



Interurban Transit Partnership

Board Members

Mayor Gary Carey, Chair

Charis Austin
Mayor Katie Favale

Rick Baker
Steven Gilbert
Robert Postema

Mayor Rosalynn Bliss
Andy Guy
Terry Schweitzer

David Bilardello, Vice-Chair

Mayor Stephen Kepley
Jack Hoffman
Paul Troost

Tracie Coffman
Mayor Steve Maas

BOARD OF DIRECTORS MEETING

Wednesday, August 23, 2023 – 4:00 p.m.

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

AGENDA

	<u>PRESENTER</u>	<u>ACTION</u>
1. PUBLIC COMMENT		
2. MINUTES REVIEW – July 26, 2023	David Bilardello	Approval
3. ACTION ITEMS		
a. Adopt FY 2024 Operating and Capital Budget	Linda Medina	Approval
b. Incident Reporting Software	Mike Wieringa	Approval
c. Purchase (10) CNG 40' Fixed Route Buses	Steve Clapp	Approval
4. PERFORMANCE REPORTS		
a. Paratransit Route Ridership	Jason Prescott	Information
1. July 2023		
2. On-Demand		
b. Fixed Route Ridership	Max Dillivan	Information
1. July 2023		
c. Finance	Linda Medina	Information
1. Operating Statement – June 2023		
2. Professional Development and Travel Report		
a. May 2023		
b. June 2023		
3. Grant Statement		
5. COMMITTEE MEETING UPDATES		
a. Planning & Technology Committee (July 17, 2023)	Terry Schweitzer	Information
b. Present Performance & Service Committee (July 18, 2023)	David Bilardello	Information
c. Finance Committee (June 14, 2023)	Mayor Kepley	Information
6. ADJOURNMENT		



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BOARD OF DIRECTORS BUDGET WORKSHOP MEETING MINUTES

Wednesday, July 26, 2023 – 3:00 p.m.

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

ATTENDANCE:

Board Members Present:

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

Board Members Absent:

Mayor Bliss, Rick Baker, Charis Austin, Terry Schweitzer

Staff Attendees:

Nancy Groendal, Kris Heald, Deron Kippen, Steve Luther, Linda Medina, Nick Monoyios, James Nguyen, Deb Prato, Jason Prescott, Andy Prokopy, Steve Schipper, Mike Wieringa, Kevin Wisselink

Other Attendees:

Cassi Cooper, Tammy Dahn, Max Dillivan, Adam Erber, Jeffrey King, Jack Kyle, Peter Sillanpaa, Ethan Vanderboegh

Mayor Carey called the meeting to order at 3:03 p.m.

1. PUBLIC COMMENT

No Public Comments

2. MINUTES REVIEW – June 28, 2023

Chairman Carey entertained a motion to approve the meeting minutes from June 28, 2023. Mr. Hoffman motioned to approve, and Mr. Guy supported it. The motion passed unanimously.

3. CEO'S REPORT

Ms. Prato began her comments informing the Board members The Rapid just received word that our State Operating Assistance/Local Bus Operating (LBO) rate will be 34.30% which equates to an estimated additional \$2M of reimbursement of our eligible operating expenses. She explained the Finance department will be adjusting the numbers in the budget packet we are reviewing today to reflect this improvement. This is great news for The Rapid. She went on to explain the process the leadership team uses to create an outcomes-based operating and capital budget plan, assigning ownership and allocating

funding to areas that are most important to advance the agency's goals in employees, safety, and the customer experience.

Lastly, Ms. Prato gave kudos to the Finance and Leadership teams for all their input and hard work in the process.

4. ACTION ITEMS

a. Amend Bylaws regarding the absence of the Chair/Vice Chairperson – Ms. Prato

Chairman Carey gave the background to the why behind this agenda item explaining last month there was an occasion where both Chairman Carey and Vice Chairman Bilardello were unable to attend the Board meeting. Recognizing the need to have a clear statement of what happens in that event the resolution to amend the bylaws with additional clarifying language is now introduced for discussion. There was no discussion.

Chairman Carey entertained a motion to amend the bylaws regarding the absence of the Chair/Vice Chair. Mayor Maas motioned to approve, and Ms. Coffman supported it. The motion passed unanimously.

NOTE: Updated bylaws are attached to these minutes.

b. Close Rapid Central Station as a public forum – Ms. Prato

Ms. Prato gave background information on the item. In a previous round of contract negotiations protests were held on the platform and in the circular driveway impeding the effective operation of buses and creating a safety hazard. Ms. Prato referenced a diagram given to each board member showing the area that will be closed to demonstrators. She advised the union, or any other group will continue to be able to demonstrate on the public right of way and sidewalk as they have in the past. This resolution to close Rapid Central Station as a public forum protects both our operational business continuity and the safety of our employees and customers.

Mr. Bilardello asked if this would apply to all public protests. Ms. Prato replied, correct.

Mr. Hoffman asked for more clarification. He will vote in favor of this action, regretfully, but he agrees conditions are such that we need to have control over our shared space.

Ms. Prato answered that no group will be able to demonstrate on the driveway or on the platform as that may impede our operations.

Mr. Guy asked if 'public forum' was a legal term, and what enforcement looks like if it was needed.

Ms. Prato answered the language was crafted by outside counsel, Mr. Grant Pecor.

Ms. Prato asked Mr. Wieringa to speak to the enforcement question. Mr. Wieringa replied if demonstrators are asked to leave, they don't. The police will be called.

Mayor Maas clarified that only the property outlined in blue would be closed. Mayor Carey confirmed yes.

Chairman Carey entertained a motion to close Rapid Central Station as a public forum, delineated by the blue line on the handout that constitutes Central Station. Mayor Bliss motioned to approve, and Mayor Kepley supported it. The motion passed unanimously.

5. DISCUSSION

a. FY 23/24 Operating Budget Draft

Ms. Medina and Mr. Sillanpaa led the Board through the budget highlights and overall expense and revenue projections. It was suggested at the June Finance Committee to include a presentation by each of the department heads giving a brief presentation of the budget they manage.

Ms. Medina described the budget development process and timelines.

At the June Finance Committee, the FY23/24 budget goals were reviewed and approved.

Ms. Medina gave an overview of the proposed budget:

1. The overall revenue from FY 22/23 has increased by 8%.
2. It is anticipated ridership will increase by 7%. In FY 22/23, 5.32M rides were budgeted, we are currently projecting 5.83M rides. Our FY23/24 ridership is projected at 6.25M, approximately a 7% increase. This represents a 60% ridership recovery from pre-pandemic numbers.
3. Sales of Transportation Services increased by 12%. We successfully renewed the GVSU Laker Line and off-campus shuttle contracts. DASH revenue has increased slightly. The budget reflects the addition of the Davenport Express service, new in FY 23/24.
4. Townships had a decreased with the termination of Cascade DDA's contract.
5. We anticipate CMA (Hope Network) increasing 13%.
6. State operating Assistance, which Ms. Prato mentioned earlier in the meeting, is budgeted at 29%. When we bring this item to the Board in August it will go to 34%.
7. Advertising and miscellaneous increased by 11.5%. Due to the introduction of RNG fuel resulting in estimated RIN credits of \$75,000 in this budget year.
8. Expenses overall increased by about 6.6% compared to FY 22/23.

Highlights:

- 10% overall increase in salary and wages. Notably, additional security positions. With a corresponding decrease in the Services budget line.
- Materials and supplies decreased by 7.7%. The major driver is fuel cost; CNG costs are less than diesel.
- The "Other" category increased 11.2% due to using a consultant and a new training subscription. Mr. Luther will discuss this in his Safety and Training department review.
- Professional Development and Travel expenses have increased.
- Purchased transportation has increased approximately 9.7% with a slight increase to our contract with Transdev from year to year.
- \$4.1 million of capital has been used for preventative maintenance. The budget plan reflects the use of \$8.2M in reserves.
- In FY 23/24 we will no longer receive Covid related funding (CARES, CARRISSA, AARP).
- Fares and Ridership is slowly recovering.
- Each year contract services rates are reviewed using audited numbers.
- New positions in Security are reflected in FY 23/24. Authorized positions equal 471.

Mayor Kepley confirmed the budget presented today represents a 30% state reimbursement rate and now it is 34%. Ms. Prato confirmed the new percentage and added that some expenses are not eligible for state reimbursement.

Mayor Kepley asked will we decrease the reserves, or will we capitalize on operating expenses. If we spend \$8.2M in reserves, what is the balance?

Mr. Bilardello replied \$39M is included in the projections. Mr. Bilardello inquired about the reserve balance and is wondering what discussions happened with the Finance Committee related to this.

Mayor Kepley answered that two items were discussed. Increase the millage, which would be very difficult, and cut services.

Ms. Prato added the 5-year projection pushes the budget deficit another year. We are currently running 7% under budget. She added we have talked about fare increases, a millage change, and/or changing our position on sharing state operating assistance with contract partners. Increasing fares would be undesirable as we are trying to gain ridership.

Ms. Medina added, a Transit Master Plan objective is to identify other funding tools used by transits across the country.

Mr. Guy appreciates the comments on looking at diversified funding sources. He is in favor of property acquisition and its utilization to benefit community organizations.

Mr. Hoffman wished to clarify the year of the projected deficit. Ms. Medina answered, the current projected deficit is identified in FY27/28.

Mayor Carey remembers when there were multiple times when we needed to ask for additional budget funding. He prefers a conservative approach to our budget plan.

Mr. Hoffman added it is not just us heading for a financial crisis, it is the whole transportation system. He feels strongly that something needs to be done.

Ms. Medina introduced the Departmental Budgets:

Transportation – Mr. James Nguyen stated:

The Transportation budget revolves around providing great customer service to the community. Our priority is safety, reliability, and predictability. Most of the budget remains unchanged. Transportation anticipates needing to fill approximately 60 positions, those currently vacant and those occurring throughout the budget year through attrition.

Safety & Training - Mr. Steve Luther stated:

We support the Public Transit Agency Safety Plan which is mandated by the FTA. We have training activities ongoing monthly. We can do a new class every four (4) weeks. Training courses are 8-9 weeks long. The highlight is we had a huge increase in the cost of CDL exams and we have had 53 graduates so far, this fiscal year.

Office Supplies – more like school supplies, binders, pens/pencils.

Subscription to TAPCO enables us access to information early so they can get CDL permits.

Ms. Prato added we hired an instructional designer to review and revise our entire Bus Operator training program.

Security – Mr. Mike Wieringa stated:

Our department oversees Security at Central Station and Kentwood Station and oversees Access Control, Cameras, Bus Cameras, and Fare Enforcement on Laker Line.

In this budget, there are increases in personnel to optimize our presence at all our sites. Combine both FEO and Security. We are enhancing the health monitoring software on our facility cameras. Another investment is in bus cameras. Newer technology will add to safety and security by live streaming to alert public safety.

Specialized Services – Mr. Jason Prescott presented for Paratransit ADA and Mobility Services. He is responsible for GO!Bus, and Paratransit services, but also the oversight of the contract with Transdev, Rapid Connect, travel training services, and ADA eligibility. The department also assists in providing services for Ridelink, Hope Network, and our PASS service.

Fleet Maintenance – Mr. Steve Schipper presented on behalf of Mr. Steve Clapp:

This department is responsible for maintaining the fleet to manufacturer recommendations and FTA requirements. The team also provides oversight of the Paratransit Contractor and ensures the same requirements are met. They will increase service reliability by monitoring

repairs, and performance metrics in order to move toward predictive maintenance. The team also adapts to the needs of the agency as we move forward with alternative and zero-emission propulsion options. The department continues to develop its staff, and currently, we are fully staffed with Maintenance Technicians. Highlights include increases in uniform costs and licensing fees. There have also been significant increases in tire-related expenses and in bus cleaning supplies.

Facilities – Mr. Deron Kippen stated:

The Facilities team consists of nine (9) Technicians with a supervisor and me. They manage nine 9 buildings, over 1600 bus stops, fifty-one (51) BRT stations, and 120 shelters, plus an additional 20-30 new shelters added this summer. The budget has not changed significantly.

CEO – Ms. Prato stated:

The largest increase to our budget is legal/outside counsel for contract negotiations.

Finance – Ms. Medina stated:

The finance team manages payroll, accounts receivable, and payable, as well as budget trends and forecasting on weekly, monthly, and quarterly reconciliations and departmental meetings. The team coordinates and prepares the annual audit and National Transit Database reporting. Our budget increased slightly due to PL/PD insurance.

Purchasing – Mr. Kevin Wisselink stated:

The team assists departments with the bid and RFP process, vendor selection, and providing overall support. We have 50 projects this year. There are many regulations and guidelines for Federal procurements, we ensure compliance. The focus for the team this year is to update the standard procurement manual and continue to streamline the process.

HR – Ms. Nancy Groendal stated:

The HR department has seen some increases in the budget as recruitment and hiring have increased. This is reflected in the line items for drug testing, CDL licensing costs, and for medical exams.

IT – Mr. Andy Prokopy stated:

The primary role is to provide technical support to all departments in the business for both standard and transit-specific software. The team has many functions including managing vendor performance and relationships and providing support online. They monitor security on all devices and accounts and provide disaster and recovery backups for all our systems. This team also manages the ISP contracts for different facilities and the miles of fiber we have throughout the city. Most of the budget is comprised of contract services and electronic communication. The contract service budget includes all software licenses, maintenance, and support contracts. Electronic communications include internet service to all buildings, cellular for buses, leases for radio towers, and cabinets. Lastly, debit and credit card transaction costs increased due to Open Payments.

Communications – Ms. Prato stated:

Currently, there is no Director of Communications in place. The team is a mighty group with Cassi, Jack, Ethan, and Tammy. You will notice a reduction of 7.2% in this budget due to separating Communications and External Relations budgets. The one plus up of approximately \$100,000 for phase one branding.

External Affairs – Ms. Prato stated:

This budget used to be just Mr. Bill Kirk with the communications team. We separated that out two budgets ago and since then we have added two outreach specialists: Mr. Adam Erber, and Mr. Wardell Frazier. Mr. Jeffrey King is also a part of the external affairs team, and he has implemented dashboards and surveys. There have been slight increases in national peer data.

Grants – Mr. Kevin Wisselink stated:

The main function of this team is the capital plan and working with all departments. Mainly in charge of compliance and ensuring grants are properly implemented. This team also looks for discretionary grants to bring new monies into the agency.

Planning – Mr. Nick Monoyios stated:

This team builds schedules, maps, route alignments, and bus stop locations for every upcoming run cut. They closely monitor data to further optimize the service we put out on the street. The operating budget is minimal. There is a transition from the consultant line item to the dues and subscriptions for Replica software.

General Function - Ms. Medina stated:

This budget falls under 180, which is where all the costs go, which benefits all departments. The biggest change here is under election services as \$150,000 was added for renewal.

9. Five-Year Projection Budget – Ms. Medina

The team met with our new broker provider HNI. They are looking at a few different options which include BCBS. BCBS will give a \$30,000 credit toward our medical if we use them for dental.

Mr. Guy asked about representation in Lansing as there are many conversations regarding a broken system and changes in the finance system. Do we feel like we are budgeting to carve out an adequate position in those conversations at the state level?

Ms. Prato said the election services are where we allotted money for a strategist that will help with those conversations. She feels ACT 51 needs language and her goal is the Michigan Public Transit Association (MPTA) would take that on. That is where that \$150,000 will go.

Mr. Guy asked do we have a timeline. Ms. Prato replied we do not have a timeline, but she will develop something soon.

Mr. Hoffman stated he would be interested in communicating on this issue.

b. Capital Budget Draft – Kevin Wisselink

Funding Sources – The process for making the selections for projects included in the budget.

1. There was a significant increase in 2022 that was sustainable on a one-time increase where we can meet our capital obligation and we are still put into our operating budget. In November the infrastructure investment jobs act increased formula funds by 30%.
2. In June we received a Low/No grant to purchase eleven (11) new buses. Nearly all these grants are matched by local funding.

Capital Planning Committee Process

1. We have used the same process over the years. We collect all project applications and refine them, and the leadership team reviews them. They are scored and brought to the committee to review. Capital Project Scoring is based on criteria including safety, modernization, climate, equity, and financial return.

Fiscal Year 2024 Capital Projects

1. The big change this year is the competitive bid. The other funding sources are static from last year.
2. Projects we are moving forward. Purchase buses. 5337 funds to purchase SL buses. GO!Bus will be in good repair. Vehicle MTC and Facilities. New shelters and amenities. Information Technology. Bus router replacement, HOA system readiness. SL network switch funded by last year's grant. Operations & Planning. Transportation planning.

3. We had to balance the budget and had to cut some. There was still nearly \$6M left over. Our intention is to delve into where we want to invest this pot of money. Enhance bus stops or new facilities. This will be an ongoing discussion.

Mayor Bliss asked if we are planning for any electrical service vehicles.

Mr. Wisselink replied yes, we do have one service vehicle. Demand response services. We plan to stage those from our Busch Drive facility.

Mayor Bliss added the comment, well done to the leadership team.

6. CHAIR'S REPORT

Chairman Carey yielded his comments.

7. ADJOURNMENT

The meeting was adjourned at 4:51 p.m.

The next meeting is scheduled for August 23, 2023

Respectfully submitted,



Kris Heald, Board Secretary

BYLAWS
INTERURBAN TRANSIT PARTNERSHIP

(a public transportation authority

Under Act 196, Public Acts of 1986, as amended (“Act 196”))

ARTICLE I

BOARD OF DIRECTORS

Section 1.1 Powers. The business of the Interurban Transit Partnership (the “Authority”) shall be managed by the Board of Directors (the “Board”) of the Authority as described in its Articles of Incorporation.

Section 1.2 Number, Terms, Etc. The number of Directors, qualifications, terms of office, voting rules, and other governance matters shall be as described in the Articles of Incorporation.

Section 1.3 Meetings. Regular meetings of the Board of the Authority shall be held at such time and place as the Board may designate. Special meetings of the Board for any purposes shall be held whenever requested in writing by the Chairperson of the Board, the Executive Director, or any two (2) Directors. The request shall be delivered to the Executive Director of the Authority and shall state the purpose or purposes of the proposed meeting. Meetings of the Board shall be held at any place designated from time to time by resolution of the Board. Meetings shall be held in accordance with the Michigan Open Meetings Act.

Section 1.4 Notices. Notice of regular meetings of the Board need not be given to each Director. At least three (3) days’ written notice of the time, place, and day of any special meeting of the Board shall be given by the Executive Director to each Director. Notice shall be deemed given upon personal delivery, facsimile delivery, or two (2) business days after mailing the notice, postage prepaid, to the Director at the most recent address that the Director has given to the Executive Director. The notice need not state the business to be transacted at, nor the purpose of, the special meeting. Notice of all meetings shall be given in accordance with the Michigan Open Meetings Act.

Section 1.5 Waiver of Notice. Notice of the time, date, and place of any special meeting of the Board may be waived in writing delivered to the Executive Director before the meeting has been held. Attendance of a Director at a special meeting shall constitute a waiver of notice of such meeting except where the Director attends the special meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 1.6 Robert's Rules of Order and Procedure. The rules contained in the most recently published edition of Robert's Rules of Order shall govern all meetings of the Authority, except as modified by a majority of the Directors present at any meeting. Any disputes as to rules of order and procedure at Board meetings shall be resolved by the Chairperson.

Section 1.7 Committees. The Board may appoint committees as the Board determines necessary. Committee members must be at least 18 years of age but need not meet any other qualifications. These committees shall work on the matters as directed by the Board and may make recommendations to the entire Board for appropriate action.

ARTICLE II

OFFICERS AND EMPLOYEES

Section 2.1 Offices of Chairperson and Vice Chairperson. The Board shall have a Chairperson and a Vice Chairperson, to be selected from among the Directors by plurality vote. These officers shall be elected annually and shall hold office until that officer's successor is elected and qualified, or until that officer's resignation or removal by the Board for any reason. The Chairperson shall be the chief elected officer of the Board, shall preside at all Board meetings, and shall be an ex-officio member of the Board Committees. The Vice-Chairperson shall perform the duties and exercise the power of the Chairperson during the absence or disability of the Chairperson.

Section 2.2 Other Officers. The Board may appoint other officers from time to time. Unless otherwise determined by the Board, the officers of the Authority shall be chosen annually by the Board, and each shall hold office until a successor shall have been duly elected and qualified, or until the officer's death, resignation, or removal.

Section 2.3 Removal or Resignation. The Board may remove any officer at any time with or without cause. Any officer may resign from office at any time, to be effective upon the Chairperson's receipt of written notice of resignation unless otherwise specified in the notice of resignation.

Section 2.4 Vacancies. The Board may fill any officer vacancy for the unexpired portion of the term of that office.

Section 2.5 Absence or Disability of Officer. In the case of the absence or disability of any officer, or for any other reason that the Board may deem sufficient, the Board may delegate the powers or duties of that officer to any other officer or to any

Director. If the Vice Chairperson is also absent, another Board Member selected by the Chairperson shall serve as the Chairperson.

Section 2.6 No Limit on Officer Terms. Officers may be reappointed to an unlimited number of terms as may be determined by the Board.

Section 2.7 Executive Director. The Board shall employ an Executive Director on terms acceptable to the Board. The Executive Director shall be the chief executive officer of the Authority, shall be responsible for the Authority's day-to-day operations, shall have the authority to appoint, employ, hire, fire, and discipline all other Authority employees, and shall perform all other duties incident to that position or as directed by the Board. The Executive Director shall at all times be subject to the policies, control, and direction of the Board.

ARTICLE III

CONFLICTS OF INTEREST AND DISCLOSURE

Section 3.1 Conflicts of Interest. No Director, officer, or employee of the Authority shall have any financial interest, directly or indirectly, in any contract or other dealing with the Authority, unless all material facts relating to that interest are disclosed to the Board and the Board authorizes the contract or other dealing. For purposes of this vote, the interested Director shall be treated as a Director then in office, and that Director's presence at a meeting where the vote is taken shall count toward establishing a quorum, but the interested Director shall not be entitled to vote on the matter. Directors, officers, and employees shall also comply with all applicable laws relating to conflicts of interest of public officials.

Section 3.2 Duty to Disclose. It is the responsibility of the interested Director, officer, or employee to promptly inform the Board or their supervisor, as the case may be, of any potential conflict of interest.

ARTICLE IV

FINANCES AND RECORDS

Section 4.1 Depository. The funds and accounts of the Authority shall be deposited in a bank or other depository as designated by the Board.

Section 4.2 Checks. All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness, issued in the name of or payable to the Authority, shall be signed or endorsed by the person or persons designated by the Board.

Each person with authority over the finances of the Authority shall be bonded as may be required by law or the Board.

Section 4.3 Execution of Contracts. The Board may authorize the Executive Director or any officer, agent, or employee, to enter into any contract or execute any instrument in the name and on behalf of the Authority. That authorization may be general or confined to specific instances. Unless so authorized by the Board, no person shall have any power or right to bind the Authority by any contract or engagement or to pledge its credit, or to render it liable for any purpose or in any amount.

Section 4.4 Preparation of Budget. The Executive Director shall prepare and present a budget for consideration by the Board for the upcoming fiscal year at the time as designated by the Board.

Section 4.5 Fiscal Year. The fiscal year of the Authority shall commence on October 1 of each year and end on the following September 30.

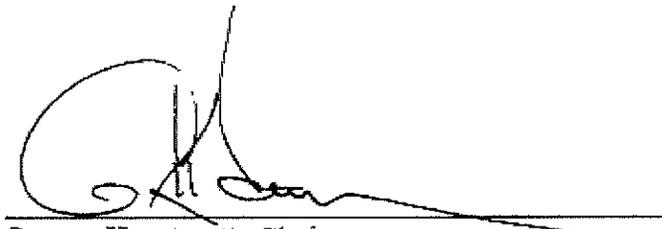
Section 4.5 Freedom of Information Act. The Authority shall comply with all applicable provisions of the Michigan Freedom of Information Act.

ARTICLE V

AMENDMENTS

These Bylaws may be amended only by a majority vote of the Directors then in office at any meeting of the Board.

I, George Hartwell, Chairperson of the Authority, certify that the above Bylaws were duly adopted by a majority vote of the Directors at a duly held meeting of the Board on the 13th day of January 2000.



George Hartwell, Chairperson
Interurban Transit Partnership

I, Mayor Gary Carey, Chairperson of the Authority, certify Section 2.5 of the above bylaws were amended to add the following:

If the Vice Chairperson is also absent, another Board Member selected by the Chairperson shall serve as the Chairperson.

This amendment was approved by a majority vote of the Directors at the meeting of the Board held on the 26th day of July 2023.

A handwritten signature in black ink, appearing to read "Gary Carey", is written over a horizontal line.

Mayor Gary Carey, Chairperson
Interurban Transit Partnership



Interurban Transit Partnership

Date: August 23, 2023
To: ITP Board
From: Linda Medina, Director of Finance
Kevin Wisselink, Director of Procurement and Capital Planning
Subject: Proposed FY 23/24 Operating and Capital Budgets

We are pleased to present for your approval the FY 23/24 proposed budget. The budget consists of two components: operating and capital. The proposed operating budget is \$56,007,392 and the capital budget is \$29,935,924 for a total of \$85,943,316. 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 23/24.

As mentioned at the Budget Workshop on July 26th, MDOT announced that the State Operating Assistance (SOA) percentage will be 34.3056%. This change increases this revenue by \$2,773,472, but CMH Contribution revenue decreased by \$36,168. The CHM rate is subsidized by our current SOA percentage, since the SOA rate increased the CMH rate decreased. Revenue overall increased by \$2,737,304, from \$47,795,637 to \$50,532,941.

With the increase in revenue, \$5,474,452 will now be utilized from reserves instead of \$8,211,755.

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 23/24 is to continue to build relationships with our customers and partners, reach a collective bargaining settlement with mutual gains with our labor partner, develop solutions to improve attraction and retention of our workforce, complete the Transit Master Plan, remain flexible to short term service opportunities that may be identified, and preserve our financial sustainability to emerge as a visible transportation industry leader.

Operating Budget Highlights

FY 23/24 proposed revenues are projected to increase by 14.2% prior from FY 21/22 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 23/24 revenues:

- The budget reflects ridership recovery, but still lower than pre-pandemic. FY 23/24 represents a 60% recovery of pre-pandemic ridership.
- State Operating Assistance is budgeted and confirmed by MDOT at 34.3056% 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 2023.
- The Rapid collaborates closely with all contract service partners to ensure adequate service levels to meet their needs. The contract rate is \$69.22 for express service and \$80.28 for linehaul and GO!Bus.
- The use of \$4 million in capital funds is included in the budget.

FY 23/24 expenses are projected to increase by 6% from FY 22/23. Following are some key highlights:

- Mid to high range contributions are budgeted for Administration and Union defined benefit plan.
- Fuel decreased by 11.6% due to the reduction in the average cost of diesel and gasoline. It is anticipated that by the end 2026 the entire fleet will be CNG.
- We work closely with our insurance broker to manage our exposure and risk. Final rates for FY 23/24 will not be available until September 2023. Reducing The Rapid's liability in PL/PD continues to be a priority.
- We are developing a strategic plan with our benefits broker to control costs and lower our loss ratio. The current budget reflects a 10% increase in premiums. We have changed from 4 plan options to 3 plan options which will result in a reduction of costs.
- Our goal is to recover service by building and maintaining trust with our riders and community partners, with an emphasis on enhanced marketing, website redesign/rebranding, and outreach.
- Purchased Transportation costs have increased by 9.7% overall, primarily due to GO!Bus and Hope Network. GO!Bus costs per revenue hour increased by 3.8% per the terms of our contract with TransDev, and we are forecasting a 10% increase in annual trips next year. Hope Network's contract cost increased by 3.0% per revenue hour, and we are forecasting a 13.3% increase in ridership.

Five-Year Operating Budget

The five-year operating budget is based on the FY 23/24 proposed budget along with an average increase of 3.5% in revenue for each year through FY 27/28. State Operating Assistance reflects a flat rate of 30%. Expenses are projected to increase an average of 4% each year. 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 27/28.

Capital Grants Highlights

The Rapid's FY 23/24 Capital Improvement Plan totals \$29,835,924, including a \$7,746,475 low-no emission discretionary grant we were awarded in June 2023. The Capital projects in The Rapid's 2024 Capital Improvement Plan optimize The Rapid's operating budget while focusing on maintaining The Rapid's assets in a State of Good Repair. The funding for this plan includes our normal 5307, 5337, and 5339 federal apportionments.

Below are the highlights for the FY 23/24 Capital Improvement Plan:

- The receipt of a \$7,746,475 5339 Low-No Emission discretionary grant to fund the purchase of eleven CNG buses, which will be fueled using Renewable Natural Gas (RNG) purchased from

the City of Grand Rapids. This project will move The Rapid one step closer to eliminating all diesel fueled buses from the fleet.

- \$1,483,580 in 5337 funding that will be used to purchase replacement Silver Line buses in 2026 when those vehicles reach the end of their useful life.
- Funding to complete the repair and rehabilitation of the concrete circle drive at Rapid Central Station.
- \$5,200,000 that will be used in the Operating environment, to help fund contracted GO!Bus service and to fund preventative maintenance activities that maintain our assets in a State of Good Repair.
- \$5,815,135 of funds that are currently not allocated to a project and need to be further evaluated. We will evaluate options for this funding over the next few months and come back to the Board with recommendations on how to utilize this funding before the end of 2023.

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 lmedina@ridetherapid.org with any additional questions regarding the operating budget or Kevin Wisselink at 616-774-1190 or kwisselink@ridetherapid.org with regarding the capital grants budget.

The Rapid Board Budget Approval

August 23, 2023



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- FY 23/24 Operating Budget – Revenues
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Five Year Operating Projection

- Revenue
- Expenses
- Highlights

FY 23/24 Grant Projections

Summary

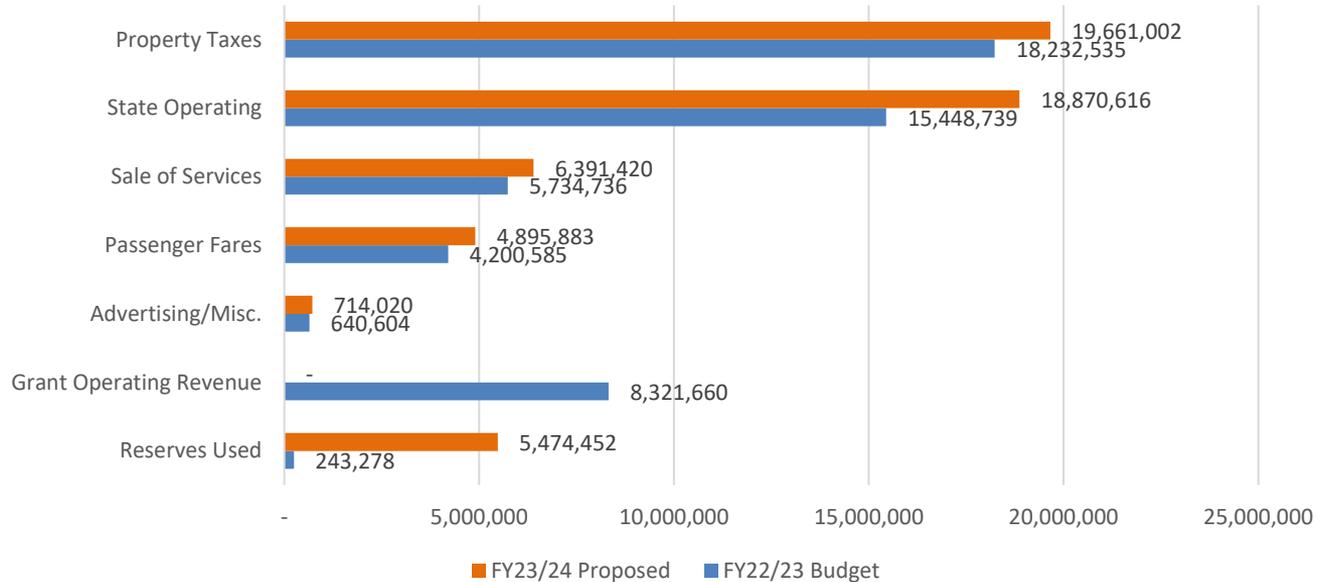
Revenues

FY 23/24 Operating Budget – Revenue

	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 23/24 Proposed vs. FY 22/23 Budget	
	Actual	Actual	Budget	Proposed	\$	%
Revenues and Operating Assistance						
Passenger Fares						
Linehaul	\$ 2,133,564	\$ 3,351,135	\$ 3,177,153	\$ 3,789,180	\$ 612,026	19.3%
Paratransit	564,427	617,653	787,500	866,250	78,750	10.0%
Ridelink	206,858	169,232	180,000	165,900	(14,100)	-7.8%
PASS	18,260	22,403	14,196	8,925	(5,271)	-37.1%
Special Services Revenue	(21,277)					
Sale of Wave Cards	59,968	55,697	41,736	65,628	23,892	57.2%
Subtotal Passenger Fares	\$ 2,961,800	\$ 4,216,120	\$ 4,200,585	\$ 4,895,883	695,297	16.6%
Sale of Transportation Services						
Grand Valley State University	\$ 2,842,767	\$ 3,257,449	\$ 3,113,764	\$ 3,682,642	\$ 568,878	18.3%
DASH Contract	2,205,921	2,289,137	1,465,874	1,856,468	390,594	26.6%
Township Services	540,714	425,945	434,895	185,836	(249,059)	-57.3%
Other	212,486	305,753	305,491	218,635	(86,856)	-28.4%
CMH Contribution	327,379	393,262	414,711	447,839	33,128	8.0%
Vanpool Transportation	29,429	64,517	-	-	-	0.0%
Subtotal Sale of Transportation Services	\$ 6,158,696	\$ 6,736,063	5,734,736	\$ 6,391,420	\$ 656,685	11.5%
State Operating	\$ 16,254,784	\$ 15,105,760	\$ 15,448,739	\$ 18,870,616	\$ 3,421,877	22.1%
Property Taxes	17,472,240	18,012,199	18,232,535	19,661,002	1,428,467	7.8%
Advertising and Miscellaneous	568,611	770,856	640,604	714,020	73,416	11.5%
Subtotal Revenues and Operating Assistance	\$ 43,416,131	\$ 44,840,999	\$ 44,257,199	\$ 50,532,941	\$ 6,275,742	14.2%
Grant Operating Revenue	20,253,576	20,442,504	8,321,660	-	(8,321,660)	-100.0%
Reserves Used			243,278	5,474,452	5,231,174	2150.3%
Total Revenues and Operating Assistance	\$ 63,669,707	\$ 65,283,503	\$ 52,822,137	\$ 56,007,392	\$ 3,185,256	6.0%

Comparison to Previous Fiscal Year

Revenues Comparison



FY 22/23- budget is \$52.8M

- \$44.3M- regular revenue, \$8.3M- grants, \$243K- reserves

FY 23/24- budget is \$56.0M

- \$50.5M- regular revenue, \$5.5M- reserves

Revenue Highlights Compared to FY 22/23

Assumptions:

- \$695K (16.6%) increase in Total Fares
 - Represents 60% recovery of pre-pandemic ridership, forecasting 10% increase in paratransit trips
- \$657K (11.5%) increase in Sale of Transportation Services
 - New contract service rate is \$69.22 for express service, \$80.28
 - GVSU and DASH both have higher revenue hours than FY 22/23
 - Cancellation of Route 29 has offset these revenue increases
- Property Taxes reflects a \$1.4M (7.8%) increase, at a rate of 1.4074 mills
- State Operating Assistance increased significantly
 - FY 22/23: budgeted 29.5262%, FY 23/24: budgeted 34.3056%
- \$73,416 (11.5%) increase in Advertising and Miscellaneous
 - Forecasting \$75K in RIN credits next year

Expenses

FY 23/24 Operating Budget – Expenses

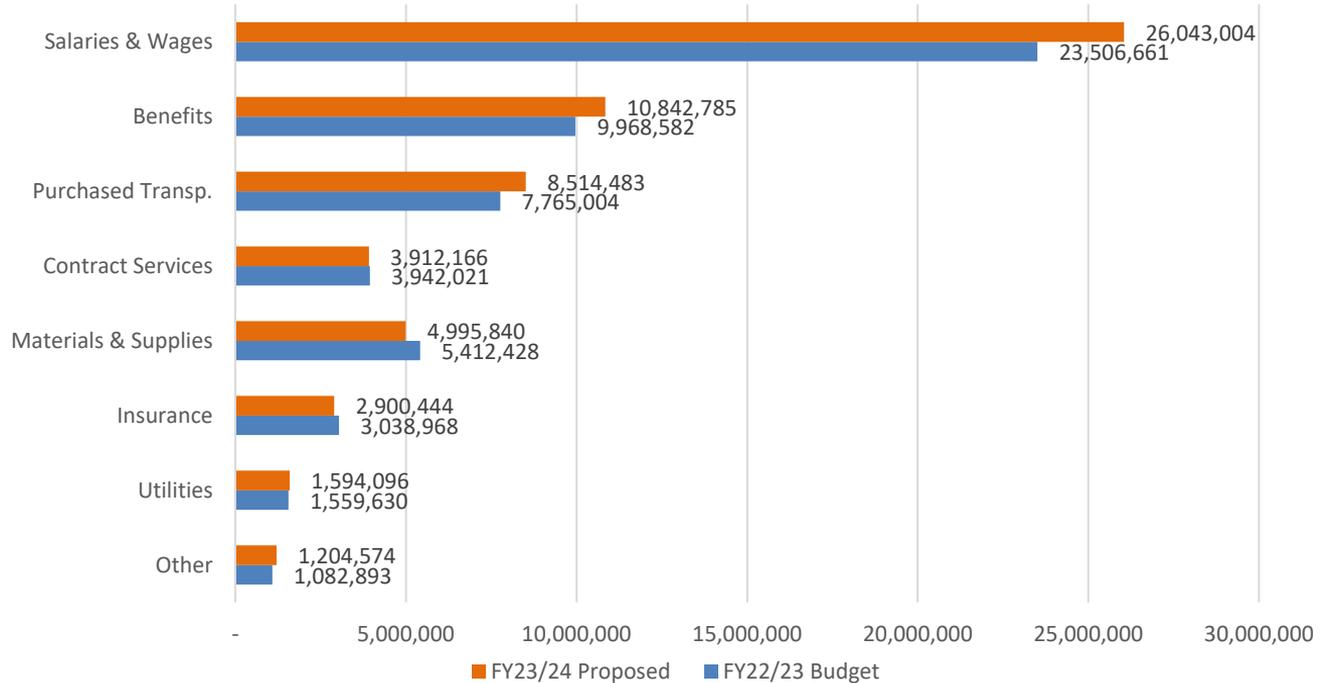
	FY 20/21 Actual	FY 21/22 Actual	FY 22/23 Budget	FY 23/24 Proposed	FY 23/24 Proposed vs. FY 22/23 Budget \$	%
Operating Expenses						
Salaries and Wages						
Administrative	\$ 5,786,167	\$ 4,449,829	\$ 6,275,115	\$ 7,226,978	\$ 951,863	15.2%
Operator	9,889,724	11,891,322	14,940,290	16,033,168	1,092,878	7.3%
Maintenance	1,842,691	1,846,222	2,291,257	2,782,858	491,601	21.5%
Subtotal Salaries and Wages	\$ 17,518,582	\$ 18,187,373	\$ 23,506,661	\$ 26,043,004	\$ 2,536,342	10.8%
Benefits						
FICA/Medicare	\$ 1,419,940	\$ 1,582,033	\$ 1,798,260	\$ 1,992,290	\$ 194,031	10.8%
Pension	2,549,458	1,813,779	2,825,992	3,033,900	207,908	7.4%
Medical	4,174,229	3,669,084	4,731,458	5,192,400	460,942	9.7%
Unemployment	304,920	557	121,000	84,000	(37,000)	-30.6%
Worker's Compensation	246,463	277,561	339,891	323,275	(16,616)	-4.9%
Sick Leave	195,095	169,667			-	
Holiday	406,682	390,583			-	
Vacation	1,146,533	1,152,392			-	
Bereavement	21,384	20,632			-	
Uniforms	114,253	116,151	154,886	195,834	40,948	26.4%
Personal Days	344,593	312,736			-	
Benefits Distributed to Grants	(10,213)	(9,753)	(11,200)	-	11,200	-100.0%
Certifications	306	338	3,295	1,085	(2,210)	-67.1%
Referral Bonus	2,500	12,250	5,000	20,000	15,000	300.0%
Subtotal Benefits	\$ 10,916,143	\$ 9,508,010	\$ 9,968,582	\$ 10,842,785	\$ 874,203	8.8%
Services						
Audit, Legal and Other Consulting	\$ 329,692	\$ 296,550	\$ 509,500	\$ 513,500	\$ 4,000	0.8%
Janitorial and Bus Cleaning	1,936,633	1,640,472	1,919,045	1,972,148	53,103	2.8%
Other Services (IT, Security, E-Fare)	1,073,096	1,504,320	1,513,476	1,426,518	(86,958)	-5.7%
Subtotal Services	\$ 3,339,421	\$ 3,441,342	\$ 3,942,021	\$ 3,912,166	\$ (29,855)	-0.8%
Materials and Supplies						
Fuel and Lubricants	\$ 1,806,260	\$ 2,838,082	\$ 3,421,740	\$ 3,026,466	\$ (395,274)	-11.6%
Tires and Tubes	25,534	26,555	41,616	57,166	15,550	37.4%
Office Supplies	45,374	40,091	73,604	73,798	194	0.3%
Printing	37,931	31,847	147,200	158,500	11,300	7.7%
Repair Parts	1,275,750	1,405,940	1,591,411	1,537,486	(53,925)	-3.4%
Other Supplies	116,980	99,089	136,857	142,424	5,567	4.1%
Subtotal Materials and Supplies	\$ 3,307,829	\$ 4,441,604	\$ 5,412,428	\$ 4,995,840	\$ (416,588)	-7.7%

FY 23/24 Operating Budget – Expenses

	FY 20/21 Actual	FY 21/22 Actual	FY 22/23 Budget	FY 23/24 Proposed	FY 23/24 Proposed vs. FY 22/23 Budget \$	%
Utilities						
Electronic Communications	\$ 152,947	\$ 209,950	\$ 198,280	\$ 196,766	\$ (1,514)	-0.8%
Gas	158,376	257,862	285,800	305,800	20,000	7.0%
Electric	856,430	799,659	991,000	1,006,500	15,500	1.6%
Other	58,341	66,919	84,550	85,030	480	0.6%
Subtotal Utilities	\$ 1,226,094	\$ 1,334,390	\$ 1,559,630	\$ 1,594,096	\$ 34,466	2.2%
Insurance						
Property Liability and Property Damage	\$ 2,962,773	\$ 2,140,940	\$ 2,697,956	\$ 2,566,330	\$ (131,627)	-4.9%
Building and Other	286,832	311,782	341,012	334,114	(6,897)	-2.0%
Subtotal Insurance	\$ 3,249,605	\$ 2,452,722	\$ 3,038,968	\$ 2,900,444	\$ (138,524)	-4.6%
Other						
Dues and Subscriptions	\$ 97,259	\$ 91,628	\$ 196,322	\$ 247,504	\$ 51,182	26.1%
Professional Development	25,736	41,292	144,595	160,950	16,355	11.3%
Marketing and Promotion	120,450	84,639	483,500	541,000	57,500	11.9%
Community Outreach	16,882	2,824	75,000	69,625	(5,375)	-7.2%
Office Equipment	1,771	1,771	2,000	2,000	0	0.0%
Shop Tools	42,317	35,726	52,820	52,145	(675)	-1.3%
Miscellaneous	61,082	56,643	128,656	131,350	2,694	2.1%
Subtotal Other	\$ 365,497	\$ 314,523	\$ 1,082,893	\$ 1,204,574	\$ 121,681	11.2%
Purchased Transportation						
Purchased Transportation - GO!Bus	\$ 4,259,651	\$ 4,631,772	\$ 6,301,500	\$ 7,362,263	\$ 1,060,763	16.8%
Purchased Transportation for JARC (Ascet)	\$ 5,787					
Purchased Transportation - Hope Network	479,486	574,636	584,100	681,700	97,600	16.7%
Other Purchased Transportation - Ridelink/KCCA	289,893	257,553	350,598	370,484	19,886	5.7%
Purchased Transportation - PASS	103,173	94,158	119,125	100,037	(19,089)	-16.0%
Purchased Transportation - On Demand			409,682	-	(409,682)	-100.0%
Subtotal Purchased Transportation	\$ 5,137,990	\$ 5,558,119	\$ 7,765,004	\$ 8,514,483	\$ 749,478	9.7%
Operating Expenses before Capitalized Operating	\$ 45,061,161	\$ 45,238,083	\$ 56,276,189	\$ 60,007,392	\$ 3,731,204	6.6%
Capitalized Operating Expenses	-	-	(3,454,052)	(4,000,000)	(545,948)	15.8%
Total Expenses	\$ 45,061,161	\$ 45,238,083	\$ 52,822,137	\$ 56,007,392	\$ 3,185,256	6.0%
Reserves Used	\$ 1,645,030	\$ 397,084	\$ 8,564,938	\$ 5,474,452	(3,090,486)	-36.1%

Comparison to Previous Fiscal Year

Expenses Comparison



Expense Highlights Compared to FY 22/23

- \$2,536,342 (10.8%) increase in wages and salaries (new security and contract negotiations)
- \$874,203 (8.8%) increase in benefits driven by wages and a 10% increase in medical expenses
- \$416,588 (7.7%) decrease in Materials & Supplies as we continue to reduce our diesel fleet and increase our CNG fleet therefore, reducing fuel expenses
- \$749,478 (9.7%) increase in Purchased Transportation services as our contract rate increased 3.7% and paratransit ridership is projected to grow
 - 10.0% growth in GO!Bus trips
 - 13.3% growth in Hope Network trips

5-Year Forecast - Revenue

	FY 20/21 ACTUALS	FY 21/22 ACTUALS	FY 22/23 BUDGET	FY 23/24 PROPOSED	FY 24/25 PROJECTED	FY 25/26 PROJECTED	FY 26/27 PROJECTED	FY 27/28 PROJECTED
Revenues and Operating Assistance								
Passenger Fares	\$ 2,961,800	\$ 4,216,120	\$ 4,200,585	\$ 4,895,883	\$ 5,132,072	\$ 5,282,014	\$ 5,385,961	\$ 5,491,971
Sale of Transportation Services	6,158,696	6,736,063	5,734,736	6,391,420	6,910,328	7,170,224	7,443,108	7,728,378
State Operating Assistance	16,254,784	15,105,760	15,448,739	18,870,616	18,420,185	19,223,408	20,064,835	20,947,282
Property Taxes	17,472,240	18,012,199	18,232,535	19,661,002	20,644,052	21,263,374	21,901,275	22,558,313
Advertising & Miscellaneous	\$568,611	\$770,856	\$640,604	\$714,020	\$751,085	\$791,514	\$835,638	\$883,824
Subtotal Revenues and Operating Assistance	43,416,131	44,840,999	44,257,199	50,532,941	51,857,723	53,730,532	55,630,817	57,609,769
Grant Operating Revenues (COVID Relief)	20,252,630	20,442,306	8,321,660					
Reserves Used			243,278	5,474,452	9,542,895	10,347,493	11,259,821	11,109,622
Total Revenues and Operating Assistance	63,668,761	65,283,305	52,822,137	56,007,392	61,400,618	64,078,026	66,890,638	68,719,391

5 Year Forecast- Expenses

	FY 20/21 ACTUALS	FY 21/22 ACTUALS	FY 22/23 BUDGET	FY 23/24 PROPOSED	FY 24/25 PROJECTED	FY 25/26 PROJECTED	FY 26/27 PROJECTED	FY 27/28 PROJECTED
Expenses								
Salaries and Wages	17,518,582	18,187,373	23,506,661	26,043,004	29,750,129	31,237,636	32,799,518	34,439,493
Benefits	10,916,143	9,508,010	9,968,582	10,842,785	11,693,668	12,223,404	12,780,350	13,365,933
Contractual Service	3,339,421	3,441,342	3,942,021	3,912,166	4,129,531	4,150,417	4,233,426	4,318,094
Materials and Supplies	3,307,829	4,441,604	5,412,428	4,995,840	5,138,200	5,285,000	5,385,658	5,488,488
Utilities, Insurance, and Miscellaneous	4,841,196	4,101,635	5,681,492	5,699,115	5,919,173	6,148,554	6,387,681	6,636,994
Purchased Transportation	5,137,990	5,558,119	7,765,004	8,514,483	8,769,917	9,033,015	9,304,005	9,583,125
Expenses Before Capitalized Operating	45,061,161	45,238,083	56,276,189	60,007,392	65,400,618	68,078,026	70,890,637	73,832,127
Capitalized Operating Expenses	-	-	(3,454,052)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Total Operating Expenses	45,061,161	45,238,083	52,822,137	56,007,392	61,400,618	64,078,026	66,890,638	69,832,127
Reserves Used	1,645,030	397,084	8,564,938	5,474,452	9,542,895	10,347,493	11,259,821	12,222,358
Reserve Balance	\$ 27,932,338	\$ 47,977,560	\$ 47,734,282	\$ 42,259,831	\$ 32,716,936	\$ 22,369,442	\$ 11,109,622	\$ (1,112,737)
							Deficit	\$ (1,112,737)

5-Year Operating Projection Highlights

Assumptions:

- Revenues are conservatively budgeted at a 3.5% increase from year to year
- Expenses are increasing at an average of 4%
- Forecasted \$1.1M in revenue shortfall in FY 27/28
 - New State Operating Assistance rate decreased this deficit, originally projected at \$3.7M
- Our options are to identify alternative funding sources, increase current revenue streams, or reduce expenses
 - Through the Transit Master Plan (TMP) identify alternative revenue tools
 - Evaluate current legislative funding sources and participate in any reform
 - Review internal revenue sources (fares and contract service rate) for equality to customers and partners

FY 23/24 Grant Projections

	Adopted Budget	Amended Budget	Month To Date	Year To Date	Balance
Grant Revenue					
Federal Grant Assistance	\$ 13,377,231	\$ 13,377,231	\$ -	\$ -	\$ 13,377,231
State Grant Assistance	3,344,308	3,344,308	-	-	3,344,308
Transfer In - Operating Budget	-	-	-	-	-
Use of Restricted Net Assets	-	-	-	-	-
Other Local	-	-	-	-	-
Total Grant Revenue	\$ 16,721,539	\$ 16,721,539	\$ -	\$ -	\$ 16,721,539
Materials & Supplies					
Tires & Tubes	\$ 288,000	\$ 288,000	\$ -	\$ -	\$ 288,000
Office Supplies	990	990	-	-	990
Printing	110	110	-	-	110
Total Materials & Supplies	\$ 289,100	\$ 289,100	\$ -	\$ -	\$ 289,100
Purchased Transportation					
Purchased Transportation	\$ 1,200,000	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000
Specialized Services	542,369	542,369	-	-	542,369
Total Purchased Transportation	\$ 1,742,369	\$ 1,742,369	\$ -	\$ -	\$ 1,742,369
Other Expenses					
Dues & Subscriptions	\$ 35,000	\$ 35,000	\$ -	\$ -	\$ 35,000
Professional Development	9,467	9,467	-	-	9,467
Miscellaneous	132,987	132,987	-	-	132,987
Total Other Expenses	\$ 177,454	\$ 177,454	\$ -	\$ -	\$ 177,454
Capital					
Rolling Stock	\$ 3,661,857	\$ 3,661,857	\$ -	\$ -	\$ 3,661,857
Facilities	3,917,615	3,917,615	-	-	3,917,615
Equipment	502,077	502,077	-	-	502,077
Other	2,252,910	2,252,910	-	-	2,252,910
Total Capital	\$ 10,334,459	\$ 10,334,459	\$ -	\$ -	\$ 10,334,459
Planning Services	178,157	178,157	-	-	178,157
Capitalized Operating	4,000,000	4,000,000	-	-	4,000,000
Total Expenditures	\$ 16,721,539	\$ 16,721,539	\$ -	\$ -	\$ 16,721,539

- Anticipating \$16.7M in grant expenses for FY 23/24
- \$1.2M in Capital Cost of Contracting
- \$3.7M spent in Rolling Stock includes purchases of paratransit and non-revenue vehicles
- \$2.2M spent in Other includes associated capital, bus inspections, and IT hardware/software

Summary

- Ridership is projected to climb conservatively over the next year
- \$4.0M in capital funds will be used in operating environment
- One time appropriation in the Governor's Budget State Operating Assistance changed from 29% to 34.3056%;
- Proposed revenues to increase 14.2% prior to accounting for federal grant funding
- Proposed total expenses to increase 6.0%
- \$5.5M in reserves will be used to offset lost revenue
- Continued focus on employee recruitment and retention

Questions?



The Rapid's 5-Year Capital
Improvement Plan

Board Meeting

August 23, 2023

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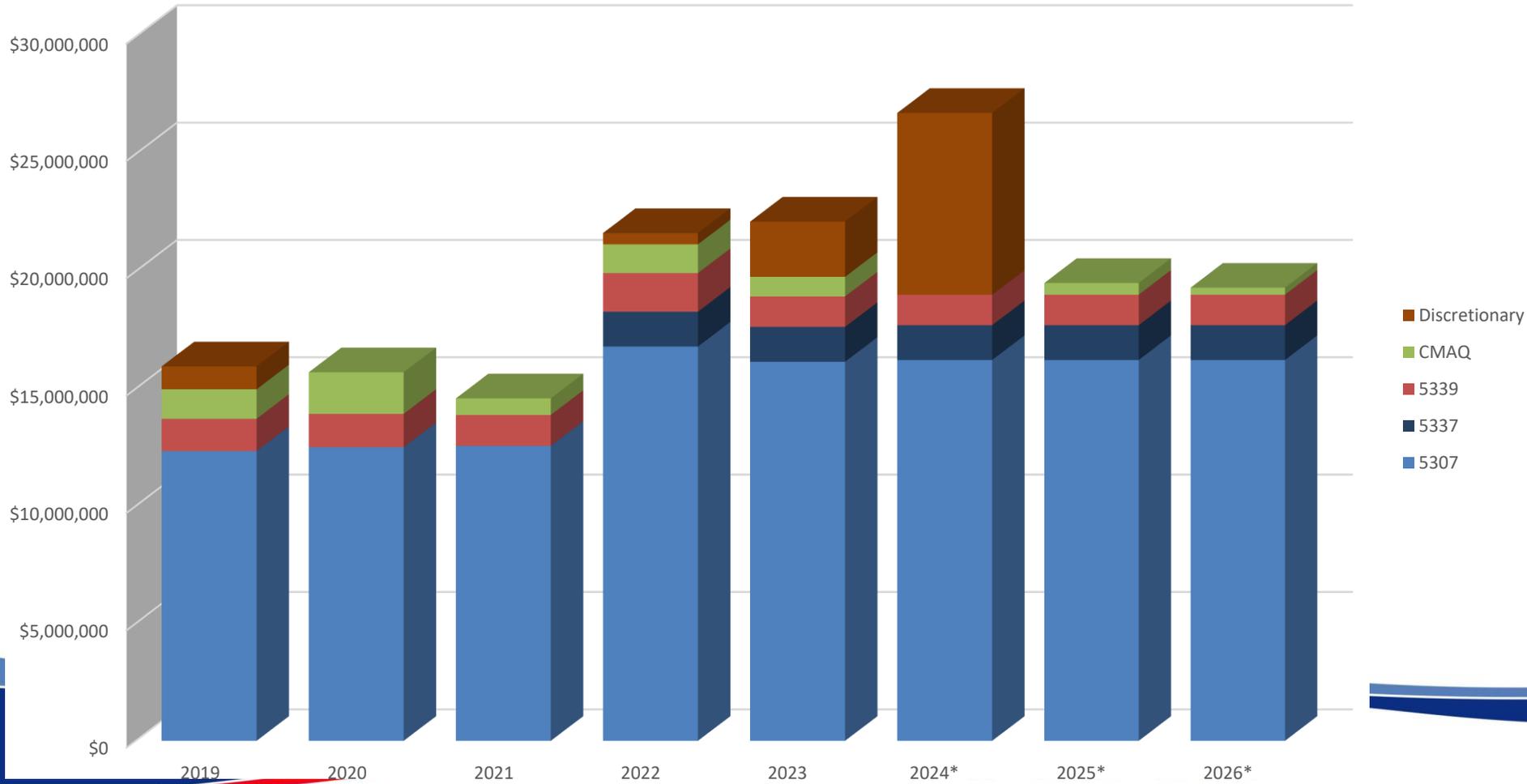
Funding Sources

Capital Planning Committee Process

Fiscal Year 2024 Capital Projects

Funding Sources

Rapid Capital Plan Funding by Year



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

Discretionary Funding Award

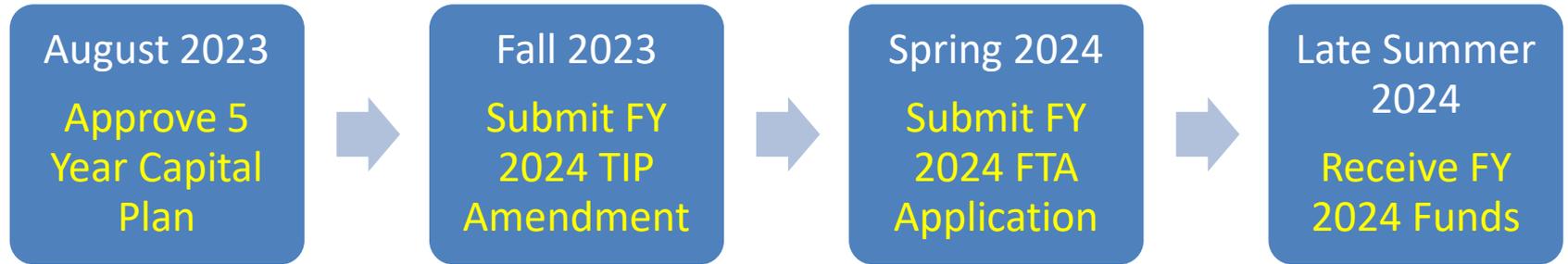
The Rapid was awarded a 5339 Low No Grant to purchase 11 buses. This increases the FY 2024 Capital Budget by \$7,746,745.

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

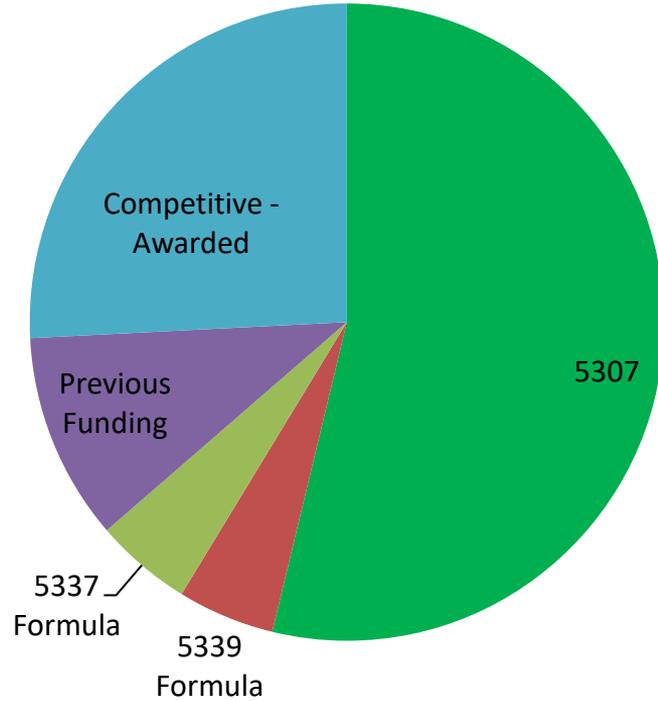
- January 2023: finalized capital project application process and evaluation criteria; sent out a call for projects
- April 2023: project submission deadline; collected and refined projects
- May – June 2023: determined project scores and prioritization
- June – July 2023: created 5-Year Capital Plan based on project scoring and funding availability
- July 26, 2023: bringing the 5-Year Capital Improvement Plan to the Board Budget Meeting for review; will make changes based on Board input
- August 23, 2023: 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 2024 Capital Projects

FY 2024 Capital Project Plan by Funding Source



FY 2024 Capital Plan
Funding: \$29,835,924

Purchase fixed route buses:
\$10,774,650



Purchase Silver Line
Replacement Buses:
\$1,483,580

Vehicle
Purchase:
\$14,862,289



Purchase Service Vehicles:
\$460,000



Purchase demand response
buses: \$2,147,059



New Shelters:
\$250,000



A&E Services:
\$50,000



General Facility
Needs: \$50,000



Security Equipment:
\$246,000



RCS Drive Repair:
\$375,000



Facility and Shop
Equipment: \$81,000

Vehicle
Maintenance
and Facilities:
\$1,102,000



Revenue Tire Lease:
\$50,000

Bus Router Replacement
Project: \$1,200,000

IT Hardware:
\$441,500

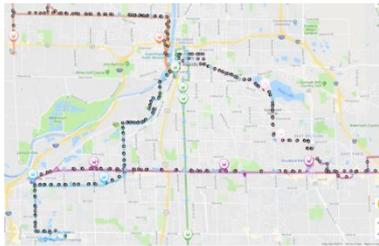


IT Software:
\$375,000



Silver Line Network
Switch \$300,000

Information
Technology:
\$2,781,500



Intelligent Transportation
Systems: \$240,000



HA Failover Server Site:
\$225,000



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

Operations
and Planning:
\$5,275,000



Preventive Maintenance:
\$4,000,000

Moving Our Community Forward
TRANSIT MASTER PLAN

THE RAPID

Transportation Planning: \$75,000

THE RAPID

To Be Further Evaluated...

The Rapid has \$5,815,135 that is unallocated in its FY 2024 Capital Improvement Plan.

Several potential projects have been identified, including:

- Additional funds for bus purchases
- Building BRT-like bus stops at key fixed route stop locations
- A new paratransit storage facility to enhance GO!Bus coverage and capacity
- TOD partnerships to leverage FTA funds for mixed-use developments, such as projects suggested in the Division United study

Staff will bring options back to the Board before the end of 2023.



INTERURBAN TRANSIT PARTNERSHIP BOARD OF DIRECTORS

RESOLUTION No. 082323-1

Fiscal Year: 2023-2024

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 2024: and

Whereas the 1.4074 millage rate reflects no change in the millage rate levied by the Interurban Transit Partnership Board of Directors (“ITP Board”) in FY 2023 (1.4074);
and

Whereas total expenditures do not exceed total revenues; and

Whereas estimated revenues (by source) are 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 2024 Operating and Grant Budgets as presented to the ITP Board on August 23, 2023.

BE IT FURTHER RESOLVED that the ITP Board hereby approves the continued 1.4074 budgeted millage rate for FY 2024 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 (\$56,007,392 Operating) and (\$29,935,924 Grant) are appropriate for those purposes described in the budget, as required under Section 21 of Act 196 (Public Act of 1986, as amended).



CERTIFICATE

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

Date: August 9, 2023
To: ITP Board
From: Mike Wieringa, Director of Security
Kevin Wisselink, Director of Procurement and Capital Planning
Subject: PROJECT 2023-13: INCIDENT REPORTING SOFTWARE

ACTION REQUESTED

Authorization is requested to enter into a 5-year Software as a Service (SaaS) contract with Trackit in the amount of \$176,744 for the provision of an Incident Tracking Software program.

BACKGROUND

ITP currently has paper-based and manual processes and procedures for safety and security incident tracking. This information is utilized by numerous departments, including Security, Safety, Fare Enforcement, and Transportation. The proposed software solution will standardize and centralize our data collection, improving our ability to trend, manage, and comply with the FTA-required Public Transportation Agency Safety Plan (PTASP) reporting requirements. The software includes the following components or modules: security, transportation, safety management, vehicle accident/incident reporting and management, and personal injury tracking and reporting capability.

PROCUREMENT

The Procurement was released as a Request for Proposal (RFP) as cost is important but not the only factor to consider for this project. It was released in the Michigan Inter-Governmental Trade Network and was downloaded by 46 firms.

Four (4) responsive bids were received. The bids were scored by a review team including the Director of Security, the Director of Safety, the Director of Transportation, and the Director of Information Technology based on the proposal’s Technical Specifications, Project Team, and Financial Proposal.

	Average Score	Price
Camms	72.8	\$433,000
CSA360	79.5	\$219,000
Omnigo	56.3	\$399,454
Trackit	82.0	\$176,743

Camms, CSA360, and Trackit had substantially higher scores and were moved to the Second Round of the selection process.

For Round 2, the three firms were brought in for product demonstrations and interviews where they would be ranked by the review team. Camms did not interview as well as the other two firms and were also priced much higher. CSA 360 and Trackit both provided excellent interviews, showing different strengths in their response. CSA 360 had more of a focus on security-related tracking while Trackit was transit specific and focused on implementation of the PTASP.

Based on the Round 2 outcomes, the review team asked CSA360 and Trackit to provide access to a project demo the team could work with over the course of a couple of weeks. Simultaneously, the team conducted reference checks on the two firms. Trackit's references came back stronger than CSA360 and working with the demo gave the team more confidence in Trackit. Additionally, Trackit being specifically built for public transportation meant that it better serves ITP's overall needs, particularly bus incident reporting and PTASP reporting. Therefore, Trackit was the unanimous top choice of the review team.

	Average Rank
Camms	3.0
CSA360	2.0
Trackit	1.0

FUNDING

The project is being funded using federal and state funds. There are no local funds involved in this project.



INTERURBAN TRANSIT PARTNERSHIP BOARD OF DIRECTORS

RESOLUTION No. 082323-2

Fiscal Year: 2023-2024

Moved and supported to adopt the following resolution:

Approval to enter a contract with Trackit for \$176,744 for their Incident Tracking Software program.

BE IT RESOLVED that the ITP CEO is hereby authorized to execute a contract with Trackit for \$176,744 for their Incident Tracking Software program in accordance with the information presented to the ITP Board on August 23, 2023.

CERTIFICATE

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

Date: August 23, 2023
To: ITP Board
From: Steven Clapp – Director of Fleet Maintenance
Subject: Purchase of Ten (10) CNG 40' Fixed-Route Revenue Buses

ACTION REQUESTED

Authorization is requested from the Interurban Transit Partnership (ITP) Board to purchase ten (10) Compressed Natural Gas (CNG) 40' buses from the Gillig Corporation in the amount of \$7,885,830 with the addition of \$100,000 in contingency (\$10,000 per bus) to add new technology or safety enhancements should they become available.

BACKGROUND

The vehicles will replace existing diesel-powered vehicles that have met their useful life of 12 years/500,000 miles in accordance with FTA regulations.

PROCUREMENT

The vehicles will be purchased under the existing contract with the Gillig Corporation which was competitively bid in compliance with FTA requirements (ITP Project 2021-16).

FUNDING SOURCE

Bus funding will be derived from approved grant funds from the years 2021, 2022, and 2023. No local match is required.

RESOLUTION NO 082323-3

Fiscal Year 2023

Moved and supported to adopt the following resolution:

Approval to execute an agreement with Gillig Corporation to purchase ten (10) CNG 40' buses.

BE IT RESOLVED that the CEO is hereby authorized to execute an agreement with the Gillig Corporation to purchase ten (10) CNG 40' buses, in the amount of \$7,885,830 with an additional contingency of \$100,000 for technology and safety enhancements in accordance with information presented to the ITP Board on August 23, 2023.

CERTIFICATE

The undersigned, duly qualified and acting secretary of the Interurban Transit Partnership Board of Directors, 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 of Directors.

Kris Heald, ITP Board Secretary



Interurban Transit Partnership

DATE: August 11, 2023
TO: ITP Board
FROM: Jason Prescott
SUBJECT: JULY 2023 PARATRANSIT RIDERSHIP REPORT

Paratransit ridership information for July 2023, as compared to July 2022

	2023	2022	% Change
Total Paratransit Ridership	14,543	16,292	4.3%
ADA Ridership	13,315	12,942	2.9%
Non-Disabled Senior (NDS) Ridership	486	65	647.7%
PASS Ridership	148	228	-35.1%
Network 180	2,653	2,343	13.2%
Cascade Township/Funding source	118	163	-27%

Ridership averages, as compared to 2022.

	2023	2022	% Change
Weekday Ridership	613	637	-3.8%
Saturday Ridership	209	197	6.1%
Sunday Ridership	210	177	18.6%

Other Performance Measures

	2023	2022	% Change
On-Time Pick-Up	78.00%	79.00%	-1.3%
On-Time Drop-Off	88.00%	86.00%	2.3%
Average Cost Per Trip	\$41.40	\$31.23	32.6%

July 2023 Paratransit Ridership and Operating Statistics

ADA	2023	2022	Change	% Change
Clients	1,155	1,193	(38)	-3.2%
Passenger Trips	13,315	12,942	373	2.9%

NDS

Clients	41	13	28	215.4%
Passenger Trips	486	65	421	647.7%

PASS

Clients	11	12	(1)	-8.3%
Passenger Trips	148	228	(80)	-35.1%

CONTRACTED

Clients	0	1	(1)	-100.0%
Passenger Trips	0	32	(32)	-100.0%

RIDELINK

Clients	233	260	(27)	-10.4%
Passenger Trips (Performed by The Rapid)	594	682	(88)	-12.9%

TOTALS

Clients	1,440	1,479	(39)	-2.6%
Passenger Trips	14,543	13,949	594	4.3%
Average Weekday Ridership	613	637	(24)	-3.8%
Average Saturday Ridership	209	197	12	6.1%
Average Sunday Ridership	210	177	33	18.6%
All Ambulatory Passengers	11,711	11,146	565	5.1%
All Wheelchair Passengers	2,832	2,803	29	1.0%
No - Shows	412	338	74	21.9%
Cancellations	557	409	148	36.2%
Transdev				
Average Cost per Trip	\$41.40	\$31.23	\$10.17	32.6%
Riders per Hour	2.1	2.1	0.0	0.0%
Accidents per Month	4.0	1.0	3	300.0%

Trip Denials	0	0	0	#DIV/0!
NTD Travel Time (minutes)	28	28	0	0.0%

NETWORK 180

Passenger Trips	2,653	2,343	310	13.2%
Average Weekday Ridership	139	117	22	18.8%

TOTAL PASSENGER TRIPS	17,196	16,292	904	5.5%
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Paratransit Service Quality Statistics: network 180 Excluded

Complaints	2023	2022	% of Trips	% Change
Transdev Complaints	25	9	0.2%	177.8%

On-Time Performance

On-Time Compliance - Pick-up	78.00%	79.00%	-1.0%	-1.3%
On-Time Compliance - Drop-off	88.00%	86.00%	2.0%	2.3%



Interurban Transit Partnership

300 Ellsworth SW, Grand Rapids, Michigan 49503-4005 Ph 616 456 7514

Date: August 10, 2023

To: Board of Directors

From: Jason Prescott, Director, Paratransit, ADA and Mobility

Subject: Rapid Connect

OVERVIEW

Rapid Connect mobility-on-demand program report from Thursday, August 3 through Wednesday, August 9. The intent of these reports is to be distributed weekly on Friday mornings. The reports will always cover a five-day service period.

HISTORICAL CONTEXT

The Rapid Connect service was launched on January 3rd, 2022, in Walker and Kentwood to improve accessibility to public transportation within those two jurisdictions. The initial pilot (Jan-Mar) had a service operating on weekdays from 6 a.m. to 6 p.m. Presently the service operates until 10 p.m. on weekdays.

Sign-ups remain consistent from week to week. To date, 1,694 people have signed up to use this new service (approximately 1% more than the previous week).

All training and testing trips taken by operators or Rapid employees have been omitted from all calculations included in this report.

CURRENT RIDERSHIP

Between Thursday, August 3, and Wednesday, August 9 (five-day service period), there were a total of completed 189 trips. 189 trips were scheduled on-demand through the app with 1 individual on subscription trips.

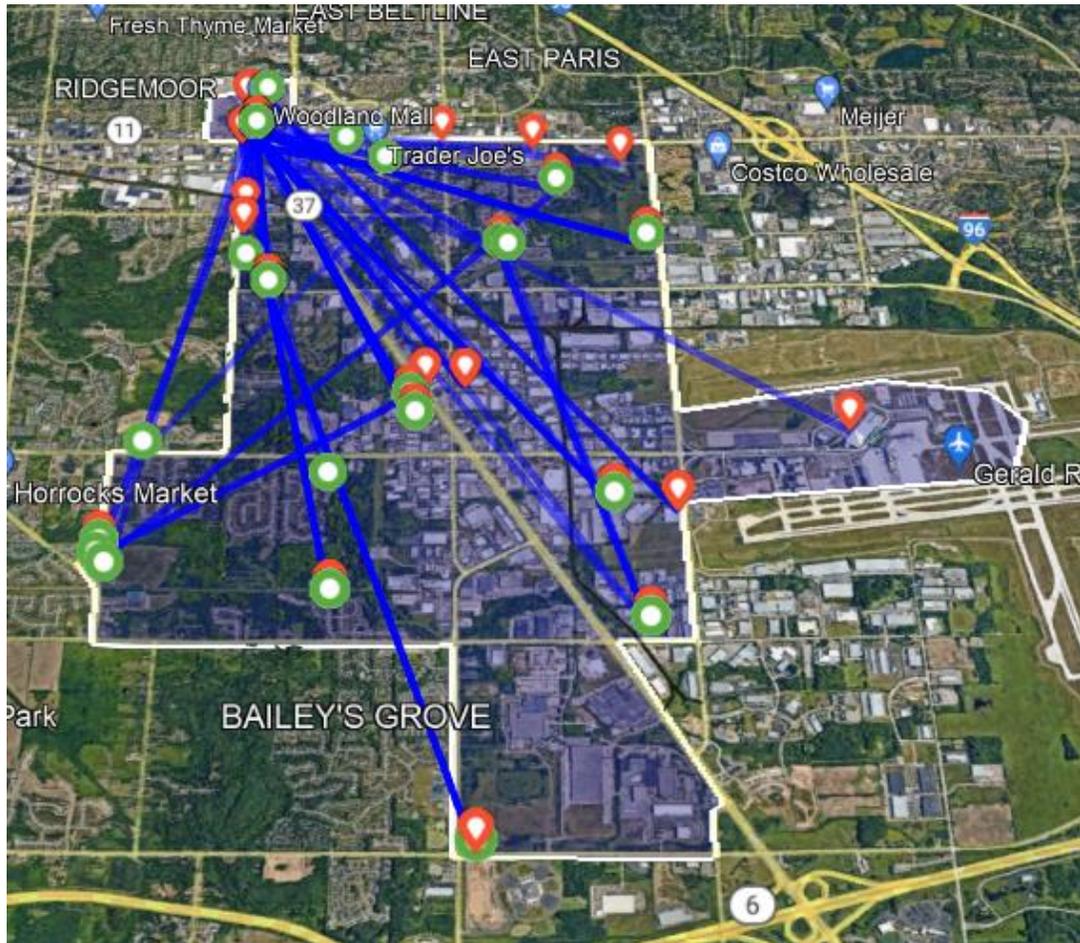
Interurban Transit Partnership

300 Ellsworth SW, Grand Rapids, Michigan 49503-4005 Ph 616 456 7514

There were 142 completed trips in Kentwood (75%), and 47 trips completed in Walker (25%). There were 34 individual riders in Kentwood and 12 in Walker that made up these trip counts for this week.

The average fare trip distance in Kentwood is 2.66 miles, and 2.72 miles in Walker. The fare trip distance is the distance between the pickup and drop-off points and does not consider other stops on the route.

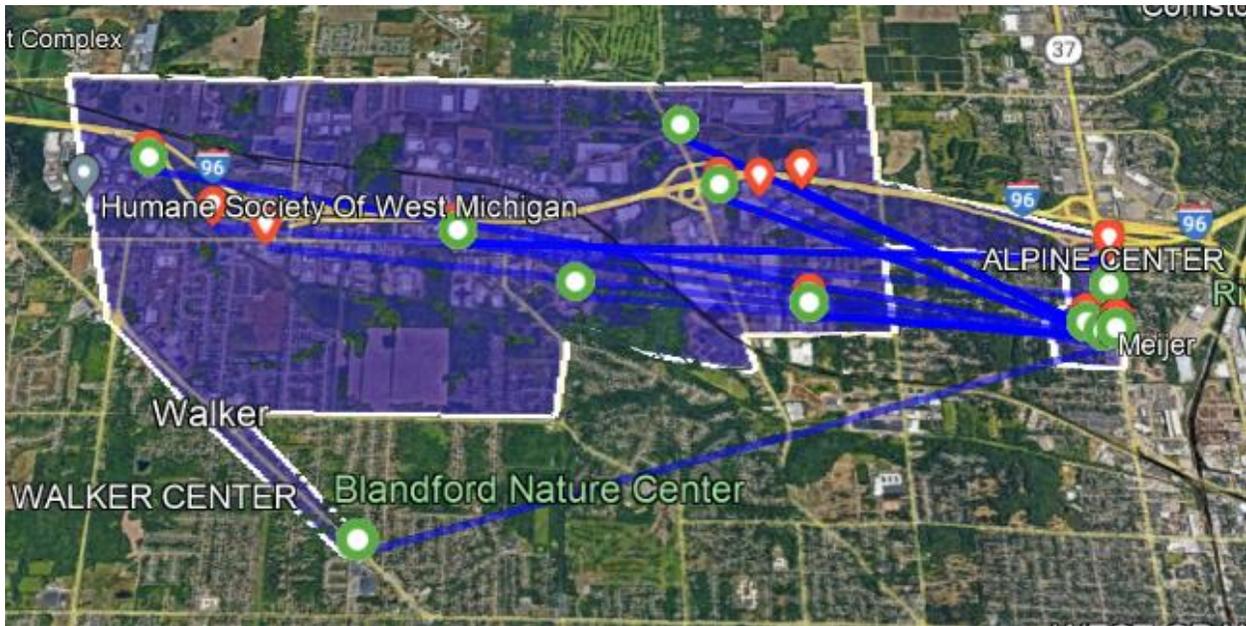
The earliest trip in Kentwood for this five-day service period had a reported arrival time of 5:52 a.m. The latest trip was completed at 9:45 p.m.



Interurban Transit Partnership

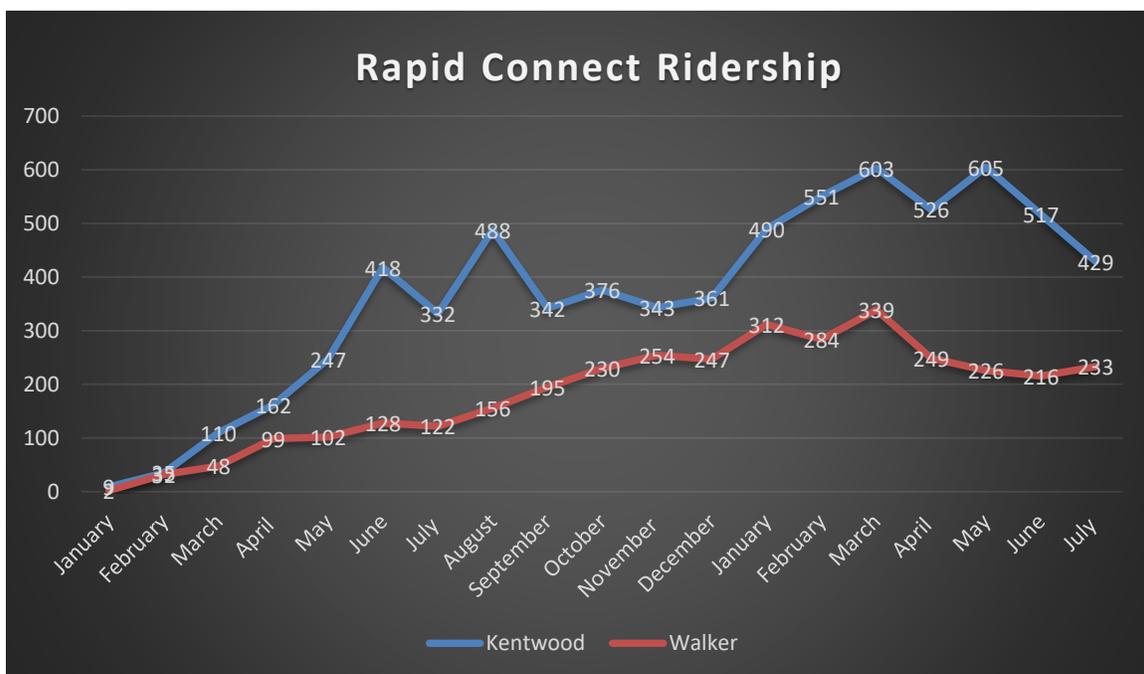
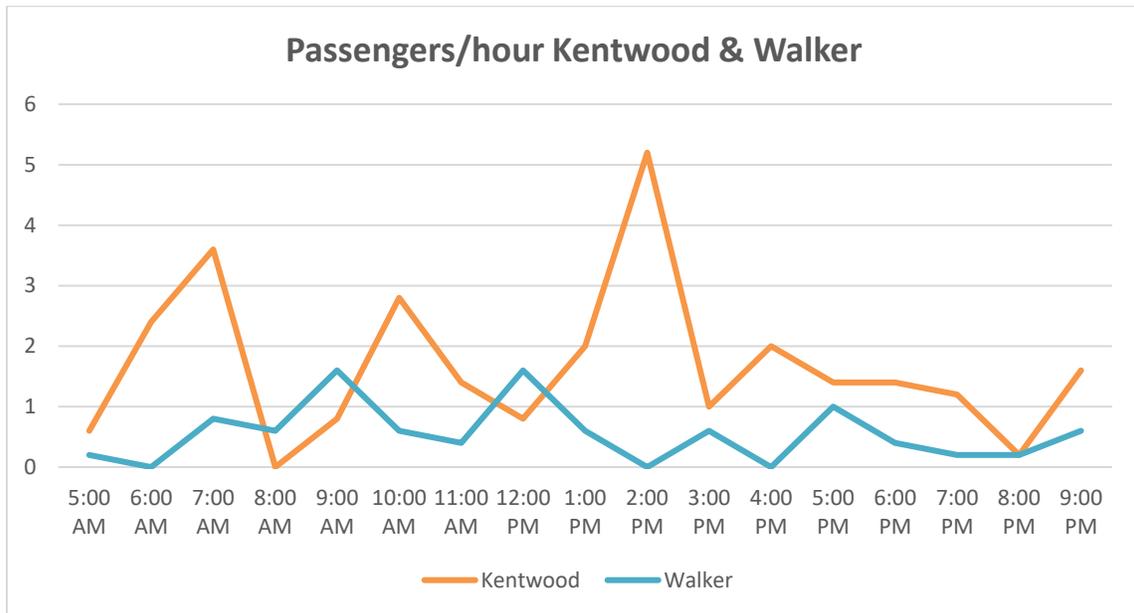
300 Ellsworth SW, Grand Rapids, Michigan 49503-4005 Ph 616 456 7514

The earliest trip in Walker for this five-day service period had a reported arrival time of 5:51 a.m. The latest trip was completed at 9:33 p.m.



Interurban Transit Partnership

300 Ellsworth SW, Grand Rapids, Michigan 49503-4005 Ph 616 456 7514





Date: August 15, 2023
To: ITP Board
From: Maxwell Dillivan, AICP – Senior Planner
Subject: FIXED ROUTE RIDERSHIP AND PRODUCTIVITY REPORT – July 2023

OVERVIEW

Ridership and productivity through July 2023 decreased slightly compared to previous months despite several Clean Air Action Days.

BACKGROUND INFORMATION

Monthly Ridership

	Jul 2023	Jul 2022	% Change
Regular Fixed Route Service (<i>Routes 1–44 and SL</i>)	317,224	295,267	↑ 7.4%
Contracted Service (<i>GVSU, DASH, GRCC, and Ferris</i>)	39,933	45,462	↓ 12.2%
Total Monthly Fixed Route Ridership	357,157	340,729	↑ 4.8%

Daily Average Ridership

	Jul 2023	Jul 2022	% Change
Weekday Total	14,711	14,239	↑ 3.3%
Weekday Evening	2,364	2,171	↑ 8.9%
Saturday	8,179	7,692	↑ 6.3%
Sunday	4,410	3,497	↑ 26.1%

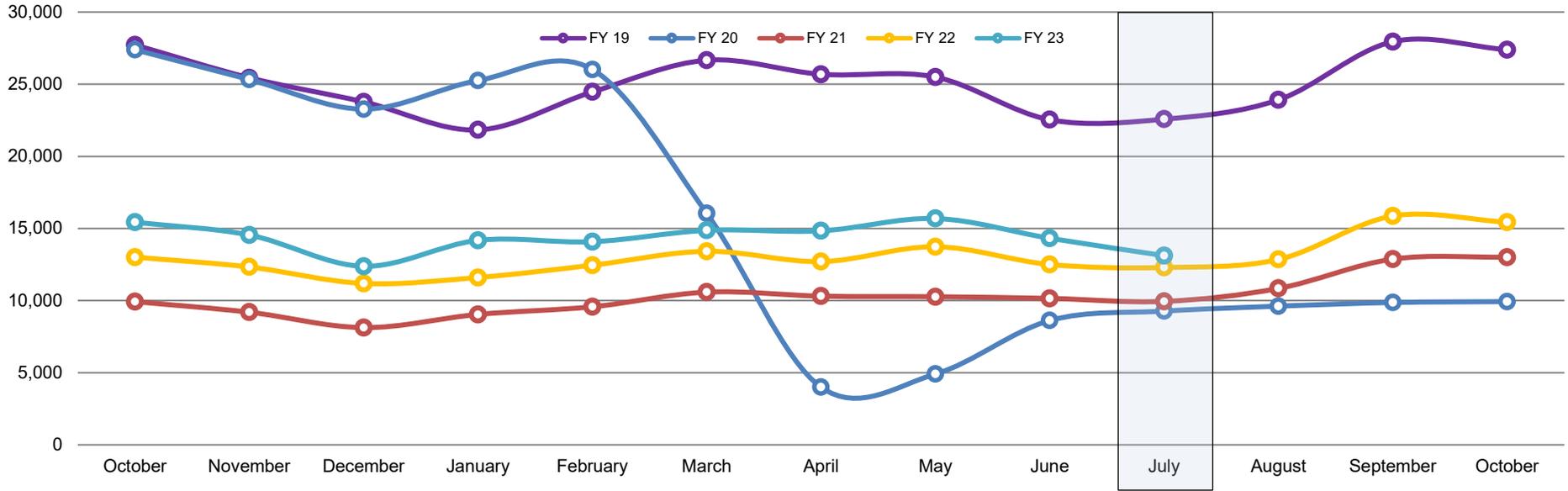
Productivity Summary

	Jul 2023	Jul 2022	% Change
Average passengers per hour per route	12.1	11.3	↑ 6.7%
Average passengers per mile per route	0.89	0.83	↑ 7.4%
Average farebox recovery percent per route	12.0%	13.2%	↓ 9.1%

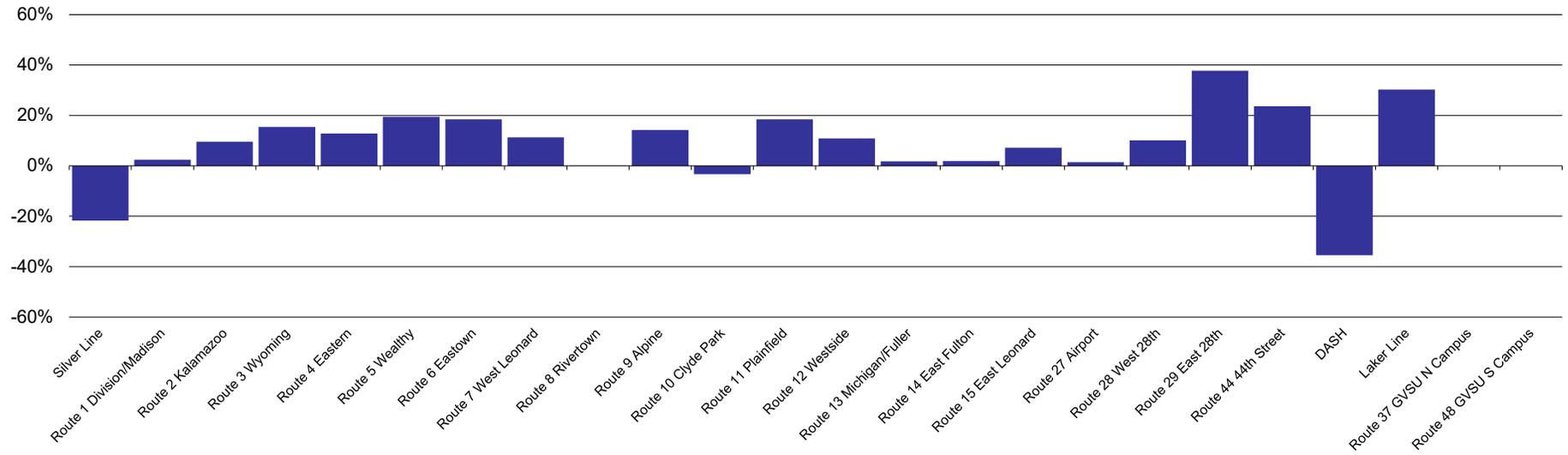
Fiscal Year Ridership

	FY 2023	FY 2022	% Change
Regular Fixed Route Service (<i>Routes 1–44</i>)	3,565,897	3,110,754	↑ 14.6%
Contracted Service (<i>GVSU, DASH, GRCC, and Ferris</i>)	1,243,568	1,146,005	↑ 8.5%
Total Fixed Route Ridership YTD	4,809,465	4,256,759	↑ 13.0%

Monthly Weekday Average Ridership History



Percent Change by Route: July 2023 compared to July 2022





Interurban Transit Partnership

Date: August 23, 2023
To: ITP Board
From: Linda Medina, Director of Finance
Subject: June 2023 Operating and Grant Statements and Professional Development and Travel Reports

Attached are the financial reports through June 30, 2023, for general operating and grants. The June reports reflect May and June's activity. Also attached are the Professional Development and Travel reports for May and June 2023.

FY 22/23 YTD Operating Statement Analysis

Total revenues are 1.8% above budget before federal assistance:

- Linehaul fares and ridership are slightly above budgeted, while GO Bus is slightly below.
- Sales of Transportation Services overall is slightly above budget. Township Services are projected to be less than budgeted as a result of the reduction of hours due to contract changes.
- Property tax revenue remains consistent while State Operating Assistance fluctuates as expenses are lower than anticipated.

Total expenses are 4.6% under budget after the use of 5307 preventive maintenance funding:

- Contractual Services is under budget as a result in reduction in billable security hours over the contract due to staffing.
- Materials and supplies are trending favorably as the net effect of the overall variances between actual versus budgeted. Fuel costs and consumption continue to be positive.
- Utilities, Insurance, and Miscellaneous are under budget due to actual insurance policy costs being lower than budgeted.

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

The Rapid
Operating Statement
Year to Date as of June 30, 2023

	YTD as of June 30, 2023		Variance		Last Year	Current Year
	Budget	Actual	\$	%	FY 21/22 YTD Actual	FY 22/23 Annual Budget
Revenues and Operating Assistance						
Passenger Fares						
Passenger Fares	\$ 2,990,376	\$ 3,161,892	\$ 171,516	5.7%	\$ 2,966,344	\$ 3,978,849
Sale of Transportation Services						
CMH Contribution	308,408	312,409	4,001	1.3%	287,431	414,711
Dash Contract	1,094,706	1,229,354	134,648	12.3%	1,789,065	1,465,874
Grand Valley State University	2,535,683	2,470,654	(65,029)	-2.6%	2,665,102	3,113,764
Van Pool Transportation	-	(1,242)	(1,242)		40,792	-
Township Services	326,171	306,570	(19,601)	-6.0%	321,913	434,895
Other	330,491	332,574	2,083	0.6%	190,633	485,491
Subtotal Sale of Transportation Services	4,595,459	4,650,319	54,860	1.2%	5,294,936	5,914,735
State Operating	11,107,547	10,468,578	(638,969)	-5.8%	10,125,554	15,448,739
Property Taxes	13,674,401	13,970,718	296,317	2.2%	13,625,976	18,232,535
Advertising & Miscellaneous	480,800	1,196,273	715,473	148.8%	453,621	682,340
Subtotal Revenues and Operating Assistance	32,848,583	33,447,780	599,197	1.8%	32,466,432	44,257,198
Grant Operating Revenue	6,241,245	8,321,660	2,080,415	33.3%	15,920,742	8,321,660
Total Revenues and Operating Assistance	\$ 39,089,828	\$ 41,769,440	\$ 2,679,612	6.9%	\$ 48,387,174	\$ 52,578,858
Expenses						
Salaries and Wages						
Administrative	\$ 4,596,994	\$ 4,158,484	\$ (438,510)	-9.5%	\$ 3,946,510	\$ 6,275,114
Operators	11,074,418	9,602,868	(1,471,550)	-13.3%	10,110,878	14,940,291
Maintenance	1,675,591	1,636,974	(38,617)	-2.3%	1,522,274	2,291,256
Subtotal Salaries and Wages	17,347,003	15,398,326	(1,948,677)	-11.2%	15,579,661	23,506,661
Benefits	7,336,967	6,977,572	(359,396)	-4.9%	6,083,066	9,965,287
Contractual Services	2,297,675	2,115,663	(182,012)	-7.9%	2,173,033	3,942,021
Materials and Supplies						
Fuel and Lubricants	2,574,080	2,020,456	(553,624)	-21.5%	1,776,020	3,421,740
Other	1,237,752	1,193,346	(44,405)	-3.6%	1,155,123	1,990,688
Subtotal Materials and Supplies	3,811,832	3,213,803	(598,029)	-15.7%	2,931,143	5,412,428
Utilities, Insurance, and Miscellaneous	4,049,113	3,679,641	(369,472)	-9.1%	3,210,407	5,684,786
Purchased Transportation	5,236,635	5,265,164	28,529	0.5%	4,329,975	7,765,005
Expenses Before Capitalized Operating	40,079,225	36,650,168	(3,429,057)	-8.6%	34,307,285	56,276,188
Capitalized Operating Expenses	(2,459,934)	(762,143)	1,697,792	-69.0%	-	(3,454,052)
Total Operating Expenses	\$ 37,619,290	\$ 35,888,025	\$ (1,731,265)	-4.6%	\$ 34,307,285	\$ 52,822,136
Net Surplus/(Deficit) without Grant Revenue		\$ (2,440,245)			\$ (1,840,854)	\$ (8,564,938)
Net Surplus/(Deficit) with Grant Revenue		\$ 5,881,415			\$ 14,079,888	

Interurban Transit Partnership
 Grant Revenues & Expenditures
 Month Ended 06/30/23

	Adopted Budget	Amended Budget	Month To Date	Year To Date	Balance	Percent Target 75%
<u>Grant Revenue</u>						
1. Federal Grant Assistance	16,232,189	16,232,189	1,235,679	8,576,839	7,655,350	53%
2. State Grant Assistance	4,058,047	4,058,047	695,070	2,144,210	1,913,837	53%
3. Transfer In - Operating Budget	0	0	0	0	0	100%
4. Use of Restricted Net Assets	0	0	0	0	0	100%
5. Other Local	0	0	0	0	0	100%
6. Total Grant Revenue	20,290,236	20,290,236	1,930,749	10,721,049	9,569,187	53%
<u>Labor</u>						
7. Administrative Salaries	0	0	0	0	0	100%
8. Driver Wages	0	0	0	0	0	100%
9. Temporary Wages	0	0	0	0	0	100%
10. Fringe Benefit Distribution	0	0	0	0	0	100%
11. Total Labor	0	0	0	0	0	100%
<u>Material & Supplies</u>						
12. Tires & Tubes	322,000	322,000	23,839	197,619	124,381	61%
13. Office Supplies	0	0	0	0	0	100%
14. Printing	0	0	0	0	0	100%
15. Total Material & Supplies	322,000	322,000	23,839	197,619	124,381	61%
<u>Purchased Transportation</u>						
16. Purchased Transportation	1,200,000	1,200,000	85,762	885,762	314,238	74%
17. Specialized Services	0	0	0	265,285	265,285-	100%
18. Total Purchased Transportation	1,200,000	1,200,000	85,762	1,151,047	48,953	96%
<u>Other Expenses</u>						
19. Dues & Subscriptions	26,000	26,000	0	24,060	1,940	93%
20. Professional Development	0	0	0	0	0	100%
21. Miscellaneous	0	1,859	0	1,859	0	100%
22. Total Other Expenses	26,000	27,859	0	25,919	1,940	93%
<u>Leases</u>						
23. Office Lease	0	0	0	0	0	100%
24. Transit Center Lease	0	0	0	0	0	100%
25. Storage Space Lease	0	0	0	0	0	100%
26. Total Leases	0	0	0	0	0	100%
<u>Capital</u>						
27. Rolling Stock	4,320,079	4,320,079	915,896	1,468,712	2,851,367	34%
28. Facilities	3,617,625	3,617,625	309,022	3,543,840	73,785	98%
29. Equipment	675,298	875,298	104,170	1,676,906	801,608-	192%
30. Other	1,742,950	1,541,091	86,875	1,318,661	222,430	86%
31. Total Capital	10,355,952	10,354,093	1,415,963	8,008,119	2,345,974	77%
32. Planning Services	4,932,231	4,932,231	128,443	335,575	4,596,656	7%
33. Capitalized Operating	3,454,053	3,454,053	276,742	1,002,770	2,451,283	29%
34. Total Expenditures	20,290,236	20,290,236	1,930,749	10,721,049	9,569,187	53%

PROFESSIONAL DEVELOPMENT & TRAVEL REPORT
 ALL EMPLOYEES
 MAY 2023

AMOUNT	PURPOSE	EMPLOYEE (s)	LOCATION
\$ 1,811.15	Vista Annual Conference	L. Medina, S. Brophy	Fort Worth, TX
2,080.05	APTA Legislative Conference	D. Prato, S. Schipper	Washington D.C.
810.88	FTA Drug & Alcohol Conference	N. Groendal	San Diego, CA
604.39	Transit System Security Training	B. Olejniczak	Fort Lauderdale, FL
<u>594.20</u>	Introduction to Transit Operations Planning training	J. Nguyen, C. Anderson	Las Vegas, NV
<u>\$ 5,900.67</u>			

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

PROFESSIONAL DEVELOPMENT & TRAVEL REPORT
 ALL EMPLOYEES
 JUNE 2023

AMOUNT	PURPOSE	EMPLOYEE (s)	LOCATION
\$ 168.00	Esco Institute Testing Certification	B. Olejniczak	Virtual
\$ 168.00	Lenel Certification Access Control Training	M. Wieringa	Rochester, NY
\$ 2,231.06	APTA Mobility Conference	D. Prato	Minneapolis, MN
\$ 1,181.99	Transit System Security Training	B. Olejniczak	Fort Lauderdale, FL
\$ 1,403.62	Introduction to Transit Operations Planning training	J. Nguyen, C. Anderson	Las Vegas, NV
<u>\$ 5,152.67</u>			

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



Interurban Transit Partnership

Finance Committee Members

Steven Gilbert Mayor Stephen Kepley (Chair)
Mayor Gary Carey Mayor Katie Favale Mayor Steve Maas

FINANCE COMMITTEE MEETING MINUTES

Wednesday, June 14, 2023 – 4:00 p.m.

Rapid Central Station Conference Room (250 Grandville Avenue, SW)

ATTENDANCE:

Committee Members Present:

Mayor Kepley, Mayor Carey, Mayor Favale, Steven Gilbert

Committee Members Absent:

Mayor Maas

Staff Attendees:

Steve Clapp, Nancy Groendal, Kris Heald, Linda Medina, James Nguyen, Deb Prato, Jason Prescott, Andy Prokopy, Steve Schipper, Mike Wieringa, Kevin Wisselink

Other Attendees:

Peter Sillanpaa, Max Dillivan

Mayor Kepley called the meeting to order at 4:04 p.m.

1. PUBLIC COMMENT

No public comments

2. MINUTES – April 26, 2023

Chair Kepley entertained a motion to approve April 26, 2023, minutes. Mayor Favale motioned to approve, and Mr. Gilbert supported it. The motion passed unanimously.

3. DISCUSSION

a. April Operating Statement – Ms. Medina

Ms. Medina started her report by noting we have been trending the same over the last few months.

- Revenue is favorable by 1.2% before federal operating assistance.
- All ARPA funds have been requested and received.
- Expenses continue to trend under budget by 4.1%.

MISSION: *To create, offer and continuously improve a flexible network of public transportation options and mobility solutions.*

- \$485,400 in expenses have been identified as eligible for Federal 5307 preventative maintenance funding which brings us to 4.1% under budget on expenses.

Mayor Kepley clarified without any grant operating revenue, the budget is \$44.2M and we are up. When we look at expenses without capital operating expenses, we are about \$56.2M. We are progressing well with a negative 2.6. We are approximately \$9M- \$10M in the negative without grants and capitalized operating expenses. Is the solution to gain \$6-\$7 million in fares?

Ms. Medina said the state operating funds have fluctuated a bit, however, we still received 29%, and property taxes have increased a bit however it stayed consistent. The two items that have not increased are passenger fares and contract services.

Mayor Kepley added we have a couple of scenarios; one is we must increase sales and or cut expenses or perhaps a millage to increase property tax.

Mayor Carey feels that option three is the 'no other option' button. A millage increase is the last thing we want to do.

b. Review Budget Process/Package – Ms. Medina

Ms. Medina requested the board to give recommendations on the draft format of the budget packet.

The discussion is as follows:

Mayor Carey likes the Executive summary at the start of the packet and to be no more than two (2) pages.

Mayor Favale agrees.

Mayor Kepley feels both graphs and pics are needed.

Ms. Medina will continue using graphs with an explanation.

Operating Budget Format:

Mayor Carey asked if the 2021 column drops off. Ms. Medina confirmed that the column drops off.

Mayor Kepley suggested having two (2) actual budgets. Perhaps have two (2) previous years and then the two (2) current years.

Mayor Kepley asked because of Covid, will we want to keep 2019.

Mayor Carey added the 2018/2019 were pre-pandemic and it's a benchmark to see the measurement.

Ms. Medina agrees, and we will show six (6) years.

Personnel: This item shows what positions were authorized and is anything new, and what we budgeted for.

Mayor Carey usually likes to see voluntary and involuntary turnover in an organization from a leadership perspective, however, he is not sure we need to see it here.

Ms. Prato agreed and suggested we provide this information at the Present Performance and Service Committee meeting every other month.

Mayor Carey agrees that will be helpful.

Mayor Kepley circled back to a previous board meeting regarding the extra board and how many drivers we need. The discussion was about the complaints about working overtime, but it is only voluntary overtime. Mayor Kepley asked how many drivers we need as the shifts are different in summer and winter.

Ms. Prato replied that we have had enough operators for summertime to fill the work, but the numbers go up and down. We will be understaffed in the fall. When we are understaffed, it is either the overtime that goes up, or we cut service. We are offering an incentive for perfect attendance where the operator will get an extra \$1.00 or \$1.50 for all hours worked. Ms. Prato noted 60% of employees leave within the first year. Currently, The Rapid is working with an instructional designer to redesign our entire training program to ensure it is adult learners, and everyone knows the expectations daily.

Mayor Kepley wished to clarify the difference between authorized vs budgeted personnel. What makes it authorized?

Ms. Prato answered it is what the board accepted for the budget for full-time employees.

Ms. Medina added that every time we add a new position, we need approval from the board, however, we work within the approved budget.

Individual Department Budgets: This is where we tell you what each department is requesting. Included in this report is the function of the department, plus there are two (2) charts that show what the proposed operating budget will be for the year and a bar chart that will show the actual comparison to the budget and proposed budget.

Mayor Kepley asked if the department heads will be presenting their budgets.

Ms. Prato agrees with each department head to briefly present their budgets to the board.

Both Mayor Kepley and Mayor Carey like the format.

Ms. Prato asked when these presentations would happen.

Mayor Kepley said at the July 26, Board Budget Workshop.

Ms. Medina ended with the last item, the Five (5)-year projection of where we are, the budget, and how we will end the current year.

Mayor Kepley noted this is a far better budget format than ten (10) years ago.

4. ADJOURNMENT

This meeting was adjourned at 4:43 p.m.

The next meeting is scheduled for August 16, 2023

Respectfully submitted,



Kris Heald, Board Secretary