

# **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 Mayor Stephen Kepley Jack Hoffman Paul Troost

David Bilardello, Vice-Chair

Tracie Coffman Mayor Steve Maas

## **BOARD OF DIRECTORS MEETING AGENDA**

Wednesday, August 28, 2024 - 4:00 p.m.

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

	<u>AGENDA</u>	DDECENTED	ACTION
1.	PUBLIC COMMENT	<u>PRESENTER</u>	<u>ACTION</u>
2.	MINUTES REVIEW – July 24, 2024, Budget Workshop	Mayor Carey	Approval
3.	CEO'S REPORT	Deb Prato	Information
4.	<ul> <li>ACTION ITEMS</li> <li>a. FY 24/25 Operating Budget</li> <li>b. FY 24/25 Capital Budget</li> <li>c. FY 23/24 Grant Budget Amendment</li> <li>d. Service Vehicle</li> </ul>	Linda Medina Kevin Wisselink Linda Medina Kevin Wisselink	Approval Approval Approval Approval
5.	CLOSED SESSION  a. Collective Bargaining Agreement	Prato/Schipper	Approval
6.	performance reports  a. Paratransit Route Ridership (July 2024)  b. On Demand  c. Fixed Route Ridership  1. May 2024  2. June 2024  3. July 2024  d. Finance	Jason Prescott  Tim Roseboom  Linda Medina	Information Information
	<ol> <li>Operating Statement – June 2024</li> <li>Professional Development and Travel Report         <ul> <li>May 2024</li> <li>June 2024</li> </ul> </li> <li>Grant Statement June 2024</li> </ol>	Linga Medina	mormation
7.	INFORMATIONAL ITEMS Transportation Funding Reform Update	Jack Hoffman	Information

8. CHAIR'S REPORT Mayor Carey Information

9. COMMITTEE MEETING MINUTES

a. Present Performance & Service Committee (July 23, 2024) David Bilardello Information

10. ADJOURNMENT

Next meeting: September 25, 2024



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# BOARD OF DIRECTORS MEETING MINUTES Budget Workshop

Wednesday, July 24, 2024 - 3:00 p.m.

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

## **ATTENDANCE:**

#### **Board Members Present:**

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

## **Board Members Absent:**

Mayor Favale, Rick Baker, Robert Postema, Terry Schweitzer, Mayor Maas

## Staff Attendees:

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

## Other Attendees:

Tim Roseboom, Peter Sillanpaa, Josh Brink, Scott Urbanowski (The Rapidian)

Chairman Mayor Carey called the meeting to order at 3:04 p.m.

## 1. PUBLIC COMMENT

No public comment

## 2. MINUTES REVIEW - May 22, 2024, and minutes from the Special Session June 10, 2024

Chairman Carey entertained a motion to approve the meeting minutes from both May 22, 2024, and the meeting minutes from the special session on June 10, 2024. Mayor Bliss motioned to approve, and Mr. Gilbert supported it. The motions passed unanimously.

#### 3. CEO's REPORT

Ms. Prato thanked the leadership team for all their work on the budget, and with a special thanks to Mr. Sillanpaa, Mr. Roseboom, and Mr. King for their assistance as well.

#### 4. ACTION ITEMS

a. On-Call Contract A/E Services – TowerPinkster, Mr. Kevin Wisselink Mr. Wisselink is requesting board approval for The Rapid to enter into a five-year contract with TowerPinkster for on-call Architectural and Engineering (A&E) services. Mayor Kepley wished to clarify that both companies would get a chance to bid. Mr. Wisselink replied, the intention is to give both firms a chance to bid especially on large projects.

## b. On-Call Contract A/E Services - Progressive AE, Mr. Kevin Wisselink

Mr. Wisselink is requesting board approval for The Rapid to enter into a five-year contract with Progressive AE for on-call Architectural & Engineering (A&E) services.

Chairman Carey entertained a motion to approve contracts with both TowerPinkster, and Progressive AE for on-call Architectural and Engineering services.

Mayor Kepley motioned to approve both, and Mayor Bliss supported it. Both motions passed unanimously.

## 5. DISCUSSION

## a. FY 24/25 Operating Budget Draft, Ms. Linda Medina, and Mr. Peter Sillanpaa

- 1. Budget Timeline and Assumptions
- 2. Revenues.

Ms. Medina highlighted the following items.

- Revenues had a slight decrease.
- Passenger Fares slightly decreased by 0.7%.
- Sale of Transportation increased 13.1% over last year. In addition, DASH Circulator revenue increased by adding service on Monday and Tuesday.
- Township revenue increased by 9.7% due to the increased Contract Service rate.
- Under Other category, there was an increase due to the GRCC Contract which was recently signed for \$172,000.

#### 3. Expenses

- There was a 3.8% increase in expenses from FY23/24 to FY24/25.
- Salaries/Wages. We are proposing six (6) new positions.
- Contract Services. The expense contributors to this increase were the canopy, and IT Services. We are recommending using \$4.4M for capitalized operating which brings us to using \$8.2M in reserves to fill the gap between revenue and expenses.

Mr. Sillanpaa presented another perspective to the board on budget and revenues compared to last year. In the past, property taxes, state operating assistance and fares historically assumed 1/3, 1/3, 1/3 of the revenue projection. Since the pandemic we have slipped in passenger fares and Sale of Transportation services, and that one-third has not recovered. He noted we have identified a few alternative revenue sources to help that gap. Most notably we identified RIN credits we receive from our alternative fuel, and as an alternative fuel credit we can submit to the IRS each year, and lastly our interest income. He added the biggest drop we see in our state operating assistance previously we budgeted 34% and this year we budgeted 26%.

Mr. Gilbert clarified if this reflects the numbers in the budget for this year. Mr. Sillanpaa said yes.

Mr. Sillanpaa noted our total ridership and fares have increased year over year since the pandemic, however, we are still short of what we brought in previously. We are looking at 4.5M in fixed route ridership by the end of this year, and we anticipate an increase in ridership to 4.8M next year. We are expecting an increase in fares from \$3.8M to \$4M.

Ms. Medina noted we review our contract service rate annually. For FY24/25 we are using FY22/23 expenses, and we still do a full reduction of the state operating assistance rate which is 29.2%. The current rate for this fiscal year is 34%. Overall, the Linehaul rate increased 5% and the GO!Bus rate increased 9.7% which is due to the contract change when we transitioned from MV to Transdev in FY22/23.

Expense comparison from last year to this year

Mr. Sillanpaa noted expenses remain the same. The highest expense is wages and benefits followed by Purchased Transportation costs.

Ms. Medina noted we are proposing six (6) new positions this year. Three (3) administrative positions: Transportation Supervisor, Vehicle Technology Coordinator for the IT Department, and an Applications Systems Analyst for the IT Department, and for the Maintenance Department three (3) Fleet Detailing Utility Technicians. This work is currently done through a contractor, however by bringing this in-house we feel the level of service and quality of work will be much better.

Mr. Sillanpaa presented a chart detailing our quarterly average fuel consumption which shows we are progressing toward an all-Compressed Natural Gas (CNG) fleet. Diesel makes up the minority of the fleet. We will be replacing twelve (12) diesel buses with CNG buses and a goal of becoming 100% CNG by the end of 2026.

Mr. Bilardello asked what the cost difference was between Diesel and CNG. Mr. Sillanpaa replied \$4.25 per gallon versus \$1.08 per CNG diesel gallon equivalent.

Health Insurance Renewal. Ms. Medina noted a couple of changes with the health insurance. Blue Cross Blue Shield (BCBS) quoted a 26% increase, so we asked our broker, HNI, to explore other providers and plan designs. The result was Priority Health. Priority Health proposed a 7% increase using the same choices we already had in place (i.e., HMO, PPO, HMO FSA) and they showed a 99% overlap in providers. They also guaranteed an 8.9% cap for next year.

The dental plan will stay the same. Life Insurance was a 30% increase; however, they gave us a two (2) year guarantee. Short- and long-term disability was a flat renewal rate, no increase.

Mr. Bilardello clarified the health plan is on a fiscal year with an effective date of October 1<sup>st</sup>. He also asked what the saving were from moving from BCBS to Priority Health. Ms. Medina said going over to Priority was less than half a million in savings.

Ms. Medina reported we are currently working through negotiations for our PL/PD. Preliminary numbers from the broker indicate an increase of 15% which we have planned for the budget. The increase is due to the market and not our experience. Our current loss is 2.49%. Our experience is getting better.

4. Five Year Operating Budget Projection

Ms. Medina noted our budget is always conservative. We assume a millage renewal and not a millage increase.

Expenses as of May Consumer Price Index (CPI) is 2.7%. With this projection we estimated a 4-5% increase in expenses year over year. In FY 28/29 our balance in the reserves will be approximately \$7.5M.

- 5. Annual Grant Budget

  EV 24/25 Proft Grant Budget this is based on information received from
  - $\label{eq:continuous} \text{FY 24/25 Draft Grant Budget this is based on information received from the Directors.}$
- 6. In Summary, Ms. Medina noted ridership is projected to climb conservatively. We will use \$4M in Preventative Maintenance, we will use \$8.2M in Reserves, Revenue will decrease by 0.7% while expenses will increase by 3.8% and we will continue to work closely with our insurance provider and to be good stewards of the funds we have.

Mayor Bliss noted she is grateful for the reserves we have in the budget, however in looking at the five-year projections it is concerning as there is a structural deficit. She feels being proactive before we get to that fiscal cliff is important and she is curious if we thought of a process to look at this, and to produce viable options now to solve the issue before we get to FY28/29.

Mr. Bilardello added to the mayor's comment by asking if there has been any discussion with the Finance committee on the sustainability of the funding and the fact we have a structural deficit.

Ms. Prato replied that we talked about the two revenue levers we have control over, which are fares and our contract service costs. Recommendations will be discussed later in the meeting. Otherwise, we rely on property taxes. Our millage is not up for renewal until 2029.

Mayor Carey noted Mayor Bliss' comments at what point do we start a working list of short-term strategies in the event we need to pull a lever.

Mayor Bliss added another comment. In thinking about the upcoming millage request, 1) planning needs to start well in advance, and 2) the thought of asking for more money for the same or a reduced level of service will not pass. When do we need to coordinate a friends of transit campaign, committee, or advocates, and what does that look like? It is a lot of work, and money needs to be raised. As we think about what our plan is, to solve these future deficits, we should also think strategically what that millage will look like and what is realistic.

Ms. Prato said in working with the Transit Master Plan (TMP), everyone is asking for expanded geography and service hours, overnight and more weekend service.

Ms. Coffman feels a communications plan is important as this building will look quite different in a year with the new childcare services that will be coming.

## Fare Policy

Ms. Medina highlighted the comments Ms. Prato stated regarding the kind of service the community wishes to have. She added there are three primary sources of revenue for operating: property taxes, state operating assistance (SOA), and passenger fares and sale of transportation services. The two items we have control over are passenger fares and the sale of transportation services. She reminded the board that at the June Finance committee discussed a few options and two will be brought to the full board.

In August 2013, the board established a Fare Policy guideline setting a farebox recovery threshold at 25%. If we reached that amount, it would prompt a fare evaluation. Then in the FY24 budget guidelines we included a provision that stated if SOA were below 29%, we would perform a fare analysis. With farebox recovery being at 11.1%, and SOA budgeted at 26% we did the analysis.

Through the analysis there were five (5) peer groups that were looked at. Through the process we found that our adult cash fare was comparable, but our monthly cap was low compared to our cash fare. We based our recommendation on keeping our fare at \$1.75 and increasing the fare by \$12.58, bringing the monthly to \$60.58.

Ms. Medina added when there is a fare change, there is an implementation process to go through that takes approximately six months. If we do increase the monthly fare cap to \$60, there is the potential for a \$1.9 M increase.

Ms. Medina added we also looked at our Contract Partners and the contract service rate we charge them. Currently we pass along 100% of the SOA. Our recommendation is to reduce it by 5% each year. If this happens it will not fill the gap, but it will help. Our partners will still be getting the benefits from the state.

Mayor Kepley agrees these two avenues are reasonable to help. We need to do something.

7. Rapid Connect Discussion

Ms. Prato gave a high-level discussion on the current state of Rapid Connect. The value is high, and the cost is high. Our recommendation is to discontinue Rapid Connect and continue PASS. We could then redeploy nine part-time operators to help with our consistent service delivery. This will give more stability. Route 33 in Walker is gaining some traction. In Kentwood, we are running Route 27. Our recommendation is to discontinue by January 1, 2025. This leaves plenty of time to communicate with the people using Rapid Connect. In the Union contract negotiations, the union

said they want the work. The customer app we have is not intuitive to use and we may need to use another partner like Uber or Lyft to help deliver the service.

Mr. Bilardello noted that riders were taking the faster and most convenient route.

Mayor Kepley requested that we get communication out soon, and often.

## b. Capital Budget Draft

## 1. Funding Sources

Mr. Wisselink reviewed our funding history. He noted we had a substantial increase in funding levels in 2022 which was the federal Infrastructure Investment and Jobs Act (IIJA). Another item to note from 2024, there was a substantial boost from the discretionary grant. Ms. Prato mentioned for funding for the low/no grant for the purchase of buses.

Funding Sources in the Capital Plan: There are 5307 and 5339 which are formula programs from the federal government and matched by the state provide our baseline funding. We also have 5337 funds for the Silver Line to keep it in a state of good repair. We did receive a carbon reduction grant that was received and reflected in this budget. All grants are matched 20% by the state of Michigan.

## 2. Capital Planning Committee Process

There is a team that meets regularly on this. We create a capital plan and bring it to the board. We will come back at the August board for authorization.

## 3. Fiscal Year 2025 Capital Projects

Mr. Wisselink noted we are nearly halfway through the FY funds that are authorized in 2025. Today we are talking about new funds until the end of the FY (Aug/Sep 2025). We have a scoring criterion which matches the FTA. Mr. Wisselink noted a slide that showed how all the projects scored.

#### 6. CHAIRS REPORT

Chairman Carey yielded the floor.

#### 7. ADJOURNMENT

The meeting was adjourned at 4:31 p.m.

The next meeting is scheduled for August 28, 2024

Respectfully submitted,

This Mosep

Kris Heald, Board Secretary



**Date:** August 28, 2024

**To:** ITP Board of Directors

From: Linda Medina, Director of Finance

Kevin Wisselink, Director of Procurement & Capital Planning

**Subject:** Proposed FY 24/25 Operating and Capital Budgets

#### **ACTION REQUESTED**

We are pleased to present for your approval the FY 24/25 proposed budgets. The operating budget is \$62,243,678 before utilizing federal capital preventative maintenance funds. The capital projects budget is \$39,900,661. The grant budget is \$24,138,473. Also included is a five-year operating budget projection.

## **BACKGROUND**

The focus for FY 24/25:

- To have reached a collective bargaining settlement with our labor partner and continue to create an environment which supports a positive and proactive culture with our labor leaders.
- Continue to analyze available labor force and internally create employee engagement, retention, and development opportunities.
- With the Transit Master Plan completed, we will continue to implement initiatives identified as underway or near-term.
- Continue to make capital investments in our facilities and employee work areas to foster a productive, safe, and efficient work environment.
- Continue to communicate with and advise our elected state officials on the value of transit and to urge the creation of new or reformed revenue streams for Local Bus Operating.
- Continue to improve on key performance indicators and develop community equity metric(s).
- Continue to implement new technology solutions to improve the customer experience and operational efficiency.
- Continue our fleet conversion to RNG and evaluation of alternative vehicle propulsion technologies to reach our 2050 Federal Transit Administration zero emission plan.
- Continue to build relationships through storytelling locally, regionally, and nationally to remain a visible transportation industry leader.
- Continue to build service schedules that meet customer expectations and provide employees with the ability to drive a schedule safely and on time.

## **Operating Budget Highlights**

Governor Whitmer signed the 2025 fiscal year state budget. Michigan Department of Transportation (MDOT) announced that the State Operating Assistance (SOA) will be 29.6045% an increase from the executive's proposed budget of 26%. This change positively impacts revenue by \$2,045,939 while Community Mental Health (CMH) decreased by \$23,180. CMH is subsidized by our current SOA percentage, since the SOA rate increased the CMH rate decreased. Revenue overall increased by \$2,022,759 from \$50,159,869 to \$52,182,628.

As we continued to analyze our numbers, a reduction of \$66,960 was made to the Materials and Supplies – Other budget. Expenses overall decreased from \$62,310,638 to \$62,243,678.

Two potential operating revenue scenarios, not included in the budget, were discussed at the July 24, 2024, Budget Workshop. Staff are analyzing these scenarios and will present the results and recommendations to the Board in the second half of FY 24/25.

With the increase in revenue and decrease in expenses, \$6,061,050 will now be utilized from reserves rather than \$8,150,769, a reduction of \$2,089,719.

FY 24/25 projected revenues increased 3.3% compared to FY 23/24 budget. Below are the FY 24/25 revenue highlights:

- Ridership is projected to slightly increase.
- The contract rate is \$72.78 for express service and \$88.10 for linehaul and GO!Bus.
- State Operating assistance is budgeted at 29.6045% of eligible expenses compared to the FY 23/24 rate of 34.3056%
- The property tax levy is 1.47 mills (1.3950 after Headlee and captures) as approved by the ITP Board in June 2024.
- This budget anticipated the use of \$4 million in capital funds in accordance with Federal regulations.

FY 24/25 expenses increased 3.7% from FY 23/24. Below are the highlights:

- Mid to high range contributions are budgeted for Administration and Union defined benefit plan.
- The budget includes 6 new positions: 1 Transportation Supervisor, 1 Vehicle Technology Coordinator, 1 - Application Systems Analyst, and 3 - Fleet Detail and Utility Technicians.
- While phasing out the diesel buses, the RNG fleet continues to grow to provide fuel price stability.
- Purchase Transportation revenue hour rate is projected to increase 3% and a 5% increase in annual trips for GO!Bus and Hope Network.

## Five-Year Operating Budget

The five-year operating budget is based on the FY 24/25 proposed budget along with a conservative increase of 3.5% in revenue each year through FY 27/28. State Operating Assistance reflects a flat rate of 29%. Expenses are projected to increase an average of 4% each year. Capital preventative maintenance funds are programmed in accordance with Federal regulations. The receipt of federal funding allows us to preserve greater reserves, which are applied in future years to support our operating budget, offsetting our ongoing fare revenue gap.

## Five Year Capital Improvement Plan

The Rapid's FY 2025 Capital Improvement Plan totals \$30,900,661. The Capital projects in The Rapid's 2025 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 The Rapid's normal 5307, 5337, and 5339 federal apportionments as well as a pending congressional funding request. The budget is over budget by about \$3,000,000, depending on actual funding levels. There are several items in the capital plan which have yet to be resolved, including real estate acquisition. These items will be clarified through the rest of the year allowing for refinement of the final capital budget. This revision will come to the Board in early 2025 when the Transportation Improvement Plan Action Item comes to the Board for review and approval.

Below are the highlights for the FY 24/25 Capital Improvement Plan:

- Funding for major projects to improve Rapid operations, including the construction of a demand response operations center at Busch Drive to improve paratransit operations.
- A significant investment in The Rapid's GO!Bus vehicles, bringing the fleet into a state of good repair.
- The plan includes a set-aside of \$5,000,000 for real estate acquisition that will allow The Rapid to respond to land acquisition opportunities as they arise.
- A congressional funding request for a Bus Collision Avoidance System. The current bill includes funding for this project, but the bill is still moving through the legislative process.

Staff are dedicated to quality customer care and providing efficient and cost-effective services to the community as well as demonstrating careful stewardship. The Rapid's leadership team will continue to examine our operation to increase revenues, control costs and improve efficiencies.

Please feel free to reach out to Linda Medina directly at (616) 774-1149 or <a href="mailto:linearing-indetherapid.org">lmedina@ridetherapid.org</a> with any additional questions regarding the operating budget or Kevin Wisselink at 616-774-1190 or <a href="mailto:kwisselink@ridetherapid.org">kwisselink@ridetherapid.org</a> with regarding the capital grants budget.



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## Five Year Operating Projection

- Revenue
- Expenses
- Highlights

# FY 24/25 Grant Projections

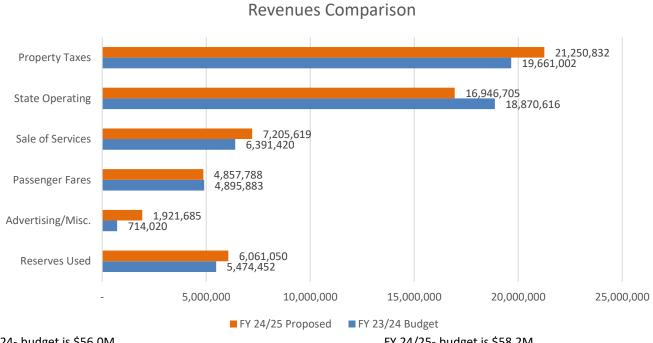
## Summary

# FY 23/24 Operating Budget – Revenue

									FY 24/25 Prop	osed
	FY 18/19	FY 19/20	FY 21/22		FY 22/23	FY 23/24		FY 24/25	vs. FY 23/24 B	udget
	Actual	Actual	Actual		Actual	Budget	Budget		\$	%
Revenues and Operating Assistance										
Passenger Fares	\$ 6,611,260	\$ 4,105,834	\$ 4,216,120	\$	4,534,783	\$ 4,895,883	\$	4,857,788	\$ (38,095)	-0.8%
Sale of Transportation Services										
Grand Valley State University	\$ 2,466,820	\$ 2,282,372	\$ 3,257,449	\$	3,188,376	\$ 3,682,642	\$	3,743,876	\$ 61,234	1.7%
DASH Contract	2,365,359	2,058,507	2,289,137		1,659,742	1,856,468		2,522,264	665,796	35.9%
Township Services	548,036	570,393	425,945		388,759	185,836		204,912	19,076	10.3%
Other	202,981	220,356	201,194		203,024	218,635		282,557	63,922	29.2%
CMH Contribution	724,649	390,640	393,262		403,637	447,839		452,010	4,171	0.9%
Route 19	468,408	248,366								
Vanpool Transportation	115,696	57,302	64,517		(1,243)					
Subtotal Sale of Transportation Services	\$ 6,891,949	\$ 5,827,936	\$ 6,631,504	\$	5,842,295	\$ 6,391,420	\$	7,205,619	\$ 814,198	12.7%
State Operating	\$ 14,894,724	\$ 13,849,041	\$ 15,105,760	\$	14,310,222	\$ 18,870,616	\$	16,946,705	\$ (1,923,911)	-10.2%
Property Taxes	16,237,538	16,791,217	18,012,199		18,867,978	19,661,002		21,250,832	1,589,830	8.1%
Advertising and Miscellaneous	554,551	649,209	875,415		1,907,029	714,020		1,921,685	1,207,665	169.1%
Subtotal Revenues and Operating Assistance	\$ 45,190,024	\$ 41,223,237	\$ 44,840,999	\$	45,462,307	\$ 50,532,941	\$	52,182,628	\$ 1,649,687	3.3%
Grant Operating Revenue		2,355,997	20,442,504		8,321,660					
Reserves Used						5,474,452		6,061,050	586,599	10.7%
Total Revenues and Operating Assistance	\$ 45,190,024	\$ 43,579,234	\$ 65,283,503	\$	53,783,968	\$ 56,007,392	\$	58,243,678	\$ 2,236,286	4.0%

- Highlighted items reflect the change in State Operating Assistance
  - Originally budgeted 26% in FY 24/25; switched to 29.6045%, a \$2M increase
  - CMH's revenue is based on SOA passthrough, increasing SOA reduced this revenue by \$23K
  - Lowered expected reserves used from \$8.2M to \$6.1M

# Comparison to Previous Fiscal Year



FY 23/24- budget is \$56.0M

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

FY 24/25- budget is \$58.2M

\$52.2M- regular revenue, \$6.1M- reserves

# Revenue Highlights Compared to FY 23/24

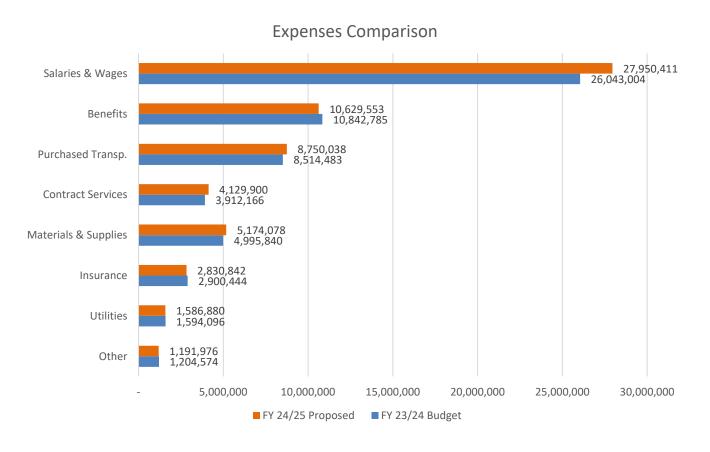
- \$38K (0.8%) decrease in Total Fares
  - Forecasting a 24% decrease in paratransit rides from FY 23/24 budget at \$3.50 per ride
  - Forecasting a 5% increase in linehaul fares at an average \$.080 per ride, which includes Adult,
     Youth, Reduced, and cash fare types.
- \$814K (12.7%) increase in Sale of Transportation Services
  - New contract service rate is \$72.78 for Linehaul service, \$88.10 for Linehaul & Go!Bus service
  - DASH has higher revenue hours than FY 23/24 due to the addition of Monday/Tuesday circulators
- Property Taxes reflects a \$1.6M (8.1%) increase, at a rate of 1.3950 mills
- State Operating Assistance decreased significantly from previous year
  - FY 23/24: budgeted 34.3056%, FY 24/25: budgeted 29.6045%
- \$1.2M (169.1%) increase in Advertising and Miscellaneous
  - Successful bus advertising campaign, increase in RIN credits, and the addition of Alternative Fuel Tax credit on CNG and propane usage

# FY 24/25 Operating Budget – Expenses

											FY 24/25 Prop	osed
		FY 18/19		FY 19/20		FY 21/22		FY 22/23	FY 23/24	FY 24/25	vs. FY 23/24 Bu	ıdget
		Actual		Actual		Actual		Actual	Budget	Proposed	\$	<u>%</u>
Operating Expenses												
Salaries and Wages												
Administrative	\$	4,400,948	\$	6,118,778	\$	4,449,829	\$	4,793,970	\$ 7,226,978	\$ 7,826,769	\$ 599,791	8.3%
Operator		12,508,602		10,286,500		11,891,322		12,093,929	16,033,168	17,173,678	1,140,510	7.1%
Maintenance		1,840,683		1,896,150		1,846,222		2,100,983	2,782,858	2,949,964	167,107	6.0%
Subtotal Salaries and Wages	\$	18,750,233	\$	18,301,428	\$	18,187,373	\$	18,988,882	\$ 26,043,004	\$ 27,950,411	\$ 1,907,407	7.3%
Benefits	\$	10,670,188	\$	10,336,791	\$	9,508,010	\$	10,156,108	\$ 10,842,785	\$ 10,629,553	\$ (213,232)	-2.0%
Contractual Services	\$	2,653,123	\$	2,644,897	\$	3,441,342	\$	3,475,406	\$ 3,912,166	\$ 4,129,900	\$ 217,734	5.6%
Materials and Supplies												
Fuel and Lubricants	_	2,710,729	_	1,689,996		2,838,082	_\$	2,716,979	\$ 3,026,466	\$ 3,029,049	\$ 2,582	0.1%
Other	_	2,024,395	_	1,780,345	_	1,603,522	_	1,748,878	1,969,374	2,145,030	175,656	8.9%
Subtotal Materials and Supplies	\$	4,735,124	\$	3,470,341	\$	4,441,604	\$	4,465,857	\$ 4,995,840	\$ 5,174,078	\$ 178,238	3.6%
Utilities, Insurance, & Miscellaneous	\$	3,039,242	\$	3,089,703	\$	4,101,635	\$	4,420,125	\$ 5,699,115	\$ 5,609,698	(89,416)	-1.6%
Purchased Transportation	\$	7,480,048	\$	5,326,226	\$	5,558,119	\$	7,269,466	\$ 8,514,483	\$ 8,750,038	\$ 235,555	2.8%
Operating Expenses before Capitalized Operating	\$	47,327,958	\$	43,169,386	\$	45,238,083	\$	48,775,844	\$ 60,007,392	\$ 62,243,678	\$ 2,236,286	3.7%
Capitalized Operating Expenses		(1,511,393)						(3,186,414)	(4,000,000)	(4,000,000)	-	0.0%
Total Operating Expenses	\$	45,816,565	\$	43,169,386	\$	45,238,083	\$	45,589,430	\$ 56,007,392	\$ 58,243,678	\$ 2,236,286	4.0%
Reserves Used				1,812,352	\$	397,084	\$	127,123	\$ 5,474,452	\$ 6,061,050	586,599	10.7%

Highlighted items reflect the change in Other Materials and Supplies, reduction of approximately \$67K

# Comparison to Previous Fiscal Year



# Expense Highlights Compared to FY 23/24

- \$1.9M (7.3%) increase in wages and salaries
  - 6 additional positions
  - New Collective Bargaining Agreement
- \$329K (1.0%) increase in overall remaining expenses

# 5-Year Forecast - Revenue

	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
	ACTUALS	ACTUALS	APPROVED	PROPOSED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Revenues and Operating Assistance								
Passenger Fares	\$ 4,216,120	\$ 4,534,783	\$ 4,895,883	\$ 4,857,788	\$ 4,999,339	\$ 5,097,466	\$ 5,197,536	\$ 5,299,590
Sale of Transportation Services	6,736,063	5,932,328	6,391,420	7,205,619	7,498,383	7,804,887	8,125,800	8,460,889
State Operating Assistance	15,105,760	14,310,222	18,870,616	16,946,705	17,813,811	18,653,302	19,535,104	20,458,814
Property Taxes	18,012,199	18,867,978	19,661,002	21,250,832	21,888,357	22,545,007	23,221,358	23,917,998
Advertising & Miscellaneous	\$770,856	\$1,816,996	\$714,020	\$1,921,685	\$1,974,933	\$2,032,117	\$2,093,616	\$2,159,848
Subtotal Revenues and Operating Assistance	\$ 44,840,999	\$ 45,462,307	\$ 50,532,941	\$ 52,182,628	\$ 54,174,823	\$ 56,132,779	\$ 58,173,414	\$ 60,297,139
Grant Operating Revenues (COVID Relief)	20,442,306	8,321,660						
Reserves Used			5,474,452	6,061,050	7,252,113	8,197,077	9,197,140	10,258,621
Total Revenues and Operating Assistance	\$65,283,305	\$53,783,967	\$56,007,392	\$58,243,678	\$61,426,936	\$64,329,856	\$67,370,554	\$70,555,760

# 5 Year Forecast - Expenses

								,
	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
	ACTUALS	ACTUALS	APPROVED	PROPOSED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Expenses								
Salaries and Wages	\$ 18,187,373	\$ 18,988,882	\$ 26,043,004	\$ 27,950,411	\$ 29,347,932	\$ 30,815,328	\$ 32,356,095	\$ 33,973,899
Benefits	9,508,010	10,156,108	10,842,785	10,629,553	11,609,325	12,134,679	12,686,949	13,267,543
Contractual Service	3,441,342	3,475,406	3,912,166	4,129,900	4,231,395	4,442,965	4,665,113	4,898,369
Materials and Supplies	4,441,604	4,465,857	4,995,840	5,174,078	5,360,912	5,521,843	5,688,822	5,862,112
Utilities, Insurance, and Miscellaneous	4,101,635	4,420,125	5,699,115	5,609,698	5,864,832	6,132,126	6,412,171	6,705,591
Purchased Transportation	5,558,119	7,269,466	8,514,483	8,750,038	9,012,539	9,282,915	9,561,403	9,848,245
Expenses Before Capitalized Operating	\$ 45,238,083	\$ 48,775,844	\$ 60,007,392	\$ 62,243,678	\$ 65,426,936	\$ 68,329,856	\$ 71,370,553	\$ 74,555,760
Capitalized Operating Expenses		(3,186,414)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Total Operating Expenses	\$45,238,083	\$45,589,430	\$56,007,392	\$58,243,678	\$61,426,936	\$64,329,856	\$67,370,554	\$70,555,760
								<del></del>
Reserves Used	397,084	127,123	5,474,452	6,061,050	7,252,113	8,197,077	9,197,140	10,258,621
Reserve Balance	\$47,977,559	\$56,172,096	\$50,697,645	\$44,636,595	\$37,384,482	\$29,187,405	\$19,990,265	\$ 9,731,644
							Deficit	\$ -

# 5-Year Operating Projection

# Assumptions

- Revenues are increasing at an average of 3.5% year over year
- State Operating Assistance is budgeted at 29% starting in FY 25/26
- Expenses are increasing at an average of 4% year over year
- Capital preventative maintenance funds are programed through FY 28/29

## Conclusion

Reserves will be \$9.8M at the end of FY 28/29

# FY 24/25 Grant Projections

	Adopted Budget	,	Amended Budget	Month To Date	Year To Date	Balance
Grant Revenue Federal Grant Assistance State Grant Assistance Transfer In - Operating Budget Use of Restricted Net Assets Other Local	\$ 19,310,779 4,827,695 - -	\$	19,310,779 4,827,695 - -	\$ - - - -	\$ - - - -	\$ 19,310,779 4,827,695 - -
Total Grant Revenue	\$ 24,138,473	\$	24,138,473	\$ -	\$ -	\$ 24,138,473
<u>Labor</u> Administrative Salaries Fringe Benefit Distribution	40,000 20,000		40,000 20,000		-	40,000 20,000
Total Labor	60,000		60,000	-	-	60,000
Materials & Supplies Tires & Tubes Office Supplies Printing	\$ 900,000 1,000 1,000	\$	900,000 1,000 1,000	\$ - - -	\$ 	\$ 900,000 1,000 1,000
Total Materials & Supplies	\$ 902,000	\$	902,000	\$ -	\$ -	\$ 902,000
Purchased Transportation Purchased Transportation Specialized Services	\$ 1,200,000 795,474	\$	1,200,000 795,474	\$ 	\$ 	\$ 1,200,000 795,474
Total Purchased Transportation	\$ 1,995,474	\$	1,995,474	\$ -	\$ -	\$ 1,995,474
Other Expenses Dues & Subscriptions Professional Development	\$ 30,000 30,000	\$	30,000 30,000	\$ 	\$ 	\$ 30,000 30,000
Total Other Expenses	\$ 60,000	\$	60,000	\$ -	\$ -	\$ 60,000
<u>Capital</u> Rolling Stock Facilities Equipment Other	\$ 10,463,411 1,208,000 938,843 4,053,116	\$	10,463,411 1,208,000 938,843 4,053,116	\$ - - -	\$ - - -	\$ 10,463,411 1,208,000 938,843 4,053,116
Total Capital	\$ 16,663,370	\$	16,663,370	\$ -	\$ -	\$ 16,663,370
Planning Services Capitalized Operating	457,630 4,000,000		457,630 4,000,000	-	-	457,630 4,000,000
Total Expenditures	\$ 24,138,473	\$	24,138,473	\$ -	\$ -	\$ 24,138,473

- Anticipating \$24.1M in grant expenses for FY 24/25
- \$10.5M spent in Rolling Stock includes purchases of 9 new bus builds
- \$4.1 M spent in Other includes associated capital, shelters, service vehicles, and IT hardware/software

# Summary

- Ridership is projected to slightly climb
- \$4.0M in capital funds for preventative maintenance as allowed by Federal regulations
- Proposed revenues to increase 3.3%, prior to accounting for reserves used
- Proposed total expenses to increase 3.7%
- \$6.1M in reserves will be used to offset revenue decreases (fares and state operating assistance)
- Reserves will deplete to \$9.8M by the end of FY 28/29
- Staff remains committed to identifying revenue strategies within our control
- Continue to communicate the value of transit to urge the creation of new or reformed revenue streams

The Rapid's 5-Year Capital Improvement Plan

ITP Board Meeting

August 28, 2024

# Table of Contents

Funding Sources

Capital Planning Committee Process

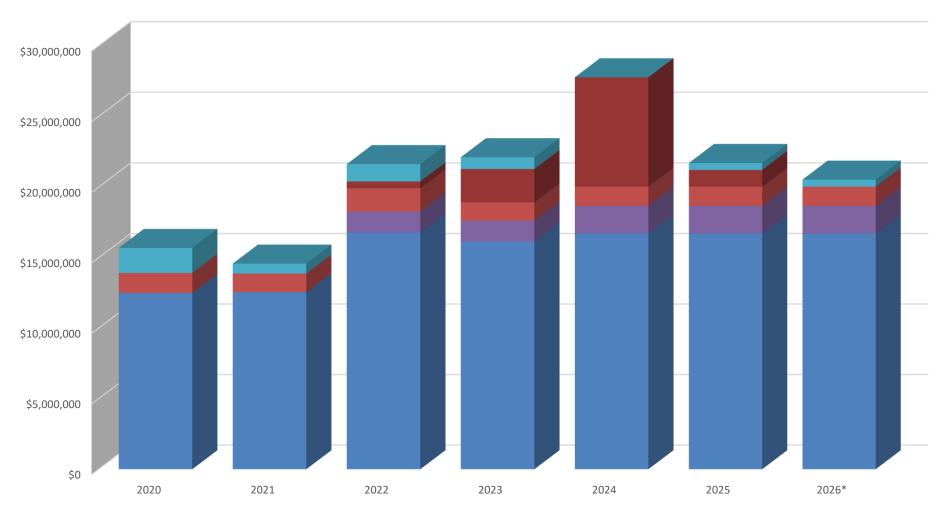
Fiscal Year 2025 Capital Projects



# **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%

5337 – 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

CMAQ – Congestion Mitigation and Air Quality funds, used to fund our Transportation Demand Manage activities and purchase vehicles



# Other Funding Sources

# **Discretionary Funding Award**

- The Rapid applied for a Congressional Directed Spending Request for a Bus Collision Avoidance System
- The Rapid received a Carbon Reduction grant through the Michigan
   Department of Transportation to purchase demand response vehicles

# Michigan Department of Transportation

Matches most of our federal grants at 20%



# Capital Planning Committee Process



# Capital Planning Committee Process

- January 2024: finalized capital project application process and evaluation criteria;
   sent out a call for projects
- April 2024: project submission deadline; collected and refined projects
- May June 2024: determined project scores and prioritization
- June July 2024: created 5-Year Capital Plan based on project scoring and funding availability
- July 24, 2024: bringing the 5-Year Capital Improvement Plan to the Board Budget Meeting for review; will make changes based on Board input
- August 28, 2024: bringing the 5-Year Capital Improvement Plan to the Board meeting for approval



# Federal FY 2025 Grant Application Timeline

Spring 2025 August 2024 Winter 2025 **Late Summer** 2025 Approve 5 Submit FY Submit FY **Year Capital** 2025 TIP 2025 FTA Receive FY Amendment Plan **Application** 2025 Funds



Capital Planning Investment Decision (		
	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	Capital Project
Reduce operational cost impacts	10	
Apply continuous improvement to service delivery	5	Selection Criteria
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	

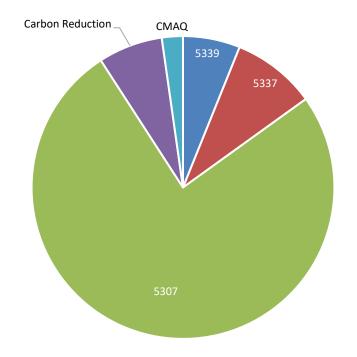
Project Title	Score
Replacement Demand Response Vehicles	88.8
Revenue Tire Lease	82.3
New BRT Stations	79.3
Farebox Replacement	76.3
Bus Collision Avoidance System	74.3
Shop Equipment	73.0
Facilities Rehab	71.5
Wealthy HVAC	71.3
Dispatch Remodel	71.0
Wealthy Bus Entrance	70.3
Intelligent Transportation Systems	70.0
New Shelters/Stop Improvements	69.8
Computer Software	69.3
Computer Hardware	68.8
Real Estate Acquisition	67.0
Paratransit Bus Camera System	66.5
Security General	64.8
On-Bus Video Storage Hardware Upgrade	64.5
Driver Protection Barrier	54.5

# Capital Project Scoring

# FY 2025 Capital Projects



# FY 2025 Capital Project Plan by Funding Source



FY 2025 Capital Plan Funding: \$22,048,234



# Purchase fixed route buses: \$496,010





Purchase demand response buses: \$5,567,988

Vehicle Purchase: \$7,244,998



Bus Collision Avoidance Systems \$1,181,000





New Shelters: \$400,000



Real Estate Acquisition: \$5,000,000





Busch Drive Expansion: \$6,000,000





Dispatch Remodel: \$400,000



General Rehabilitation: \$50,000





BRT Station Rehabilitation: \$1,976,496



ROC HVAC Rehabilitation: 100,000





Facility and Shop Equipment: \$29,844



Revenue Tire Lease: \$312,518

Equipment and Parts: \$487,362



Security Equipment: \$145,000



# Farebox Replacement: \$1,918,805



IT Hardware: \$335,000



Information Technology: \$3,755,805



IT Software: \$475,000



Intelligent Transportation
Systems: \$600,000





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



Preventive Maintenance: \$4,000,000

Operations and Planning: \$5,436,000



Transportation Planning: \$236,000





#### INTERURBAN TRANSIT PARTNERSHIP BOARD OF DIRECTORS

RESOLUTION No. 082824-1

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 1.3950 mills of ad valorem property taxes for the purpose of providing public transportation services during FY 2025: and

Whereas the 1.3950 millage rate reflects a slight decrease in the millage rate levied by the Interurban Transit Partnership Board of Directors ("ITP Board") in FY 2024 (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 Budgets are contained in the budget document presented to the ITP Board;

THEREFORE, BE IT RESOLVED that the ITP Board hereby adopts the FY 2025 Operating and Grant Budgets as presented to the ITP Board on August 28, 2024.

BE IT FURTHER RESOLVED that the ITP Board hereby approves the 1.3950 budgeted millage rate for FY 2025 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 (\$62,243,678 Operating), (\$24,138,473 Grant Annual) and (\$39,900,661 Grant Projects) 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

# Interurban Transit Partnership FY 23/24 Grant Statement Budget Amendment

Grant Revenue         16,232,189         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,200,236         20,2		Adopted Budget	Adjusted Budget	Amendment Amount	New Budget Total
Materials & Supplies         322,000         322,000         -         322,000           Office Supplies         -	Federal Grant Assistance State Grant Assistance Transfer In - Operating Budget Use of Restricted Net Assets			: : :	
Materials & Supplies         322,000         322,000         322,000           Office Supplies         -         -         -         -           Printing         -         -         -         -         -           Total Materials & Supplies         322,000         322,000         -         322,000           Purchased Transportation         1,200,000         1,200,000         -         1,200,000           Specialized Services         -         -         -         -         -         -           Total Purchased Transportation         1,200,000         1,200,000         -         1	South Commontain State Conditions				20,200,226
Tires & Tubes         322,000         322,000         -         322,000           Office Supplies         -         -         -         -           Printing         -         -         -         -           Total Materials & Supplies         322,000         322,000         -         322,000           Purchased Transportation         1,200,000         1,200,000         -         1,200,000           Specialized Services         -         -         -         -         -         -           Total Purchased Transportation         1,200,000         1,200,000         -         1,859         -         1,859	Total Grant Revenue	20,290,236	20,290,236	*	20,290,236
Purchased Transportation         1,200,000         1,200,000         -         1,200,000           Specialized Services         -	Tires & Tubes Office Supplies	322,000	322,000 - -		322,000
Purchased Transportation         1,200,000         1,200,000         -         1,200,000           Specialized Services         -         -         -         -           Total Purchased Transportation         1,200,000         1,200,000         -         1,200,000           Other Expenses         26,000         27,432         -         27,432           Professional Development         -         -         -         -         -           Miscellaneous         -         1,859         -         1,859           Total Other Expenses         26,000         29,291         -         29,291           Capital         -         1,362,609         -         29,291           Rolling Stock         4,320,079         4,920,079         8,000,000         12,920,079           Facilities         3,617,625         4,955,011         -         4,955,011           Equipment         675,298         1,362,609         -         1,362,609           Other         1,742,950         3,062,091         -         3,062,091           Total Capital         10,355,952         14,299,790         8,000,000         22,299,790           Planning Services         4,932,231         985,102         -	<b>Total Materials &amp; Supplies</b>	322,000	322,000	₩	322,000
Other Expenses         26,000         27,432         -         27,432           Professional Development Miscellaneous         -         -         -         -         -         -         1,859         -         1,859           Total Other Expenses         26,000         29,291         -         29,291         -         29,291           Capital Rolling Stock         4,320,079         4,920,079         8,000,000         12,920,079	Purchased Transportation	1,200,000	1,200,000	2	1,200,000
Dues & Subscriptions         26,000         27,432         -         27,432           Professional Development         -	Total Purchased Transportation	1,200,000	1,200,000	*	1,200,000
Capital Rolling Stock         4,320,079         4,920,079         8,000,000         12,920,079           Facilities         3,617,625         4,955,011         -         4,955,011           Equipment         675,298         1,362,609         -         1,362,609           Other         1,742,950         3,062,091         -         3,062,091           Total Capital         10,355,952         14,299,790         8,000,000         22,299,790           Planning Services         4,932,231         985,102         -         985,102           Capitalized Operating         3,454,053         3,454,053         -         3,454,053	Dues & Subscriptions Professional Development	26,000 - -	· ·	-	~ <u>*</u>
Rolling Stock       4,320,079       4,920,079       8,000,000       12,920,079         Facilities       3,617,625       4,955,011       -       4,955,011         Equipment       675,298       1,362,609       -       1,362,609         Other       1,742,950       3,062,091       -       3,062,091         Total Capital       10,355,952       14,299,790       8,000,000       22,299,790         Planning Services       4,932,231       985,102       -       985,102         Capitalized Operating       3,454,053       3,454,053       -       3,454,053	Total Other Expenses	26,000	29,291	·	29,291
Planning Services         4,932,231         985,102         -         985,102           Capitalized Operating         3,454,053         3,454,053         -         3,454,053	Rolling Stock Facilities Equipment	3,617,625 675,298	4,955,011 1,362,609	8,000,000 - - -	4,955,011 1,362,609
Capitalized Operating 3,454,053 - 3,454,053 - 3,454,053	Total Capital	10,355,952	14,299,790	8,000,000	22,299,790
Total Expenditures 20,290,236 20,290,236 8,000,000 28,290,236				e.	
	Total Expenditures	20,290,236	20,290,236	8,000,000	28,290,236



**Date:** August 28, 2024

To: ITP Board of Directors

From: Linda Medina, Director of Finance

**Subject:** FY 23/24 Grant Budget Amendment

#### **ACTION REQUESTED**

Request approval from the ITP Board to amend the Grant Statement budget, increasing it to \$28,290,236.

#### **BACKGROUND**

The Grant Statement reports grant revenue and expenses throughout the current fiscal year. Please note that the expenses in the Grant Statement are separate from the funding amounts presented by Kevin Wisselink in the 5-year Capital Plan.

The Grant Statement is developed in conjunction with the annual Operating Budget. Budget assumptions were made using information that was available in July 2023. Since that time, additional buses have been procured, necessitating an amendment to the Rolling Stock budget line.

For any further inquiries regarding the attached financial reports, please don't hesitate to contact me directly at (616) 774-1149 or Imedina@ridetherapid.org.



## INTERURBAN TRANSIT PARTNERSHIP BOARD OF DIRECTORS

RESOLUTION No. 082824-3

Fiscal Year: 2023-2024

Moved and supported to adopt the following resolution:

Approval of the FY 23/24 Grant Statement Amendment.

BE IT RESOLVED that the Interurban Transit Partnership (ITP) Board has reviewed and hereby adopts the FY 23/34 Grant Statement Amendment in accordance with the information presented to the ITP Board on August 28, 2024.

## **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	Secreta	ary
Date				



**Date:** August 28, 2024

**To:** ITP Board

From: Kevin Wisselink, Director of Procurement and Capital Planning

Steve Clapp, Director of Fleet Maintenance

Subject: PROJECT 2024-45: ROAD SERVICE TRUCK FLEET MAINTENANCE –

SPARTA CHEVROLET

## **ACTION REQUESTED**

Authorization is requested from the Interurban Transit Partnership (ITP) Board to enter into a one-time contract with Sparta Chevrolet for one (1) road service truck for fleet maintenance.

## **BACKGROUND**

The current 2005 Ford F550 Super Duty is 19 years old and will be repurposed for emergency road call response from the Laker Line Operations Center (LLOC), which has far less of a need for that compared to the Wealthy Operation Center. There is currently only one vehicle for emergency road calls for both facilities, so keeping the older vehicle in service will create efficiency for our team. The 19-year-old vehicle has low miles and is well maintained.

#### **PROCUREMENT**

The Procurement was released as a Request for Quotations (RFQ). This means that the selected bid is based on lowest quote. This method of procurement is required by the Federal Transit Administration.

The Rapid went out to bid for this vehicle, emailing the RFQ to a list of bidders from a previous procurement.

One (1) responsive bid was received from Sparta Chevrolet, with a bid amount of \$117,747.20.

The Rapid reviewed Sparta Chevrolet's financial proposal to be fair and reasonable.

#### **FUNDING**

Funding will be derived from approved Federal and State capital assistance grants. No local match is required.



## INTERURBAN TRANSIT PARTNERSHIP BOARD OF DIRECTORS

RESOLUTION No. 082824-4

Fiscal Year: 2023-2024

Moved and supported to adopt the following resolution:

Approval to enter a contract with execute a contract with Sparta Chevrolet in the amount of \$117,747.20 for the purchase of road service truck for fleet maintenance.

BE IT RESOLVED that the ITP CEO is hereby authorized to execute a contract with Sparta Chevrolet in the amount of \$117,747.20 for the purchase of road service truck for fleet maintenance in accordance with the information presented to the ITP Board on August 28, 2024.

## **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 28, 2024

**To:** ITP Board

From: Steve Schipper, Chief Operating Officer

Subject: COLLECTIVE BARGAINING AGREEMENT

#### **ACTION REQUESTED**

Authorization is requested from the ITP Board to enter into a collective bargaining agreement that spans the period August 28, 2024 – August 28, 2027. A resolution authorizing the Chief Executive Officer to execute this agreement with Amalgamated Transit Union (ATU) Local 836 is attached for Board approval.

#### **BACKGROUND**

The Collective Bargaining Agreement between ITP and ATU Local 836 (representing bus operators and maintenance technicians) expired on June 9, 2024, and there is currently an extension to the agreement in place. Management and ATU representatives have been meeting periodically since February of 2024 for a successor agreement. A tentative agreement was reached between the parties on August 1, 2024. The ATU scheduled a ratification vote on August 7, 2024, and ATU members voted in favor of the agreement.

#### \*HIGHLIGHTS OF AGREEMENT:

Operator Wages	Year 1	\$3.00
	Year 2	4%
	Year 3	4%
Technician Wages	Year 1	6%
	Year 2	4%
	Year 3	4%
Wage Premium	Operator Trainers	\$1.50 (increase \$.50)
Wage Premium	Technician Night Shift	\$1.00 (increase \$.25)
NEW Shift Premium	Operator Night Premium	\$1.00 for all runs scheduled to end between 10pm and 2am
NEW Shift Premium	Operator Weekend Premium	\$1.00 All weekend runs
NEW Floating Holiday	All ATU	In recognition of holidays in which service is
		provided (Juneteenth, MLK, Veterans Day, etc.)
NEW Promotional Language	Technicians	Allows promotion to higher classifications via years
		of service and demonstrated performance
NEW Time Accruals	All ATU 1st year of employment	Complies with new paid leave law
Probationary Period	Operators	90-day Probationary period changes from date of hire
•	·	to 90-days after graduation from Trainee to Bus
		Operator
Attendance	Operators	Changes from 1 hour prior to shift start to 10am the
	_	day prior, for an absence, for those with accrued
		time, to be considered approved/excused.
Ratification Bonus	All Active ATU	\$250 following Union Vote and Board approval to
Trainioadon Bondo	7.11.7.10.11.0	execute the agreement
		execute the agreement

<sup>\*</sup>Summarized. See attached agreement for contract language

With this agreement we demonstrate our commitment to our valued employees and continue to foster a positive and proactive relationship with our labor partners.



## INTERURBAN TRANSIT PARTNERSHIP BOARD OF DIRECTORS

RESOLUTION No. 082824-5

Fiscal Year: 2023-2024

Moved and supported to adopt the following resolution:

Authorization is requested from the ITP Board to enter into a collective bargaining agreement that spans the period August 28, 2024 – August 28, 2027.

BE IT RESOLVED that the resolution authorizing the Chief Executive Officer to execute this agreement with Amalgamated Transit Union (ATU) Local 836 is attached for Board approval.

## **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	Secret	ary



DATE: August 28, 2024

TO: ITP Board

FROM: Jason Prescott

SUBJECT: JULY 2024 PARATRANSIT RIDERSHIP REPORT

## Paratransit ridership information for July 2024, as compared to July 2023

	2024	2023	% Change
Total Paratransit			
Ridership	18,227	16,814	8.4%
ADA Ridership	15,206	13,315	14.2%
Non-Disabled Senior			
(NDS) Ridership	134	104	28.8%
PASS Ridership	194	148	31.1%
Network 180	2,242	2,653	-15.5%

## Ridership averages, as compared to 2023

	2024	2023	% Change
Weekday Ridership	624	613	1.8%
Saturday Ridership	230	209	10.0%
Sunday Ridership	208	210	-1.0%

## **Other Performance Measures**

	2024	2023	% Change
On-Time Performance	94.50%	78.00%	21.2%
On-Time Drop-Off	98.00%	88.00%	11.4%
Average Cost Per Trip	\$54.46	\$41.40	31.5%



**Date:** August 28, 2024

To: Board of Directors

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

Subject: Rapid Connect July 2024 Monthly Report

#### **OVERVIEW**

Rapid Connect mobility on-demand program report from Monday, July 1 through Wednesday, July 31.

#### HISTORICAL CONTEXT

The Rapid Connect service launched on January 3<sup>rd</sup>, 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, 2,322 people have signed up to use this new service.

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

#### **CURRENT RIDERSHIP**

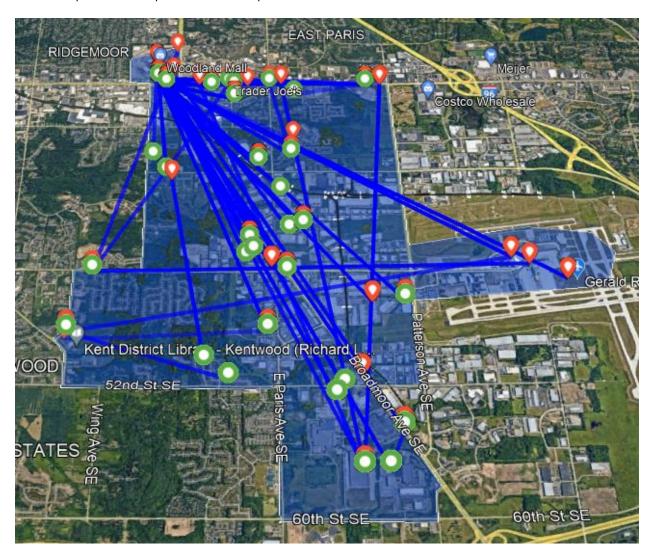
Between Monday, July 1 and Wednesday, July 31, 2024 (1 month service period), there were a total of 962 completed trips.



There were 601 completed trips in Kentwood (62%), and 361 trips completed in Walker (38%). There were 55 individual riders in Kentwood and 28 in walker that made up these trip counts for the month of July.

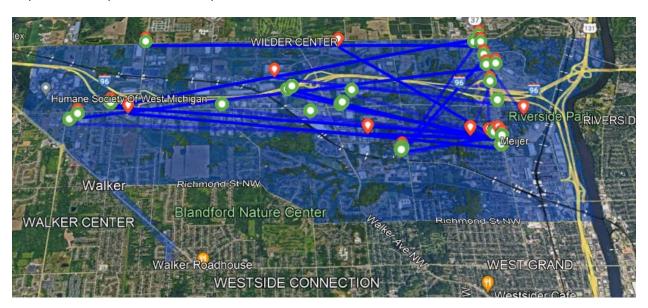
The average fare trip distance in Kentwood is 2.96 miles, and 2.95 miles in Walker. The fare trip distance is the distance between the pickup and drop off points and does not consider other stops on the route.

The earliest trip in Kentwood for July had a reported arrival time of 5:51 a.m. The latest trip was completed at 9:52 p.m.





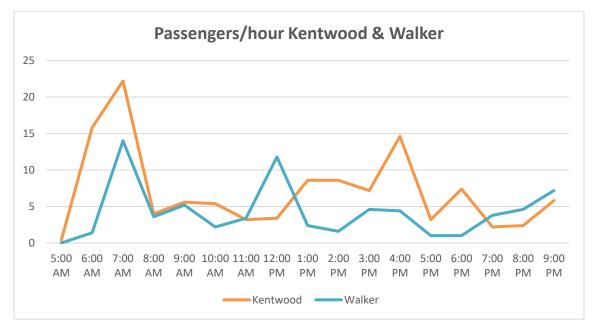
The earliest trip in Walker for July had a reported arrival time of 6:03 a.m. The latest trip was completed at 9:59 p.m.

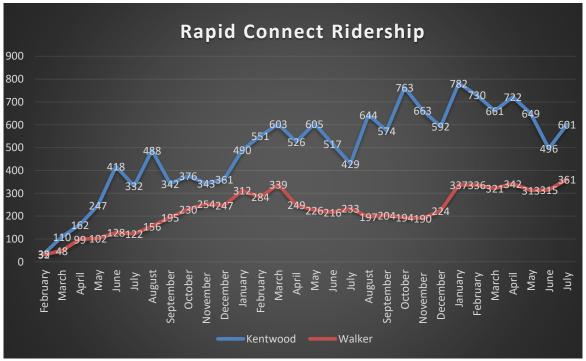


8 Destinations were visited in the expanded zone for July 2024.

566 Lankamp St. NW 2263 E Oak St. NW 3000 Alpine Ave NW 3248 Alpine Ave NW 3352 Alpine Ave NW 3515 Alpine Ave NW 3531 Alpine Ave NW 3596 Alpine Ave NW







ADA	2024	2023	Change	% Change
Clients	1,231	1,155	76	6.6%
Passenger Trips	15,206	13,315	1,891	14.2%
	. 0,=00	. 5,5 . 5	.,00.	
NDS	10	1.5	1 4	0.70/
Clients	16	15	1 20	6.7%
Passenger Trips	134	104	30	28.8%
PASS				
Clients	12	11	1	9.1%
Passenger Trips	194	148	46	31.1%
CONTRACTED				
Clients	0	0	0	#DIV/0!
Passenger Trips	0	0	0	#DIV/0!
RIDELINK				
Clients	218	233	(15)	-6.4%
assenger Trips (Performed by The Rapid	451	594	(143)	-24.1%
			( )	/0
TOTALS	4 477	1 4 44 4	00	4.50/
Clients Passenger Trips	1,477 15,985	1,414 14,161	63 1,824	4.5% 12.9%
Average Weekday Ridership	624	613	1,024	1.8%
Average Veekday Ridership	230	209	21	10.0%
Average Sunday Ridership	208	210	(2)	-1.0%
All Ambulatory Passengers	12,867	11,329	1,538	13.6%
All Wheelchair Passengers	3,118	2,832	286	10.1%
No - Shows	385	412	(27)	-6.6%
Cancellations	351	557	(206)	-37.0%
Transdev				
Average Cost per Trip	\$54.46	\$41.40	\$13.06	31.5%
Riders per Hour	1.7	2.1	(0.4)	-19.0%
Accidents per Month	6.0	4.0	2	50.0%
Trin Daniela				#DIV/OI
Trip Denials NTD Travel Time (minutes)	0 35	0 28	7	#DIV/0! 25.0%
NTD Traver Time (minutes)	33	20	1	23.076
NETWORK 180				
Passenger Trips	2,242	2,653	(411)	-15.5%
Average Weekday Ridership	102	139	(37)	-26.6%
TOTAL PASSENGER TRIPS	18,227	16,814	1,413	0.40/
	·		1,413	8.4%
Paratransit Service Quality Statistics:	network 18	0 Excluded		
Complaints	2024	2023	% of Trips	% Change
Transdev Complaints	18	25	0.1%	-28.0%
On-Time Performance				
On-Time Compliance - Pick-up	94.50%	78.00%	16.5%	21.2%
on mine compliance i locap	J 1.00 /0	1 0.0070	10.070	/ 0



Date: July 15, 2024

To: ITP Present Performance and Service Committee

From: Tim Roseboom – Senior Planner

Subject: FIXED ROUTE RIDERSHIP AND PRODUCTIVITY REPORT - May 2024

**OVERVIEW:** In May 2024, there was an increase of 5.7% in fixed route ridership as compared to May 2023, driven mainly by the contract services increase of 43%. Saturday also increased 5.5% from May 2023, however evening and Sunday decreased slightly by 1%.

## **BACKGROUND INFORMATION**

## **Monthly Ridership**

	May 2024	May 2023	% Change
Regular Fixed Route Service (Routes 1–44)	409,351	403,663	+1.4%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	66,406	46,450	+43.0%
Total Monthly Fixed Route Ridership	475,757	450,113	+5.7%

## **Daily Average Ridership**

	May 2024	May 2023	% Change
Weekday Total	19,325	18,233	+6.0%
Weekday Evening	2,425	2,451	-1.0%
Saturday	8,498	8,052	+5.5%
Sunday	4,155	4,197	-1.0%

## **Productivity Summary**

	May 2024	May 2023	% Change
Average passengers per hour per route	14.1	14.6	-3.8%
Average passengers per mile per route	1.04	1.08	-3.5%
Average farebox recovery percent per route	10.5%	11.7%	-10.7%

	FY 2024	FY 2023	% Change
Regular Fixed Route Service (Routes 1–44)	2,959,172	2,891,495	2.3%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	1,379,425	1,158,811	19.0%
Total Fixed Route Ridership YTD	4,338,597	4,050,306	7.1%

# **COMPARISON OF MAY 2024 TO MAY 2019**

# **Monthly Ridership**

	May 2024	May 2019	% Change
Regular Fixed Route Service (Routes 1–44)	409,351	643,084	-36.3%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	66,406	69,718	-4.8%
Total Monthly Fixed Route Ridership	475,757	743,400	-36.0%

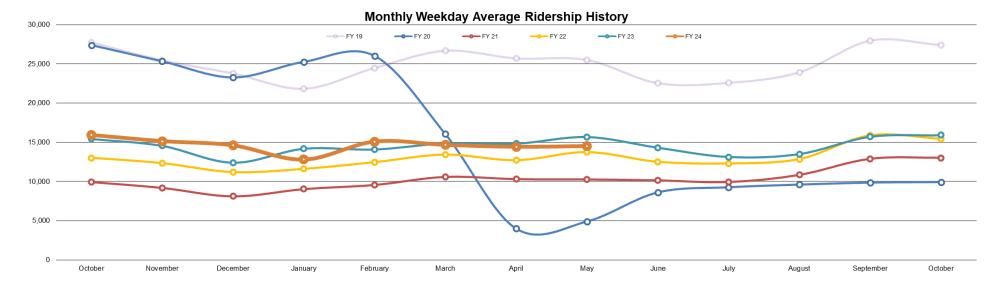
# **Daily Average Ridership**

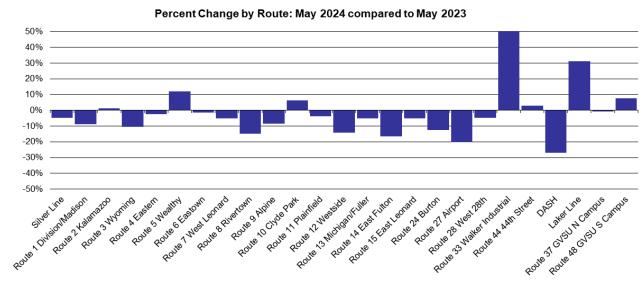
	May 2024	May 2019	% Change
Weekday Total	19,325	29,099	-33.6%
Weekday Evening	2,425	4,306	-43.7%
Saturday	8,498	12,291	-30.9%
Sunday	4,155	5,867	-29.2%

# **Productivity Summary**

	May 2024	May 2019	% Change
Average passengers per hour per route	14.1	20.5	-31.4%
Average passengers per mile per route	1.04	1.67	-37.6%
Average farebox recovery percent per route	10.5%	24.1%	-56.6%

	FY 2024	FY 2019	% Change
Regular Fixed Route Service (Routes 1–44)	2,959,172	4,959,123	-40.3%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	1,379,425	2,160,833	-36.2%
Total Fixed Route Ridership YTD	4,338,597	7,352,150	-41.0%







**Date:** July 15, 2024

To: ITP Present Performance and Service Committee

**From:** Tim Roseboom – Senior Planner

Subject: FIXED ROUTE RIDERSHIP AND PRODUCTIVITY REPORT – June 2024

**OVERVIEW:** In June 2024, there was a decrease of 7.4% in total monthly route ridership as compared to June 2023. Contract services increased 48%, however regular fixed routes services decreased 14%. June 2023 had a total of nine Clean Air Action Days compared to two in June 2024. Additionally, June 2023 had one more Grand Rapids Public Schools service day than June 2024. Finally, June 2023 had two more weekdays and one less Saturday and Sunday than June 2024.

#### **BACKGROUND INFORMATION**

## **Monthly Ridership**

	June 2024	June 2023	% Change
Regular Fixed Route Service (Routes 1–44)	310,736	362,458	-14.3%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	66,526	44,825	+48.4%
Total Monthly Fixed Route Ridership	377,262	407,283	-7.4%

#### **Daily Average Ridership**

	June 2024	June 2023	% Change
Weekday Total	15,717	16,059	-2.1%
Weekday Evening	2,643	2,538	4.1%
Saturday	8,204	9,179	-10.6%
Sunday	4,381	4,318	+1.5%

## **Productivity Summary**

	June 2024	June 2023	% Change
Average passengers per hour per route	13.0	13.1	-0.8%
Average passengers per mile per route	0.97	0.97	-0.5%
Average farebox recovery percent per route	11.3%	12.0%	-5.9%

	FY 2024	FY 2023	% Change
Regular Fixed Route Service (Routes 1–44)	3,269,908	3,248,673	0.7%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	1,445,951	1,203,636	20.1%
Total Fixed Route Ridership YTD	4,715,859	4,452,309	5.9%

# **COMPARISON OF JUNE 2024 TO JUNE 2019**

# **Monthly Ridership**

	June 2024	June 2019	% Change
Regular Fixed Route Service (Routes 1–44)	310,736	535,869	-42.0%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	66,526	72,542	-8.3%
Total Monthly Fixed Route Ridership	377,262	635,428	-40.6%

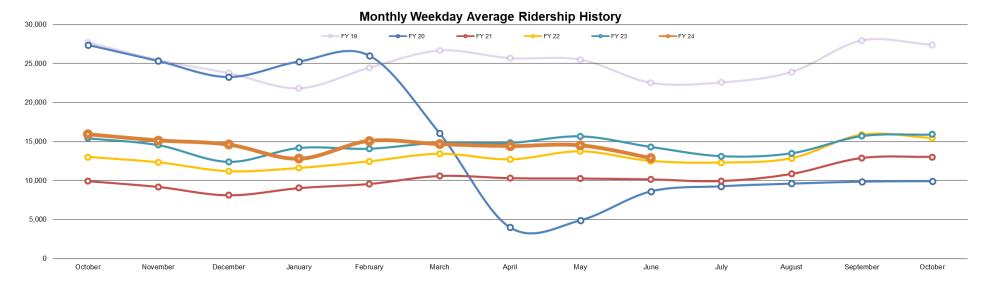
# **Daily Average Ridership**

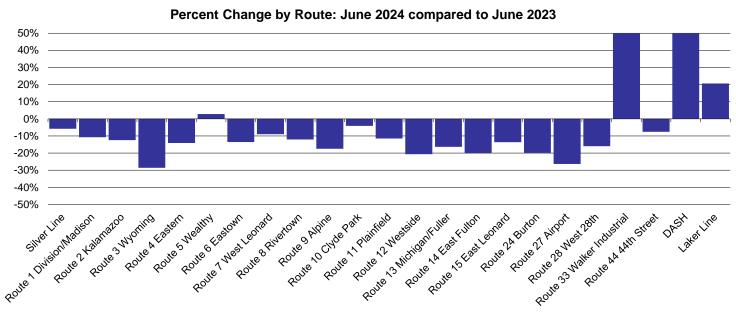
	June 2024	June 2019	% Change
Weekday Total	15,717	25,779	-39.0%
Weekday Evening	2,643	4,340	-39.1%
Saturday	8,204	12,755	-35.7%
Sunday	4,381	5,811	-24.6%

# **Productivity Summary**

	June 2024	June 2019	% Change
Average passengers per hour per route	13.0	18.1	-28.0%
Average passengers per mile per route	0.97	1.47	-34.2%
Average farebox recovery percent per route	11.3%	23.9%	-52.8%

	FY 2024	FY 2019	% Change
Regular Fixed Route Service (Routes 1–44)	3,269,908	5,494,992	-40.5%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	1,445,951	2,233,375	-35.3%
Total Fixed Route Ridership YTD	4,705,579	7,987,578	-41.1%







**Date:** August 16, 2024

To: ITP Board of Directors

**From:** Tim Roseboom – Senior Planner

Subject: FIXED ROUTE RIDERSHIP AND PRODUCTIVITY REPORT – July 2024

**OVERVIEW:** In July 2024, there was 2.0% increase in total monthly route ridership as compared to July 2023. Contract services increased 65.0%, however regular fixed routes services decreased 6.0%. July 2023 had a total of nine Clean Air Action Days compared to one in July 2024. Additionally, July 2024 had two more weekdays and one less Saturday and Sunday than July 2023.

#### **BACKGROUND INFORMATION**

#### **Monthly Ridership**

	July 2024	July 2023	% Change
Regular Fixed Route Service (Routes 1–44)	298,343	317,224	-6.0%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	65,874	39,933	65.0%
Total Monthly Fixed Route Ridership	364,217	357,157	2.0%

## **Daily Average Ridership**

	July 2024	July 2023	% Change
Weekday Total	14,256	14,711	-3.1%
Weekday Evening	2,909	2,364	23.0%
Saturday	8,084	8,179	-1.2%
Sunday	4,562	4,410	3.4%

## **Productivity Summary**

	July 2024	July 2023	% Change
Average passengers per hour per route	12.5	12.1	3.6%
Average passengers per mile per route	0.93	0.89	4.1%
Average farebox recovery percent per route	10.1%	12.0%	-15.5%

	FY 2024	FY 2023	% Change
Regular Fixed Route Service (Routes 1–44)	3,568,251	3,565,897	0.1%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	1,511,825	1,243,568	21.6%
Total Fixed Route Ridership YTD	5,080,076	4,809,465	5.6%

# **COMPARISON OF JULY 2024 TO JULY 2019**

# **Monthly Ridership**

	July 2024	July 2019	% Change
Regular Fixed Route Service (Routes 1–44)	298,343	560,988	-46.8%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	65,874	71,979	-8.5%
Total Monthly Fixed Route Ridership	364,217	632,967	-42.5%

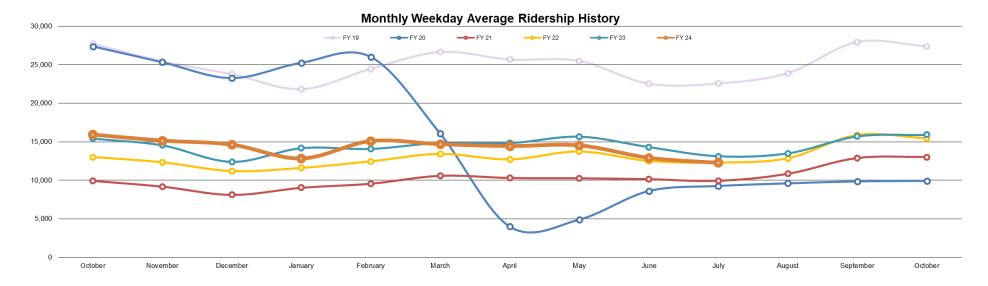
# **Daily Average Ridership**

	July 2024	July 2019	% Change
Weekday Total	14,256	25,388	-43.8%
Weekday Evening	2,909	4,452	-34.7%
Saturday	8,084	12,631	-36.0%
Sunday	4,562	5,979	-23.7%

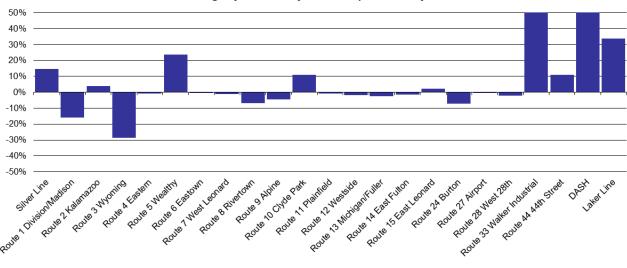
# **Productivity Summary**

	July 2024	July 2019	% Change
Average passengers per hour per route	12.5	17.9	-30.3%
Average passengers per mile per route	0.93	1.46	-36.3%
Average farebox recovery percent per route	10.1%	25.3%	-59.9%

	FY 2024	FY 2019	% Change
Regular Fixed Route Service (Routes 1–44)	3,568,251	6,055,980	-41.1%
Contracted Service (GVSU, DASH, GRCC, and Ferris)	1,511,825	2,305,354	-34.4%
Total Fixed Route Ridership YTD	5,080,076	8,361,334	-39.2%









**Date:** August 28, 2024

**To:** ITP Board of Directors

From: Linda Medina, Director of Finance

**Subject:** June 2024 Operating Statements

Attached are the financial reports for general operating and grants through June 2024 along with the Professional Development report for May and June 2024.

## FY 23/24 YTD Operating Statement Analysis

Revenues are overall .6% under budget, with some variations:

- Fares are slightly below budget expectations due to lower than anticipated paratransit ridership.
- Sales of Transportation Services are 1.9% below the expected budget, primarily due to lower ridership from Community Mental Health compared to initial projections.
- State Operating Assistance is trending under forecast as operating expenses overall lower than budgeted.
- Advertising and Miscellaneous is trending higher than budgeted partly due to receiving \$181,181 for the Alternative Fuel Credit for propane and CNG fuel usage.

Expenses are 15.2% under budget (before capitalizing operating expenses)

- Salaries, Wages, and Fringes remain under budget, with a focus on increasing staffing levels.
- Materials and Supplies are 17.6% under budget as the cost per gallon for fuel continues to be lower than budgeted. While fuel costs remain stable, the team continues to closely monitor costs.
- Identified \$1.5 million in eligible capital operating expenses.

For any further inquiries regarding the attached financial reports, please don't hesitate to contact me directly at (616) 774-1149 or Imedina@ridetherapid.org.

# The Rapid Operating Statement Year to Date as of June 30, 2024

	YTD as of Ju	une 30, 2024	Variand	ce	Last Year FY 22/23	% Variance to FY 22/23	Current Year FY 23/24
	Budget	Actual	\$	%	YTD Actual	YTD Actual	Annual Budget
Revenues and Operating Assistance		-					(**************************************
Passenger Fares	\$ 3,669,905	\$ 3,571,869	\$ (98,036)	-2.7%	\$ 3,373,403	5.9%	\$ 4,895,883
Sale of Transportation Services							
CMH Contribution	336,835	275,252	(61,583)	-18.3%	312,409	-11.9%	447,839
Dash Contract	1,393,877	1,611,845	217,968	15.6%	1,229,354	31.1%	1,856,468
Grand Valley State University	2,948,281	2,692,698	(255,583)	-8.7%	2,470,654	9.0%	3,682,642
Van Pool Transportation	<del>-</del>	€	-	0.0%	(1,242)	-100.0%	-
Township Services	144,163	156,738	12,575	8.7%	306,570	-48.9%	185,836
Other	181,953	172,397	(9,556)	-5.3%	171,259	0.7%	218,635
Subtotal Sale of Transportation Services	5,005,109	4,908,930	(96,179)	-1.9%	4,489,004	9.4%	6,391,421
State Operating	14,375,811	11,938,312	(2,437,499)	-17.0%	10,468,578	14.0%	18,870,616
Property Taxes	14,745,751	15,470,107	724,356	4.9%	13,970,718	10.7%	19,661,002
Advertising & Miscellaneous	586,855	2,250,017	1,663,162	283.4%	1,146,078	96.3%	714,020
Subtotal Revenues and Operating Assistance	38,383,431	38,139,235	(244,196)	-0.6%	33,447,781	14.0%	50,532,941
Grant Operating Revenue	-		-	0.0%	9,342,354	-100.0%	70,907,963
Unrestricted Net Reserves			-	0.0%	-		5,474,451
Total Revenues and Operating Assistance	\$ 38,383,431	\$ 38,139,235	\$ (244,196)	-0.6%	\$ 42,790,135	-10.9%	\$ 56,007,392
Expenses							
Salaries and Wages							
Administrative	\$ 5,128,370	\$ 4,376,167	\$ (752,202)	-14.7%	\$ 4,158,484	5%	\$ 7,226,977
Operators	11,716,546	9,082,058	(2,634,488)	-22.5%	9,602,868	-5%	16,033,168
Maintenance	2,033,627	1,803,483	(230,144)	-11.3%	1,636,974	10%	2,782,858
Subtotal Salaries and Wages	18,878,543	15,261,709	(3,616,834)	-19.2%	15,398,326	-1%	26,043,003
Benefits	8,297,760	6,218,578	(2,079,182)	-25.1%	6,977,572	-11%	10,842,785
Contractual Services	2,403,479	2,261,034	(142,445)	-5.9%	2,115,663	7%	3,912,166
Materials and Supplies	,			0.0%			~ ~
Fuel and Lubricants	2,257,387	1,669,826	(587,561)	-26.0%	2,020,456	-17%	3,026,466
Other	1,354,473	1,307,923	(46,549)	-3.4%	1,193,346	10%	1,969,374
Subtotal Materials and Supplies	3,611,859	2,977,749	(634,110)	-17.6%	3,213,803	-7%	4,995,840
Utilities, Insurance, and Miscellaneous	3,707,152	3,326,876	(380,276)	-10.3%	3,679,643	-10%	5,699,115
Purchased Transportation	6,385,866	6,741,328	355,462	5.6%	5,265,164	28%	8,514,483
Expenses Before Capitalized Operating	43,284,659	36,787,275	(6,497,385)	-15.0%	36,650,170	0%	60,007,392
Capitalized Operating Expenses	(1,379,516)	(1,524,518)	(145,002)	10.5%	(762,143)	100%	(4,000,000)
Total Operating Expenses	\$ 41,905,144	\$ 35,262,757	\$ (6,642,387)	-15.9%	\$ 35,888,027	-2%	\$ 56,007,392
Net Surplus/(Deficit) without Net Reserves Net Surplus/(Deficit) with Net Reserves		\$ 2,876,479 \$ 2,876,479		-	\$ (2,440,246) \$ 6,902,108		

Page

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	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	16,232,189 4,058,047 0 0	16,232,189 4,058,047 0 0	913,126 228,281 0 0	11,430,926 2,857,731 0 0	4,801,263 1,200,316 0 0	70% 70% 100% 100% 100%
6. Total Grant Revenue	20,290,236	20,290,236	1,141,407	14,288,657	6,001,579	70%
Labor 7. Administrative Salaries 8. Driver Wages 9. Temporary Wages 10. Fringe Benefit Distribution	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	100% 100% 100% 100%
11. Total Labor	0	0	0	0	0	100%
Material & Supplies 12. Tires & Tubes 13. Office Supplies 14. Printing	322,000	322,000	18,762 0 0	193,193 0 0	128,807 0 0	60% 100% 100%
15. Total Material & Supplies	322,000	322,000	18,762	193,193	128,807	60%
Purchased Transportation 16. Purchased Transportation 17. Specialized Services	1,200,000	1,200,000	125,757 0	925,757 191,121	274,243 191,121-	77% - 100%
18. Total Purchased Transportation	1,200,000	1,200,000	125,757	1,116,878	83,122	93%
Other Expenses 19. Dues & Subscriptions 20. Professional Development 21. Miscellaneous	26,000 0 0	27,432 0 1,859	0 0 0	27,432 0 0	0 0 1,859	100% 100% 0%
22. Total Other Expenses	26,000	29,291	0	27,432	1,859	94%
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 0	100% 100% 100%
26. Total Leases	0	0	0	0	0	100%
Capital 27. Rolling Stock 28. Facilities 29. Equipment 30. Other	4,320,079 3,617,625 675,298 1,742,950	4,920,079 4,955,011 1,362,609 3,062,091	0 218,969 28,636 260,086	4,730,055 2,689,757 592,953 2,935,344	190,024 2,265,254 769,656 126,747	96% 54% 44% 96%
31. Total Capital	10,355,952	14,299,790	507,691	10,948,109	3,351,681	77%
32. Planning Services 33. Capitalized Operating	4,932,231 3,454,053	985,102 3,454,053	10,862 478,335	478,527 1,524,518	506,575 1,929,535	49% 44%
34. Total Expenditures	20,290,236	20,290,236	1,141,407	14,288,657	6,001,579	70%

## PROFESSIONAL DEVELOPMENT & TRAVEL REPORT ALL EMPLOYEES MAY 2024

 AMOUNT	PURPOSE	EMPLOYEE (s)	LOCATION
\$ 375.63	National Transit Institute Procurement System Training	E. Vesely	Chicago, IL
259.92	MPTA Leglislative Day Registration	S. Schipper	Lansing, MI
653.80	Cummins Engine Training	N. Perez & B. Arsulowicz	Lansing, MI
1,749.44	FTA Drug & Alcohol Conference	L. Thomasini	Atlanta, GA
 300.00	_Michigan HR Day	L. Thomasini	Lansing, MI
\$ 3,338.79			

<sup>\*</sup>This total does not include incidental travel and meeting expenses such as mileage, local parking, lunch meetings, etc.

## PROFESSIONAL DEVELOPMENT & TRAVEL REPORT ALL EMPLOYEES JUNE 2024

A	MOUNT	PURPOSE	EMPLOYEE (s)	LOCATION
\$	125.00	GR Chamber Economic Inclusion Summit	K. Wisselink	Grand Rapids, MI
\$	199.00	I-9 Audit Webinar	M. Morrin	Online
\$	487.10	_Avail Conference	A. Lockwood	Louisville, KY
\$	811.10	_		

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

To: Rapid Board of Directors.

From: Jack Hoffman

Re: Transportation funding reform update

Date: August 19, 2024

On August 1, 2024 I appeared before the state transportation commission and offered the attached comments on the draft MDOT five year plan. Long story short, the plan acknowledges a shortfall of 3 billion a year on state trunkline roads alone, not including the 90% of roads under county and city jurisdiction. I proposed that the plan include a plan for a solution of this problem, namely mileage and weigh based user fees on commercial trucks levied under the constitutional authority of the transportation commission.

I am still retaining my hopeful anticipation of action on this front by middle of 2027. I think the next step is to get an opinion from the attorney general confirming the extent of the transportation commissions powers. The attorney general is required to respond to a request for opinions from a state officer or legislator so the trick is to get either a commissioner or a legislator to make the request. I've been after the commission for almost a year to clear this up but they haven't yet taken that step. The logical inference is they don't want to know the answer because they don't want the responsibility. I'm also discussing this with state legislators. Sooner or later, one way or the other, we'll get an opinion from the AG.

Back in April after the Governor's state of the state address the director told the commission he was going to follow up on her request to submit the last 750 million of transportation commission bonds under the Rebuild Michigan program to the transportation commission for approval. I spoke against debt funding in favor of regulatory fees on commercial trucks. So far the director has not submitted a request to the commission for the additional authorization. His last opportunity to do so this year will be at the November 7, 2024 board meeting, two days after the 2024 elections.

I remain convinced that once transportation funding is released from the stranglehold of the fuel tax and act 51, the new opportunities for funding public transportation will be great.

I don't foresee any action on this front until after the 2024 elections. After that, I look for the logic of the situation to continue to assert its weight.

		Identifier	date
NADOT	Public		8/1/24
MDOT	Comment		

Subject: Five year plan. Commission policy with regard to regulatory fees charged to the operators for the privilege of operating commercial trucks on the state transportation system.

Speaker: Jack L. Hoffman, Rapid board member for the city of Gland Rapids,

Michigan Bar No. P- 26109, KuiperKraemer, PC 180 Monroe NW, Suite 400, Grand Rapids, Michigan 49503 616-454-7100

hoffman@k2legal.com, jackhoffmangr@aol.com

#### **Public Comment**

My purpose here today is to address the draft 2025-2029 five year transportation plan for state trunk line roads.

On page 38 the report states that an additional three billion a year in funding is necessary to keep just the state trunk line system in its current state of repair. This does not include the 90% of state roads which are county and local. The report should also disclose the following six facts.

- 1. Statistically all of this pavement damage is caused by heavy commercial trucks. ii
- 2. Currently heavy commercial trucks pay only 600 million a year in state fuel and registration taxes.
- 3. The transportation commission as an independent constitutional commission acting under Act 484 has the power to establish and enforce a policy of charging a regulatory fee based on weight and mileage to operators for the privilege of operating heavy commercial vehicles on the state's transportation system. iii
- 4. A charge of 50 cents per mile on an 80,000 lb tuck would raise 3 billion dollars.
- 5. In fact commercial trucks already pay a road tax based on miles driven on Michigan highways. It is called a fuel tax but in reality fuel consumption is estimated by dividing the reported truck mileage by average miles per gallon. See the explanation by William Hamilton of the House Fiscal Agency.<sup>iv</sup>

6. A political solution is not possible. I'm a loyal Democrat. Proud of it. The Democrats achieved a unified state government on January 1, 2022. Nothing has been done on transportation funding since. If it can't politically be done by Democrats with a unified state government, it certainly can't be done in our present political situation. I believe the governor and the legislature would thank you for solving this politically unsolvable problem.

When our children or grandchildren in the future ask us, grandma, grandpa, what did you do in the great transportation funding crisis of the 2020s, none of us will want to have to say, well, we didn't want to offend anyone, so we passed the problem to future generations.

"Without additional and consistent long-term investment, the percentage of roads in poor condition will continue to increase as the increasing construction cost outpaces the ability to fix them. . . . A minimum additional \$2 .5 billion above current investment levels is needed annually until 2040 to attain and sustain trunkline pavement performance goals and an additional \$304 million annually until 2033 for bridges. These gaps continue to grow each year as preventive maintenance projects are deferred due to limited funding, accelerating their deterioration into more expensive replacement project's Draft 25-29 Five Year plan, p 38.

<sup>&</sup>lt;sup>ii</sup> "One 80,000 lb truck causes road damage equal to 9,600 cars." MDOT, Michigan Design Manual, Road Design, Chapter 6, 6.01.02.

iii Constitution of 1963, Art V, Executive Branch, Section 28, Transportation Commission: State Transportation Commission Act , 484 of 1978., MCL 247.801-809:

<sup>&</sup>lt;sup>iv</sup> "To capture the use of public roads by motor carriers, the Motor Carrier Fuel Tax Act, 1980 PA 119, establishes a "road tax" on motor carriers equal to the motor fuel tax rate established under the Motor Fuel Tax Act. The road tax is calculated through conversion of miles driven on Michigan public roads or highways to motor fuel or alternative fuel consumed in Michigan in qualified commercial motor vehicles." Fiscal Brief Motor Fuel Taxes, Sales Tax On Motor Fuels, And Methods Of Tax Collection William E. Hamilton, Senior Fiscal Analyst May 21, 2024, p 8.

<sup>&</sup>lt;sup>v</sup> On July 30, 2024 Governor Whitmer was quoted in the New York Times: "A conversation I had with a woman in the Detroit Children's Hospital crystallized everything for me. This is a mom, her son is there, he's in a brace, and she's obviously focused on her child. I asked her, 'What could I do that would make your life better if I get elected governor?' And she looked me in the eye and said, 'Fix the damn roads.'"