

Board Members

David Bilardello, Vice-Chair

Mayor Gary Carey, Chair

Charis Austin Mayor Katie Favale Rick Baker Steven Gilbert Robert Postema

Mayor Rosalynn Bliss Andy Guy Terry Schweitzer Mayor Stephen Kepley Jack Hoffman Paul Troost Tracie Coffman Mayor Steve Maas

BOARD OF DIRECTORS MEETING

Wednesday, August 24, 2022 - 4:00 p.m.

Rapid Central Station Conference Room (250 Cesar E Chavez, SW)

AGENDA PRESENTER ACTION 1. PUBLIC COMMENT MINUTES REVIEW – July 27, 2022, Board Budget Workshop 2. Mayor Carey Approval 3. **CEO'S REPORT** Deb Prato Information ACTION ITEMS 4. **Operating Budget** Linda Medina Approval a. **Capital Budget** Kevin Wisselink Approval b. 5. PERFORMANCE REPORTS Paratransit Route Ridership Jason Prescott Information a. 1. July 2022 **On-Demand** 2. **Fixed Route Ridership** Max Dillivan Information b. 1. July 2022 Linda Medina Finance Information c. **Operating Statement – June 2022** 1. 2. Professional Development and Travel Report May 2022 a. June 2022 b. 3. **Grant Statement** 6. CHAIR'S REPORT Mayor Carey Information 7. **COMMITTEE MEETING MINUTES** Planning & Technology Committee - No July Meeting Terry Schweitzer Information a. Present Performance & Service Committee July 26, 2022 David Bilardello Information b. Finance Committee August 10, 2022 Mayor Kepley Information C.

8. ADJOURNMENT



Board Members

Mayor Stephen Kepley, Chair

Charis Austin Mayor Katie Favale Rick Baker Steven Gilbert Robert Postema

Mayor Rosalynn Bliss Andy Guy Terry Schweitzer David Bilardello, Vice-Chair

Mayor Gary Carey Jack Hoffman Paul Troost Tracie Coffman Mayor Steve Maas

BOARD OF DIRECTORS MEETING MINUTES

Wednesday, July 27, 2022 - 3:00 p.m.

Rapid Central Station Conference Room (250 Cesar E Chavez SW)

ATTENDANCE:

Board Members Present:

Steven Gilbert, Mayor Kepley, Jack Hoffman, Paul Troost, Mayor Favale, David Bilardello, Mayor Carey, Tracie Coffman, Mayor Bliss,

Board Members Absent:

Rick Baker, Terry Schweitzer, Rob Postema, Charis Austin, Mayor Maas, Andy Guy,

Staff Attendees:

Andy Prokopy, Nathan Bigelow, Mike Wieringa, Steve Schipper, Deron Kippen, Steve Clapp, Deb Prato, Steve Luther, Linda Medina, Peter Sillanpaa, Kevin Wisselink, James Nguyen, Jason Prescott, Nancy Groendal, Amanda Moore, Kris Heald

Mayor Carey called the meeting to order at 3:01 p.m.

1. PUBLIC COMMENT

Chair Carey asked for public comment in the room and online. No Public Comment was offered.

2. MINUTES REVIEW – June 22, 2022

Chair Carey asked for approval of the June 22, 2022, meeting minutes. Mr. Hoffman motioned to approve, and Mayor Favale supported it.

3. CEO'S REPORT

Ms. Prato yielded her time to comment as she captured her report in her cover letter memo (attached)

4. **DISCUSSION**

a. Budget Timeline and Assumptions

Ms. Medina began her report with an introduction, and welcome of our new Financial Analyst, Peter Sillanpaa.

Ms. Medina stated that this is a balanced budget, and we are slowly recovering. The entire leadership team gathered and worked together to achieve a budget that met our goals as a company. Also included in the packet are all the individual budgets for your review. This budget will go back to the board for approval in August 2022.

b. Revenues

Revenue is at \$45M before using any Covid Relief money, we will use \$9.1M to fill that gap. A total of \$54.2 revenue that we are anticipating for this year. We have budgeted a 22% increase in fares that we will collect, about a \$700,000 increase from last year. A slight reduction in the Sale of Transportation. Also, Ferris, GVSU, and other colleges reduced their hours. Ridership is slowly recovering. We are focusing on a 7% increase in ridership.

Ms. Coffman asked about a drawdown of CARESS Act funds and Covid Relief dollars. Ms. Medina anticipates that in FY 23 we will draw down the last \$8.2M in ARPA funds that are available. Every year we bring back our contract service rate. The rate is determined by taking our full cost that is audited which is two (2) years behind. We will be using FY 21 numbers. Ms. Coffman asked if the partners are aware that we base the number on audited numbers from two years ago. Ms. Medina replied that yes, the partners are aware. When we convey the new rates going forward, we will confirm they understand that they will notice a jump coming in the next couple of years.

c. Expenses

Overall, there is an increase from FY 21/22 to FY 22/23 of \$6.6M, an increase of 12.9%. The main factors are \$3.5M in purchased transportation costs and an increase in fuel. CNG cost for FY 21/22 was \$0.65. We are anticipating CNG costs to be \$1.55. Diesel was \$2.51, now we are expecting that to double. The Rapid is also looking at ways to relieve the budget uncertainty through fuel lock/ hedging. Repair parts increased due to inflation. Utilities increased 10% due to an increase in prices. We are also adding on Busch Drive. Some other expenses include dues, subscriptions, and professional development, covid is over, and more people are traveling.

Mr. Bilardello asked as far as salaries and wages go, there are open positions across the system, how did we budget, and will all those positions be filled? Ms. Medina replied when we budged for full operations and full admin, we budgeted 265 + 20 part-timers. We have the potential to be at 220 with the new graduating class. Mr. Bilardello inquired if a recession happens and we fill all those positions, what would that do to these numbers? Ms. Medina said we would come back to the board with an amendment asking for more funds. Ms. Prato added it would be the best scenario to come to the board being fully staffed and asking for more money.

Ms. Medina reported that Maintenance increased by 3 new positions, 2 techs, and one in Fleet. One (1) dedicated dispatcher, one (1) part-time specialized assistant, one (1) fleet technician, and two (2) utility technicians.

Ms. Prato added that the dedicated technicians and dedicated dispatchers are to focus on those positions plus create an opportunity for advancement. We are hopeful these expenses will be reimbursed by the capital plan.

Healthcare. Ms. Medina reported every year we reach out to USI to reevaluate the plan. We talked with them about going self-funded or staying fully insured. If we chose s self-funded plan it would cost approximately \$100K more, however, there are concerns related to successfully implementing a self-funded plan this year. Being fully insured you have prepaid coverage, and limited exposure, plus it's more cost-effective. On the self-funded side, you have customization flexibility and managing the plan, funds are retained when claims are lower than expected. We can look at the data to see where we can save money on the plan. We will be meeting with USI in the next couple of weeks to finalize the plan. Ms. Prato added that the \$100K would be in a worst-case scenario on what we budgeted. Mr. Bilardello wanted to be included in conversations regarding a final decision on the plan.

Ms. Coffman asked what change the employee will see. Ms. Prato answered no change as it's a funding mechanism that does not affect the plan design. Ms. Coffman asked if we are looking at other wellness benefits.

Ms. Medina stated that there was a \$1.3M increase in the budget compared to last year. Another place to reduce risk is through fuel hedging. It will help with reducing vulnerability and it will help with price fluctuation, cash flow, and how we budget our fuel. We are just starting to investigate this, and we will bring this to the Finance Committee in August as well.

We continue to convert our fleet to CNG. We anticipate being fully converted to CNG by FY 25/26. We are looking at other options like Hydrogen. Another budget pressure is Purchased Transportation. There was an increase of \$3.5M. We put it out for bid. We determined that if we

purchased the fuel ourselves, the cost would be lower. We are anticipating ridership and On-Demand to increase.

Mayor Kepley inquired about purchased transportation bids; was the contract for one year? Mr. Wisselink responded that it is a two (2) year contract with three (3) one-year options, approximately a 5% increase.

Ms. Medina reported that our broker goes out and looks at our PL/PD experience every year. We do have preliminary numbers; however, the brokers are anticipating a 25% increase which is very high. We won't have numbers until the end of August or September.

Other expenses include Professional Development which is up \$60K

5. FIVE-YEAR PROJECTION BUDGET

Ms. Medina wants the takeaway in the Five (5) Year Projection to be a focus on how to reduce expenses. The Rapid will not be receiving any more covid relief funds.

On the expense side, this projection is very conservative. In FY 23/24 there will be the renewal of the collective bargaining unit, and with the labor shortage, wages and salaries will need to be addressed. We anticipate using 3.5M to help with the budget. Soon we will need to look at other funding grants. Mr. Bilardello asked what the gap in FY 23-24 is. Ms. Median answered, 9.1 = 18%

Mr. Hoffman asked if there is a limit on cap expenses. Ms. Medina replied that Covid Relief funding was used and then we ask for reimbursement for those funds that were allotted to The Rapid. Once we get to the \$26M we were allocated in Covid Relief Funds, then those funds are done. Ms. Prato added that service controls all our costs. Adam and Wardell are working on contractual subsidiary relationships selling access capacity now that ridership is 60% of what it used to be. This will help fill the gap.

Mr. Hoffman believes the Purchased Transportation service needs to be addressed as it's gone up considerably compared to other expenses. Ms. Prato agrees. Our customers on paratransit are nearly back to pre-pandemic numbers, the fixed route is lagging. Contracted Services are two (2) years in arrears. If paratransit and fuel remained the same as last year we'd be 'sitting pretty'. Ms. Medina stated that the reserve is what we are using to fill the gap.

Mayor Bliss asked, looking at the five (5) year projection there is a structural deficit. If these projections are accurate, when do we have to make decisions?

Ms. Prato replied, that we talked about it internally and agree it's structural. We are hoping the 20year vision of the TMP will highlight things we can be a part of. Mayor Carey and Deb have talked about a timeline, what makes sense, and how to get there. There is a keen awareness that the monies are running out.

6. CAPITAL BUDGET

A. Funding Sources

Mr. Wisselink reported there is better news here. The infrastructure Investment Jobs Act passed last November resulted in a 30% increase in formula funding. Significant increase in Capital Funding from FY 21/22. We are now eligible for 5337 formula funding. Going forward keep the Silver Line in a state of good repair. Mr. Wisselink had some 'asks' for other funding sources both through Discretionary Grants and MDOT.

b. Capital Planning Committee Process

Team members bring projects forward, then we score and create the capital plan. We were able to fund all the capital projects that were brought forward. Mr. Carey asked how often the criteria list on the waiting scale is reviewed and adjusted. Mr. Wisselink answered we look at it annually.

c. Fiscal Year 2023 Capital Projects

Potentially this is a 40M budget. The big unknown is \$16M in discretionary grants. This is a very aggressive capital budget.

There are three (3)3 Main Projects, SL Rehab, New Shelters, and Busch Drive phase 2. We have the funds necessary. We also want to do some enhancements in the admin area at Busch Drive. Vehicle purchases, fixed route bus purchases, after that hydrogen fuel cell, also to purchase 16 demand response vehicles,

Competitive Grant Applications. Low/No Funding to purchase hydrogen fuel cell. Congressionally Directed spending request. We are waiting on grant selections for both projects and will only proceed if awarded the funds.

Facility and Maintenance capital items. Midlife bus engine repowering. General Facility, Paratransit bus parts, Facility, and shop equipment.

IT Hardware/Software major project is Enterprise Resource Planning System \$600,000.

Safety and Security: Security Equipment Bus simulators and install Traffic Access Gates.

Operations: GO! Bus Operations, Preventative Maintenance, Grant Administration This is a placeholder for now.

Peak Pullout Buses. We are still exploring; however, this is just another option.

Unified Planning Work Program. Community Outreach smaller ask than last year.

Mayor Kepley asked about increasing capital operating expenses. Is it because of the 30% increase? Mr. Wisselink replied yes, anything we do will have to balance against the capital funding. We also can use other sources for capital investments. Mayor Kepley says the one negative is the state will not match the \$3.4M. Mr. Wisselink concurred.

7. CHAIR'S REPORT

Chair Carey thanked Ms. Medina and Mr. Wisselink for their presentations. Going forward we will be transitioning into 100% in-person meetings.

8. ADJOURNMENT

The meeting was adjourned at 4:26 p.m. The next meeting is scheduled for August 24, 2022

Respectfully submitted,

Ni. Malp

Kris Heald, Board Secretary



Date: August 24, 2022

To: ITP Board

- From: Linda Medina, Finance Manager Kevin Wisselink, Director of Procurement and Capital Planning
- Subject: Proposed FY 22/23 Operating and Capital Budgets

We are pleased to present for your approval the FY 22/23 proposed budget. The budget consists of two components: operating and capital. The proposed operating budget is \$52,822,137 and the capital budget is \$24,103,679 for a total of \$76,925,816. Also included in your packet is a five-year operating budget projection and the grant operating statement. The grant operating statement projects executed grant funding expected to be expensed in FY 22/23.

We have continued to sharpen our pencil and fine-tuned the operating budget we presented at the Budget Workshop on July 27th. You will note a change in overall operating budget from \$54,232,569 to \$52,822,137. This change is driven by a reduction in the purchased transportation services budget and the outsourcing of the Vanpool program. The purchased transportation services reduction is based on a calculation change from cost per trip, to revenue hours. The FY22/23 projected revenue hours are based on a slight increase to current revenue hours. The Vanpool program will be outsourced to the State of Michigan's statewide contractor, currently Enterprise which provides greater options and support to employers in our area and individuals seeking to use a Vanpool. Rideshare will be maintained in-house. Our State Operating Assistance revenue also decreased, as reimbursable expenses decreased.

The capital budget changed from \$40,805,679 to \$24,103,679 to reflect that The Rapid did not receive the Congressionally Directed Spending request or the Low and No Emissions Grant from the FTA to fund the purchase of hydrogen fuel cell buses.

Background

During fiscal years 20/21 and 21/22, The Rapid continued to provide essential service for our customers and partners, as well as support for our employees. The Rapid maintained flexibility and adapted to the challenges of the pandemic.

Our focus for FY 22/23 is on creating a vibrant public transportation network that provides mobility by maximizing the value provided to our riders and community partners, protecting the health and safety of our employees and the public, remaining flexible to all opportunities that may arise, and preserving our financial sustainability as we continue to provide access for the communities.

Operating Budget Highlights

FY 22/23 proposed revenues are projected to increase by 1.7% from FY 20/21 before federal grant funding (COVID relief). Overall revenues are projected to increase compared to FY 22/23 but are still below pre-pandemic numbers. Below are the highlights for FY 22/23 revenues:

- The budget reflects ridership recovery, but still lower than pre-pandemic.
- State Operating Assistance is budgeted and confirmed by MDOT at 29.5% of eligible expenses.
- The property tax levy is 1.47 mills (1.4074 mills after Headlee reduction), as approved by the ITP Board in May 2022.
- The Rapid collaborates closely with all contract service partners to ensure adequate service levels to meet their needs. The contract rate is \$66.73 for express service and \$76.37 for linehaul and GO!Bus.
- We anticipate receiving \$8.2 million in ARPA funding.
- The use of \$3.4 million in capital funds is included in the budget.

FY 22/23 expenses are projected to increase by 3.4% from FY 22/23. Following are some key highlights:

- Additional staff are budgeted to support agency outcomes and expected service levels.
- The fuel budget increase is driven by CNG and diesel costs increasing along with the decision to purchase fuel for paratransit services.
- We work closely with our insurance broker to manage our exposure and risk. Final rates for FY 22/23will not be available until September 2022. Reducing The Rapid's liability in PL/PD continues to be a priority.
- Marketing and public outreach focuses on ease of use of our system and services, attracting new customers and partners, customer retention and website redesign.
- Purchased transportation services increased with the change in our new ADA and Demand Response contractor rate.

Five-Year Operating Budget

The five-year operating budget is based on the FY 22/23 proposed budget along with an average increase of 3% in revenue for each year through FY 22/23. State operating assistance reflects a slight increase each year. Expenses are projected to increase an average of 3.5% each year, except for FY 23/24 as we negotiate our collective bargaining agreement. Beginning in FY 23/24 capital preventative maintenance funds are programmed, as permitted by federal regulations. The receipt of federal grant funding allows us to preserve greater reserves, which will be applied in the out-years to our operating budget, offsetting our continued fare revenue loss. This reserve is anticipated to end by FY 26/27.

Capital Grants Highlights

The Rapid's FY 21/22 Capital Improvement Plan totals \$24,103,679. The Capital projects in The Rapid's 22/23 Capital Improvement Plan help optimize The Rapid's operating budget and invest in projects that will leverage future growth of The Rapid's services. This includes embarking on the implementation of The Rapid's Zero-Emission Bus Plan through grants for electric-battery and hydrogen fuel cell-powered vehicles.

The funding for this plan includes our 5307 Urbanized Formula Grants, 5339 Bus and Bus Facilities Grants and Congestion Mitigation and Air Quality (CMAQ) federal apportionments. A new capital award The Rapid will receive is a 5337 State of Good Repair federal apportionment, based on the age of the Silver Line and will be used to keep the Silver Line in a state of good repair.

Below are the highlights for the FY 22/23 Capital Improvement Plan:

- The receipt of a Congressional Directed Spending request to fund the purchase of six electricbattery-powered demand response vehicles. We are in the process of kicking off this project to purchase the vans and necessary charging infrastructure.
- \$1,483,580 in new 5337 funding that was being used to rehabilitate Silver Line Stations all along the corridor. This funding source will be available annually and will go towards Silver Line bus replacement and station rehabilitation in future years.
- Funding for the Busch Drive facility to build additional administrative space, enabling GO!Bus call center staff to be co-located with our vendor.
- We did not receive the Congressionally Directed Spending request or the Low and No Emissions Grant from the FTA to fund the purchase of hydrogen fuel cell buses, therefore these discretionary funding opportunities have been removed from the Capital Improvement Plan.

Our entire team is dedicated to a quality customer experience and providing efficient and cost-effective services to the community, demonstrating careful stewardship. The Rapid's leadership team will continue to examine our operation and opportunities to increase revenues, control costs, and improve efficiencies.

Please feel free to reach out to Linda Medina directly at (616) 774-1149 or <u>Imedina@ridetherapid.org</u> with any additional questions regarding the operating budget or Kevin Wisselink at 616-774-1190 or <u>kwisselink@ridetherapid.org</u> with regarding the capital grants budget.

The Rapid

Board Budget Approval August 24, 2022

Laker Line

6008

Table of Contents

Revenues

- FY 22/23 Operating Budget Revenues
- Comparison to Previous Fiscal Year
- Revenue Highlights

Expenses

- FY 22/23 Operating Budget Expenses
- Comparison to Previous Fiscal Year
- Expense Highlights
- FY 22/23 Capitalized Operating Expenses

Five Year Operating Projection

- Revenue
- Expenses
- Highlights

Summary



Revenues

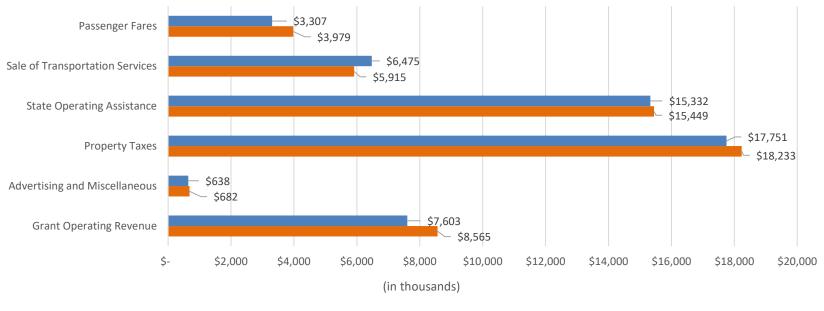


FY 22/23 Operating Budget – Revenue

						r 22/23 Proposed	
	FY 20/21		FY 21/22	FY 22/23	VS	. FY 21/22 Budget	
	 Actual		Budget	 Proposed		\$	%
Revenues and Operating Assistance							
Passenger Fares							
Linehaul	\$ 2,238,299	\$	2,709,012	\$ 3,177,153	\$	468,141	17.3%
Paratransit	564,427		588,000	787,500		199,500	33.9%
PASS	18,260		10,455	14,196		3,741	35.8%
Subtotal Passenger Fares	\$ 2,820,986	\$	3,307,467	\$ 3,978,849		671,382	20.3%
Sale of Transportation Services							
Grand Valley State University	\$ 2,842,767	\$	3,542,974	\$ 3,113,764	\$	(429,210)	-12.1%
DASH Contract	2,205,921		1,764,498	1,465,874		(298,624)	-16.9%
Township Services	540,714		344,344	434,895		90,551	26.3%
Other	243,478		482,234	485,491		3,257	0.7%
CMH Contribution	327,379		256,900	414,711		157,811	61.4%
Vanpool Transportation	29,428		84,000	-		(84,000)	-100.0%
Subtotal Sale of Transportation Services	\$ 6,189,687	\$	6,474,950	\$ 5,914,736	\$	(560,215)	-8.7%
State Operating	\$ 16,254,784	\$	15,332,303	\$ 15,448,739	\$	116,436	0.8%
Property Taxes	17,472,240		17,751,118	18,232,535		481,417	2.7%
Advertising and Miscellaneous	678,432		638,391	682,340		43,949	6.9%
Subtotal Revenues and Operating Assistance	\$ 43,416,129	\$	43,504,229	\$ 44,257,199	\$	752,970	1.7%
Grant Operating Revenue	20,253,576		7,603,447	8,564,938		961,491	12.6%
Total Revenues and Operating Assistance	\$ 63,669,705	\$	51,107,676	\$ 52,822,137	\$	1,714,460	3.4%



Comparison to Previous Fiscal Year



FY 21/22 Budget FY 22/23 Budget

- FY 21/22- with COVID funding budget is \$51.1M
- FY 21/22- without COVID funding budget is \$43.5M

- FY 22/23- with COVID funding- budget is \$52.8M
- FY 22/23- without COVID funding- budget is \$44.3M



Revenue Highlights Compared to FY 21/22

Assumptions:

- \$671,382 (20.3%) increase in Total Fares, which reflects a 212,855 increase in linehaul trips and a 20,686 increase in paratransit trips
- \$560,215 (8.7%) decrease in Sale of Transportation Services, due to the reduction of service frequency on DASH and GVSU starting September 2022, and removal of vanpool program
- New contract express service rate is \$66.73 and \$76.37 for linehaul and GO!Bus
- Property Taxes reflects a \$481,417 (2.7%) increase, at a rate of 1.4074 mills



Revenue Highlights Compared to FY 21/22

- State Operating Assistance is flat at 29.5%, but the overall operating budget has increased due to the increase in expenses
- \$43,949 (6.9%) increase in Advertising and Miscellaneous, driven by the increased bus advertising contracts by Mesmerize
- \$8.2M in eligible operating expenses reimbursed by ARPA



Expenses



FY 22/23 Operating Budget – Expenses

				F١	/ 22/23 Proposed	
	FY 20/21	FY 21/22	FY 22/23	VS.	. FY 21/22 Budget	
	Actual	Budget	Proposed		\$	%
Operating Expenses						
Salaries and Wages						
Administrative	\$ 5,100,986	\$ 5,721,558	\$ 6,275,115	\$	553,556	9.7%
Operator	12,544,622	14,899,149	14,940,290		41,141	0.3%
Maintenance	 1,991,199	2,088,392	2,291,257		202,865	9.7%
Subtotal Salaries and Wages	\$ 19,636,807	\$ 22,709,099	\$ 23,506,661	\$	797,562	3.5%
Benefits						
FICA/Medicare	\$ 1,419,940	\$ 1,737,246	\$ 1,798,260	\$	61,014	3.5%
Pension	2,549,458	2,796,221	2,825,992		29,771	1.1%
Medical	4,174,229	4,180,926	4,731,458		550,532	13.2%
Unemployment	304,920	320,166	121,000		(199,166)	-62.2%
Worker's Compensation	246,463	326,515	339,891		13,376	4.1%
Uniforms	116,753	146,609	154,886		8,276	5.6%
Benefits Distributed to Grants	(10,213)	(11,200)	(11,200)		0	0.0%
Referral Bonus		5,000	5,000		-	0.0%
Subtotal Benefits	\$ 8,801,550	\$ 9,501,484	\$ 9,965,287	\$	463,803	4.9%
Services						
Audit, Legal and Other Consulting	\$ 329,692	\$ 485,200	\$ 509,500	\$	24,300	5.0%
Janitorial and Bus Cleaning	1,936,009	1,953,197	1,919,045		(34,151)	-1.7%
Other Services (IT, Security, E-Fare)	1,084,465	1,400,881	1,513,476		112,595	8.0%
Subtotal Services	\$ 3,350,166	\$ 3,839,277	\$ 3,942,021	\$	102,744	2.7%
Materials and Supplies						
Fuel and Lubricants	\$ 1,806,260	\$ 2,111,337	\$ 3,421,740	\$	1,310,403	62.1%
Tires and Tubes	25,534	40,048	41,616		1,568	3.9%
Office Supplies	45,374	57,936	73,604		15,668	27.0%
Printing	37,931	125,000	147,200		22,200	17.8%
Repair Parts	1,275,750	1,388,397	1,591,411		203,014	14.6%
Other Supplies	107,415	149,472	136,857		(12,615)	-8.4%
Subtotal Materials and Supplies	\$ 3,298,264	\$ 3,872,190	\$ 5,412,428	\$	1,540,238	39.8%

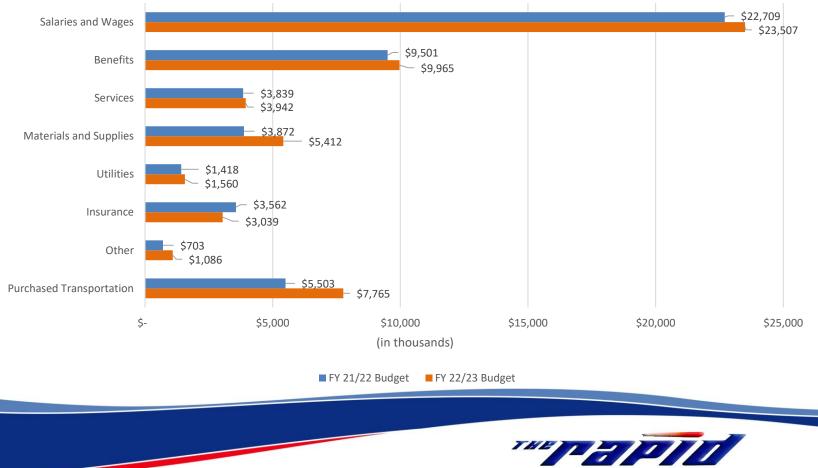


FY 22/23 Operating Budget – Expenses

							FY	22/23 Proposed	
		FY 20/21		FY 21/22		FY 22/23	vs.	FY 21/22 Budget	
		Actual		Budget		Proposed		\$	%
Utilities									
Electronic Communications	\$	152,947	\$	158,475	\$	198,280	\$	39,805	25.1%
Gas		158,376		252,500		285,800		33,300	13.2%
Electric		856,430		933,400		991,000		57,600	6.2%
Other		58,341		73,214		84,550		11,336	15.5%
Subtotal Utilities	\$	1,226,094	\$	1,417,589	\$	1,559,630	\$	142,041	10.0%
Insurance									
Property Liability and Property Damage	\$	2,962,773	\$	3,244,566	\$	2,697,956	\$	(546,610)	-16.8%
Building and Other		286,832		317,400		341,012		23,612	7.4%
Subtotal Insurance	\$	3,249,605	\$	3,561,967	\$	3,038,968	\$	(522,998)	-14.7%
Other									
Dues and Subscriptions	\$	97,259	\$	121,602	\$	196,322	\$	74,720	61.4%
Professional Development		26,042		139,800		147,890		8,090	5.8%
Marketing and Promotion		119,470		258,500		483,500		225,000	87.0%
Community Outreach		16,882		53,000		75,000		22,000	41.5%
Office Equipment		1,771		1,800		2,000		200	11.1%
Shop Tools		42,317		50,405		52,820		2,415	4.8%
Miscellaneous		56,945		77,888		128,656		50,768	65.2%
Subtotal Other	\$	360,686	\$	702,995	\$	1,086,188	\$	383,193	54.5%
Purchased Transportation									
Purchased Transportation - GO!Bus	\$	4,259,651	\$	4,729,268	\$	6,301,500	\$	1,572,232	33.2%
Purchased Transportation - Hope Network		479,486		367,092		584,100		217,008	59.1%
Other Purchased Transportation - Ridelink/KCCA		295,681		321,829		350,598		28,769	8.9%
Purchased Transportation - PASS		103,173		84,886		119,125		34,239	40.3%
Purchased Transportation - On Demand		-		-		409,682		409,682	100.0%
Subtotal Purchased Transportation	\$	5,137,991	\$	5,503,075	\$	7,765,004	\$	2,261,929	41.1%
perating Expenses before Capitalized Operating	\$	45,061,163	\$	51,107,676	\$	56,276,189	\$	5,168,512	10.1%
Capitalized Operating Expenses		-		-		(3,454,052)		(3,454,052)	0.0%
otal Expenses	Ś	45,061,163	Ś	51,107,676	Ś	52,822,137	ė	1,714,460	3.4%



Comparison to Previous Fiscal Year



Expense Highlights Compared to FY 21/22

- \$797,562 (3.5%) increase in wages and salaries which includes the addition of project management, specialized services, dispatching, facilities and maintenance management
- \$463,803 (4.9%) increase in benefits driven by the anticipated increase from 299 to 320 employees
- \$102,744 (2.7%) increase in Services as the security contract rate went from an average rate per hour of \$20.27 to \$33.71
- \$1,540,238 (39.8%) increase in Materials & Supplies driven by diesel and CNG fuel costs and the decision to buy fuel for paratransit services versus paying at the contractor's price

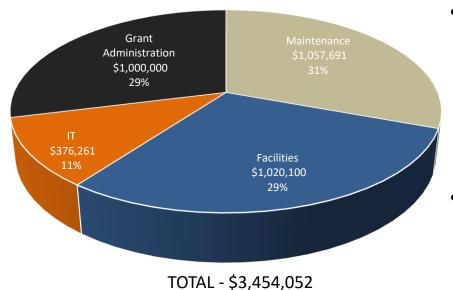


Expense Highlights Compared to FY 21/22

- \$142,041 (10%) increase in Utilities due to current economic factors
- \$383,193 (54.5%) increase in Other focusing on customer retention, website redesign for easier accessibility, recruiting, and employee engagement
- \$2,261,929 (41.1%) increase in Purchased Transportation services as our contract rate increased 25% from \$53 to \$66.68 and paratransit ridership is projected to grow



FY 22/23 Capitalized Operating Expenses



Preventative Maintenance

- Maintenance includes daily fueling, vehicle parts, repairs, and inspections
- Facilities includes cleaning contracts, building repairs, TVM and HVAC maintenance
- IT includes hardware and software maintenance expenses
- Grant Administration
 - Expenses for grant project administration



5-Year Operating Projection - Revenue

	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
	AMENDED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Revenues and Operating Assistance						
Passenger Fares	\$ 3,307,467	\$ 3,978,849	\$ 4,177,792	\$ 4,386,681	\$ 4,518,282	\$ 4,608,647
Sale of Transportation Services	6,474,950	5,914,736	6,470,906	6,724,433	6,971,035	7,228,770
State Operating Assistance	15,332,303	15,448,739	17,686,633	19,123,756	20,589,979	22,147,412
Property Taxes	17,751,118	18,232,535	18,693,818	19,166,772	19,651,691	20,148,879
Advertising & Miscellaneous	\$638,391	\$682,340	\$884,901	\$913,750	\$917,637	\$921,564
Subtotal Revenues and Operating Assistance	43,504,229	44,257,199	47,914,049	50,315,392	52,648,625	55,055,272
Grant Operating Revenues (COVID Relief)	22,748,574	8,296,842				
Total Revenues and Operating Assistance	66,252,803	52,554,041	47,914,049	50,315,392	52,648,625	55,055,272



5-Year Operating Projection - Expenses

	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
	AMENDED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Expenses						
Salaries and Wages	22,709,099	23,506,661	27,611,357	28,991,925	30,441,522	3 1 ,963,598
Benefits	9,501,484	9,965,287	10,843,437	11,328,619	11,838,609	12,374,701
Contractual Service	3,839,277	3,942,021	4,178,543	4,403,899	4,433,016	4,521,676
Materials and Supplies	3,872,190	5,412,428	5,725,427	5,890,296	<mark>6,060,26</mark> 3	6,176,738
Utilities, Insurance, and Miscellaneous	5,682,551	5,684,787	5,909,679	6,142,187	6,384,688	6,637,640
Purchased Transportation	5,503,075	7,765,004	8,187,000	8,432,610	8,685,588	8,946,156
Expenses Before Capitalized Operating	51,107,676	56,276,189	<mark>62,455,443</mark>	65,189,535	67,843,686	70,620,508
Capitalized Operating Expenses		(3,454,052)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
Total Operating Expenses	51,107,676	52,822,137	58,955,443	61,689,535	64,343,686	67,120,508
Reserved Used	7,603,447	<mark>8,</mark> 564,938	11,041,394	11,374,143	11,695,061	3,920,375
Reserve Balance	\$ 38,299,068	\$ 38,030,972	\$26,989,579	\$ 15,615,435	\$ 3,920,375	\$-
Deficit						\$ (8,144,862)



5-Year Operating Projection Highlights

- Revenues are conservatively budgeted at a 5% increase from year to year, with the exception of FY 23/24, due to an increase in expenses
- Expenses are increasing at an average of 6.73% over the next 5 years, with the largest increases happening in the next two years:
 - FY 22/23 increases are due to fuel and purchased transportation
 - FY 23/24 increases reflect a renegotiation of union contracts
- Forecasted \$8.1M in revenue shortfall in FY 26/27
- Our options are to identify alternative funding sources, increase current revenue streams, or reduce expenses



Summary

- Ridership is projected to climb 7% for linehaul and 10% for paratransit trips over the next year
- Approximately \$8.2M in ARPA funds will be received
- \$3.4M in capital funds will be used in operating environment
- \$8.6M from reserves will be used to offset lost revenue in the wake of COVID
- Continued focus on retaining and recruiting employees



The Rapid's 5-Year Capital Improvement Plan **The Rapid Board** August 24, 2022

Table of Contents

Funding Sources

Capital Planning Committee Process

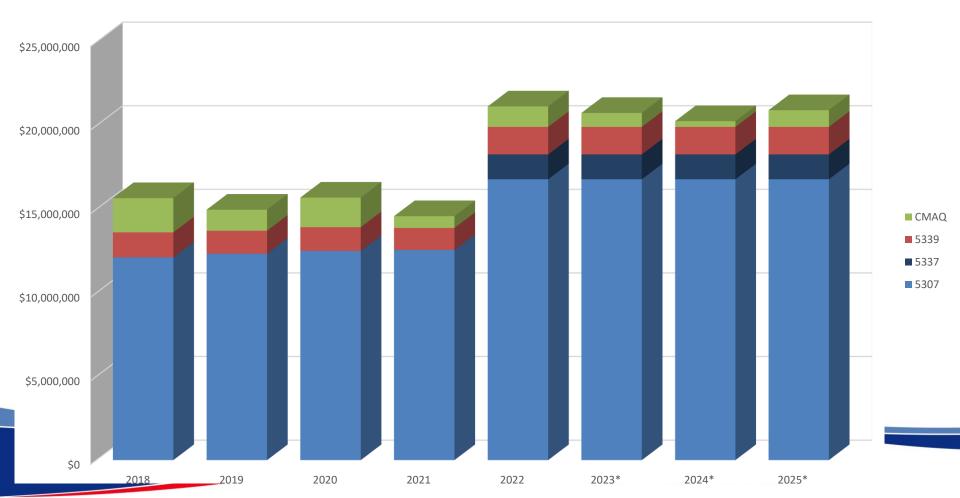
Fiscal Year 2023 Capital Projects



Funding Sources



Federal Formula Funding



Federal Funding Sources

5307 and 5339 – the Infrastructure Investment and Jobs Act (IIJA) passed in November 2021 increased these formula funds by 30%

The Rapid is also now eligible for 5337 funds annually – available to fixed guideway systems that have been operation for 7 years; this can be used to maintain Silver Line stations and replace Silver Line buses



Other Funding Sources

Michigan Department of Transportation

Matches most of our federal grants at 20%



Federal FY 2022 Grant Application Timeline





Capital Planning Committee Process



Capital Planning Committee Process

- January 2022: finalized capital project application process and evaluation criteria; sent out a call for projects
- April 2022: project submission deadline; collected and refined projects
- May June 2022: determined project scores and prioritization
- June July 2022: created 5-Year Capital Plan based on project scoring and funding availability
- July 27, 2022: bringing the 5-Year Capital Improvement Plan to the Board Budget Meeting for review; will make changes based on Board input
- August 24, 2022: bringing the 5-Year Capital Improvement Plan to the Board meeting for approval



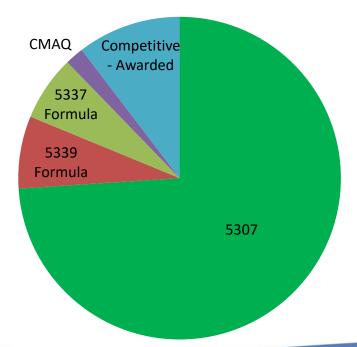
Capital Planning Investment Decision Criteria						
	Weighting					
Safety	25					
Provide safe, secure, and reliable customer service	10					
Mitigate risk to ITP and the community	10					
Support an urgent business need	5					
Modernization	25					
Maintain assets and operation capability	10					
Reduce operational cost impacts	10					
Apply continuous improvement to service delivery	5					
Climate	20					
Reduce the release of emissions and contaminants	10					
Promote sustainable energy and technology	10					
Equity	20					
Positively Impacts Environmental Justice Populations	10					
Improves Regional Mobility	5					
Improves Quality of Life in the Community	5					
Financial Return	10					
Minimizes the Operations Budget	5					
Optimizes external funding sources	5					

Capital Project Selection Criteria

FY 2023 Capital Projects



FY 2023 Capital Project Plan by Funding Source



FY 2023 Capital Plan Funding: \$24,103,679





Busch Drive Phase 2: \$2,523,005

New / Rehabilitated Facilities: \$4,306,585



Silver Line Rehabilitation: \$1,483,580



New Shelters: \$300,000



Purchase 15 fixed route buses: \$5,000,000





Purchase Service Vehicles: \$245,000

Vehicle Purchase: \$9,923,281



Purchase 5 Electric Battery On-Demand Vehicles and Infrastructure: \$2,355,200



Purchase 16 demand response buses: \$2,323,081



The Rapid did not receive the Congressionally Directed Spending request or the Low and No Emissions Grant from the FTA to fund the purchase of hydrogen fuel cell buses, therefore these discretionary funding opportunities have been removed from the Capital Improvement Plan.





Mid-life Bus Engine Repowering: \$2,136,384



4	•	-	
1 10			
-			

Facility and Shop Equipment: \$69,000 Vehicle and Facility Maintenance: \$2,271,013



General Facility Needs: \$50,000



Paratransit Bus Parts: \$15,629



IT Hardware: \$446,500









IT Software: \$140,000



Enterprise Resource Planning System: \$600,000



Intelligent Transportation Systems: \$450,000



Security Equipment: \$295,000



Traffic Access Gates: \$405,000

Safety and Security: \$1,131,300



Bus Simulator: \$431,300





GO! Bus Operations: \$1,200,000



Preventive Maintenance: \$2,500,000 Operations: \$4,700,000



Grant Administration: \$1,000,000



Capital Funding in the Operating Environment

1. GO!Bus Operations: The Federal Transit Administration allows capital funds to cover a portion of contracted service costs, which is reflected in the Capital Plan. This amount has increased due to the increase cost of GO!Bus service.

2. Preventative Maintenance: The Rapid can cover preventive maintenance costs with Capital Funds. Staff identified \$2,500,000 in eligible expenses that are in the Capital Plan, we will continue to evaluate this line item and refine how much we can allocate to this line item.

3. Grant Administration: The FTA allows transit agencies to use a portion of their capital funds to cover FTA grant administration costs. We need to create a Cost Allocation Plan with the FTA to determine what this rate will be; we estimate this to be \$1,000,000 and will keep the Board updated as we work through this process with the FTA.



Capital Funding in the Operating Environment

4. Operating Assistance: If The Rapid goes below 100 buses at peak pullout, FTA regulations allow for a portion of Operating Costs to be funded through our Capital Program. We are not programming for this currently but are evaluating as a further option to secure operating funds.

Through the remainder of this year, The Rapid will research all four of the above options more fully and come to the Board with any recommendations on how to utilize these potential operating fund sources moving forward.





Transportation Planning: \$75,000





Community Outreach: \$60,000







INTERURBAN TRANSIT PARTNERSHIP BOARD OF DIRECTORS

RESOLUTION No. 082422-1

Fiscal Year: 2021-2022

Moved and supported to adopt the following resolution:

Whereas, the Interurban Transit Partnership, formed under Public Act 196 ("ITP") will levy 1.4074 mills of ad valorem property taxes for the purpose of providing public transportation services during FY 2023: and

Whereas the 1.4074 millage rate reflects a slight decrease in the millage rate levied by the Interurban Transit Partnership Board of Directors ("ITP Board") in FY 2022 (1.4308);

and

Whereas total expenditures do not exceed total revenues; and

Whereas, estimated revenues (by source) to be collected in the Operating Budget and Grant Budget is contained in the budget document presented to the ITP Board;

THEREFORE, BE IT RESOLVED that the ITP Board hereby adopts the FY 2023 Operating and Grant Budgets as presented to the ITP Board on August 24, 2022.

BE IT FURTHER RESOLVED that and the ITP Board hereby approves the continued 1.4074 budgeted millage rate for FY 2023 pursuant to Section 211.24e(3) of the Michigan Truth in Taxation Act.

BE IT FURTHER RESOLVED that the CEO, or their designee, is authorized to execute contracts to maintain employee fringe benefit programs as outlined in the Budget.

BE IT FURTHER RESOLVED that the Interurban Transit Partnership Board has reviewed and hereby approves the Costing for Contracted Services as presented.

BE IT FURTHER RESOLVED those funds in the budget (\$52,822,137 Operating) and (\$24,103,679 Grant) are appropriated for those purposes described in the budget, as required under Section 21 of Act 196 (Public Act of 1986, as amended).



<u>CERTIFICATE</u>

The undersigned, duly qualified and acting secretary of the Interurban Transit Partnership Board, certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Interurban Transit Partnership Board.

Kris Heald, Board Secretary

Date

Interurban Transit Partnership Grant Revenues Expenditures Month Ended 10/31/21

		Adopted Budget	Amended Budget	Month To Date	Year To Date	Balance	Percent Target 0	0%
1. 2. 3. 4. 5.	State Grant Assistance Transfer In - Operating Budget	16,232,189 4,058,047 - -	16,232,189 4,058,047 - - -	- - - -	- - - -	16,232,189 4,058,047 - - -	0% 0% 100% 100% 100%	
6.	Total Grant Revenue	20,290,236	20,290,236	-	-	20,290,236	0%	
8. 9.	<u>Labor</u> Administrative Salaries Driver Wages Temporary Wages Fringe Benefit Distribution	- - -	- - - -	- - - -	- - -	- - - -	100% 100% 100% 100%	
11.	Total Labor	-	-	-	-	-	100%	
13.	<u>Materials & Supplies</u> Tires & Tubes Office Supplies Printing	322,000	322,000	- - -	- - -	322,000	0% 100% 100%	
15.	Total Materials & Supplies	322,000	322,000	_	-	322,000	0%	
17.	<u>Purchased Transportation</u> Purchased Transportation Specialized Services	1,200,000	1,200,000	- -	-	1,200,000	0% 100%	
18.	Total Purchased Transportation	1,200,000	1,200,000	-	-	1,200,000	0%	
20. 21.	Other Expenses Dues & Subscriptions Professional Development Miscellaneous	26,000	26,000	- - -	- - -	26,000	0% 100% 100%	
22.	Total Other Expenses	26,000	26,000	-	-	26,000	0%	
24.	<u>Leases</u> Office Lease Transit Center Lease Storage Space Lease	- - -	- - -	- - -	- - -	- - -	100% 100% 100%	
26.	Total Leases	-	-	-	-	-	100%	
28. 29.	<u>Capital</u> Rolling Stock Facilities Equipment Other	4,320,079 3,617,625 675,298 1,742,950	4,320,079 3,617,625 675,298 1,742,950	- - -	- - -	4,320,079 3,617,625 675,298 1,742,950	0% 0% 0% 0%	
31.	Total Capital	10,355,952	10,355,952	-	-	10,355,952	0%	
	Planning Services Capitalized Operating	4,932,231 3,454,053	4,932,231 3,454,053	- -	- -	4,932,231 3,454,053	0% 0%	
34.	Total Expenditures	20,290,236	20,290,236	-	-	20,290,236	0%	



DATE: August 9, 2022

TO: ITP Board

FROM: Jason Prescott

SUBJECT: JULY 2022 PARATRANSIT RIDERSHIP REPORT

Paratransit ridership information for July 2022, as compared to July 2021

	2022	2021	% Change
Total Paratransit			
Ridership	16,292	18,218	-10.6%
ADA Ridership	12,942	14,813	-12.6%
Non-Disabled Senior			
(NDS) Ridership	65	86	-24.4%
PASS Ridership	228	280	-18.6%
Network 180	2,343	2,552	-8.2%
Cascade Township	163	214	-24%

Ridership averages, as compared to 2021

	2022	2021	% Change
Weekday Ridership	637	612	4.1%
Saturday Ridership	197	225	-12.4%
Sunday Ridership	177	164	7.9%

Other Performance Measures

	2022	2021	% Change
On-Time Performance	79%	97.7%	-19.1%
On-Time Drop-Off	86.00%	96.32%	-10.7%
Average Cost Per Trip	\$31.23	\$30.29	3.1%



	•	
Date:	August 15	, 2022

To: ITP Board

From: Maxwell Dillivan, AICP – Senior Planner

Subject: FIXED ROUTE RIDERSHIP AND PRODUCTIVITY REPORT – July 2022

OVERVIEW

Ridership and productivity through July 2022 continued to observe established patterns. Ridership recovery saw a very modest decrease of 0.4% from 56.6% to 56.2% from June 2022 to July 2022.

BACKGROUND INFORMATION

Monthly Ridership

	July 2022	July 2021	% Change
Regular Fixed Route Service (Routes 1-44)	295,267	254,880	↑ 15.8%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	45,462	32,370	↑ 40.4%
Total Monthly Fixed Route Ridership	340,729	287,250	↑ 18.6%

Daily Average Ridership

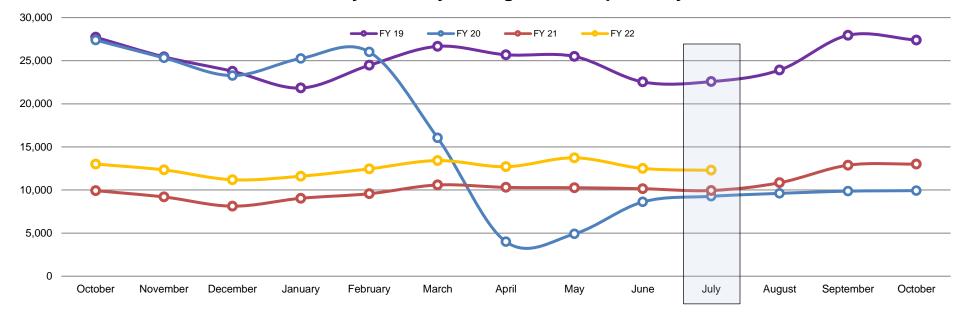
	July 2022	July 2021	% Change
Weekday Total	14,239	11,364	↑ 25.3%
Weekday Evening	2,171	1,651	↑ 31.5%
Saturday	7,692	5,834	↑ 31.9%
Sunday	3,497	2,886	↑ 21.2%

Productivity Summary

	July 2022	July 2021	% Change
Average passengers per hour per route	11.3	8.9	↑ 26.2%
Average passengers per mile per route	0.83	0.67	↑ 23.6%
Average farebox recovery percent per route	13.2%	9.4%	↑ 40.2%

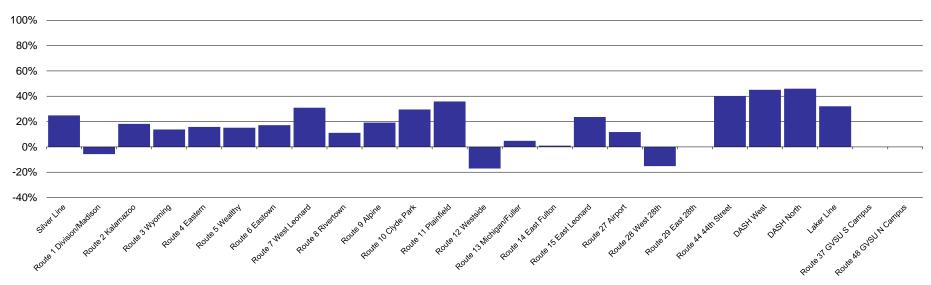
Fiscal Year Ridership

	FY 2022	FY 2021	% Change
Regular Fixed Route Service (Routes 1-44)	3,110,754	2,415,178	↑ 28.8%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	1,146,005	660,971	↑ 73.4%
Total Fixed Route Ridership YTD	4,256,759	3,076,150	↑ 38.4%



Monthly Weekday Average Ridership History

Percent Change by Route: July 2022 compared to July 2021





Date: August 24, 2022

To: ITP Board

From: Linda Medina, Finance Manager

Subject: June Operating Statement

Attached are the financial reports through June 30, 2022, for general operating and grants. June's report includes May and June's activity.

FY 21/22 YTD Operating Statement Analysis

Total revenues are over budget by .5% before COVID funding.

- As ridership continues to improve the fares budget continues to trend over budget.
- Sales of Transportation Services is over budget by 9 1% This is mainly due to the increase in CHM rides and the addition of Saturday Dash service.
- \$15.9 million of COVID funding has been requested for reimbursement of eligible operating expenses.

Total expenses are 7 5% under budget.

- Wages and salaries overall are under budget by 10.8% even though overtime has increased due to the open operator positions.
- Materials and supplies are 9.8% over budget. The main driver is fuel as costs continue to be unpredictable in the current volatile market. Staff is currently researching solutions that could potentially assist with the uncertainty such as fuel hedging.
- Utilities, Insurance and Miscellaneous is under budget by 7 7% The decrease is mainly due to our insurance rates being lower than what was first anticipated.

Included in the report are May and June's professional development and travel report

Please feel free to reach out to me directly at (616) 774-1149 or <u>Imedina@ridetherapid org</u> with any additional questions regarding the attached financial reports

The Rapid **Operating Statement** Year to Date as of June 30, 2022

	YTD as of Ju	ne 30, 2022	Variance		Last Year FY 20/21*	Current Year FY 21/22**
-	Budget	Actual	\$	%	YTD Actual	Annual Budget
Revenues and Operating Assistance			, ·, -			
Passenger Fares	\$ 2,581,659	\$ 2,905,910	\$ 324,251	12.6%	\$ 2,109,909	\$ 3,307,467
Sale of Transportation Services						
CMH Contribution	186,853	287,431	100,578	53 8%	227,211	256,900
Dash Contract	1,358,374	1,789,065	430,691	317%	1,676,913	1,764,499
Grand Valley State University	2,690,954	2,665,102	(25,852)	-1 0%	2,186,186	3,542,974
Van Pool Transportation	56,000	40,792	(15,208)	-27 2%	19,339	84,000
Township Services	291,095	321,913	30,818	10 6%	427,074	344,344
Other	238,513	251,068	12,554	5 3%	264,229	482,233
Subtotal Sale of Transportation Services	4,821,790	5,355,370	533,581	11 1%	4,800,952	6,474,950
State Operating	11,128,725	10,125,554	(1,003,171)	-9 0%	10,951,644	15,332,303
Property Taxes	13,313,339	13,625,976	312,637	2 3%	13,044,493	17,751,118
Advertising & Miscellaneous	474,835	453,621	(21,214)	-4 5%	427,398	638,391
Subtotal Revenues and Operating Assistance	32,320,347	32,466,432	146,085	0 5%	31,334,396	43,504,229
Grant Operating Revenue (Cares Act)	5,702,585	15,920,742	10,218,157	179 2%	15,054,438	7,603,447
Total Revenues and Operating Assistance	\$ 38,022,932	\$ 48,387,174	\$ 10,364,242	27.3%	\$ 46,388,833	\$ 51,107,676
Expenses						
Salaries and Wages						
Administrative	\$ 4,345,481	\$ 3,946,510	\$ (398,971)	-9 2%	\$ 3,810,428	\$ 5,706,224
Operators	11,526,994	10,110,878	(1,416,116)	-12 3%	9,562,343	14,931,367
Maintenance	1,588,975	1,522,274	(66,701)	-4 2%	1,502,358	2,071,508
Subtotal Salaries and Wages	17,461,450	15,579,661	(1,881,789)	-10 8%	14,875,129	22,709,099
Benefits	7,046,044	6,083,066	(962,978)	-13 7%	7,309,936	9,501,483
Contractual Services	2,155,225	2,173,033	17,809	0.8%	2,199,973	3,839,278
Materials and Supplies	2,1001240	-101000				.,
Fuel and Lubricants	1,536,446	1,776,020	239,574	15 6%	1,225,849	2,111,337
Other	1,145,248	1,155,123	9,875	0 9%	999,746	1,760,853
Subtotal Materials and Supplies	2,681,694	2,931,143	249,449	93%	2,225,595	3,872,190
Utilities, insurance, and Miscellancous	3,478,653	3,210,407	(268,246)	-7 7%	4,276,642	5,682,551
Purchased Transportation	4,272,683	4,329,975	57,291	1 3%	3,772,146	5,718,075
Expenses Before Capitalized Operating	37,095,749	34,307,285	(2,788,463)	-7 5%	34,659,420	51,322,676
Capitalized Operating Expenses	<u> </u>			#DIV/01		
Total Operating Expenses	\$ 37,095,749	\$ 34,307,285	\$ (2,788,463)	-7.5%	\$ 34,659,420	\$ 51,322,676
Net Surplus/(Deficit) without CARES Net Surplus/(Deficit) with CARES		\$ (1,840,854 \$ 14,079,888	•		\$ (3,325,024) \$ 11,729,414	

,

* Fiscal year is 10/1/2020 - 9/30/2021 ** Fiscal year is 10/1/2021 - 9/30/2022

7/15/22 14:32:59	Grant Reven	ransit Partner ues & Expendit ded 05/30/22	rship cures		GL0376	Page	1
	Adopted Budget	Amended Budget	Month To Date	Year To Date	Balance	Percent Target 75%	
Grant Revenue 1. Federal Grant Assistance 2. State Grant Assistance 3. Transfer In - Operating Budget 4. Use of Restricted Net Assets 5. Other Local	15,581,754 3,895,438 0 0 0	15,581,754 3,895,438 0 0	2,347,935 586,984 0 0 0	6,037,900 1,509,475 0 0 0	9,543,854 2,385,963 0 0 0	39% 39% 100% 100%	
6. Total Grant Revenue	19,477,192	19,477,192	2,934,919	7,547,375	11,929,817	39%	
Labor 7. Acministrative Salaries 8. Driver Wages 9. Temporary Wages 10. Fringe Benefit Distribution	42,500 0 17,000	42,500 0 17,000	2,152 0 907	20,981 0 10,123	21,519 0 6,877	49% 100% 100% 60%	
11. Total Labor	59,500	59,500	3,059	31,104	28,396	52%	
Material & Supplies 12. Tires & Tubes 13. Office Supplies 14. Printing	312,000 0 3,000	312,000 0 3,000	25,015 0 0	208,630 0 400	103,370 0 2,600	67% 100% 13%	
15. Total Material & Supplies	315,000	315,000	25,015	209,030	105,970	66%	
Purchased Transportation 16. Purchased Transportation 17. Specialized Services	740,000 0	740,000	36,148 0	502,814 266,207	237,186 266,207	68% 100%	
18. Total Purchased Transportation	740,000	740,000	36,148	769,021	29,021-	- 104%	
Other Expenses 19. Dues & Subscriptions 20. Professional Development 21. Miscellaneous	30,775 12,200 0	30,775 12,200 0	0 0 0	26,430 0 0	4,345 12,200 0	86% 0% 100%	
22. Total Other Expenses	42,975	42,975	0	- 26,430	16,545	62%	
Leases 23. OFFICE Lease 24. Transit Center Lease 25. Storage Space Lease	0 0	0 0 0	0 0 0	0 0 0	0 0 0	100% 100% 100%	
26. Total Leases	0	0	0	0	0	100%	
Capital 27. Rolling Stock 28. Facilities 29. Equipment 30. Other	3,505,131 5,910,931 116,000 4,535,955	3,505,131 5,910,931 216,000 4,285,955	0 2,259,383 20,767 585,410	256,108 3,689,253 157,482 2,054,733	3,249,023 2,221,678 58,518 2,231,222	7% 62% 73% 48%	
31. Total Capital	14,068,017	13,918,017	2,865,560	6,157,576	7,760,441	44%	
32. Planning Services 33. Capitalized Operating	4,251,700	4,251,700 150,000	5,137 0	58,105 296,109	4,193,595 146,109-	1% 197%	
34. Total Expenditures	19,477,192	19,477,192	2,934,919	7,547,375	11,929,817	39%	

PROFESSIONAL DEVELOPMENT & TRAVEL REPORT ALL EMPLOYEES MAY 2022

	PURPOSE	EMPLOYEE (s)	LOCATION
\$ 1,597 21	APTA Conference CEO Summit	D Prato	Denver, CO
\$ 1,237 20	APTA Legislative Conference	Steve Schipper	Washington, DC
\$ 317 96	Labor Conference	Nancy Groendal	Denver, CO
\$ 2,062 72	Think Transit 2022 registration	Steve Clapp	Forth Worth, TX
\$ 2,121 55	APTA Mobility Conference	Max Dillivan	Columbus, OH

\$ 7,336 64

*This total does not include incidental travel and meeting expenses such as mileage, parking, lunch meetings, etc

PROFESSIONAL DEVELOPMENT & TRAVEL REPORT ALL EMPLOYEES JUNE 2022

AMOUNT		PURPOSE	EMPLOYEE (s)	LOCATION
\$	855 20	APTA Conference CEO Summit	Deb Prato	Denver, CO
\$	122 76	APTA Legislative Conference	Deb Prato/Steve Schipper	Washington DC
\$	2,259 56	Think Transit Trapeze Summit	Deb Prato/Steve Clapp	Fort Worth, TX
\$	1,278 35	TSI Fund of Bus Collision Investingation	Steve Luther	Cleveland, OH
\$	584 50	Peer Support Training	Nancy Groendal	Tampa FL

\$ 5,100 37

*This total does not include incidental travel and meeting expenses such as mileage, parking, lunch meetings, etc



Finance Committee Members

Rick Baker

Mayor Stephen Kepley (Chair) Mayor Gary Carey Mayor Katie Favale

Mayor Steve Maas

FINANCE COMMITTEE MEETING MINUTES

Wednesday, August 10, 2022 - 4:00 p.m.

The Rapid, 300 Ellsworth SW (Board Room)

ATTENDANCE:

<u>Committee Members Present</u>: Mayor Kepley, Mayor Carey, Mayor Favale, Mayor Maas

Committee Members Absent:

Rick Baker

Staff Attendees:

Deb Prato, Steve Schipper, Jason Prescott, Nick Monoyios, Andy Prokopy, Mike Wieringa, Deron Kippen, Max Dillivan, Steve Luther, Nancy Groendal, Kris Heald, Adam Erber

Mayor Carey called the meeting to order at 4:03 p.m.

1. PUBLIC COMMENT

Mayor Carey asked for public comment. No public comment was offered.

2. MINUTES – April 13, 2022

Mayor Carey asked for a motion to approve April 13, 2022, minutes. Mayor Maas motioned to approve, and Mayor Favale supported it.

3. DISCUSSION

a. Projected Year-End Operating Statement

Ms. Medina gave a high-level review of the projected year-end operating statement. The largest change is reflected in State Operating Assistance, due to the decrease in overall eligible operating expenses. Expenses are projected to be 5.3% favorable to budget, which will decrease state operating assistance 6.6%.

The decrease in expenses is driven primarily in wages, due to vacancies in operational titles. Benefit expenses are also favorable to budget and correspond to wages. The Utilities and Insurance category is favorable \$1.2M to budget. Fuel costs are driving the other side of the equation projected to be approximately \$700,000 unfavorable to budget.

Linehaul, CMH and DASH ridership are increasing slightly. The reduction in frequency on DASH North and Laker Line beginning August 29th decreased the total number of Bus Operator rosters by ten (10). This decrease in frequency will impact year-end contracted service revenue.

Mayor Carey inquired if there was any pushback on the reduction. Ms. Medina replied that we would monitor ridership and remain flexible based on demand. Mr. Monoyios added that he and his team will be in close contact with GVSU to monitor student parking passes and enrollment.

b. FY 21/22 Annual Operating Projection

Regular wages are projected to be 15% lower than budget, attributed largely to vacancies. Currently, wages are \$1.9M favorable. Operator overtime is projected at \$668,000 (34%) unfavorable to budget. Ms. Prato added that unscheduled overtime, non-rostered work due to vacancies and employee availability contributes to an average of approximately \$90,000 of overtime per pay period. For the upcoming operator pick, smart overtime for short pieces of work will be built into the rosters and the hiring of Bus Operators continues. Mayor Carey asked what the scheduled overtime number is for the upcoming pick. Ms. Medina will forward the exact number to him as a follow-up.

Discussion of Health Insurance Renewal Options

Ms. Medina presented slides (attached) illustrating medical experience compared to premium through June. Claims have been higher than premium for the months of May and June. For perspective, this equates to a 28.5% increase in claims per subscriber. The current net loss ratio is 98.3%, compared to FY 19/20's net loss ratio of 76.1% and FY 20/21 net loss ratio of 77%. The average number of employees participating in the plan has decreased compared to previous year.

The Committee discussed fully funded health insurance and the option to self-fund. Ms. Prato cited several concerns related to building a successful self-funded platform as well as The Rapid's decreasing reserves in the 5-year operating budget projections. Ms. Prato recommended to continue in the experience-rated fully insured plan but to begin working with Well Works and USI on supporting wellness programs.

Mayor Carey added he has heard from carriers they are projecting significant rate increases and the upcoming year may be rough. Moving to self-funding is a concern.

Mayor Kepley added he felt transitioning to self-funding was a "no-brainer" based on the numbers however, he respects Ms. Prato's decision to go fully funded for this year. He would like to continue to discuss self-funding and determine the steps The Rapid can take to minimize risk. Ms. Prato thanked the Finance Committee for their support.

Ms. Medina presented PL/PD data through June 2022. Our experience continues to improve with an 8.6% loss ratio. The current market is trending an 18-20% increase. Ms. Medina will have more information from the broker in September. Mayor Carey commented he would like to challenge our broker to do better by going back out to market. Ms. Prato gave kudos to Mr. Schipper for taking on risk management with our broker and carriers.

Ms. Medina stated fuel continues to be a budget pressure. We are being proactive in fleet deployment using CNG vehicles over diesel whenever possible. Ms. Medina shared the total cost of CNG and diesel fuel is \$2.8M per year, a 34% increase.

4. ADJOURNMENT

This meeting was adjourned at 4:51 p.m. The next meeting is scheduled for November 2, 2022

Respectfully submitted.

Ni. Malp

Kris Heald, Board Secretary