45	
					with a focus on complete streets, vision zero,				Х
Existing	High	Med	Low	Plan/Prgm	and safety.	15	3	45	Λ
Existing	Med			Plan/Prgm	Implement safety education campaigns and training	10	3	30	Х
								120	
					Support partners in recognizing the				
	Mod	1		Diam/Durana	importance of proven technology (e.g.,	10	0	00	Х
none	Med	Low	Low	Plan/Prgm	automated speed enforcement)  Provide annual bike and pedestrian counts,	10	2	20	
					report on findings, and provide data to				Х
None	Med	High	I ow/High	Plan/Prgm	support plans, policies, and programs.	10	2	20	^
110110	1100	1.1.611	201111611	1 (311) 1 (311)	Coordinate road safety audits w/ADOT Road Safety	10			
None	Med	Low	Low	Plan/Prgm	Audit program on behalf of partners.	10	2	20	Х
								60	
					Require safety measures to be at the forefront of				
					all MetroPlan plans and programs to meet VZ goals				
10. 1 6	<b>.</b> .		<b>.</b> .	DI (D.	and targets. Making "safety" the primary performance		4 =		
Kind of	Med	Med	Med	Plan/Prgm	measure.	10	1.5	15	
Evicting in		Mod	Low	Funding	Grant seeking prioritizes projects through	_	2	45	Х
Existing - ir	LOW	Med	Low	Funding	a scoring method, heavily emphasizing safety.  Require Complete Streets or Safe Systems	5	3	15	
					guidelines/standards be adopted by partners to be				
None SSMI	High	Med	Low	Funding	eligible to receive funding 1.	15	1	15	
	<u> </u>			J				45	
					Educate on the need for local and state				v
Existing	Low	Low	Low	policy	Vision Zero policies.	5	2.5	12.5	Х
				0.1	D				
				Other	Prioritize reducing VMT and discouraging induced demand	10	1	10	
None	Med	High	Med	Plan/Prgm	Provide vision zero review to City/County development review process.	10	0.5	5	
INOTIC	ricu	i iigii	เาเซน	r tall/r igill	development review process.	10	0.5	27.5	
					Establish community-based Safety Committee				
					to annually review of safety performance, measures,				
None	low	Med	Low	policy	and recommend projects.	5	0	0	
					MetroPlan to explicitly recommend speed				
None	High	High	High	Plan/Prgm	management in all transportation plans.	15	0	0	
	<u>.</u> .	LP 3	<u></u>	<u>.</u>	Grant seeking/TIP will only support projects that		٠.	_	
None	Med	High	Med	Funding	meet MetroPlan safety metrics.	10 155	0 24.5	0	

2025-03-06 Ex. Board Meeting Page 13 of 71



#### STAFF REPORT

REPORT DATE: February 14, 2025
MEETING DATE: March 6, 2025

**TO: Honorable Chair and Members of the Executive Board** 

FROM: Kate Morley, Executive Director

**SUBJECT: FY2024 Single Audit** 

#### 1. RECOMMENDATION:

None. This item is for information and discussion only.

#### 2. RELATED STRATEGIC WORKPLAN ITEM:

**Goal 1:** Maximize Funding for Transportation Projects and Programs.

**Objective 1.4:** Ensure good standing with funders.

#### 3. BACKGROUND:

Article 10 Section 2 of the MetroPlan bylaws states that an annual audit will be conducted in alignment with federal requirements. A competitive procurement for a qualified firm was conducted in July 2022 resulting in an award to Heinfeld Meech.

Heinfeld Meech performed the following as required by Government Auditing Standards (GAS) and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance):

- Considering MetroPlan's internal control over financial reporting,
- Tested internal controls over major Federal programs, and
- Tested compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on MetroPlan's financial statements and major federal programs.



Based on the draft report and feedback from the auditors, the following conclusions were reached:

- Financial statements fairly present the position of MetroPlan and governmental activities and have been prepared in conformity with accepted accounting principles in the United States,
- MetroPlan complied with all requirements that could have a direct and material effect on each of its major federal programs,
- There were no findings of Significant Deficiencies nor material weaknesses.
- MetroPlan was found to be low-risk.

While not material to the audit report, Heinfeld Meech did identify opportunities for strengthening internal controls and several instances of noncompliance that did not meet reporting criteria. Specific areas were related to:

- MetroPlan does not have an adequate process to track expenses by assistance listing number within its financial reporting software or subsidiary schedules. Staff have already added assistance listing numbers to grant classification in QuickBooks to remedy this concern.
- The June 2024 checking account reconciliation was not completed within one month following
  the month end (completed October 2024) due to an outstanding invoice. In addition, the
  reconciliation was not signed to indicate approval. The accountant and Executive Director have
  noted to complete reconciliation regardless of the status of invoices and have implemented esign procedures for reconciliation.
- The following items were noted during the review of the payroll transactions:
  - Total salaries per the MetroPlan general ledger did not agree with Mountain Line payroll reports due to not showing accrued leave as a liability. This has been corrected in our system.
  - Compensated absence payable for fiscal year 2023 was overstated by \$9,299. This was
    due to misstating the Executive Directors' payout of sick leave in the FY2023 audit. Per
    the employment contract, the Executive Director is not paid for sick leave upon their
    departure. It has been corrected with FY2024 audit.
- The following items were noted during the review of expenditure and payables transactions:
  - For one of the five journal entries reviewed, the documentation provided did not support that the journal entry was properly recorded and was overstated by approximately \$14.99.
  - For one of five expenditure cut-offs reviewed, services were provided in fiscal year 2024 and incorrectly recorded in fiscal year 2025.
- For one of two vendors, MetroPlan did not reevaluate the vendor for suspension and debarment annually. Staff have updated procurement procedures to include this step instead of relying on vendors to attest to it.

MetroPlan



#### 4. TAC AND MANAGEMENT COMMITTEE DISCUSSION:

This item was not brought to the TAC nor the Management Committee.

#### 5. FISCAL IMPACT:

The annual audit costs \$18,500 and is included in the budget.

#### 6. **ALTERNATIVES**:

None. This item is for discussion only.

#### 7. ATTACHMENTS:

**Draft Management Letter** 

Draft FY2024 Single Audit Report

Flagstaff Metropolitan Planning Organization
Dba MetroPlan
Management Letter
Year Ended June 30, 2024

Executive Board Flagstaff Metropolitan Planning Organization dba MetroPlan

#### Members of the Executive Board:

In planning and conducting our single audit of the Flagstaff Metropolitan Planning Organization dba MetroPlan (MetroPlan), for the year ended June 30, 2024, we performed the following as required by *Government Auditing Standards* (GAS) and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance):

- Considered the MetroPlan's internal control over financial reporting,
- Tested internal controls over major Federal programs, and
- Tested compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the MetroPlan's financial statements and major federal programs.

Any audit findings that are required to be reported by GAS and Uniform Guidance have been included in the MetroPlan's Single Audit Reporting Package for the year ended June 30, 2024. However, during our audit we noted certain immaterial matters that are opportunities for strengthening internal controls and instances of noncompliance with laws and regulations that did not meet that reporting criteria. Management should address these items to ensure that it fulfills its responsibility to establish and maintain adequate internal controls and comply with laws, regulations, contracts, and grant agreements. Those items and our related recommendations are briefly described in the accompanying summary. The items discussed in the accompanying summary are only a result of audit procedures performed based on risk assessment procedures and not all deficiencies or weaknesses in controls may have been identified.

This information is intended for the MetroPlan's Executive Board and Management and is not intended to be and should not be used by anyone other than the specified party. However, this information is a matter of public record, and its distribution is not limited.

We have already discussed these items and suggestions with MetroPlan personnel and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Heinfeld, Meech & Co., P.C. Flagstaff, Arizona

Report Date

#### Flagstaff Metropolitan Planning Organization dba Metroplan Management Letter Year Ended June 30, 2024

#### **Review Procedures**

MetroPlan does not have an adequate process to track expenses by assistance listing number within its financial reporting software or subsidiary schedules.

MetroPlan should implement procedures to track expenses by assistance listing number within its financial reporting software or subsidiary schedules by the business manager or financial consultant.

#### **Cash and Investments**

The June 2024 checking account reconciliation was not completed within one month following the month end (completed October 2024). In addition, the reconciliation was not signed as to indicate approval.

MetroPlan should ensure that internal controls over cash and investments are operating effectively. Reconciliations should be complete once the bank statements are received and approved by some one other than the person creating the reconciliation.

#### **Disbursements**

The following items were noted during our review of expenditure and payables transactions:

- For one of five journal entries reviewed, documentation provided did not support that the journal entry was properly recorded and was overstated by approximately \$14.99.
- For one of five expenditure cut-offs reviewed, services were provided in fiscal year 2024 and incorrectly recorded in fiscal year 2025.

MetroPlan should ensure that internal controls over expenditures are operating effectively to prevent expenditures from being over/understated and recorded in the incorrect fiscal year.

#### Payroll

The following items were noted during our review over the payroll transactions:

- Total salaries per the MetroPlan general ledger did not agree to Mountain Line payroll reports.
- Compensated absence payable for fiscal year 2023 was overstated by \$9,299.

MetroPlan should ensure that internal controls over payroll are operating effectively. MetroPlan needs to implement review processes and procedures to ensure salaries and benefit line items and compensated leave balances are accurately recorded.

#### **Highway Planning and Construction Cluster**

For one of two vendors, MetroPlan did not reevaluate the vendor for suspension and debarment annually.

MetroPlan should ensure internal controls over management of the Highway Planning and Construction Cluster are operating effectively to ensure that suspension and debarments are completed annually.

# Flagstaff Metropolitan Planning Organization Dba MetroPlan Single Audit Reporting Package Year Ended June 30, 2024

# Flagstaff Metropolitan Planning Organization dba MetroPlan

Single Audit Reporting Package Year Ended June 30, 2024

# Flagstaff Metropolitan Planning Organization dba Metroplan

<u>Contents</u>	<u>Page</u>
Independent Auditor's Report	1
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Reconciliation of the Balance Sheet –	
Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances – Governmental Funds to the Statement of Activities	15
Notes to Financial Statements	16
Single Audit Section	
Independent Auditor's Report on Internal Control Over Financial Reporting	
and on Compliance and Other Matters Based on an Audit of Financial Statements	
Performed in Accordance with Government Auditing Standards	27
Independent Auditor's Report on Compliance for Each Major Federal Program;	
Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures	
of Federal Awards Required by the Uniform Guidance	29
Schedule of Expenditures of Federal Awards	32
Notes to the Schedule of Expenditures of Federal Awards	33
Schedule of Findings and Questioned Costs	34
Schedule of Findings and Questioned Costs	34
Auditee Response	
Cover Letter	35
Summary Schedule of Prior Audit Findings	36

#### **Independent Auditor's Report**

Executive Board Flagstaff Metropolitan Planning Organization dba MetroPlan

#### **Report on Audit of Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund of Flagstaff Metropolitan Planning Organization dba MetroPlan (MetroPlan), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise MetroPlan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the Flagstaff Metropolitan Planning Organization dba MetroPlan, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Flagstaff Metropolitan Planning Organization dba MetroPlan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MetroPlan's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to
  fraud or error, and design and perform audit procedures responsive to those risks. Such procedures
  include examining, on a test basis, evidence regarding the amounts and disclosures in the financial
  statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit
  procedures that are appropriate in the circumstances, but not for the purpose of expressing an
  opinion on the effectiveness of MetroPlan's internal control. Accordingly, no such opinion is
  expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MetroPlan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Other Matters**

#### Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **Report Date**, on our consideration of Flagstaff Metropolitan Planning Organization dba MetroPlan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Flagstaff Metropolitan Planning Organization dba MetroPlan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Flagstaff Metropolitan Planning Organization dba MetroPlan's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C. Flagstaff, Arizona

Report Date

(This page intentionally left blank)

**Basic Financial Statements** 

(This page intentionally left blank)

**Government-Wide Financial Statements** 

# Flagstaff Metropolitan Planning Organization Dba MetroPlan Statement of Net Position June 30, 2024

	vernmental activities
Assets	
Current assets:	
Cash and equivalents	\$ 479,206
Due from governmental entities	 279,044
Total current assets	 758,250
Total assets	 758,250
Liabilities	
Current liabilities:	
Accounts payable	194,067
Line of credit	300,000
Accrued payroll and employee benefits	12,447
Compensated absences payable	 55,000
Total current liabilities	 561,514
Noncurrent liabilities:	
Non-current portion of long-term obligations	 34,319
Total noncurrent liabilities	 34,319
Total liabilities	 595,833
Net position	
Unrestricted	 162,417
Total net position	\$ 162,417

# Flagstaff Metropolitan Planning Organization Dba MetroPlan Statement of Activities For the Year Ended June 30, 2024

Net (Expense)
Revenue and
Changes in Net

							nges in Net
				m Revenue		P	osition
			Opera	ting Grants	Capital Grants	_	
		Charges for		and	and		ernmental
Functions/Programs		Services	Cont	ributions	Contributions	A	ctivities
Governmental activities							
Program administration	\$ 936,873	\$	\$	895,956	\$	\$	(40,917)
Data collection Special project planning	1,946 276,916			1,845 254,215			(101)
Total governmental activities	\$ 1,215,735		\$		<del>-</del>	\$	(22,701)
Total governmental activities	\$ 1,215,735	ş	<u> </u>	1,152,016	<u> </u>	Ş	(63,719)
	General revenues	;					
	Investment inco	me					1,068
	Other local						154,416
	Total general	revenues					155,484
	Change in net pos	sition					91,765
	Net position, beg	inning of year					70,652
	Net position, end	of year				\$	162,417

(This page intentionally left blank)

**Fund Financial Statements** 

# Flagstaff Metropolitan Planning Organization Dba MetroPlan Balance Sheet Governmental Funds June 30, 2024

	General
Assets	
Cash and equivalents	\$ 479,206
Due from governmental entities	 279,044
Total assets	 758,250
Liabilities	
Accounts payable	194,067
Accrued payroll and employee benefits	12,447
Line of credit	300,000
Total liabilities	506,514
Total fund balances	 251,736
Total liabilities, deferred inflows of resources	
and fund balances	\$ 758,250

### Flagstaff Metropolitan Planning Organization Dba MetroPlan

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2024

#### Total fund balances - governmental funds

251,736

Amounts reported for governmental activities in the Statement of Net Position are different because:

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable (89,319)

(89,319)

Net position of governmental activities

\$ 162,417



### Flagstaff Metropolitan Planning Organization Dba MetroPlan

### Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

#### For the Year Ended June 30, 2024

	General	
Revenues		
Other local	\$	193,107
Federal aid, grants and reimbursements		1,114,393
Total revenues		1,307,500
Expenditures		
Current:		
Program administration		944,885
Data collection		1,946
Special project planning		276,916
Total expenditures		1,223,747
Changes in fund balances		83,753
Fund balances, beginning of year		167,983
	\$	251,736

# Flagstaff Metropolitan Planning Organization Dba MetroPlan

# Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2024

#### Changes in fund balances - total governmental funds

83,753

Amounts reported for governmental activities in the Statement of Activities are different because:

Compensated absences expenses reported in the Statement of Activities do not require the use o

8,012

Changes in net position in governmental activities

\$ 91,765



#### Note 1 – Summary of Significant Accounting Policies

The financial statements of the Flagstaff Metropolitan Planning Organization dba MetroPlan (MetroPlan) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of MetroPlan's accounting policies are described below.

#### A. Financial Reporting Entity

MetroPlan, an Arizona non-profit corporation, is the metropolitan planning organization for the greater Flagstaff region. Its mission is to create the finest transportation system in the county. MetroPlan is responsible for ensuring that transportation projects like roads, bridges, trails, bike paths, and bus routes are thoughtfully planned and coordinated in ways that meet the needs of the community. MetroPlan coordinates with its partner agencies to enhance their ability to deliver transportation improvements. Partner agencies include Mountain Line (NAIPTA), Northern Arizona University (NAU), City of Flagstaff, Coconino County of Arizona, and Arizona Department of Transportation (ADOT). By working across jurisdictional boundaries, MetroPlan facilitates collaboration amongst governmental agencies to leverage resources and advance projects with one consolidated regional voice.

The membership of MetroPlan's Executive Board consists of seven members representing various partner agencies.

#### **B.** Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about MetroPlan as a whole. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of MetroPlan. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. MetroPlan does not have any business-type activities or fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. MetroPlan does not allocate indirect expenses to programs of functions. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Investment income and other items not included among program revenues are reported instead as general revenues.

#### Note 1 – Summary of Significant Accounting Policies

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

<u>Government-Wide Financial Statements</u> — The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

Fund Financial Statements – Governmental fund financial statements are reported using the

financial resources of MetroPlan, except those required to be accounted for in another fund.

#### Note 1 – Summary of Significant Accounting Policies

#### D. Budgetary Basis of Accounting

MetroPlan does not adopt an annual appropriated budget, but instead adopts a budget for management purposes. This budget is subject to constant change based upon grants received by MetroPlan. The grant budgets have fiscal years that vary from MetroPlan's and may extend beyond one year. Consequently, no budgetary comparison schedules have been presented.

#### E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is separately disclosed in the governmental fund financial statements.

#### F. Receivables

All receivables are shown net of an allowance for uncollectibles.

#### G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and fund financial statements.

#### H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

#### Note 1 – Summary of Significant Accounting Policies

#### I. Compensated Absences

MetroPlan's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

#### J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position.

#### K. Net Position Flow Assumption

In the government-wide financial statements MetroPlan applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

#### L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported of the financial statements and accompanying notes. Actual results may differ from those estimates.

#### Note 2 - Fund Balance Classifications

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

**Nonspendable.** The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

#### Note 2 – Fund Balance Classifications

**Restricted.** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

**Committed.** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Executive Board. Those committed amounts cannot be used for any other purpose unless the Executive Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. MetroPlan does not have a formal policy or procedures for the utilization of committed fund balance. Accordingly, no committed fund balance amounts are reported.

Assigned. Amounts in the assigned fund balance classification are intended to be used by MetroPlan for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Executive Board or a management official delegated that authority by the formal Executive Board action. MetroPlan does not have a formal policy or procedures for the utilization of assigned fund balance. Accordingly, no assigned fund balance amounts are reported.

**Unassigned.** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

MetroPlan applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The Plan's fund balance classifications in the General Fund were \$260,554 for unassigned funds at year end.

#### Note 3 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure MetroPlan's deposits may not be returned to MetroPlan. MetroPlan does not have a deposit policy for custodial credit risk. At year end, the carrying amount of MetroPlan's deposits was \$479,206 and the bank balance was \$479,905. At year end, \$479,905 was covered by FDIC insurance.

#### Note 4 – Receivables

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for MetroPlan's major fund were:

	(	General
	Fund	
Due from other governmental entities:		
Due from Arizona Department of Transportation	\$	222,661
Due from Federal Highway Administration		24,862
Due from Mountain Line		31,521
Net due from governmental entities:	\$	279,044

#### Note 5 – Line of Credit

MetroPlan entered into a Cooperative Agreement with the City of Flagstaff for a Cash Advance Fund to support the cash flow operations due to the time it takes to receive reimbursements from Federal, State or Local agency for approved grant funded services and/or projects. It is restricted to cash balancing usage.

The Agreement will remain effective for five (5) years from the Effective Date. The Agreement shall renew automatically, subject to the appropriation of funds, for one (1) additional five (5) year period.

At June 30, 2024, the amount advanced to MetroPlan at year end was \$300,000.

City of Flagstaff can request a repayment at any time.

#### Note 6 - Changes in Long-Term Liabilities

Long-term liability activity for the current fiscal year was as follows:

	eginning salance	A	dditions	Re	ductions	Ending Balance	ue Within One Year
Governmental activities:	 						
Compensated absences payable	\$ 97,331	\$	87,354	\$	95,366	\$ 89,319	\$ 55,000
Total governmental activities long-term liabilities	\$ 97,331	\$	87,354	\$	95,366	\$ 89,319	\$ 55,000

#### Note 7 - Contingent Liabilities

<u>Compliance</u> – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses that may be disallowed by the grantor cannot be determined at this time, although MetroPlan expects such amounts, if any, to be immaterial.

#### Note 8 – Risk Management

MetroPlan is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. MetroPlan carries commercial insurance for all risks of loss, including property and liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### Note 9 – Concentrations

MetroPlan depended on one contract from the Arizona Department of Transportation (ADOT) for approximately 88 percent of its total revenue. Decreases in funding or discontinuance of any or all of this contract would severely impact the ability of MetroPlan to continue as presently constituted.

#### Note 10 – Related Party Transactions

Northern Arizona Intergovernmental Public Transportation Authority (Mountain Line) provides administrative functions to MetroPlan per an intergovernmental agreement. MetroPlan personnel are employed by Mountain Line but on assignment to MetroPlan. Salaries and related expenditures for the year were \$661,619. Mountain Line contributed \$124,416 of transportation tax revenue to MetroPlan which can be used to meet federal match requirements.

#### Note 10 – Related Party Transactions

In addition, Mountain Line pays membership dues to MetroPlan as established by the intergovernmental agreement. Mountain Line's contributions for the year were \$5,000. Other partner agencies, including City of Flagstaff and Coconino County of Arizona, also contribute \$5,000 annually per voting member of the Executive Board. The State Transportation Board (ADOT) is excluded from this requirement. City of Flagstaff received Highway Planning and Construction funds in the amount of \$302,760 from MetroPlan as a pass-through entity.

Mountain Line charges an annual rental cost of \$12,000 to MetroPlan that is used as an in-kind match for federal awards. At its option, MetroPlan may fulfill all or part of its annual Rent Obligation by applying, with Mountain Line's prior agreement, for grants or other funding programs for which Mountain Line may qualify as a sub-recipient and fulfilling any matching amount requirement of such grant or program by providing a qualifying in-kind donation acceptable to and accepted by the entity providing such grant or administering such program funding.

(This page intentionally left blank)



(This page intentionally left blank)

# Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Executive Board Flagstaff Metropolitan Planning Organization dba MetroPlan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Flagstaff Metropolitan Planning Organization dba MetroPlan, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Flagstaff Metropolitan Planning Organization dba MetroPlan's basic financial statements, and have issued our report thereon dated Report Date.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Flagstaff Metropolitan Planning Organization dba MetroPlan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Flagstaff Metropolitan Planning Organization dba MetroPlan's internal control. Accordingly, we do not express an opinion on the effectiveness of Flagstaff Metropolitan Planning Organization dba MetroPlan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Flagstaff Metropolitan Planning Organization dba MetroPlan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld, Meech & Co., P.C. Flagstaff, Arizona Report Date

# Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Executive Board Flagstaff Metropolitan Planning Organization dba MetroPlan

#### Report on Compliance for Each Major Federal Program Opinion on Each Major Federal Program

We have audited Flagstaff Metropolitan Planning Organization dba MetroPlan's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Flagstaff Metropolitan Planning Organization dba MetroPlan's major federal programs for the year ended June 30, 2024. Flagstaff Metropolitan Planning Organization dba MetroPlan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Flagstaff Metropolitan Planning Organization dba MetroPlan complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

#### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Flagstaff Metropolitan Planning Organization dba MetroPlan and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Flagstaff Metropolitan Planning Organization dba MetroPlan's compliance with the compliance requirements referred to above.

#### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Flagstaff Metropolitan Planning Organization dba MetroPlan's federal programs.

#### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Flagstaff Metropolitan Planning Organization dba MetroPlan's compliance based on our audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Flagstaff Metropolitan Planning Organization dba MetroPlan's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and
  design and perform audit procedures responsive to those risks. Such procedures include
  examining, on a test basis, evidence regarding Flagstaff Metropolitan Planning Organization
  dba MetroPlan's compliance with the compliance requirements referred to above and
  performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Flagstaff Metropolitan Planning Organization dba MetroPlan's
  internal control over compliance relevant to the audit in order to design audit procedures
  that are appropriate in the circumstances and to test and report on internal control over
  compliance in accordance with Uniform Guidance, but not for the purpose of expressing an
  opinion on the effectiveness of Flagstaff Metropolitan Planning Organization dba MetroPlan's
  internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and the major fund of Flagstaff Metropolitan Planning Organization dba MetroPlan as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Flagstaff Metropolitan Planning Organization dba MetroPlan's basic financial statements. We issued our report thereon dated Report Date, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heinfeld, Meech & Co., P.C. Flagstaff, Arizona

Report Date

#### Flagstaff Metropolitan Planning Organization **Dba MetroPlan Schedule of Expenditures of Federal Awards** Year Ended June 30, 2024

Federal/Pass-Through/Agency	AL <u>Number</u>	Federal Award <u>Number</u>	Expenditures and Transfers	Total Amount Provided to Sub-Recipients
U.S. Department of Transportation				
Direct Program:	20.939	N/A	66,522	-
Safe Streets and Roads for All				
Passed through Arizona Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	GRT-23-0009148-T	997,281	302,760
Total Highway Planning and Construction Cluster			997,281	302,760
Metropolitan Transportation Planning and State and Non-				
Metropolitan Planning and Research	20.505	GRT-23-0009148-T	112,594	-
Total U.S. Department of Transportation			1,176,397	302,760
Total Expenditures of Federal Awards		\$	1,176,397 \$	302,760

#### Flagstaff Metropolitan Planning Organization dba MetroPlan Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

#### Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Flagstaff Metropolitan Planning Organization dba MetroPlan under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of MetroPlan, it is not intended to and does not present the financial position, changes in net position or cash flows of MetroPlan. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

#### 10% De Minimis Indirect Cost Rate

The auditee did not use the de minimis indirect cost rate.

#### **Assistance Listing Numbers**

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or through sam.gov. If the three-digit Assistance Listing extension is unknown, there is a U followed by a two-digit number in the Assistance Listing extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with UO1 for all award lines associated with that program, the second is UO2, etc.

# Flagstaff Metropolitan Planning Organization dba MetroPlan Schedule of Findings and Questioned Costs Year Ended June 30, 2024

#### **Summary of Auditor's Results:**

#### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Significant deficiency(ies) identified: No

• Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

#### <u>Federal Awards</u>

Internal control over major programs:

• Significant deficiency(ies) identified: No

Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

Assistance Listing Number 20.205

<u>Name of Federal Program or Cluster</u> Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: Yes

Findings Related to Financial Statements Reported in Accordance with *Government Auditing*Standards: No

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: Yes



# ADOT CITY OF FLAGSTAFF COCONINO COUNTY MOUNTAIN LINE NAU

#### **Report Date**

To Whom It May Concern:

#### **EXECUTIVE BOARD**

#### Chair

Jeronimo Vasquez Supervisor District 2 Coconino County

#### Vice-Chair

Miranda Sweet Councilmember City of Flagstaff Judy Begay Supervisor District 3 Coconino County

> Austin Aslan Vice-Mayor City of Flagstaff

Jim McCarthy Councilmember City of Flagstaff

Tony Williams
Mountain Line Board of
Directors
Jesse Thompson
Arizona State
Transportation Board

The accompanying Summary Schedule of Prior Audit Findings has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The status for each finding included in the prior year audit's Schedule of Findings and Questioned Costs has been provided.

Sincerely,

Kate Morley
Executive Director



# Flagstaff Metropolitan Planning Organization dba MetroPlan Summary Schedule of Prior Audit Findings Year Ended June 30, 2024

Status of Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards* 

Finding Number: FS-2023-001

Status: Fully corrected.





# STAFF REPORT

REPORT DATE: February 14, 2025
MEETING DATE: March 6, 2025

TO: Honorable Chair and Members of the Executive Board

FROM: Kate Morley, Executive Director

**SUBJECT: FY2025 Quarter 2 Financial Report** 

#### 1. RECOMMENDATION:

None. This item is for information and discussion only.

#### 2. RELATED STRATEGIC WORKPLAN ITEM:

Goal 1: Maximize Funding for Transportation Projects and Programs

Objective 1.4: Clean audits and reviews

#### 3. BACKGROUND:

This report provides a second quarter (Q2) update for the FY2025 budget. The total FY2025 expenses as of December 31, **2024**, were \$681,277. This is about 25% of the annual budget. As we look more deeply into budget categories we see the following:

- Salary and Benefits: METROPLAN'S annual budget is \$838,823 and in Q2 EXPENDED \$355,150 about 42% of budget. This is primarily due to savings in the Business Manager position.
- Operations: MetroPlan's annual budget is \$356,262 and as of Q2 spent \$90,894 about 25% of the annual budget. The savings are due to operational expenses such as the annual audit and the move into the Downtown Connection Center (DCC) that will occur in future quarters.
- <u>Travel</u>: MetroPlan budgeted \$30,200 in FY25 and as of Q2 expended \$9,830. We expect quarter four to have significant expenses for this item.
- <u>Projects:</u> MetroPlan budgeted \$1,447,600 for projects including \$650,000 for Safe Routes
  Infrastructure, \$50,000 for West Route 66, \$90,000 for data collection including but not limited
  to the Trip Diary and traffic counts, and \$600,000 for a variety of transit planning activities.
  MetroPlan spent \$220,304 as of Q2. Safe Routes to School infrastructure spending is anticipated
  to begin in the 3<sup>rd</sup> quarter and transit activities have been slower than anticipated.



# 4. TAC AND MANAGEMENT COMMITTEE DISCUSSION:

This item was not presented to the TAC nor the Management Committee.

#### 5. FISCAL IMPACT:

MetroPlan has a sustainable 5-year budget.

#### 6. ALTERNATIVES:

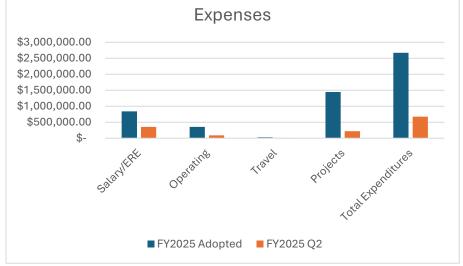
None. This item is for information and discussion only.

#### 7. ATTACHMENTS:

FY2025 Q2 Financial Report

Revenue	FY2025	FY2025
	Adopted	Q2
Formula		
Grants	\$ 1,753,972.01	\$ 272,187.83
Competitive Grants	\$ 1,827,050.00	\$ 60,519.59
Local	<b>+</b> 1,0=1,000100	7 55,515155
Revenue	\$ 177,050.00	\$ 41,109.81
Total Rever	\$ 3,758,072.01	\$ 373,817.23
Expenses	FY2025	FY2025
	Adopted	Q2
Salary/ERE	\$ 838,823.00	\$ 355,150.43
Operating	\$ 356,261.86	\$ 90,893.71
Travel	\$ 30,200.00	\$ 9,830.38
	\$ 1,447,600.00	\$ 220,304.17
Projects	\$ 1,447,000.00	Ψ ==0,00







# STAFF REPORT

REPORT DATE: February 10, 2025
MEETING DATE: March 6, 2025

TO: Honorable Chair and Members of the Executive Board

FROM: Kate Morley, Executive Director

**SUBJECT: FY2026 Budget Scenarios Discussion** 

#### 1. RECOMMENDATION:

None. This item is for information and discussion only.

#### 2. RELATED STRATEGIC WORKPLAN ITEM:

**Goal 1:** Maximize Funding for Transportation Projects and Programs **Objective 1.1:** Align capital and programmatic needs with priorities and fund sources.

#### 3. BACKGROUND:

This budget scenarios discussion precedes a full draft budget for the Board. Scenarios are based upon potential federal funding changes with a new administration. While three scenarios are being evaluated, in discussion with other metropolitan planning organizations and ADOT, all are moving forward with assuming business as usual, Scenario 1, until other direction is provided. Scenario 2 assumes formula funds for the Carbon Reduction Program become unavailable to MetroPlan and Scenario 3 is a major reduction of revenue, returning to pre-Infrastructure Investment and Jobs Acts (IIJA) levels of funding.

Adopting an annual budget, while considering a 5-Year Financial Plan for MetroPlan, provides the level of forethought and fiscal responsibility needed for MetroPlan to continue to thrive. By reviewing actual expenses and projecting trends, MetroPlan is better able to plan for the future, take corrective action, capitalize on opportunities, and ensure that financial resources are aligned with organizational goals.

#### Revenue

The scenarios below assume no new revenue mechanisms for the organization. In addition to considering cuts to expenditures, MetroPlan can pursue new revenue including competitive grants, or could increase member dues. Member dues have been \$5,000 per seat since 2020 without an increase. If MetroPlan increased dues by \$1,000 per year over the next 5 years, (\$10,000 per seat at the end of 5 years) it would result in an additional \$90,000 to the organization over the next 5 years. If MetroPlan



had been adjusting dues for inflation over the past 5 years, membership rates would be an additional \$1,137 per seat this year.

#### Scenario 1: Continued Funding as Authorized in IIJA

#### Revenues:

The FY2026 revenue in a continued funding scenario is expected to be \$3,117,396, a 13% decrease in funding over last year due to competitive awards that will carry over only a portion of their funds. Several pending award announcements could still increase this number. In the 5-Year Financial Plan, year-over-year revenues are expected to decrease as competitive awards are not assumed.

#### **Expenses:**

Expenses in the budget include the following:

Salaries and Employee Related Expenses (ERE)

• The salary and ERE budget increase by 3%. This is due to a 3% annual increase for staff, aligned with Mountain Line's pay plan for FY2026. The 5-Year Financial Plan continues this 3% annual increase for employees.

#### Operating

The proposed Operating budget is \$191,207. This is down 46% from FY2025 and is reflective of
the one-time expense for tenant improvements at the Downtown Connection Center and a large
decrease in public outreach funds as we have a better understanding of public outreach needs
in place.

#### Travel and Training

• This budget is proposed to decrease 18%. Funding through the Transit into Code grant has funded a portion of our travel for the last two years and is not a sustainable source. MetroPlan's travel and training goal is to support one out-of-state travel event for each employee per year and in-state travel as needed for COG and MPO meetings and legislative needs.

#### **Projects**

- The project budget is approximately \$1.2M. It includes:
  - o \$40,000 in data collection and modeling efforts



- \$400,000 in awarded funds for Safe Routes to School missing infrastructure and feasibility studies with some additional funds projected to carry into FY27
- o \$285,000 in awarded 5305e funds for transit planning for missing transit infrastructure
- o Carry over for the Vulnerable Roadway Users (VRU) Plan
- o \$500,000 of a \$2.1 million award for the Safe Streets Master Plan grant

#### Surplus

The FY2025 Federal Surplus is estimated at approximately \$800,000. ADOT allows agencies to loan surplus to future years. The 5-Year Financial Plan reallocates these funds to future years to ensure staffing is maintained despite conservative revenue estimates. By FY2030, the Federal Surplus is minimized, with only \$101,000 in planned surplus.

#### Assumptions:

The 5-Year Financial Plan has been developed with the following assumptions.

- Revenue projections are assumed to remain flat.
- The Carbon Reduction Program is not renewed at the expiration of the 5-Year IIJA (Infrastructure Investment and Jobs Act).
- A 3% annual increase in operational costs unless an expense is otherwise known.
- A 3% annual increase in salaries and benefits.
- No additional competitive funds are received.

#### Scenario 2: Elimination of Carbon Reduction Program (CRP) Funds

In this scenario, the Carbon Reduction Program (CRP) funds are eliminated with the new fiscal year resulting in the need to eliminate \$341,000 from the 5-Finanical Plan discussed above. This can be done with the following assumptions:

- Reduce the public outreach by approximately 40% including ending the Safer People Campaign, and giveaways.
- Eliminate legislative liaison.
- Reduce travel and training by approximately 50%.
- Reduce data collection and modeling needs by approximately 20%.
- Reduce copying/ printing/ postage.
- Reduce memberships to national organizations such as the Association of Metropolitan Planning Organizations and the American Planning Association.

MetroPlan 3773 N Kaspar Dr. Flagstaff, AZ 86004

www.metroplanflg.org



Alternatively, longevity increases, or maintenance of staff positions could be considered. The current rise in longevity is 3%, nearly tied to 2.9% consumer price index increase in last year.

#### Scenario 3: Return to FAST ACT Level Funding

This scenario is unlikely however there is a narrative that the infusion of infrastructure funds in the IIJA was meant to be one-time to address historic shortfalls. While the IIJA has two years left, Congress could authorize less money for the programs, and with the aggressive budget cuts being undertaken, while unlikely, it's not impossible to see this scenario come to fruition. This budget scenario results in needing to cut over \$830,000 from the 5-Year Financial Plan or approximately 10% of our budget. It's not possible to avoid staffing impacts at this level of funding reduction. Steps to balance a budget in this scenario include further reducing programs mentioned in Scenario 2 including:

- Freeze pay, saving \$145,000 in wage increases over 5 years.
- Eliminate legislative liaison.
- Eliminate travel and training budget.
- Reduce data collection efforts to 1x every three years.
- Eliminate upkeep of the model.
- Eliminate public outreach except for required legal advertising.
- Further reduce copying/ printing/ postage.
- Scale back computer equipment replacement.
- Reduce memberships.

The steps above still provide for approximately \$60,000 shortfall over the course of 5 years. Alternatively, the maintenance of positions could be considered.

#### 4. TAC AND MANAGEMENT COMMITTEE DISCUSSION:

This item was not brought to the TAC nor Management Committee.

#### 5. FISCAL IMPACT:

The FY2026 Draft Budget Scenarios are developed alongside a draft 5-Year Financial Plan which demonstrates that MetroPlan is solvent and sustainable through FY2031. It is expected that a better understanding of CRP and FY2026 revenue will be out prior to the adoption of the budget.

#### 6. ALTERNATIVES:

None. This item is for information and discussion only.



# 7. ATTACHMENTS:

None.



# STAFF REPORT

REPORT DATE: February 18, 2025
MEETING DATE: March 6, 2025

TO: Honorable Chair and Members of the Executive Board

FROM: Kim Austin, TDM Planner

**SUBJECT: Safer People Campaign Promotion** 

#### 1. RECOMMENDATION:

None. This item is for discussion only.

#### 2. RELATED STRATEGIC WORKPLAN ITEM:

Goal 4: Implement Programs that Encourage Mode Shift

**Objective 4.3:** Educate the public about economic, health, congestion, climate, equity and other benefits of multimodal transportation.

#### 3. BACKGROUND:

One of MetroPlan's transportation values is zero deaths and serious injuries. Achieving this goal will require a holistic Safer Systems approach to make strides in 5 categories: Safer People, Safer Vehicles, Safer Speeds, Safer Roads, and Post Crash Care. The Board approved an education campaign to make progress in the Safer People category in the FY2025 budget. The campaign is grant-funded as part of the Carbon Reduction Program funding source. February 17, 2025, marked the email release of the first educational blog for this campaign. The blog was sent to emails within MetroPlan's MailChimp listserv. In addition, the social media "Safer Journeys" campaign has begun and an ad campaign on Mountain Line buses will follow. MetroPlan staff request the Executive Board share and support this campaign within their circles to increase awareness throughout the community.

#### 4. TAC AND MANAGEMENT COMMITTEE DISCUSSION:

This item was not shared with TAC nor the Management Committee



#### 5. FISCAL IMPACT:

MetroPlan Executive Board approved the FY25 budget with \$80,000 from the Carbon Reduction Program funding source to hire Mountain Mojo Group to create a branded educational campaign. This contract fits within that budget and includes the required ad purchases to conduct the campaign.

#### 6. ALTERNATIVES:

This item is for discussion only.

#### 7. ATTACHMENTS:

None.



# STAFF REPORT

REPORT DATE: February 14, 2025
MEETING DATE: March 6, 2025

**TO: Honorable Chair and Members of the Executive Board** 

FROM: Kate Morley, Executive Director

**SUBJECT: Update on Key Performance Indicators (KPIs)** 

#### 1. RECOMMENDATION:

None. This item is for information and discussion only.

#### 2. RELATED STRATEGIC WORKPLAN ITEM:

This item reports on the progress of all strategic work plan items.

#### 3. BACKGROUND:

At its June 1, 2023, Board meeting, the Board adopted a Strategic Workplan that included key performance indicators (KPIs) to help measure progress on the goals and objectives that are shared with the Board quarterly. This report provides KPIs for the second quarter (Q2) of FY2025 (October-December 2024).

#### 4. TAC AND MANAGEMENT COMMITTEE DISCUSSION:

This item was not presented to the TAC nor the Management Committee.

#### 5. FISCAL IMPACT:

None. However key performance indicators can provide useful information on the effectiveness of programs and budget resources.

#### 6. ALTERNATIVES:

None. This item is for information and discussion only.



# STAFF REPORT

REPORT DATE: February 14, 2025
MEETING DATE: March 6, 2025

TO: Honorable Chair and Members of the Executive Board

FROM: Kate Morley, Executive Director

**SUBJECT: MetroPlan Happenings** 

#### 1) **RECOMMENDATION:**

None. This item is for information and discussion only.

#### 2) RELATED STRATEGIC WORKPLAN ITEM:

**Goal 3:** Build MetroPlan's Visibility in the Community **Objective 3.3:** Promote the value MetroPlan brings to the Community

#### 3) BACKGROUND

TDM Planner Kim Austin has been leading the Micromobility Share Feasibility report and stakeholders' group. She presented findings at City Council who directed City staff to continue to explore micromobility share options by engaging with the public and potential vendors. Staff will continue to support the City in the next phase of exploration.

Planning Manager Dave Wessel and City Transportation Planner Chris Phair have been working on the procurement for the Safe Streets Master Plan. A committee with representatives from member agencies is reviewing the scope and will sit on the procurement evaluation team. The contract value will be over \$1,000,000 and is anticipated to draw significant interest.

Transportation Planner Sandra Tavel has been assisting Mountain Line and the City on Arizona SMART Fund applications since the State Transportation Board redistributed funding and made additional resources available to projects in cities with populations over 10,000.

Congratulations to Mountain Line on their awards totaling \$6 million for new maintenance bays and two (2) hybrid or electric buses through the state's competitive 5307/5339 grant process.

Montoya Fellow Ty Holliday's last day with Mountain Line and MetroPlan will be March 7. Ty joined our team in June 2023 in the Montoya Fellowship position and has contributed to and led many projects

3773 N Kaspar Dr. Flagstaff, AZ 86004

www.metroplanflg.org



during this time, including the limited list below. Ty will be graduating from NAU in May with a Bachelor of Science in Geography, Environment, and Society. We are so grateful to have Ty on the MetroPlan team and we wish him the best in his future endeavors!

- Title VI maps and updates to the document
- Wrote an NAU grant and supporting documents/maps/graphics for many other grant applications (including Butler Corridor project, all funded!)
- Cheshire Asphalt Art maps and graphics for public outreach and promotion
- West Rte. 66 Operational Assessment data crunching, visuals, current and future conditions report
- Vulnerable Road Users Risk Exposure Assessment (100% Ty's creation)
- Arizona State Board dinner materials and graphics
- And of course, supporting staff across all projects and programs.

#### 4) TAC AND MANAGEMENT COMMITTEE DISCUSSION:

This item was not presented to the TAC nor the Management Committee.

#### 5) FISCAL IMPACT:

None. These items are updates only.

#### 6) ALTERNATIVES:

None. This item is for information and discussion only.

#### 7) ATTACHMENTS:

None.