



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 RETREAT

Wednesday, February 22, 2023 – 3:00 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 – January 25, 2023	Mayor Carey	Approval
3. CEO'S REPORT	Deb Prato	Information
4. CLOSED SESSION		
a. Discussion Regarding Strategy Related to the Pending Litigation	Grant Pecor	Discussion
5. ACTION ITEM		
a. FY 2021/2022 Audit	Linda Medina	Approval
6. INFORMATIONAL ITEMS		
a. Transit Master Plan (TMP) Update	Nick Monoyios	Information
b. Unveiling of TransDASH, Transit App, and Avail Dashboards	Jeffrey King	Presentation
c. 2023 Committee Assignments	Mayor Carey	Information
7. CHAIR'S REPORT	Mayor Carey	Information
8. COMMITTEE REPORTS		
Finance Committee Meeting Minutes – November 9, 2022	Mayor Kepley	Approval
Planning & Technology Meeting Minutes – January 9, 2023	Terry Schweitzer	Approval
Present Performance & Service Committee – November 8, 2022	Dave Bilardello	Approval
Present Performance & Service Committee – January 17, 2023	Dave Bilardello	Approval
9. ADJOURNMENT		
10. NEXT MEETING: March 29, 2023		

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



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Jack Hoffman

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Mayor Steve
Maas

Paul Troost

BOARD OF DIRECTORS MEETING

Wednesday, January 25, 2023 – 4:00 p.m.

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

ATTENDANCE:

Board Members Present:

Mayor Carey, Paul Troost, Terry Schweitzer, Jack Hoffman, Charis Austin, Rick Baker, Steven Gilbert, Robert Postema, Andy Guy, Mayor Kepley, Mayor Maas

Board Members Absent:

Mayor Bliss, Mayor Favale, David Bilardello, Tracie Coffman

Staff Attendees:

Andy Prokopy, Kris Heald, Deb Prato, Mike Wieringa, Steve Clapp, Steve Schipper, Jason Prescott, Linda Medina, Wardell Frazier, Justin Hagel, Deron Kippen, Kevin Wisselink, Eric Vesely, James Nguyen, Max Dillivan, Adam Erber, Jeffrey King,

Other Attendees:

Marietta Schaafsma, David Hart, Raina Cook, Channel House, Monroe A O'Bryant, Melvin Turnbo, Alethea McCaleb (Transdev), Jerry Brown (Transdev), Tony Kirkland, Patricia Parbel, Nathan Tenhave, Robby Jewett, Rekilah Davis, Patrick Lynch, Melanie Merriett, Curt Buckley, Zeke Mickens, Margaret Rockhill, Wesley Johnson, Mike Prenger, Al Freedman, Charles Anderson, Clover Brown (GVMC), John Hascher

Mayor Carey called the meeting to order at 4:01 p.m.

1. PUBLIC COMMENT

Chair Carey asked that those who will be making public comments today be respectful of the three (3) minute time limit, and when they hear the time queue to wrap up their comments. Ms. Heald called the first speaker to the podium, Mr. Melvin Turnbo.

Mr. Turnbo feels that our members, the Technicians, and the Bus Operators are the heart and the beat of The Rapid. He feels that bus operators were dealt an injustice that has contributed to low morale, stress, and work-related fatigue. That injustice was unilaterally, arbitrarily imposed wage increase on one set of our union members without regard to the bus operators in direct violation of the binding contractual agreement. The union is the exclusive bargaining representative with respect to rates of pay, wages, hours and employment, and other conditions of employment for all employees of the Authority not excluding supervisors. The Authority recognizes the union as having this authority and the President's business agent and executive board conduct all business on behalf of the union. Mr. Turnbo stated for the record on Oct 3, 2022, that The Rapid was not interested in bargaining. They were only interested in putting the offer through. Mr. Turnbo's response was, he has a fiduciary responsibility to our members

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and will not break that responsibility by accepting an offer where our bus operators were offered an attendance incentive increase for perfect attendance, unscheduled absences, late arrivals, or early departures including those who would be eligible for coverage on FMLA will be disqualified for the incentive for each pay period where the restriction would apply. Mr. Turnbo feels that this is in direct violation of our contract and contributes to the mistrust among our members. We were told to take it or leave it. No bargaining. So, we left it. We were also told, that if we want a raise, work overtime. How cruel and demeaning is that? Some bus operators are working 18-hour days. This contributes to the fatigue and unsafe transport of our passengers. Times are tight and drivers do not have adequate time to take a break. Sometimes driving three (3) to four (4) hours before we can take a break. Bus operators are resigning and outright quitting. Assaults are up 400% nationwide. No empathy on the part of management, failure to address the hiring of the workforce, morale injustice disrespect, and harassment. On the monitor in the driver's room, they are asking for our help in hiring twenty (20) additional drivers. There is a shortage of qualified bus operators nationwide. However, we have seen other transport companies increase the pay to attract the best and the brightest, and we have lost some of our best and brightest because of their strategy. Mr. Turnbo was told in a follow-up to the wage increases, prior to the imposition that we see no market for an increase to bus operators, however, exit interviews with mechanics were afforded the opportunity to say they are seeking opportunities elsewhere due to our current wage structure. That was very disappointing; bus operators were leaving for the very same reason. However, bus operators were not afforded an exit interview to explain the reason they were leaving. To attract and retain the best and the brightest, one must increase the wages and salaries of those you wish to attract. Be bold. Set the market, and you will be overflowing with milk and honey. There is nothing wrong with good-faith bargaining. Everyone wins when bargaining is hammered out in good faith. Then we will hold true to the 34th word of article one of the binding CDA agreement between the Authority and the Union. Harmonious.

Mr. Jerry Brown appreciated and agreed with Mr. Turnbo's comments.

Mr. Tony Kirkland stated that we are the second largest metropolitan city in Michigan, and we are the worst-paid in Michigan. He believes he should make a livable wage to take care of his family.

Ms. Patricia Parbel wanted to address the concerns about long workdays. She wants to know how we allow this kind of abuse. There should be a limit on how long a driver can safely drive a bus every day. Are you comfortable with that?

Ms. Marietta Schaafsma has worked at The Rapid for 24 years. She feels unappreciated, and that the environment and culture are unhealthy.

Mr. Zeke Mickens added that he echoes what Mr. Turnbo and Ms. Schaafsma said. He feels that it is a war between the operators and mechanics.

Ms. Melissa Birney has been a driver for 6 years. She wanted the board to be aware of how many runs are cut because we don't have drivers. There is an abundance of overtime being worked every day and she is wondering who is addressing this. A wheelchair passenger waited 2 1/2 hours because dispatch forgot the run. Ms. Birney is a revenue trainer and said there are many drivers who are great. We need to review the quality of drivers and make sure they can handle the job.

Ms. Raina Cook is a new bus operator at The Rapid. She stated that she loves the job and being a part of the community, however, she feels there is a lot of discontent and complaining about unfairness and bad attitudes. She also added that the job is difficult emotionally and physically because she is disabled and it is hard for her to sit for a long period of time.

Mr. Michael Pranger has been a driver with The Rapid for 25 years. He proceeded to tell a story of an incident that happened five (5) weeks ago when a passenger had no fare. Mr. Pranger let him on, and then the passenger started telling him he had killed someone and would do it again. The passenger also stated that he had a gun and that he would blow Mr. Pranger's head off and then commit suicide on the bus. Mr. Pranger pushed RTT and received no response from the Supervisor. Next, he pushed Priority and still no response. After ten (10) minutes Mr. Pranger called Kentwood Police. The Road Supervisor

called Mr. Pranger after the police were already onsite. Mr. Pranger stated that it has been over five (5) weeks and he still hasn't heard from any leadership or supervisor. Mr. Pranger feels he was blown off when the bus operator's life was threatened.

2. Reappointment of Chairperson and Vice Chairperson

Mr. Hoffman nominated Mayor Carey to continue as Board Chairman. Mayor Carey accepted the nomination and stated that he has also been reappointed, by the Walker City Clerk, to continue serving on the ITP Board for another two-year term.

Chair Carey noted that Mr. Bilardello is not in attendance, however, he stated that Mr. Bilardello is happy to continue as the Vice Chairman for another year.

Chair Carey entertained a motion to approve the reappointments of the Chairperson, Mayor Gary Carey, and Vice Chairperson, Mr. David Bilardello.

Mr. Gilbert motioned to approve, and Mayor Maas supported it. The motion passed unanimously.

3. MINUTES REVIEW – December 7, 2022

Chair Carey entertained a motion to approve the December 7, 2022 Board meeting minutes as submitted.

Mayor Kepley motioned to approve, and Mr. Guy supported it. The motion passed unanimously.

4. CEO'S REPORT

Ms. Prato thanked all the people who made public comments. Due to a full agenda, she yielded her comments to the board.

5. ACTION ITEMS

a. FY 2024 MDOT Grant Application

Mr. Wisselink is requesting the board approve the FY 2024 Michigan Department of Transportation (MDOT) grant application and authorize the CEO or her designee to execute a grant contract on behalf of The Rapid.

Chair Carey entertained a motion to approve the resolution as submitted. Mr. Guy motioned to approve, and Mr. Hoffman supported it. The motion passed unanimously.

b. FY 2024 Specialized Services Grant Application

Mr. Wisselink is requesting board approval authorizing the submittal of the fiscal year 2024 Specialized Services operating assistance grant application to MDOT and subsequent execution of a contract with MDOT for third-party operating assistance with the four recipient agencies: Kent County, Community Action of the County of Kent, Network 180, Hope Network and Senior Neighbors.

Chair Carey entertained a motion to approve the resolution as submitted. Mayor Maas motioned to approve, and Ms. Austin supported it. The motion passed unanimously.

c. FY 2023 Federal Transit Administration (FTA) Grant Application

Mr. Wisselink is requesting board approval for the FY 2023 Federal Transit Administration (FTA) grant application to allow the CEO or her designee to execute a grant contract on behalf of The Rapid Board.

Chair Carey entertained a motion to approve the resolution as submitted. Mr. Postema motioned to approve, and Mr. Hoffman supported it. The motion passed unanimously.

d. Mobile Column Lift Replacement

Mr. Clapp is requesting board approval to enter into a contract with LiftNow for the delivery of twelve (12) Mahle mobile column lifts. The cost of each lift is \$11,115.66 for a total contract cost of \$133,388.

Chair Carey entertained a motion to approve the resolution as submitted. Mayor Kepley motioned to approve, and Mr. Gilbert supported it. The motion passed unanimously.

e. Ellsworth Rehabilitation Architectural & Engineering Services

Mr. Wisselink is requesting the board's approval to enter a contract with Progressive AE (PAE) in the amount of \$138,870 for Professional Planning, Architectural, and Engineering Services for 300 Ellsworth SW renovations.

Chair Carey entertained a motion to approve the resolution as submitted. Mr. Postema motioned to approve, and Mayor Maas supported it. The motion passed unanimously.

f. Ellsworth HVAC and Plumbing Renovation

Mr. Kippen is requesting approval from the board to enter a contract with DHE Plumbing and Mechanical in the amount of \$1,379,400 plus a 10% contingency of \$137,940, for a total project cost of \$ 1,517,340 for HVAC and plumbing renovations of the Ellsworth Administration Building.

Chair Carey entertained a motion to approve the resolution as submitted. Mr. Hoffman motioned to approve, and Mayor Kepley supported it. The motion passed unanimously.

g. Accountable Executive for The Rapid PTASP

Mr. Schipper is requesting approval from the board to appoint Ms. Deb Prato, ITP Chief Executive Officer, as the Accountable Executive for its Public Transit Agency Safety Plan (PTASP).

Chair Carey entertained a motion to approve the resolution as submitted. Mayor Maas motioned to approve, and Mr. Postema supported it. The motion passed unanimously.

h. Vehicle Accessibility Plan

Mr. Prescott is requesting board approval to provide MDOT with the Vehicle Accessibility Plan as written, which will meet the requirement of Michigan Public Act 51 for the next five (5) years.

Mr. Guy appreciates the board review.
Mr. Prescott nothing in relation to the plan

Chair Carey entertained a motion to approve the resolution as submitted. Ms. Austin motioned to approve, and Mayor Kepley supported it. The motion passed unanimously.

i. Paratransit Bus Build

Mr. Clapp is requesting board approval to enter an agreement with Hoekstra Transportation, for the purchase of twenty-two (22) Ford E-450 paratransit vehicles at a total price not to exceed \$3,753,552 for the purpose of replacing existing paratransit vehicles that have met their useful life of seven (7) years/200,000 miles. Staff is further requesting a contingency of up to \$66,000 to cover the possibility of increased vehicle costs incurred due to a possible delay in vehicle deliveries into the new model year because of supply chain issues that continue to plague the transit industry.

Mr. Troost asked what kind of fuel these vehicles use.

Mr. Clapp answered these are propane engines.

Mayor Carey has some concerns about the contingency fund. The City of Walker has had discussions on some of its construction projects and they normally set aside 8-10% to 15-20% and are wondering if this is enough. Mayor Carey feels that \$66,000 is not enough for a contingency plan and asks the board to consider doubling the amount or perhaps \$150,000 - \$200,000 and give Mr. Clapp some latitude for this project.

Mayor Kepley read that this was competitively bid by the State of Michigan and in compliance with FTA procedures. He asked if these prices are guaranteed for a period. Mr. Clapp answered that they are fixed prices for the term of the contract which ends in March and the contract is due to be renewed. Forest River, who is the manufacturer of Hoekstra, has promised that the price will stay the same. It does not include the price of the Chassis.

Chair Carey asked for thoughts from the board on bumping the number up on contingency, and what the number should be.

Mr. Clapp noted that the nine (9) buses we ordered last year we still have not received.

Mr. Guy supports Chair Carey's logic, and he defers to staff on what is a reasonable amount of latitude to keep this project moving.

Chair Carey suggested a resolution of a minimum of \$150,000 - \$200,000.

Mayor Kepley suggests giving Mr. Clapp permission to get it done and then updating the board at the next meeting. We approve it as read and If you need more than \$66,000 contingency due to the market come back to the board.

Mr. Baker asked if it will be no parameters.

Mayor Carey noted we will still have the \$66,000.

Chair Carey entertained a motion to approve the motion as is. If it comes in over \$66,000 then update the board at the next available meeting.

Mayor Kepley motioned to approve the resolution as amended and Mr. Hoffman supported it. The motion was passed unanimously.

j. Title VI

Mr. Dillivan is requesting the board to approve amendments to The Rapids 2020 Title VI Plan per review from the Federal Transit Administration (FTA).

Chair Carey entertained a motion to approve the resolution as submitted. Mr. Guy motioned to approve, and Mayor Maas supported it. The motion passed unanimously.

6. PERFORMANCE REPORTS

a. **Paratransit Route Ridership – Jason Prescott**

1. December 2022
2. On-Demand

No questions or comments from the board.

b. **Fixed Route Ridership – Max Dillivan**

1. November 2022
2. December 2022

No questions or comments from the board.

c. Financial Reports – Linda Medina

1. November 2022 Operating Statement
2. November 2022 Professional Development and Travel Report
3. Grant Statement

No questions or comments from the board.

7. CHAIR'S REPORT

Chair Carey yielded his time to the board.

Mr. Hoffman gave a short update on the Planning Technology meeting on behalf of Mr. Schweitzer.

Mr. Troost thanked the public speakers. Looking forward to working on our driver's morale problems.

Mayor Kepley thanked the speakers and stated that he will follow up on some items.

Mr. Guy echoed the comments of Mayor Kepley.

8. ADJOURNMENT

The meeting was adjourned at 5:02 p.m.

The next meeting is scheduled for February 22, 2023 (Board Retreat)

Respectfully submitted,



Kris Heald, Board Secretary



Interurban Transit Partnership

Date: February 22, 2023
To: ITP Board
From: Linda Medina, Finance Manager
Subject: Financial Statements and Single Audit Reports Years Ended September 30, 2022, and 2021

OVERVIEW

Attached for your approval are the Financial Statements and Single Audit Reports for fiscal years ended September 30, 2022, and 2021 and the audit wrap up report.

BACKGROUND

The FY 21/22 audit was completed by BDO USA in accordance with standards contained in Government Auditing Standards. The necessary financial statements along with any required supplemental information per State and Federal regulations are presented in the Financial Statements and Single Audit Reports.

The financial statements are prepared in conformity with general accepted accounting procedures (GAAP) on an accrual basis. Revenues are recognized in the period in which earned, and expenses are recognized in the period incurred.

Once again, BDO USA issued an unmodified opinion on the report and no material weaknesses or significant deficiencies were identified. This opinion confirms that the financial statements are fairly and appropriately presented and in compliance with GAAP. Below are the highlights for FY 21/22:

- Net position increased by \$14.4 million dollars from FY 20/21. Operating revenue increased \$1.4 million (44%) compared to FY 20/21 due to additional advertising revenue and increased ridership, but non-operating revenue decreased \$656 thousand (1%) with the reduction in capital spending.
- Overall expenses did not increase dramatically compared to FY 20/21. The major changes in expenses include an increase of \$1 million (27.5 in Materials and Supplies due to the price and fluctuation of diesel and CNG fuel costs and overall increase in materials due to economic pressures. A reduction of \$797 thousand (24.5%) in Casualty and liability costs due to the continued staff commitment to reduce ITP's loss ratio.

- From year to year there was a 4.3% decrease in capital assets. The RAPID continues to invest in revenue vehicles, facilities, information systems technology, etc. to maintain and achieve community and regional outcomes. This year purchases included purchase of the Laker Line Park and Ride property, GO Bus facility (Busch Drive) property, the completion of the Butterworth facilities project and upgrades to the information systems technology.
- Comparing FY 21/22 actual to budget, expenses were \$5.9 million under budget and revenues were \$1.3 million over budget. Due to the decrease in expenses and increase in revenue, \$400 thousand of federal covid funding was needed to fill the revenue gap instead of the budgeted \$7.6 million, a reduction of \$7.2 million.

Also included in the report is information regarding the defined benefit pension plans. In FY 21/22, a high range contribution was made to both plans, but the return on the plan was unfavorable compared to last year due to economic pressures.

Please feel free to contact me directly at (616) 774-1149 or lmolina@ridetherapid.org with any additional questions regarding the audit report.



Interurban Transit Partnership

Financial Statements
Years Ended September 30, 2022 and 2021

Required Supplementary Information,
Supplementary Information, and Schedule
of Expenditures of Federal Awards and
Reports Required by *Government Auditing
Standards* and Uniform Guidance
Year Ended September 30, 2022

Interurban Transit Partnership

Financial Statements

Years Ended September 30, 2022 and 2021

Required Supplementary Information, Supplementary Information, and
Schedule of Expenditures of Federal Awards and Reports Required by
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Year Ended September 30, 2022

Interurban Transit Partnership

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Independent Auditor's Report

Members of the Board
Interurban Transit Partnership
Grand Rapids, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Interurban Transit Partnership (ITP) as of and for the years ended September 30, 2022 and 2021 (as of and for the years ended June 30, 2022 and 2021 for the Pension Trust Funds), and the related notes to the financial statements, which collectively comprise ITP's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Interurban Transit Partnership as of September 30, 2022 and 2021 (June 30, 2022 and 2021 for the Pension Trust Funds), and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ITP's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 7-12, the schedules of changes in the net pension liability and related ratios on pages 34-35, and the schedules of contributions on pages 36-39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial



reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise ITP's basic financial statements. The accompanying combining statements, and various schedules as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The accompanying combining statements, and various schedules as listed in the table of contents, and the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and to other additional procedures in accordance with U.S. GAAS. In our opinion, the combining statements, and various schedules as listed in the table of contents, and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2023 on our consideration of ITP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ITP's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ITP's internal control over financial reporting and compliance.

BDO USA, LLP

January 12, 2023

Interurban Transit Partnership

Management's Discussion and Analysis

This section of Interurban Transit Partnership's (ITP) annual financial report presents our discussion and analysis of ITP's financial performance during the fiscal years ended September 30, 2022 and 2021.

Financial Highlights

- The state operating assistance rate for fiscal year (FY) ending 2022 was 29.5134%, down from 31.6001% in FY 2021, and 30.9848% in FY 2020.
- ITP levied 1.41 mills in 2022, 1.43 mills and 1.45 mills in 2021 and 2020, respectively, as approved by the taxpayers, adjusted by MCL211.34d (Headlee adjustment).
- GASB 68 - *Accounting and Financial Reporting for Pensions*, requires that ITP's net pension liability, as well as deferred outflows and inflows of resources related to pensions, be recorded in its financial statements. ITP recognized a net pension liability of \$2,927,208 and \$739,049 at September 30, 2022 and 2021, respectively.

Overview of the Financial Statements

The financial section of this annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements and notes to the financial statements, required supplementary information, and other supplementary information.

The financial statements provide both long-term and short-term information about ITP's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to public transit authorities on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the statements of revenues, expenses, and changes in net position. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of ITP are included in the statements of net position.

The statements of net position report the net position and how it has changed. Net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources is one way to measure the financial health or position of ITP.

Financial Analysis of ITP

Net Position

ITP's net position increased by \$14.4 million as of September 30, 2022, an increase of 8% from September 30, 2021 (see Table A-1). The increase in current assets is largely due to the federal covid reimbursement of operating expenses. The reimbursement increased cash investments and ITP's five-year financial outlook. ITP continues to invest in capital assets (land, buildings, vehicles, equipment, and infrastructure) to achieve community and regional outcomes. This fiscal year's

Interurban Transit Partnership

Management's Discussion and Analysis

significant capital purchases include the purchase of the GO BUS Operations facility (Busch Drive), the purchase of the Standale Laker Line Park and Ride lot, and the completion of the new Facilities building at 720 Butterworth. The net pension liability increased as the asset return was unfavorable for the defined benefit plans. The following table shows the net position as of September 30, 2022, 2021, and 2020:

Table A-1
Net Position
(in thousands of dollars)

<i>September 30,</i>	2022	2021	2020
Current assets	\$ 77,697	\$ 62,817	\$ 38,543
Capital assets, net	151,476	158,283	158,354
Total Assets	229,173	221,100	196,897
Deferred Outflows of Resources	1,821	996	1,327
Current Liabilities	7,836	13,842	8,566
Net Pension Liability	2,927	739	4,015
Deferred Inflows of Resources	21,248	22,912	21,149
Net Position			
Net investment in capital assets	151,476	158,283	158,354
Unrestricted	47,508	26,320	6,140
Total Net Position	198,984	184,603	164,494

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Management's Discussion and Analysis

Changes in Net Position

Net position increased by \$14.4 million from September 30, 2021 to September 30, 2022 (see Table A-2). Operating revenues increased as ridership and fares are recovering while non-operating revenue is consistent due to federal funding through the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) and American Rescue (ARP) Acts. Capital contributions decreased this fiscal year as the prior year included the purchase of revenue buses and Laker Line ticket vending machines.

Table A-2
Change in Net Position
(in thousands of dollars)

<i>Year ended September 30,</i>	2022	2021	2020
Operating Revenues			
Passenger fares	\$ 4,216	\$ 2,962	\$ 4,075
Advertising	411	258	208
Total Operating Revenues	4,627	3,220	4,283
Operating Expenses			
Salaries and fringe benefits	26,582	26,892	28,097
Supplies and other operating expenses	20,263	20,210	20,627
Depreciation and loss on disposal of assets	16,234	15,677	13,839
Total Operating Expenses	63,079	62,779	62,563
Operating Loss	(58,452)	(59,559)	(58,280)
Non-Operating Revenues			
State and federal	38,298	40,121	31,052
Property taxes	18,012	17,472	16,791
Other local	7,096	6,469	6,300
Total Non-Operating Revenues	63,406	64,062	54,143
Income (Loss), before capital contributions	4,954	4,503	(4,137)
Capital Contributions	9,427	15,606	38,312
Change in Net Position	14,381	20,109	34,175
Net Position, beginning of year	184,603	164,494	130,319
Net Position, end of year	\$ 198,984	\$ 184,603	\$ 164,494

Interurban Transit Partnership

Management's Discussion and Analysis

Table A-3
Operating Expenses Before Depreciation
(in thousands of dollars)

The table below compares fiscal year ended September 30, 2022 to September 30, 2021 operating expenses before depreciation. The main changes from year-to-year are attributed to an increase in overtime due to labor challenges, the volatility in fuel prices, and increased costs for materials, supplies, and services due to economic factors. Insurance costs reduced from last year but reducing ITP's loss ratio and exposure remains its priority.

<i>Year ended September 30,</i>	2022	2021	Change (%)
Labor	\$ 18,207	\$ 17,538	3.8
Fringe benefits	8,375	9,354	(10.5)
Services	3,946	4,289	(8.0)
Materials and supplies consumed	4,745	3,723	27.5
Utilities	1,334	1,226	8.8
Casualty and liability costs	2,453	3,250	(24.5)
Purchased transportation	6,855	6,415	6.9
Miscellaneous	492	549	(10.4)

The main reason for changes from FY 2020 to FY 2021 is due to the reduction in the service levels, along with the addition of safety protocols due to the pandemic. Services expenses increased from FY 2020 to FY 2021 as additional safety protocols were put in place to disinfect buses, additional cleanings of the building, etc. The materials and supplies expenses decreased from FY 2020 to FY 2021 due mainly to reduction in fuel consumption and price. Purchase transportation expenses decreased because of the reduction in service from FY 2020 to FY 2021.

<i>Year ended September 30,</i>	2021	2020	Change (%)
Labor	\$ 17,538	\$ 18,326	(4.3)
Fringe benefits	9,354	9,770	(4.3)
Services	4,289	3,782	13.4
Materials and supplies consumed	3,723	3,967	(6.2)
Utilities	1,226	1,010	21.4
Casualty and liability costs	3,250	1,772	83.4
Purchased transportation	6,415	6,691	(4.1)
Miscellaneous	549	543	1.1

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Management's Discussion and Analysis

Capital Assets

As of September 30, 2022, ITP had invested \$230 million in capital assets, including land, land improvements, buildings, revenue equipment, and machinery and equipment. Net of accumulated depreciation, capital assets on September 30, 2022 totaled approximately \$151 million (see Table A-4). This amount represents a net decrease (including additions and disposals, net of depreciation) of approximately \$6.8 million, or 4.3%, from September 30, 2021.

As of September 30, 2021, ITP had invested \$261 million in capital assets, including land, land improvements, buildings, revenue equipment, and machinery and equipment. Net of accumulated depreciation, capital assets on September 30, 2021 totaled approximately \$158 million (see Table A-4). This amount represents a net decrease (including additions and disposals, net of depreciation) of approximately \$70,800, or 0.04%, from September 30, 2020.

Table A-4
Capital Assets, Net of Depreciation
(in thousands of dollars)

<i>September 30,</i>	2022	2021	Change (%)
Land	\$ 12,139	\$ 9,368	29.6
Artwork	368	368	-
Easements	55	55	-
Construction in progress	-	172	(100.0)
Land improvements	2,709	2,586	4.7
Facilities	83,112	84,620	(1.8)
Revenue vehicles	42,700	49,152	(13.1)
Support equipment	3,883	4,026	(3.6)
Information systems and technology	5,908	7,564	(21.9)
Software and software development	602	372	61.8
Total Net Capital Assets	\$ 151,476	\$ 158,283	(4.3)
<i>September 30,</i>	2021	2020	Change (%)
Land	\$ 9,368	\$ 9,368	-
Artwork	368	368	-
Easements	55	55	-
Construction in progress	172	1,147	(85.0)
Land improvements	2,586	2,715	(4.8)
Facilities	84,620	87,855	(3.7)
Revenue vehicles	49,152	47,224	4.1
Support equipment	4,026	3,807	5.8
Information systems and technology	7,564	5,512	37.2
Software and software development	372	303	22.8
Total Net Capital Assets	\$ 158,283	\$ 158,354	0.04

Interurban Transit Partnership

Management's Discussion and Analysis

Economic Factors and Next Year's Budget

ITP's focus in FY 2022/2023 is on the value transit provides in achieving community and regional goals and outcomes. Transit is no longer a conversation limited to how many riders are on ITP's system. The conversation has turned to the value a transit network and infrastructure brings to support and promote the vitality of the community it serves. ITP is a strategic partner in growth and economic development, playing its part means providing access to employment, health care, and education and by offering and continuously improving and reimagining a flexible network of public transportation and mobility solutions.

For FY 2022/2023, the Board of Directors adopted a \$52.8 million operating budget, exclusive of depreciation, and a \$24.1 million capital budget. Passenger fares continue to recover and contract service revenue remains consistent. The balance of eligible federal funding will be received in FY 2022/2023 and will continue to assist with fare box deficits. Property tax revenue is anticipated to be stable, and state operating assistance will be 29.2015%, which is a slight decrease from last fiscal year, despite an increase in local bus operating (LBO) funds. Converting ITP's fleet to zero emissions continues to be a priority as ITP has partnered with the city of Grand Rapids and DTE for renewable Compressed Natural Gas energy and the city of Grand Rapids to receive fuel from their biodigester for ITP's buses. The linehaul fleet is currently 60% CNG and 40% diesel. Staff will continue to monitor and investigate options to control costs.

Basic Financial Statements

Interurban Transit Partnership

Statements of Net Position Enterprise Fund

September 30,	2022	2021
Assets		
Current Assets		
Cash and investments (Note 2)	\$ 67,052,999	\$ 46,149,497
Property taxes receivable, net	1,387,045	1,247,099
Due from federal government	1,789,509	8,981,916
Due from state of Michigan	854,585	1,963,634
Billed receivables	4,618,419	3,098,116
Materials and supplies inventories	696,091	578,826
Prepaid expenses and deposits	1,298,725	797,464
Total Current Assets	77,697,373	62,816,552
Capital Assets (Note 3)		
Facilities	120,752,930	117,678,642
Revenue vehicles	83,915,094	83,340,271
Support equipment	17,876,445	16,790,853
Land and improvements	17,861,038	14,692,152
Information systems, technology, and software	29,545,913	28,313,794
Other non-depreciable assets	423,814	423,814
Construction in progress	-	171,715
	270,375,234	261,411,241
Less: accumulated depreciation	(118,899,166)	(103,127,823)
Net Capital Assets	151,476,068	158,283,418
Total Assets	\$ 229,173,441	\$ 221,099,970
Deferred Outflows of Resources		
Related to pensions (Note 4)	\$ 1,821,163	\$ 996,227
Liabilities		
Current Liabilities		
Accounts payable	\$ 3,311,065	\$ 8,736,940
Accrued payroll	1,904,372	2,598,871
Unredeemed fares	627,090	509,523
Unearned revenues	274,008	278,331
Due to state of Michigan	1,719,160	1,718,653
Total Current Liabilities	7,835,695	13,842,318
Net Pension Liability (Note 4)	2,927,208	739,049
Total Liabilities	\$ 10,762,903	\$ 14,581,367
Deferred Inflows of Resources		
Property taxes received or receivable before the levy date	\$ 18,627,623	\$ 17,785,399
Related to pensions (Note 4)	2,620,129	5,126,311
Total Deferred Inflows of Resources	\$ 21,247,752	\$ 22,911,710
Net Position		
Net investment in capital assets	\$ 151,476,068	\$ 158,283,418
Unrestricted	47,507,881	26,319,702
Total Net Position	\$ 198,983,949	\$ 184,603,120

See accompanying notes to financial statements.

Interurban Transit Partnership

Statements of Revenues, Expenses, and Changes in Net Position Enterprise Fund

<i>Year ended September 30,</i>	2022	2021
Operating Revenues		
Passenger fares	\$ 4,216,120	\$ 2,961,800
Advertising	410,866	258,253
Total Operating Revenues	4,626,986	3,220,053
Operating Expenses		
Salaries and fringe benefits	26,582,153	26,892,299
Supplies and other operating expenses	20,262,989	20,210,358
Depreciation and loss on disposal of assets	16,234,357	15,677,114
Total Operating Expenses	63,079,499	62,779,771
Operating Loss	(58,452,513)	(59,559,718)
Non-Operating Revenues		
State	16,062,177	17,387,842
Federal	22,235,906	22,733,207
Property taxes	18,012,199	17,472,240
Other local	7,096,053	6,469,054
Total Non-Operating Revenues	63,406,335	64,062,343
Income, before capital contributions	4,953,822	4,502,625
Capital Contributions	9,427,007	15,606,317
Change in Net Position	14,380,829	20,108,942
Net Position, beginning of year	184,603,120	164,494,178
Net Position, end of year	\$ 198,983,949	\$ 184,603,120

See accompanying notes to financial statements.

Interurban Transit Partnership

Statements of Cash Flows Enterprise Fund

<i>Year ended September 30,</i>	2022	2021
Cash from Operating Activities		
Receipts from customers	\$ 3,224,250	\$ 4,092,485
Payments to suppliers	(26,307,390)	(15,690,943)
Payments to employees and fringe benefits	(28,419,611)	(28,513,875)
Net Cash Used in Operating Activities	(51,502,751)	(40,112,333)
Cash from Noncapital Financing Activities		
Federal grants received	22,235,906	22,733,207
State grants received	17,167,411	16,409,144
Local government assistance received	6,740,388	6,158,695
Property taxes	18,714,477	18,345,788
Other income	205,599	107,106
Net Cash Provided by Noncapital Financing Activities	65,063,781	63,753,940
Cash from Capital and Related Financing Activities		
Federal contributed capital	14,764,292	7,402,453
State contributed capital	1,855,121	2,995,439
Purchase of capital assets	(9,427,007)	(15,606,317)
Proceeds from sale of capital assets	30,460	137,737
Net Cash Provided by (Used in) Capital and Related Financing Activities	7,222,866	(5,070,688)
Cash from Investing Activity		
Interest received on investments	119,606	65,520
Net Increase in Cash and Investments	20,903,502	18,636,439
Cash and Investments, beginning of year	46,149,497	27,513,058
Cash and Investments, end of year	\$ 67,052,999	\$ 46,149,497
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (58,452,513)	\$ (59,559,718)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and loss on disposal of assets	16,234,357	15,677,114
Changes in assets and liabilities:		
Increase (decrease) in billed receivables	(1,520,303)	668,574
Increase (decrease) in inventories	(117,265)	859
Decrease in prepaid expenses and deposits	(501,261)	(770,839)
Increase (decrease) in accounts payable	(5,425,875)	5,289,395
Decrease in accrued payroll	(694,499)	(49,434)
Increase in unredeemed fares	117,567	203,858
Decrease in pension-related items	(1,142,959)	(1,572,142)
Net Cash Used in Operating Activities	\$ (51,502,751)	\$ (40,112,333)

See accompanying notes to financial statements.

Interurban Transit Partnership
Statements of Fiduciary Net Position
Fiduciary Funds

June 30,

	Pension Trust Funds	
	2022	2021
Assets		
Cash and short-term investments (Note 2)	\$ 738,603	\$ 1,038,622
Receivables:		
Interest and dividends receivable	671	16
Investments, at fair value (Note 2):		
Bond mutual funds	3,025,040	3,421,811
Equity mutual funds	8,955,882	10,756,010
Total Investments, at fair value	11,980,922	14,177,821
Total Assets	12,720,196	15,216,459
Net Position Held in Trust for Pension Benefits	\$ 12,720,196	\$ 15,216,459

See accompanying notes to financial statements.

Interurban Transit Partnership
Statements of Changes in Fiduciary Net Position
Fiduciary Funds

Year ended June 30,

	Pension Trust Funds	
	2022	2021
Additions		
Employer and employee contributions	\$ 688,771	\$ 1,175,294
Investment income (loss):		
Net appreciation (depreciation)	(2,517,648)	3,125,968
Interest	1,428	277
Dividends	357,762	335,747
Investment expense	(12,353)	(11,154)
Total Investment Income (Loss)	(2,170,811)	3,450,838
Total Additions	(1,482,040)	4,626,132
Deductions		
Benefits	975,093	1,743,415
Administrative expense	39,130	42,107
Total Deductions	1,014,223	1,785,522
Change in Net Position	(2,496,263)	2,840,610
Net Position Held in Trust for Pension Benefits, beginning of year	15,216,459	12,375,849
Net Position Held in Trust for Pension Benefits, end of year	\$ 12,720,196	\$ 15,216,459

See accompanying notes to financial statements.

Interurban Transit Partnership

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

Interurban Transit Partnership (ITP) was created in 2000 pursuant to the provisions of the Public Transit Authority Act of 1986, as amended. The six-member municipalities of East Grand Rapids, Grand Rapids, Grandville, Kentwood, Walker, and Wyoming each levy 1.43 mills to fund operations.

ITP provides public passenger transportation to the general public in the greater Grand Rapids area. These financial statements include the Enterprise Fund and the Pension Trust Funds of ITP.

Measurement Focus and Basis of Accounting

The Enterprise Fund's and Pension Trust Funds' financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned; expenses are recognized when incurred. Grants are recognized as revenue as soon as all eligibility requirements have been met.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues are passenger fares. Operating expenses include salaries and benefits, supplies and operating expense, and depreciation. All revenues not meeting this definition are reported as non-operating revenues.

Cash

ITP considers cash on hand, demand deposits, and short-term investments in Kent County's investment pool, and governmental money market funds with local financial institutions with maturities of three months or less when purchased to be cash for the statements of cash flows.

Materials and Supplies Inventories

Materials and supplies inventories are stated at the lower of average cost or market.

Investments

Investments in bond mutual funds and equities are recorded at fair value based on quoted market prices.

Capital Assets

Property, buildings, and equipment are recorded at cost. Depreciation is computed on the straight-line method based on the estimated useful lives of the related assets. Assets having a useful life in excess of three years and whose costs exceed \$1,000 are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Contributions of funds from federal, state, or local sources for the purpose of purchasing property, plant, and equipment are recorded as contributions when received.

Interurban Transit Partnership

Notes to Financial Statements

Estimated useful lives of the related assets by asset category are as follows:

Asset category	Useful Life (Years)
Facilities	20-40
Revenue vehicles	3-12
Support equipment	3-10
Land improvements	10-30
Information systems, technology, and software	3-10

Unearned Revenues

Unearned revenues arise when resources are received by ITP before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when ITP has a legal claim to the resources, the liability for unearned revenue is removed from the statements of net position and revenue is recognized.

Deferred Outflows of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until then. ITP has pension-related items that qualify to be reported in this category. These amounts are expensed in the plan years in which it applies.

Deferred Inflows of Resources

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. ITP has two items that qualify for reporting in this category. First, ITP reports a deferred inflow of resources for property taxes received or receivable prior to the period for which they were levied. Second are the future resources yet to be recognized in relation to the pension actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension liability and the actual results. The amounts are amortized over a period determined by the actuary.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of ITP's pension plans and additions to/deductions from the plans' fiduciary net positions have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets is net of accumulated

Interurban Transit Partnership

Notes to Financial Statements

depreciation. Net position is reported as restricted when there are limitations imposed on its use either through legislation or external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Compensated Absences

Bus operators, maintenance, and facility employees are credited 56 hours of personal paid leave each year on their seniority date. An employee who has worked less than 1,680 hours in the prior 12 months shall be credited with a proportionate share of paid personal leave. Paid personal leave may be accrued with no maximum limit. Upon termination, employees are paid for unused personal leave at their current rates.

Property Taxes

Property taxes are levied as an enforceable lien on property as of December 1. ITP's taxes are billed on July 1 and are due without penalty on July 31 for the city of Grand Rapids and September 14 for all other local governments. Real property taxes not collected as of March 1 are turned over to Kent County for collection. The county then advances ITP 100% of the delinquent real property taxes. Collection of the delinquent personal property taxes remains the responsibility of the local communities.

Property taxes are recognized as revenue in the period for which they are levied, with proper allowances made for estimated uncollectible amounts. ITP levied 1.4308 mills for fiscal year 2022, operations as approved by the voters and adjusted by MCL211.34d (Headlee adjustment) in a prior year.

Advertising

ITP advertising is outsourced. The contracting agency is responsible for any related expenses. ITP records no advertising expenses, and none are included in total eligible operating expenses.

Estimates

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

Subsequent Events

Management has evaluated subsequent events through January 12, 2023, the date the financial statements were available to be issued.

2. Cash and Investments

Deposits

State statutes require that certificates of deposit, savings accounts, deposit accounts, and depository receipts are made with banks doing and having a place of business in the state of Michigan that are also members of a federal or national insurance corporation.

Interurban Transit Partnership

Notes to Financial Statements

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, ITP's deposits might not be recovered. ITP minimizes custodial credit risk by pre-qualifying financial institutions. At September 30, 2022, the bank balances were \$68,200,004, of which \$67,450,004 was uninsured and uncollateralized.

Accounts held by government depositors are insured as follows:

In-state accounts: All time, savings, and demand deposits owned by a public unit in an insured depository institution are added together and insured up to \$250,000.

Investments

State statutes authorize ITP to invest in obligations and certain repurchase agreements of the U.S. Treasury and related governmental agencies, commercial paper rated prime at the time of purchase and maturing not more than 270 days from the date of purchase, bankers acceptances and certificates of deposit issued or created by any state or national bank insured with the applicable federal agency, investment pools authorized by the Surplus Funds Investment Pool Act, and mutual funds composed entirely of the above investments.

ITP's Enterprise Fund had the following investment, which is measured at amortized cost:

<i>September 30,</i>		2022	2021
Investment	Maturity	Amortized Cost	Amortized Cost
Kent County Investment Pool	Less than 1 year	\$ 6,139,098	\$ 6,106,957

Interest Rate Risk

ITP minimizes interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and investing operating funds primarily in shorter-term investments.

Custodial Credit Risk Related to Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, ITP will not be able to recover the value of its investments that are in the possession of an outside party. ITP minimizes custodial credit risk by limiting investments and pre-qualifying financial institutions. ITP had no investments subject to custodial credit risk at September 30, 2022.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. ITP's policy to mitigate such risk is by limiting investment choices to that of the highest ratings and direct obligations of the United States or those that are guaranteed by the United States.

Interurban Transit Partnership

Notes to Financial Statements

At September 30, 2022, ITP's investments had the following credit ratings and exposure:

Investment Type	Rating	Credit Exposure as a Percentage of Total Investments (%)
Enterprise Fund		
Kent County Investment Pool	Not rated	100
Pension Trust Funds		
Money market funds	Moody's A-mf	5.81
Bond mutual funds	Not rated	23.78

Fair Value Measurement

ITP is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - This level consists of quoted prices in active markets for identical securities.

Level 2 - This level consists of prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk, and others.

Level 3 - This level consists of prices determined using significant unobservable inputs. In situations where quoted prices are observable, or inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect on ITP's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The following tables set forth by level, within the fair value hierarchy, the investment assets at fair value as of June 30, 2022 and 2021. As required by the fair value measurement standard, assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The balances of assets measured at fair value on a recurring basis are as follows:

June 30, 2022

	Level 1	Level 2	Level 3	Total
Pension Trust Fund				
Cash and short-term investments	\$ 738,603	\$ -	\$ -	\$ 738,603
Equity mutual funds	8,955,882	-	-	8,955,882
Bond mutual funds	3,025,040	-	-	3,025,040
Investments, at fair value	\$ 12,719,525	\$ -	\$ -	\$ 12,719,525

Interurban Transit Partnership

Notes to Financial Statements

June 30, 2021

	Level 1	Level 2	Level 3	Total
Pension Trust Fund				
Cash and short-term investments	\$ 1,038,622	\$ -	\$ -	\$ 1,038,622
Equity mutual funds	10,756,010	-	-	10,756,010
Bond mutual funds	3,421,811	-	-	3,421,811
Investments, at fair value	\$ 15,216,443	\$ -	\$ -	\$ 15,216,443

3. Capital Assets

Capital asset activity is as follows:

	Balance, October 1, 2021	Additions	Deletions/ Reclassifications	Balance, September 30, 2022
Capital Assets				
Capital assets not being depreciated:				
Construction in progress	\$ 171,715	\$ -	\$ 171,715	\$ -
Land	9,367,620	2,771,272	-	12,138,892
Artwork	368,470	-	-	368,470
Easements - intangible	55,343	-	-	55,343
Capital assets being depreciated:				
Facilities	117,678,642	3,074,288	-	120,752,930
Revenue vehicles	83,340,271	574,823	-	83,915,094
Support equipment	16,790,853	1,121,877	36,285	17,876,445
Land improvements	5,324,532	397,614	-	5,722,146
Information systems and technology	24,679,954	1,224,357	413,469	25,490,842
Software - intangible	3,633,841	434,491	13,260	4,055,072
Total Capital Assets	261,411,241	9,598,722	634,729	270,375,234
Accumulated Depreciation				
Facilities	33,059,029	4,581,537	-	37,640,566
Revenue vehicles	34,188,162	7,027,428	-	41,215,590
Support equipment	12,764,597	1,265,510	36,285	13,993,822
Land improvements	2,738,505	275,037	-	3,013,542
Information systems and technology	17,115,909	2,880,253	413,469	19,582,693
Software - intangible	3,261,621	204,592	13,260	3,452,953
Total Accumulated Depreciation	103,127,823	16,234,357	463,014	118,899,166
Net Capital Assets	\$ 158,283,418	\$ (6,635,635)	\$ 171,715	\$ 151,476,068

Interurban Transit Partnership

Notes to Financial Statements

Please note the \$171,715 amount in construction in progress was done to distribute prior-year capital assets to the appropriate asset category for the fare revenue machines for the Laker Line.

	Balance October 1, 2020	Additions	Transfers/ Deletions	Balance September 30, 2021
Capital Assets				
Capital assets not being depreciated:				
Construction in progress	\$ 1,147,039	\$ 171,715	\$ 1,147,039	\$ 171,715
Land	9,367,620	-	-	9,367,620
Artwork	368,470	-	-	368,470
Easements - intangible	55,000	343	-	55,343
Capital assets being depreciated:				
Facilities	116,360,639	1,318,003	-	117,678,642
Revenue vehicles	87,165,968	9,051,813	12,877,510	83,340,271
Support equipment	16,237,255	1,466,431	912,833	16,790,853
Land improvements	5,198,561	125,971	-	5,324,532
Information systems and technology	20,676,501	4,323,293	319,840	24,679,954
Software - intangible	3,338,056	295,785	-	3,633,841
Total Capital Assets	259,915,109	16,753,354	15,257,222	261,411,241
Accumulated Depreciation				
Facilities	28,506,054	4,552,975	-	33,059,029
Revenue vehicles	39,941,751	7,123,921	12,877,510	34,188,162
Support equipment	12,430,454	1,246,976	912,833	12,764,597
Land improvements	2,483,322	255,183	-	2,738,505
Information systems and technology	15,164,030	2,271,719	319,840	17,115,909
Software - intangible	3,035,281	226,340	-	3,261,621
Total Accumulated Depreciation	101,560,892	15,677,114	14,110,183	103,127,823
Net Capital Assets	\$ 158,354,217	\$ 1,076,240	\$ 1,147,039	\$ 158,283,418

4. Pension and Retirement Plans

ITP has two single-employer defined benefit pension plans that provide retirement benefits to plan members and beneficiaries consisting of the Interurban Transit Partnership Pension Plan (Administrative Plan) and the Interurban Transit Partnership and Amalgamated Transit Union Pension Plan (Non-Administrative Plan).

Plan Description - Administrative Plan

ITP administers the Administrative Plan, a single-employer defined benefit pension plan that provides pensions for participants as defined by the plan document. The plan is currently closed to new participants. Administrative employees were eligible to participate when they attained 21 years of age and completed one full year of service. One full year of service is defined as at least 1,000 hours of service in the 12-consecutive-month period beginning on the employee's hire date. The plan provided for vesting based on years of credited service, ranging from 20% at three years to 100% at five or more years. The pension benefit, payable monthly for life to the retired employee,

Interurban Transit Partnership

Notes to Financial Statements

equals 50% of the employee's average monthly compensation, adjusted for the employee's years of credited service. Full benefits are received if the employee retires at age 65 and is fully vested.

The financial statements of the plan are included in these financial statements as a Pension Trust Fund (a fiduciary fund).

As of June 30, the plan's membership consisted of:

	2022	2021
Retirees and beneficiaries currently receiving benefits	14	15
Terminated employees entitled to benefits but not yet receiving them	13	14
Active plan members	1	1
Total	28	30

Plan Description - Non-Administrative Plan

ITP administers the Amalgamated Transit Union Pension Plan, a single-employer defined benefit pension plan that provides pensions for participants as defined by the plan document. The plan is a non-contributory defined benefit pension plan for ITP's non-administrative employees (drivers and mechanics). The plan is currently closed to new participants. Non-administrative employees were eligible to participate upon completion of 60 days of continuous service. Accumulated benefits attributable to ITP contributions are fully vested after five years of service. Termination of employment prior to completion of five years of service results in the forfeiture of the accumulated benefits attributable to ITP contributions. The pension benefit, payable monthly for life to the retired employee, equals a minimum of \$230.45, increased by a function of the employee's years of credited service or \$34 per year of service, whichever is greater.

The financial statements of the plan are included in these financial statements as a Pension Trust Fund (a fiduciary fund).

As of June 30, the plan's membership consisted of:

	2022	2021
Retirees and beneficiaries currently receiving benefits	136	137
Terminated employees entitled to benefits but not yet receiving them	160	129
Active plan members	165	210
Total	461	476

Basis of Accounting

The financial statements of both plans have been prepared on the accrual basis. The employer contributions are recognized when due and a formal commitment to provide the contribution has been made. Benefits are recognized when due and payable, according to the terms of the plans. Investments are reported at fair value.

Interurban Transit Partnership

Notes to Financial Statements

Funding Policy

The Administrative Plan was established and is being funded under the authority of ITP. Article 9, Section 24 of the Regulations of the State of Michigan constitution requires the financial benefits arising on account of service rendered each year be funded during that year. ITP retains an actuary to determine the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. ITP is required to contribute the actuarially determined amount.

The Non-Administrative Plan was established and is being funded under the authority of ITP and under agreements with the union representing employees covered by the plan. The plan's funding policy is that the employer will contribute to the plan based on the current negotiated rate; for July 1, 2017 to December 10, 2017, this rate is \$1.00 for each hour of service completed. ITP is required by the terms of the plan to contribute based on the negotiated rate. This fund is now closed.

Actuarial Assumptions

The total pension liability for both plans was determined by an actuarial valuation as of July 1, 2021, and the following actuarial assumptions, applied to all periods included in the measurement:

	Administrative Plan	Non- Administrative Plan
Inflation	2.50	2.50
Salary increases	0.00	0.00
Investment rate of return	6.00	6.50

Discount Rate

The discount rate used to measure the total pension liability for the Administrative Plan was 6.00% and 6.50% for the Non-Administrative Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the most recent recommended contribution expressed as a percentage of covered payroll. Based on those assumptions, both plans' fiduciary net position was projected to be sufficient to make all future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the depletion date), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate is used to determine the total pension liability.

Interurban Transit Partnership

Notes to Financial Statements

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following tables present the pension plans' net pension liability, calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Rate	1% Increase
Administrative Plan	(5.00)	(6.00)	(7.00)
Net Pension Liability	\$ 676,356	\$ 479,630	\$ 310,002
<hr/>			
	1% Decrease	Current Rate	1% Increase
Non-Administrative Plan	(5.50)	(6.50)	(7.50)
Net Pension Liability	\$ 3,931,083	\$ 2,447,578	\$ 1,205,084

Long-Term Expected Rates of Return and Asset Allocation

The long-term expected rates of return of retirement plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rates of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation. Best estimates are arithmetic real rates of return for each major asset class included in the retirement plan's investment policy.

	Administrative Plan		Non-Administrative Plan	
	Target Allocation (%)	Long-Term Expected Rate of Return (%)	Target Allocation (%)	Long-Term Expected Rate of Return (%)
Domestic equity	50.00	7.50	50.00	7.50
International equity	10.00	8.50	15.00	8.50
Domestic bonds	32.25	2.50	20.00	2.50
International bonds	7.50	3.50	5.00	3.50
Real estate	0.00	0.00	10.00	4.50

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Interurban Transit Partnership

Notes to Financial Statements

Changes in the Net Pension Liability

The following table summarizes changes in the net pension liability related to the Administrative Plan:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, July 1, 2021	\$ 2,314,364	\$ 2,068,935	\$ 245,429
Changes in Pension Liability			
Service cost	-	-	-
Interest	132,650	-	132,650
Experience gains	(28,168)	-	(28,168)
Contributions - employer	-	152,611	(152,611)
Assumption change	(13,943)	-	(13,943)
Net investment income (loss)	-	(281,958)	281,958
Benefit payments	(207,063)	(207,063)	-
Administrative expenses	-	(14,315)	14,315
Net Changes in Pension Liability	(116,524)	(350,725)	234,201
Balance, June 30, 2022	\$ 2,197,840	\$ 1,718,210	\$ 479,630

The following table summarizes changes in the net pension liability related to the Non-Administrative Plan:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, July 1, 2021	\$ 13,641,144	\$ 13,147,524	\$ 493,620
Changes in Pension Liability			
Interest	861,713	-	861,713
Experience gains	(228,921)	-	(228,921)
Contributions - employer	-	536,160	(536,160)
Assumption change	(56,342)	-	(56,342)
Net investment income (loss)	-	(1,888,853)	1,888,853
Benefit payments	(768,030)	(768,030)	-
Administrative expenses	-	(24,815)	24,815
Net Changes in Pension Liability	(191,580)	(2,145,538)	1,953,958
Balance, June 30, 2022	\$ 13,449,564	\$ 11,001,986	\$ 2,447,578

Interurban Transit Partnership

Notes to Financial Statements

Deferred Inflows and Outflows of Resources Related to the Pension Plan

At September 30, 2022, ITP reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

	Administrative Plan		Non-Administrative Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -	\$ 238,503	\$ 319,180
Changes of assumptions	-	-	607,660	2,300,949
Investment earnings losses	154,902	-	820,098	-
Total	\$ 154,902	\$ -	\$ 1,666,261	\$ 2,620,129

Deferred outflows of resources and deferred inflows of resources that are the result of differences in expected and actual experience with regard to economic and demographic factors, or from changes in assumptions regarding those factors, are amortized over a closed period equal to the average of the expected remaining period of service for all plan participants. Those time periods are five years for both plans. The differences between projected and actual investment earnings are amortized over five years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,

	Administrative Plan	Non- Administrative Plan	Total
2023	\$ 38,071	\$ (506,611)	\$ (468,540)
2024	22,650	(460,793)	(438,143)
2025	13,374	(410,536)	(397,162)
2026	80,807	251,736	332,543
2027	-	79,676	79,676
Thereafter	-	92,660	92,660

Components of Pension Expense

For the year ended September 30, 2022, ITP recognized pension expense of \$24,920 for the Administrative Plan and \$(479,108) for the Non-Administrative Plan.

Interurban Transit Partnership

Notes to Financial Statements

Below are the components of the total pension expense:

Year ended September 30, 2022

	Administrative Plan	Non- Administrative Plan
Interest	\$ 132,650	\$ 861,713
Experience gains	(28,168)	(86,475)
Assumption change	(13,943)	(507,086)
Projected earnings on pension plan investments	(122,073)	(846,247)
Investment earnings losses	42,139	74,172
Administrative expenses	14,315	24,815
Total Pension Expense	\$ 24,920	\$ (479,108)

For the year ended September 30, 2022, actual cash payments made were \$152,611 and \$536,160 for the Administrative Plan and the Non-Administrative Plan, respectively.

Defined Contribution - Administrative Plan

ITP has a non-contributory defined contribution benefit plan for its administrative employees. The plan was established July 1, 2000. Administrative employees are eligible to participate on the first day of the month following completion of six months of service, provided that the employee has at least 500 hours of service. The plan provides 100% vesting after five years of service. The contribution is made monthly at 10% of compensation paid during the month. ITP made contributions totaling \$492,090 for the year ended September 30, 2022.

Defined Contribution - Non-Administrative Plan

ITP has a contributory defined contribution benefit plan for its non-administrative employees. The plan had an initial effective date of August 1, 2018, with ITP contributions retroactive to the December 11, 2017 effective date of a new bargaining agreement. Non-administrative employees are eligible to participate after completion of a probationary period of 90 or 150 days. The plan provides 100% vesting after five years of service, with intermediate vesting levels for fewer years of service. Contributions are made bi-weekly and consist of 6% of eligible compensation, plus a match of participants' additional elective contributions up to 1% of eligible compensation. ITP made contributions totaling \$904,228 for the year ended September 30, 2022.

5. Risk Management

ITP is exposed to various risks of loss related to torts, theft of and damage to assets, errors and omissions, injuries to employees, and natural disasters. ITP carries commercial insurance for most risks of loss, including employee life, health, and accident insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. ITP participated in a public entity risk pool for property and liability coverage through November 30, 2009. ITP paid an annual premium to the entity risk pool, which is adjusted retroactively to reflect the actual cost. Each member is responsible for all losses falling within its selected retention level, plus its share of pool losses and administrative expenses, less its share of investment income. The agreement for formation of the Michigan Transit Pool (the Pool) provides that the Pool will be self-sustaining

Interurban Transit Partnership

Notes to Financial Statements

through member premiums and will provide property and liability coverage to its members for the first \$2,000,000 per occurrence. The Pool has purchased excess insurance for an additional \$3,000,000 per occurrence. In addition, ITP carried excess insurance for an additional \$5,000,000 per occurrence. The Pool publishes its own financial report, which can be obtained from the Pool. ITP's participation in the Pool ended as of December 1, 2009, except with regard to known and unknown covered events occurring prior to December 1, 2009. ITP currently purchases commercial insurance for property and liability with coverage of \$5,000,000 per occurrence with a \$50,000 deductible and has excess coverage for an additional \$5,000,000. ITP carries catastrophic insurance to cover direct damage to property.

6. Description of Grant Funding

The following is a description of ITP's major grant funding:

Operations

ITP's general operations are funded as follows:

The Michigan Department of Transportation (MDOT) authorized funding for fiscal years 2022 and 2021 of up to 50% of eligible expenses, based on actual costs and the appropriated funds available. Maximum operating assistance from MDOT totaled \$22,465,395 and \$22,321,281 in 2022 and 2021, respectively. Actual operating assistance accrued based on MDOT's stated funding rate of 29.5134% and 31.6001%, respectively, totaled \$13,260,604 and \$14,107,094 in 2022 and 2021, respectively.

Capital Acquisitions

Funds used to purchase property, buildings, and equipment were advanced to ITP pursuant to grants provided by agencies of the state and federal governments. Funding is generally provided by the Federal Transit Authority (FTA) (80%) and by MDOT (20%). Pursuant to the terms of those grants and applicable state and federal law, ITP is required to remit to the state and federal governments substantially all of the amounts it may receive as a result of the sale or other disposal of the property that has been purchased with monies provided by state and federal grants.

Contingencies

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

Required Supplementary Information

Interurban Transit Partnership

Schedule of Changes in the Net Pension Liability and Related Ratios - Administrative Plan

<i>Year ended June 30,</i>	2022	2021	2020	2019	2018
Total Pension Liability					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	132,650	147,516	166,683	222,849	298,964
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	(28,168)	208,572	70,045	652,124	(17,596)
Change of assumptions	(13,943)	(8,535)	139,623	(2,976)	92,870
Benefit payments	(207,063)	(983,585)	(185,757)	(3,355,575)	(177,586)
Net Change in Total Pension Liability	(116,524)	(636,032)	190,594	(2,483,578)	196,652
Total Pension Liability - beginning	2,314,364	2,950,396	2,759,802	5,243,380	5,046,728
Total Pension Liability - ending (a)	2,197,840	2,314,364	2,950,396	2,759,802	5,243,380
Plan Fiduciary Net Position					
Contributions - employer	152,611	408,451	419,186	400,000	457,924
Net investment income (loss)	(281,958)	451,877	79,677	126,980	250,474
Benefit payments	(207,063)	(983,585)	(185,757)	(3,355,575)	(177,586)
Administrative expenses	(14,315)	(14,385)	(13,905)	(14,445)	(12,580)
Net Change in Fiduciary Net Position	(350,725)	(137,642)	299,201	(2,843,040)	518,232
Plan Fiduciary Net Position - beginning	2,068,935	2,206,577	1,907,376	4,750,416	4,232,184
Plan Fiduciary Net Position - ending (b)	1,718,210	2,068,935	2,206,577	1,907,376	4,750,416
Net Pension Liability - ending (a)-(b)	\$ 479,630	\$ 245,429	\$ 743,819	\$ 852,426	\$ 492,964
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (%)	78.2	89.4	74.8	69.1	94.1
Covered-employee payroll	\$ 48,532	\$ 48,337	\$ 205,047	\$ 210,141	\$ 707,023
Net Pension Liability as a Percentage of Covered-Employee Payroll (%)	988.3	507.7	362.8	405.6	41.9

Note: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, ITP presents information for those years for which information is available.

Interurban Transit Partnership

Schedule of Changes in the Net Pension Liability and Related Ratios - Non-Administrative Plan

<i>Year ended June 30,</i>	2022	2021	2020	2019	2018
Total Pension Liability					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ 424,425
Interest	861,713	848,945	800,046	782,627	823,542
Changes in benefit terms	-	-	-	-	(1,612,940)
Difference between expected and actual experience	(228,921)	111,431	43,263	194,529	25,377
Change of assumptions	(56,342)	-	637,632	(56,593)	373,105
Benefit payments	(768,030)	(759,830)	(697,478)	(607,696)	(597,778)
Net Change in Total Pension Liability	(191,580)	200,546	783,463	312,867	(564,269)
Total Pension Liability - beginning	13,641,144	13,440,598	12,657,135	12,344,268	12,908,537
Total Pension Liability - ending (a)	13,449,564	13,641,144	13,440,598	12,657,135	12,344,268
Plan Fiduciary Net Position					
Contributions - employee	-	-	-	-	-
Contributions - employer	536,160	766,843	387,328	250,000	529,010
Net investment income (loss)	(1,888,853)	2,998,961	501,605	715,694	648,430
Benefit payments	(768,030)	(759,830)	(697,478)	(607,696)	(597,778)
Administrative expenses	(24,815)	(27,722)	(25,729)	(28,605)	(32,948)
Net Change in Fiduciary Net Position	(2,145,538)	2,978,252	165,726	329,393	546,714
Plan Fiduciary Net Position - beginning	13,147,524	10,169,272	10,003,546	9,674,153	9,127,439
Plan Fiduciary Net Position - ending (b)	11,001,986	13,147,524	10,169,272	10,003,546	9,674,153
Net Pension Liability - ending (a)-(b)	\$ 2,447,578	\$ 493,620	\$ 3,271,326	\$ 2,653,589	\$ 2,670,115
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (%)	81.8	96.4	75.7	79.0	78.4
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered-Employee Payroll (%)	N/A	N/A	N/A	N/A	N/A

Note: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, ITP presents information for those years for which information is available.

Interurban Transit Partnership
Schedule of Contributions - Administrative Plan

<i>Year ended June 30,</i>	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 144,807	\$ 408,541	\$ 419,186	\$ 192,821	\$ 52,414	\$ 74,018	\$ 216,577
Actual contribution	152,611	408,451	419,186	400,000	457,924	800,000	434,492
Contribution (Excess)	\$ (7,804)	\$ 90	\$ -	\$ (207,179)	\$ (405,510)	\$ (725,982)	\$ (217,915)
Covered payroll	\$ 48,532	\$ 48,337	\$ 205,047	\$ 210,141	\$ 707,023	\$ 703,623	\$ 725,494
Actual contribution as % of covered payroll (%)	314.5%	845.0	204.4	190.3	64.8	113.7	59.9

Interurban Transit Partnership

Schedule of Contributions - Administrative Plan

Methods and assumptions used to determine contribution rates:

Valuation date	July 1, 2022
Actuarial cost method	Unit Credit
Asset valuation method	Market value
Retirement age	Age 65
Interest rate	6.00% per year
Mortality tables:	
Pre-retirement	None
Post-retirement	Pub-2010 Public Retirement Plans Mortality Tables for General Employees; annuitant and non-annuitant, sex-distinct with modified MP-2019 improvement factors
Turnover rates	None
Salary scale	None
Ancillary benefits values	None
Administrative experience	Prior year, rounded to nearest \$100
Date and form of data	All personnel and asset data was prepared by the plan sponsor or a representative and was generally relied upon as being correct and complete without audit by Watkins Ross
Changes since prior valuation	Mortality updated to public pension tables
Cost of living adjustments after retirement	None

Note: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, ITP presents information for those years for which information is available.

Interurban Transit Partnership

Schedule of Contributions - Non-Administrative Plan

<i>Year ended June 30,</i>	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 321,702	\$ 455,490	\$ 387,328	\$ 376,920	\$ 735,101	\$ 775,392	\$ 746,846
Actual contribution	536,160	766,843	387,328	250,000	529,010	987,300	644,412
Contribution (Excess)	\$ (214,458)	\$ (311,353)	\$ -	\$ 126,920	\$ 206,091	\$ (211,908)	\$ 102,434
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual contribution as % of covered payroll (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Interurban Transit Partnership

Schedule of Contributions - Non-Administrative Plan

Methods and assumptions used to determine contribution rates:

Valuation date	July 1, 2022
Actuarial cost method	Unit Credit
Asset valuation method	75% of expected assets plus 25% of market value of assets, including contributions accrued for hours worked through the valuation date, but not less than 80%, nor more than 120% of market value
Retirement age	10% of active employees are assumed to retire at age 62 (if eligible for early retirement) and all remaining at age 65 (or current age if older); terminated vested participants are assumed to retire at age 65
Interest rate	6.50%
Mortality table	SOA RP-2014 adjusted to 2006 Mortality Table for Blue-Collar Employees with MP-2020 Improvement Scale
Post-disablement mortality rates	Disabled retirees receiving benefits who have not attained age 65 are valued with applicable mortality rates from IRS Rev. Rul. 96-7 and 1964 OASDI rates of mortality
Turnover rates	Crocker-Sarason-Straight T-5
Ancillary benefits values	Vesting and pre-retirement death
Normal cost expenses (non-investment related)	Estimated expense is calculated as the average of prior two years' non-investment-related expenses paid from the trust, rounded to the nearest \$1,000
Date and form of data	All personnel and asset data was prepared by the plan sponsor or a representative and was generally relied upon as being correct and complete without audit by Watkins Ross
Changes since prior valuation	The mortality tables updated to public mortality tables
Cost of living adjustments after retirement	None

Note: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, ITP presents information for those years for which information is available.

Supplementary Information

Interurban Transit Partnership
Combining Statement of Plan Net Position
Pension Trust Funds

June 30, 2022

	Administrative Plan	Non- Administrative Plan	Total
Assets			
Cash and short-term investments	\$ 26,495	\$ 712,108	\$ 738,603
Receivables:			
Interest and dividends receivable	47	624	671
Investments, at fair value:			
Bond mutual funds	644,030	2,381,010	3,025,040
Equity mutual funds	1,047,638	7,908,244	8,955,882
Total Investments, at fair value	1,691,668	10,289,254	11,980,922
Total Assets	1,718,210	11,001,986	12,720,196
Net Position Held in Trust for Pension Benefits	\$ 1,718,210	\$ 11,001,986	\$ 12,720,196

Interurban Transit Partnership
Combining Statement of Changes in Plan Net Position
Pension Trust Funds

Year ended June 30, 2022

	Administrative Plan	Non- Administrative Plan	Total
Additions			
Employer and employee contributions	\$ 152,611	\$ 536,160	\$ 688,771
Investment income (loss):			
Net depreciation	(330,237)	(2,187,411)	(2,517,648)
Interest	118	1,310	1,428
Dividends	49,759	308,003	357,762
Investment expense	(1,598)	(10,755)	(12,353)
Total Investment Loss	(281,958)	(1,888,853)	(2,170,811)
Total Additions	(129,347)	(1,352,693)	(1,482,040)
Deductions			
Benefits	207,063	768,030	975,093
Administrative expense	14,315	24,815	39,130
Total Deductions	221,378	792,845	1,014,223
Change in Net Position	(350,725)	(2,145,538)	(2,496,263)
Net Position Held in Trust for Pension			
Benefits, beginning of year	2,068,935	13,147,524	15,216,459
Net Position Held in Trust for Pension			
Benefits, end of year	\$ 1,718,210	\$ 11,001,986	\$ 12,720,196

Interurban Transit Partnership
Schedule of Non-Operating Revenues - Local

Year ended September 30, 2022

Local Revenue	
Property taxes	\$ 18,012,199
Grand Valley State University	3,257,449
Network180	393,262
DASH - city of Grand Rapids	2,289,137
Van pool	64,517
Ferris State University	102,845
Grand Rapids Community College	92,325
Amtrak	104,559
Alpine Township	93,566
Byron Township	32,314
Cascade Township	254,738
Gaines Township	45,326
Other local services	6,025
Total Local Revenue	24,748,262
Other Income	
Gain on sale of capital assets	30,460
Retail lease	27,179
CNG fuel sales	11,747
Interest income	119,606
Miscellaneous	17,943
Ride project coordination	89,446
Vending machine	33,503
Fare evasion fines	1,233
Billboard lease	28,873
Total Other Income	359,990
Total Non-Operating Revenues - Local	\$ 25,108,252

Interurban Transit Partnership

Schedule of Non-Operating Revenues - State and Federal

Year ended September 30, 2022

State of Michigan Grants

General operating assistance	\$ 15,105,760
Capital assistance	289,100
Preventive maintenance (operating)	83,842
Planning and miscellaneous project assistance	41,106
Specialized services	542,369

Total State of Michigan Grants 16,062,177

Federal Government Grants

Capital assistance	1,293,612
CARES Act assistance	199
CRRSA Act assistance	2,386,853
ARP Act Assistance	18,055,453
Preventive maintenance (operating)	335,367
Planning and miscellaneous project assistance	164,422

Total Federal Government Grants 22,235,906

Total Non-Operating Revenues - State and Federal \$ 38,298,083

Interurban Transit Partnership
Schedule of Operating Expenses by Function

Year ended September 30, 2022

	General Operations				Grants	Total System
	Operations	Maintenance	Administration	Total		
Labor						
Operators' salaries and wages	\$ 11,891,322	\$ -	\$ -	\$ 11,891,322	\$ -	\$ 11,891,322
Other salaries and wages	1,586,640	2,583,118	1,955,671	6,125,429	19,974	6,145,403
Dispatchers' salaries and wages	170,623	-	-	170,623	-	170,623
Total Labor	13,648,585	2,583,118	1,955,671	18,187,374	19,974	18,207,348
Fringe Benefits						
Pension - defined benefit (actual paid)	524,083	97,337	67,351	688,771	-	688,771
Pension - defined benefit (GASB adjustment)	(929,111)	(157,495)	(56,353)	(1,142,959)	-	(1,142,959)
Pension - defined contribution	869,501	158,072	97,435	1,125,008	-	1,125,008
Other fringe benefits	5,628,534	1,143,819	921,879	7,694,232	9,753	7,703,985
Total Fringe Benefits	6,093,007	1,241,733	1,030,312	8,365,052	9,753	8,374,805
Services						
Audit fees	-	-	68,515	68,515	-	68,515
Other services	503,283	1,640,472	1,229,073	3,372,828	504,338	3,877,166
Total Services	503,283	1,640,472	1,297,588	3,441,343	504,338	3,945,681
Materials and Supplies Consumed						
Fuel and lubricants	2,838,082	-	-	2,838,082	-	2,838,082
Tires and tubes	-	26,555	-	26,555	291,278	317,833
Other materials and supplies	16,341	1,485,438	75,187	1,576,966	12,291	1,589,257
Total Materials and Supplies Consumed	2,854,423	1,511,993	75,187	4,441,603	303,569	4,745,172
Utilities						
Other	-	-	1,334,390	1,334,390	-	1,334,390
Casualty and Liability Costs						
Premiums for public liability and property damage insurance	2,144,540	-	-	2,144,540	-	2,144,540
Other insurance	-	-	308,181	308,181	-	308,181
Total Casualty and Liability Costs	2,144,540	-	308,181	2,452,721	-	2,452,721

Interurban Transit Partnership
Schedule of Operating Expenses by Function

Year ended September 30, 2022

	General Operations				Grants	Total System
	Operations	Maintenance	Administration	Total		
Purchased Transportation	\$ 5,558,118	\$ -	\$ -	\$ 5,558,118	\$ 1,296,863	\$ 6,854,981
Miscellaneous						
Travel and training	12,932	3,662	21,594	38,188	19,160	57,348
Meetings	1,669	422	1,014	3,105	-	3,105
Advertising and promotion	-	-	87,463	87,463	133,526	220,989
Dues	1,488	-	90,139	91,627	24,808	116,435
Other miscellaneous	3,272	36,374	54,495	94,141	-	94,141
Total Miscellaneous	19,361	40,458	254,705	314,524	177,494	492,018
Depreciation and Loss on Disposal of Assets	-	-	16,234,357	16,234,357	-	16,234,357
Non-Rapid Enhancements	-	-	-	-	18,817	18,817
Preventive Maintenance	-	-	-	-	419,209	419,209
Total Expenses	\$ 30,821,317	\$ 7,017,774	\$ 22,490,391	\$ 60,329,482	\$ 2,750,017	\$ 63,079,499

Interurban Transit Partnership

Schedule of Expenses by Grant

Year ended September 30, 2022

	Total	001 General Operations	540 MI-2017-X023 17-0070-P3 FY17 Section 5307	550 MI-2018-011 17-0070-P7 FY18 Section 5307	560 MI-2019-023 17-0070-P13 FY19 Section 5307	570 MI-2020-047 17-0070-P16 FY20 Section 5307	580 MI-2021-022 17-0070-P18 FY20 Section 5307	601 MI-2020-016 FY21 Section 5307	772 MI-2019-024 17-0070-P12 FY 19 -21 Section 5307	797 2022-0073-P1 FY 22 Specialized Services	870 MI-2017-015 FY17 Section 5339	849 MI-2022-029 22-0073-P3 FY22 Section 5339	987 MI-2019-010 TOD Grant
Expenses													
Labor	\$ 18,207,348	\$ 18,187,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,974	\$ -	\$ -	\$ -	\$ -
Fringe benefits	8,374,805	8,365,052	-	-	-	-	-	-	9,753	-	-	-	-
Services	3,945,681	3,441,343	93,046	122,930	7,139	25,487	-	-	-	-	242,363	9,019	4,354
Materials and supplies consumed	4,745,172	4,441,603	181	110,202	189,002	3,445	-	199	540	-	-	-	-
Utilities	1,334,390	1,334,390	-	-	-	-	-	-	-	-	-	-	-
Casualty and liability costs	2,452,721	2,452,721	-	-	-	-	-	-	-	-	-	-	-
Purchased transportation	6,854,981	5,558,118	-	-	-	110,819	589,181	-	54,494	542,369	-	-	-
Miscellaneous	492,018	314,524	6,285	7,569	675	-	25,855	-	133,430	-	3,680	-	-
Depreciation and loss on disposal of assets	16,234,357	16,234,357	-	-	-	-	-	-	-	-	-	-	-
Nonrapid enhancements	18,817	-	-	-	-	-	-	-	-	-	18,817	-	-
Preventive maintenance	419,209	-	352,932	66,277	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 63,079,499	\$ 60,329,482	\$ 452,444	\$ 306,978	\$ 196,816	\$ 139,751	\$ 615,036	\$ 199	\$ 218,191	\$ 542,369	\$ 264,860	\$ 9,019	\$ 4,354

ITP charges only direct costs to its grant projects. Therefore, ITP has no Bureau of Passenger Transportation approved cost allocation plan. As there are no indirect costs allocated to programs such as specialized services, there was no review of the methodology for capturing nonfinancial information for such programs.

Interurban Transit Partnership

Schedule of Regular Service Expenses by Function - Urban

Year ended September 30, 2022

	Operations	Maintenance	Administration	Total
Labor				
Operators' salaries and wages	\$ 11,891,322	\$ -	\$ -	\$ 11,891,322
Other salaries and wages	1,586,640	2,583,118	1,955,671	6,125,429
Dispatchers' salaries and wages	170,623	-	-	170,623
Total Labor	13,648,585	2,583,118	1,955,671	18,187,374
Fringe Benefits				
Pension - defined benefit	524,083	97,337	67,351	688,771
Pension - defined benefit (GASB)	(929,111)	(157,495)	(56,353)	(1,142,959)
Pension - defined contributions	869,501	158,072	97,435	1,125,008
Other fringe benefits	5,628,534	1,143,819	921,879	7,694,232
Total Fringe Benefits	6,093,007	1,241,733	1,030,312	8,365,052
Services				
Audit fees	-	-	68,515	68,515
Other services	503,283	1,640,472	1,229,073	3,372,828
Total Services	503,283	1,640,472	1,297,588	3,441,343
Materials and Supplies Consumed				
Fuel and lubricants	2,838,082	-	-	2,838,082
Tires and tubes	-	26,555	-	26,555
Other materials and supplies	16,341	1,485,438	75,187	1,576,966
Total Materials and Supplies Consumed	2,854,423	1,511,993	75,187	4,441,603
Utilities				
Other	-	-	1,334,390	1,334,390
Total Utilities	-	-	1,334,390	1,334,390
Casualty and Liability Costs				
Premiums for public liability and property damage insurance	2,144,540	-	-	2,144,540
Other insurance	-	-	308,181	308,181
Total Casualty and Liability Costs	2,144,540	-	308,181	2,452,721
Purchased Transportation	5,558,118	-	-	5,558,118
Miscellaneous				
Travel and training	12,932	3,662	21,594	38,188
Meetings	1,669	422	1,014	3,105
Advertising/promotion media	-	-	87,463	87,463
Dues	1,488	-	90,139	91,627
Other miscellaneous	3,272	36,374	54,495	94,141
Total Miscellaneous	19,361	40,458	254,705	314,524
Depreciation and Loss on Disposal of Assets				
	-	-	16,234,357	16,234,357
Total Expenses	\$ 30,821,317	\$ 7,017,774	\$ 22,490,391	\$ 60,329,482

Interurban Transit Partnership

Schedule of Regular Service Revenues - Urban

Year ended September 30, 2022

Operating Revenues	
Passenger fares	\$ 4,216,120
Advertising	410,866
Total Operating Revenues	4,626,986
Non-Operating Revenues	
State and federal assistance	38,298,083
Local Revenue	
Property taxes	18,012,199
Grand Valley State University	3,257,449
Network180	393,262
DASH - city of Grand Rapids	2,289,137
Van pool	64,517
Ferris State University	102,845
Grand Rapids Community College	92,325
Amtrak	104,559
Alpine Township	93,566
Byron Township	32,314
Cascade Township	254,738
Gaines Township	45,326
Other local services	6,025
Total Local Revenue	24,748,262
Other Income	
Gain on sale of property	30,460
Retail lease	27,179
CNG fuel sales	11,747
Interest income	119,606
Miscellaneous	17,943
Ride project coordination	89,446
Vending machine	33,503
Fare evasion fees	1,233
Billboard lease	28,873
Total Other Income	359,990
Total Revenues	\$ 68,033,321

Interurban Transit Partnership

Schedule of Hours and Miles - Urban

Year ended September 30, 2022

	Weekday	Saturday	Sunday	Total
Total vehicle hours - linehaul	1,331	650	315	390,931
Revenue hours - linehaul	1,288	631	303	378,342
Total vehicle hours - bus rapid transit	90	47	37	27,367
Revenue hours - bus rapid transit	88	46	36	26,750
Total vehicle hours - demand response	425	143	129	124,818
Revenue hours - demand response	312	121	104	95,351
Total vehicle miles - linehaul	18,299	8,796	4,598	5,381,733
Revenue miles - linehaul	17,471	8,452	4,344	5,138,612
Total vehicle miles - bus rapid transit	1,123	595	473	343,057
Revenue miles - bus rapid transit	1,086	567	438	330,285
Total vehicle miles - demand response	5,446	2,085	1,962	1,683,173
Revenue miles - demand response	4,892	1,802	1,675	1,477,796

The methodology used for compiling nonfinancial data on Operating Assistance Report (OAR) schedules is an adequate and reliable methodology.

Interurban Transit Partnership
Schedule of Operating Assistance Calculation

Year ended September 30, 2022

	State Operating Assistance Urban
General Operating Expenses	\$ 63,079,499
Add: Eligible Expenses	
Reverse GASB entry to pension to reflect actual paid pension expenses	1,142,959
Less: Ineligible Expenses	
Depreciation expense and loss on disposal of assets	16,234,357
Capital funds used for operating expenses	2,330,810
Amtrak	104,559
Non-transportation revenue	86,975
APTA and MPTA dues	7,580
Preventive maintenance	419,209
Other	108,179
	18,148,710
Eligible Operating Expenses	\$ 44,930,789
Maximum State Operating Assistance (50%)	\$ 22,465,395
State Operating Assistance Accrual (29.5134%)	\$ 13,260,604

Interurban Transit Partnership

Notes to Schedule of Operating Assistance Calculation

Notes to the Schedule of Operating Assistance Calculation

ITP has deducted all known ineligible expenses in completing this calculation of state operating assistance. Any refunds or rebates are deducted from the appropriate expense item when received. Any expenses related to miscellaneous revenue were netted against said revenue. ITP had no other post-employment benefits. No such expense was accrued or paid during fiscal year 2022 and, therefore, there are no applicable issues regarding calculation of eligible operating expenses or the related assistance from the state of Michigan. ITP did not apply for non-urban assistance for fiscal year 2022; therefore, schedules for urban and non-urban expenses are not included.

The following are statements of assurances for the state:

Cost Allocation Plan - ITP charges only direct costs to its grant programs; therefore, no Office of Passenger Transportation (OPT) approved cost allocation plans are required, and none were used in the preparation of financial statements.

Nonfinancial Methodology Plan - The method used for compiling miles for linehaul and demand response service has been reviewed, and the recording method has been found to be adequate and reliable.

Capital Funds Used to Pay for Operating - Operating expenses of \$2,330,810 were paid for with capital funds. This amount was subtracted out as an ineligible expense. No other operating expenses were paid for with capital funds. Ineligible expenses are identified according to the definition in the revenue and expense manual.

Depreciation - The depreciation expense is identified as an ineligible expense and subtracted from expenses. Therefore, the depreciation assurance regarding approval of useful life is not required.

Expenses Associated with Auxiliary Transportation Revenue - There are no costs associated with this revenue in eligible operating expenses, because advertising and concessions are outsourced and the contracting agency is responsible for any related expenses.

Retirement Benefits - ITP offers two types of pension compensation plans: defined benefit and defined contribution for administrative and non-administrative staff. The defined contribution expenses paid this year for the administrative staff is \$220,780 and non-administrative staff is \$904,228. The entire sum of \$1,125,008 was expensed on the books and paid with out-of-pocket funds.

The defined benefit plan expenses paid this year for the administrative plan is \$152,611 and the non-administrative plan is \$536,160. The entire sum of \$688,771 was expensed on the books and paid with out-of-pocket funds. The defined benefit plan is calculated pursuant to the GASB 68 Implementation Guide. The GASB adjustment is a decrease of \$1,142,959 to the pension expense, which is a reduction of \$127,691 to the administration plan and a reduction of \$1,015,268 to the union plan. Therefore, the \$688,771 is an eligible expense and was added to the total operating expense for the calculation of state operating assistance.

\$2,386,853 was received in the CRRSA Act and \$18,055,453 in the ARP Act funding in fiscal year 2022 to reimburse eligible operating expenses through September 30, 2022. These expenses are included in the schedule of operating expenses by function under general operations.

Interurban Transit Partnership

Schedule of Expenditures of State Awards

Year ended September 30, 2022

Title	Federal CFDA Number	Federal Grant Number	State Authorization Number	Total State Award Amount	Current Year's Expenditures				Prior Year's State Expenditures	State Amount Remaining	Expensed as Operating	Reference
					Federal	State	Local	Total				
FY 2021 \$5307 - Local Formula	20.507	MI-2021-022	2017-0070-P18	\$ 2,513,394	\$ 1,552,613	\$ 388,153	\$ -	\$ 1,940,766	\$ 270,133	\$ 1,855,109	\$ 123,007	580
FY 2021 \$5339 - Local Bus and Bus Facilities	20.526	MI-2021-022	2017-0070-P18	263,400	-	-	-	-	263,400	-	-	848
FY 2020 \$5307 - Local Formula	20.507	MI-2020-047	2017-0070 P16	2,501,061	2,316,135	579,034	-	2,895,169	677,255	1,244,772	27,950	570
FY 2020 \$5339 - Local Bus and Bus Facilities	20.526	MI-2020-047	2017-0070 P16	284,093	-	-	-	-	284,093	-	-	847
FY 2019 \$20005(b) Map-21 Transit Oriented Development	20.500	MI-2019-010	2017-0070 P14	174,000	3,483	871	-	4,354	173,126	3	871	987
FY 2019 \$5307 - Local Formula	20.507	MI-2019-023	2017-0070 P13	2,537,958	937,466	234,367	-	1,171,833	1,457,797	845,795	39,363	560
FY 2019 \$5339 - Local Bus and Bus Facilities	20.526	MI-2019-023	2017-0070 P13	275,050	-	-	-	-	275,050	-	-	846
FY 2019 & FY 2020 \$5307 - Local Formula and CMAQ	20.507	MI-2019-024	2017-0070 P12	622,500	279,343	28,912	-	308,255	507,500	86,088	10,899	772
FY 2021 & 2020 Specialized Services		N/A	2017-0070 P11	1,084,738	-	-	-	-	1,084,738	-	-	796
FY 2019 Michigan Mobility Challenge		N/A	2017-0070 P10	373,782	-	-	-	-	291,883	81,899	-	986
FY 2018 \$5307 - Local Formula	20.507	MI-2018-011	2017-0070 P7	2,353,918	475,879	118,970	-	594,849	1,786,700	448,248	61,396	550
FY 2018 \$5339 - Local Bus and Bus Facilities	20.526	MI-2018-011	2017-0070 P7	299,201	-	-	-	-	299,201	-	-	845
FY 2017 \$5307 - Local Formula	20.507	MI-2017-023	2017-0070 P3	2,431,404	516,438	129,110	-	645,548	2,261,527	40,767	90,489	540
FY 2017 \$5339 - Local Bus and Bus Facilities	20.526	MI-2017-023	2017-0070 P3	226,537	-	-	-	-	226,537	-	-	844
FY 2016 & FY 2017 \$5309 Capital Investment	20.500	MI-2017-015	2012-0104 P20	14,047,417	1,155,005	325,799	-	1,480,804	12,028,043	1,693,575	58,269	870
FY 2016 \$5307 - Local Formula and CMAQ	20.507	MI-2016-009	2012-0104 P18	2,269,162	-	-	-	-	2,259,477	9,685	-	530
FY 2016 \$5339 - Local Bus and Bus Facilities	20.526	MI-2016-009	2012-0104 P18	231,376	-	-	-	-	231,376	-	-	843
FY 2016 \$307 - 2016 Local Formula and CMAQ	20.507	MI-2016-013	2012-0104-P17	875,683	-	-	-	-	849,483	26,200	-	771
FY 2022 \$5307 - Local Formula	20.507	MI-2022-0029	2022-0073-P3	3,065,663	1,828,581	457,145	-	2,285,726	-	2,608,518	-	590
FY 2022 \$339 - Local Bus and Bus Facilities	20.507	MI-2022-0029	2022-0073-P3	252,438	7,216	1,804	-	9,020	-	250,634	1,804	849
FY 2022 Specialized Services		N/A	2022-0073-P1	542,369	-	542,369	-	542,369	-	-	542,369	797
Total				\$ 37,225,144	\$ 9,072,159	\$ 2,806,534	\$ -	\$ 11,878,693	\$ 25,227,319	\$ 9,191,293	\$ 956,417	

Interurban Transit Partnership
Schedule of Expenditures of Federal Awards

Year ended September 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Passed Through	Pass-Through Federal Grantor Number	Passed Through to Subrecipients	Total Federal Expenditures
Federal Transit Cluster					
Federal Transit Formula Grants	20.507	Direct	MI-2022-029	\$ -	\$ 1,828,581
Federal Transit Formula Grants	20.507	Direct	MI-2017-023	-	516,438
Federal Transit Formula Grants	20.507	Direct	MI-2018-011	-	475,879
Federal Transit Formula Grants	20.507	Direct	MI-2019-023	-	937,466
Federal Transit Formula Grants	20.507	Direct	MI-2020-047	-	2,316,135
Federal Transit Formula Grants	20.507	Direct	MI-2021-022	-	1,552,614
Federal Transit Formula Grants (CARES Act)	20.507	Direct	MI-2020-016	-	273,310
Federal Transit Formula Grants	20.507	Direct	MI-2021-004	-	2,386,853
Federal Transit Formula Grants	20.507	Direct	MI-2016-013	-	-
Federal Transit Formula Grants	20.507	Direct	MI-2019-024	-	279,343
Federal Transit Formula Grants	20.507	Direct	MI-2022-002	-	18,055,453
Federal Transit Capital Investment Grants	20.500	Direct	MI-2017-015	-	1,155,922
Federal Transit Capital Investment Grants	20.500	Direct	MI-2022-029	-	7,216
Federal Transit Capital Investment Grants	20.500	Direct	MI-2019-010	-	3,483
Total Federal Awards				\$ -	\$ 29,788,693

Interurban Transit Partnership

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of ITP under programs of the federal government for the year ended September 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of ITP, it is not intended to and does not present the financial position, changes in net assets, or cash flows of ITP.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

ITP has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

4. Matching Costs

Matching costs, the nonfederal share of certain program costs, are not included in the Schedule.

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

Members of the Board
Interurban Transit Partnership
Grand Rapids, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Interurban Transit Partnership (ITP), as of and for the years ended September 30, 2022 and 2021 (as of and for the years ended June 30, 2022 and 2021 for the Pension Trust Funds), and the related notes to the financial statements, which collectively comprise ITP's basic financial statements as listed in the table of contents and have issued our report thereon dated January 12, 2023.

Report on Internal Control Over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of This Report

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

BDO USA, LLP

January 12, 2023



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

Members of the Board
Interurban Transit Partnership
Grand Rapids, Michigan

Opinion on Each Major Federal Program

We have audited Interurban Transit Partnership’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Interurban Transit Partnership’s major federal programs for the year ended September 30, 2022. Interurban Transit Partnership’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Interurban Transit Partnership complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Interurban Transit Partnership’s federal programs.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Interurban Transit Partnership's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Interurban Transit Partnership's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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



deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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

We have audited the financial statements of Interurban Transit Partnership as of and for the year ended September 30, 2022, and have issued our report thereon dated January 12, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and to other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

BDO USA, LLP

January 12, 2023

Interurban Transit Partnership

Schedule of Findings and Questioned Costs Year Ended September 30, 2022

Section 1. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of major federal programs:

Federal CFDA Number	Name of Federal Program or Cluster
20.500, 20.507, and 20.526	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$893,660

Auditee qualified as low-risk auditee?

Yes No

Section 2. Financial Statement Findings

There were no findings related to the financial statements that are required to be reported, in accordance with generally accepted government auditing standards.

Section 3. Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) that are required to be reported.



Report to Board of Directors

INTERURBAN TRANSIT PARTNERSHIP

Audit Wrap Up for the
Year Ended September 30, 2022



Contents

QUICK ACCESS TO THE
FULL REPORT

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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors) and, if appropriate, management of ITP, and is not intended and should not be used by anyone other than these specified parties.

Welcome

January 25, 2023

Members of the Board of Directors and Finance Committee
Interurban Transit Partnership

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On September 19, 2022, we presented an overview of our plan for the audit of the financial statements including the schedule of expenditures of federal awards of Interurban Transit Partnership (ITP) as of and for the year ended September 30, 2022, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the ITP's accounting practices and policies, management's judgements and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the ITP and look forward to meeting with you to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP

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JOHN LAFRAMBOISE
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Engagement Senior Manager
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Executive Summary

Status of Our Audit

We have completed our audit of the financial statements as of and for the year ended September 30, 2022. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- ▶ We have issued an unmodified opinion on the financial statements and released our report on January 12, 2023.
- ▶ We also issued an unmodified opinion on ITP's Single Audit report, including the Schedule of Expenditures of Federal Awards (SEFA). In Planning and performing our audit of the SEFA, we considered ITP's internal control over compliance with requirements that could have a direct and material effect on its major federal programs to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with GAS and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.
- ▶ Our responsibility for other information in documents containing ITP's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by ITP and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by BDO were freely available for our inspection.
- ▶ Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of ITP's personnel throughout the course of our work.



Results of the Audit

ACCOUNTING PRACTICES, POLICIES, AND ESTIMATES

The following summarizes the more significant required communications related to our audit concerning ITP's accounting practices, policies, estimates:

ITP's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- ▶ There were no changes in significant accounting policies and practices during 2022.

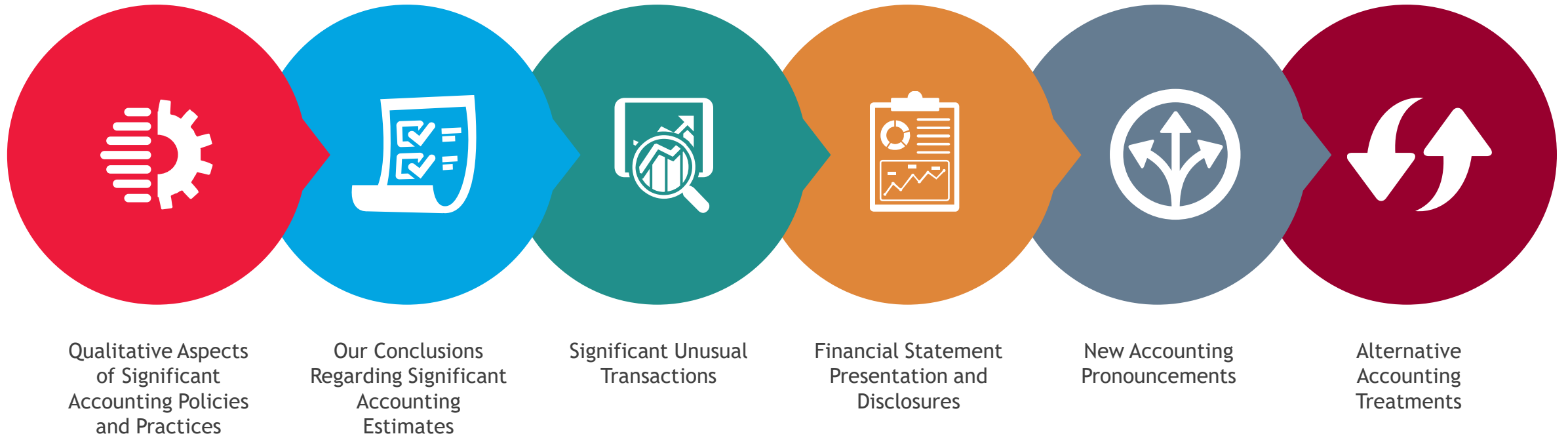
Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. ITP's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 1 of the financial statements.

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2022.

Results of the Audit

QUALITATIVE ASPECTS OF ITP'S FINANCIAL REPORTING

A discussion was held regarding the quality of ITP's financial reporting, which included:



Results of the Audit

CORRECTED AND UNCORRECTED MISSTATEMENTS

There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we brought to the attention of management.

There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.





Internal Control Over Financial Reporting

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ITP’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ITP’s internal control. Accordingly, we do not express an opinion on the effectiveness of ITP’s internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in ITP’s internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

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

In conjunction with our audit of the financial statements, we noted no material weaknesses.



Additional Required Communications

Additional Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to ITP:

Requirement	Discussion Point
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding ITP's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
Significant findings and issues arising during the audit in connection with ITP's related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation.
Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management	There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management.

Additional Required Communications


Following is a summary of other required items, along with specific discussion points as they pertain to ITP:

Requirement	Discussion Point
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to ITP's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Matters that are difficult or contentious for which the auditor consulted outside the engagement team	There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to those charged with governance regarding their oversight of the financial reporting process.
If applicable, other matters significant to the oversight of the ITP's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There are no other matters that we consider significant to the oversight of the ITP's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter.

Independence

Our engagement letter to you dated September 19, 2022 describes our responsibilities in accordance with professional standards and certain regulatory authorities and Government Auditing Standards with regard to independence and the performance of our services. This letter also stipulates the responsibilities of ITP with respect to independence as agreed to by ITP. Please refer to that letter for further information.





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INTERURBAN TRANSIT PARTNERSHIP BOARD OF DIRECTORS

RESOLUTION No. 022223-1

Fiscal Year: 2022-2023

Moved and supported to adopt the following resolution:

Approval to the Financial Statements and Single Audit Reports for the fiscal year ended September 30, 2022 and 2021.

BE IT RESOLVED that the ITP Board of Directors approves the Financial Statements and Single Audit Reports for the fiscal year ending September 30, 2022 and 2021 as written, per the presentation on February 22, 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

Finance Committee Members

Mayor Stephen Kepley (Chair)
Rick Baker *Mayor Gary Carey* *Mayor Katie Favale* *Mayor Steve Maas*

FINANCE COMMITTEE MEETING MINUTES

Wednesday, November 9, 2022 – 4:00 p.m.

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

ATTENDANCE:

Committee Members Present:

Mayor Carey, Mayor Favale, Mayor Kepley, Rick Baker

Committee Members Absent:

Mayor Maas

Staff Attendees:

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

Other Attendees:

Chris Veenstra (Watkins Ross)

Mayor Kepley called the meeting to order at 4:02 p.m.

1. PUBLIC COMMENT

No Public Comment

2. MINUTES – August 10, 2022

Mayor Kepley asked for approval of the meeting minutes from August 10, 2022. The meeting minutes passed unanimously.

3. DISCUSSION

a. Defined Benefit Pension Plans Actuarial & GASB

Ms. Medina introduced Mr. Chris Veenstra from Watkins Ross to give a high-level presentation regarding the defined benefit pension plans.

Mr. Veenstra started his presentation with the funding report for the Admin Plan. He highlighted the changes from last year to this year. The accrued liability from FY21- FY22 went down by \$116,000.

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

The actuarial value of assets went down by approximately \$350,000. The unfunded liability went up from \$245,000 to just under \$480,000, a \$234,000 increase. This translates to a higher low-range contribution, which is a 20-year amortization of unfunded liability, and a higher mid-range contribution which is a 10-year amortization of unfunded liability and an appreciably higher high-range contribution.

Mr. Veenstra moved next to discuss Valuation Results based on the following four (4) principles:

- Expected unfunded liability
- Actual unfunded liability
- Total Gain/Loss
- Breakdown of where the Gain/Loss came from

He stated by taking the prior years and rolling it forward to the end of the year, we have an expected unfunded liability of \$118,000. The actual \$479,000 is higher than what was expected. There is a difference of \$362,000 loss that was not expected. This loss came from poor asset performance. Total gain/loss was offset by actuarial gains and other demographic changes.

Contribution and Recommendations

Mr. Veenstra noted that the Mid-range was over 10 years, and the low range was over 20 years. The contribution pays some monthly benefit, and the trust pays the rest. He is recommending having it fully funded before everyone retires and putting in the full amount of \$508,000.

Annual Benefit Payment

Mr. Veenstra expects the annual benefit to be \$200,000 for the next couple of years. In a down market, it is desirable not to add more funds to the plan. On the fixed-income side, those high-interest rates are driving the value of the fixed-income assets. The recommendation is to keep in mind the liquidity of the plan. Not to contribute less than \$200,000. Just contribute enough to cover the demand.

Mayor Kepley asked, on page 7, regarding the distributions of monthly benefits, a lump sum payment of \$177,000. Is that where you got the \$222,000?

Mr. Veenstra replied he got the \$200,000 from the projected benefit payments that consider the likelihood of lump sums on the part of some people.

Mayor Kepley likes the idea of covering the annual costs. What will we be paying out next year?

Mr. Veenstra apologizes for the mistake on one (1) person, and he will revisit this detail.

Mayor Kepley agrees we should pay the annual cost from the general budget.

Ms. Medina confirmed that we budgeted \$250,000 for the Admin plan.

Mr. Veenstra moved on to the GASB report which is an accounting construct for the auditors to review.

GASB Statement 67 and 68

Mr. Veenstra stated that if the numbers at the beginning of the year, (total pension liability), are identical, we would want this to work until the end of the year as additional benefits earned would equal the amount of the contribution being put in (1:1 correspondence). Interest on the liability (future benefits being discounted) at a greater return on the assets to offset 1:1.

At the beginning of the year, there was a shortfall of \$479,000. Payoff the unfunded liability over two (2) years. Even though liability grew with interest, we see a decrease in the assets.

Union Funding Plan

Mr. Veenstra stated that the plan is frozen. Just expenses are being paid in the plan asset. The accrued liability went down by \$190,000. The actuarial value of the asset went up by \$239,000. We have three (3) ranges of contribution. The low-range plan is 25-year amortization, the mid-range is 10, and the high range is 5. The mid-range reflects an average future working lifetime. However, we have been making a high-range contribution of \$435,000.

Mr. Veenstra recommends the 5-year plan would be less strain on the assets in a down market.

Ms. Medina replied we budgeted \$650,000.

Mayor Kepley wanted to clarify; the total distribution of \$803,000 from last year, and we budgeted \$650,000. Would we use that first, and then cover the remainder of the \$150,000?

Mr. Baker inquired on page 5, that 137 participants are receiving a combined total of \$62,000 per month.

Mr. Veenstra replied the benefit isn't huge.

Mr. Veenstra added that the benefit is \$25 x years of service. Page 13 shows an average monthly basis.

Mayor Kepley verified that the plan is \$25/month x years of service. The breakdown equals over 18 years of service.

Mayor Kepley also asked if this was a closed plan.

Ms. Medina confirmed yes

Mayor Kepley stated it's not a very rich plan.

GASB report for the Union Plan.

With the shorter funding horizon, the investment position is more conservative at 6%. The liability will likely go up by 6.5%.

Mayor Kepley noted, in summary, we are going to stick to the same plan. We lost significant money in this one due to poor-performing assets. We went from 471-461 participants.

Mr. Veenstra said if this plan was flush with assets, then we would have a different conversation.

Ms. Medina presented the BDO Audit Plan

Mayor Kepley asked if this is a standard letter.

Mayor Carey asked about John/Josh.

Ms. Medina noted that we are fortunate to have had both for the last 5 years.

Mayor Kepley asked when they start.

Ms. Medina answered today!

Mayor Carey noted that a best practice email goes out in advance. We don't need to worry about it this year.

Financial Planning and Analysis

Ms. Medina stated overall we will come in \$1.6 under budget. State Operating is down 14%, and expenses are also down, the main increase in advertising and misc. is bus advertising. They will come in at \$400,000. We also have a program with DASH and we are advertising with them. Expenses are 12.5% under budget, fringes are down, and insurance compared to budget is down approximately 32% over what we budgeted. Compared to the increase we will use \$1.9 – \$2M dollars to balance the budget at this point.

Ms. Medina noted we look at all our operating expenses and then ask for reimbursements.

Ms. Prato added that in our 5-year projection for FY26-FY27, we were running out of money. We believe we will be favorably \$5.4M under budget.

Ms. Medina said next year we will ask for the \$28M we received from ARP money. We will have used up all the money that is available.

Ms. Prato added that we see fluctuations in fuel, and we can't find the people to run our services.

Mayor Carey added there are significant headwinds.

Ms. Prato thanked Ms. Medina for her conservative budget.

Mayor Kepley said the budget is wrong right when it gets passed. These are great numbers; we have bought a lot of time.

Ms. Medina believes in a conservative budget. This is easier than having to find more funds.

Ms. Medina reported next on the insurance. Overall, we saved \$520,000 and we had a 3% increase. The big changes were in general liability according to our broker, Cyber was a 35% increase, and a nice decrease in our unemployment insurance, overall compared to FY 21-22 considering market changes.

Ms. Medina answered Mayor Carey's question regarding overtime. Scheduled vs Unscheduled. Approximately three (3) times a year the Operators pick their rosters. Planning determines what the rosters are going to be. If rosters do not get picked, then those schedules go on the extra board and that is how they fill the open rosters.

Ms. Prato reminded Mayor Kepley when he asked how many operators, we are short, and she didn't know; she replied we are trying to figure out what the smart over time that we can build in that doesn't cost us the extra fringe for another body and to have as much overtime picked so we don't have to call someone into work. We seem to have low operators on payday Fridays. The contract says you only need to call with one (1) hours' notice. We are trying to right-size the overtime.

Ms. Medina said with this pick there were 210 operators and 213 Rosters. We need to have those numbers switched.

Mayor Carey added these are budget killers.

Ms. Prato replied we don't have enough people sitting and waiting when we need to fill in the extra board.

Mayor Carey said this is not just the cost of the overtime piece, it's the sedentary and health issues. This could hurt us potentially in the years to come.

Ms. Prato noted we have two big swings to battle with. Once we right-size it will be a whole other problem when people who are accustomed to overtime will not be getting that anymore.

Contract Service Rate

Ms. Medina reported that these Contract Service Rates are normally three (3) years behind. With covid and where we are now, the numbers look at that calculation, and do we want to stay the same or change?

Ms. Prato asked why we share our state operating assistance. Could we do quarterly audits? We want to be smarter about our contracts. Mr. Frazier and Mr. Erber are out selling our service. How do we write a contract that is right-sized?

Mayor Kepley said this is more about policy instead of numbers. This would be a good Retreat topic.

Mr. Baker feels like this group should come to the table first.

Mayor Carey asked if there is a way to get the contractual language when we re-write it. Even though we are signing up now for the October timeframe.

Mayor Kepley asked if we offer state operating or not.

Ms. Medina noted if fares aren't going to come back, we are behind 2 years and there is a big change year to year.

Ms. Prato added a 30% discount could help close the gap.

Mr. Baker asked what it would look like if we didn't have state operating. Would they get a rebate?

Ms. Medina replied that they would be taking money from us.

Ms. Prato said we met with Newago County, and they are sitting on a pile of planning and transit money, and they are not using any of it. If we extend the Ferris run, what would the rate be that we would contract our service out? Many factors. We would be growing in a way that would start covering the farebox loss. How we sell excess capacity and make money on it.

Ms. Medina confirmed this is not marked up at all.

Ms. Prato answered there are a lot of revenue hours. We charge only for the revenue service.

Mayor Kepley said water and sewer charges a ready-ness to serve charge.

Ms. Medina asked Mayor Kepley if they use his current budget.

Mayor Kepley replied this is when they come up with the numbers for cost, per unit price, and readiness to serve cost.

4. ADJOURNMENT

This meeting was adjourned at 5:30 p.m.

The next meeting is scheduled for January 18, 2023

Respectfully submitted



Kris Heald, Board Secretary



Future Planning & Technology Committee Members

Mayor Rosalynn Bliss

Jack Hoffman
Citizen Members:

Robert Postema
Ryan Anderson

Terry Schweitzer (Chair)
Dave Bulkowski

Paul Troost

PLANNING & TECHNOLOGY COMMITTEE MEETING MINUTES

Monday, January 9, 2023 – 8:30 a.m.

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

ATTENDANCE:

Committee Members Present:

Jack Hoffman, Dave Bulkowski, Paul Troost, Ryan Anderson

Committee Members Absent:

Mayor Bliss, Rob Postema

Staff Attendees:

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

Other Attendees:

Erin Evenhouse (City of GR), Natalie Kollig (AECOM)

Chairman Schweitzer was out due to illness. Ms. Prato called the meeting to order at 8:45 a.m.

1. PUBLIC COMMENT

No public comments were offered.

2. MINUTES – November 7, 2022

The committee meeting minutes from November 7, 2022, were, unanimously approved.

3. Information

- a. Mr. Monoyios began his report by noting that the Planning & Technology Committee had a great conversation around kicking off the TMP and determining what goals, objectives, and guiding principles we want to use in the development of the TMP. AECOM engaged the team in an exercise to get their input. AECOM took the information and refined it to come up with the top five (5) guiding principles. Ms. Natalie Kollig is here from AECOM today to present the outcome of the last P&T Meeting. Mr. Monoyios would like to hear from the committee members who were not at the last meeting to get their input and/or edits. Mr. Monoyios introduced Ms. Natalie Kollig to the podium.

Ms. Kollig is leading the project's strategic planning and guiding principles. She stated that the final draft of the guiding principles came down to 5 themes. Some of the prevailing thoughts were fiscal responsibility, community representation base, voter representation, and voter perspective. The input was refined into these five (5) drafts of guiding principles:

Community, Growth, Dependability, Workforce, Adaptability

Mr. Bulkowski asked how much you want us to wordsmith and nitpick.

Ms. Kollig encouraged the group as much as possible.

Mr. Bulkowski replied that the word conduct sounds linear. He feels that most people don't know the issues and the people, and we end up with the same 5 things. He is wondering how all this is reflected.

Ms. Kollig agrees with Mr. Bulkowski that the term Conduct is a bit clinical.

Mr. Anderson added as an alternative to Conduct Inclusive design is a process that includes people/users.

Ms. Prato asked Ms. Kollig to talk a bit about the tactics you plan to use that fall under this category of inclusive engagement.

Ms. Kollig answered with the PIP (Public Involvement Plan), which is under development now. It is planned over a certain time juncture, and we will make sure it is transparent.

Mr. Anderson added that he encourages you to think broadly about users and potential users, even those that don't traditionally fit the bill of mass transit.

Ms. Kollig agrees that we need to reach the correct audience.

Ms. Kollig moved to the 2nd Principle – Growth

‘Secure sustainable funding, create revenue for The Rapid and economic growth of the region.’

Mr. Hoffman added his thoughts on Secure Sustainable Funding. He said our last planning meeting was just before the national and state elections and now we have a unified state government which we haven't had in a long time, so it opens the door for opportunity for real significant action at the state level within the next two (2) years. Mr. Hoffman asked how I can advocate that one of the final scenarios be a user fee implemented by the transportation commission based on a statute that would give the transportation commission jurisdiction over user's fees, similar to an electric utility.

Ms. Kollig responded to Mr. Hoffman's comments; meetings like this support getting ideas into the project planning, and also this exercise ties back to the guiding principles. We want to capture everyone's unique perspective.

Mr. Hoffman added if you ask the average resident of Kent County or our six cities, do you think going to a user fee utility model on a state level is a good idea, or perhaps it's probably not something they would come up with? Mr. Hoffman does, however, feel that it is appropriate for those of us who have expertise in this area from year to year to suggest that. He does not want to be totally driven by the groups.

Ms. Kollig agreed with Mr. Hoffman and added that there are pros and cons and to hear the people's response.

Mr. Monoyios said that part of the structure taking that timeline and relating it to when this committee will meet.

Mr. Hoffman feels it is too ambitious to settle for a local sales tax option and would like to explore the paradigm in other stuff.

Mr. Bulkowski feels that the guiding principle called Growth could be a title for the 5th one which says growth we plan for the future and talks about sustainable funding. To Mr. Bulkowski the title growth seems redundant with adaptability. The guiding principle is that we create economic growth for the region. We remain an economic engine for the region. Mr. Bulkowski feels we need to state what we are today as positive as opposed to saying we want to become a positive for the region, the goal is funding reflects our

critical part in the community. Do people outside this room feel that we have a massive impact positively on the community?

Ms. Kollig appreciated Mr. Bulkowski's feedback.

Ms. Kollig moved to the 3rd Guiding Principle - Dependability.

'Deliver dependable and convenient transportation modes to our community.'

Mr. Anderson stated that the most transformative word there is convenient. Not that we shouldn't be hospitable but to Mr. Bulkowski's point if adaptability and growth feel tightly tied, he would consider elevating convenient to be a principle. Of all the items here, they are important, but he feels The Rapid is already doing this very well today.

Mr. Anderson also added that convenience speaks to more than logistics and a bus showing up on time, it is really the entire user experience.

Mr. Troost inserted that you could swap the two words convenient and dependability.

Ms. Kollig moved to the 4th Guiding Principle – Workforce.

'Foster an environment and workplace culture of learning and growth for employees.'

Mr. Anderson stated that he is thrilled to see this one here. It reminds him of the book 'Art of the Table', which says hospitality begins with how the employees treat each other. Mr. Anderson would like to see us continue to build on this. The internal culture of learning in growth and support could be transformative to the customer experience. Mr. Anderson also feels that it is important for employees to know that someone at work has their back, especially with so much mental unhealth.

Mr. Hoffman seconded Mr. Anderson's thoughts and agreed that we can't do it without a healthy workforce.

Mr. Bulkowski said that he would only add the word 'our'. We value and support our employees' personal growth.

Mr. Monoyios added that from the last TMP in 2010 we almost tripled our service on the street, and admin staff remained the same. As we want this aspiration to grow, everything we just talked about is so critical and it's not just operators and mechanics.

Ms. Kollig moved to the final guiding principle – Adaptability.

'Develop plans for multiple possible futures, providing space for adaption, innovation, and expansion.'

Mr. Anderson commented, he thinks it's great!

Mr. Monoyios thanked the team for all their great input, and we will revise and refine the listing based on all the inputs given.

Ms. Kollig was glad to hear all this feedback.

Ms. Prato asked what the next steps are.

Ms. Kollig answered that they will revisit all the input that was given, and they will come up with a new set of guiding principles.

Ms. Prato asked the group to weigh in on the idea that Mr. Schweitzer who is advocating bringing this to the entire board for brainstorming, however, Ms. Prato feels that the most engaged group and skillset reside with this team and her preference is to bring the plan to the board to adopt it.

Mr. Troost agrees with Ms. Prato and also gave kudos to the citizen member feedback.

Mr. Hoffman agrees with Ms. Prato's thoughts.

Ms. Prato stated that this will be our feedback to Mr. Schweitzer.

Mr. Monoyios advised the team of the draft schedule for the entire of 2023. The purpose is to make everyone aware of the tasks for review/input.

Mr. Anderson appreciated the calendars and stated this is really helpful.

Mr. Anderson also asked to be reminded if there is an ongoing dashboard of Rapid performance.

Ms. Prato noted at each board meeting we go over ridership numbers, on-time performance, and Paratransit service delivery to a number of different areas of importance as well as the new on-demand service. She also added that The Rapid recently engaged with nine (9) other transits across the county to be a part of Transdash to compare us to value-based indicators with both large and small transits. Our last Customer Perception Survey had a score of 33, which is not bad. Paratransit was a zero which means we have work to do. The value of going through this data they will validate our data and make sure we are measuring it all the same way. There is talk about going out for another millage. Every voter needs to understand we need transit whether you use it or not.

Mr. Anderson inquired if it would be useful to have information provided to this committee. Perhaps a two (2) minute touch base would be helpful.

Ms. Prato agreed and confirmed we will add that quarterly.

Mr. Troost asked when we would see that data.

Ms. Prato answered in March. Ms. Prato added as a side note, she will share all the metrics that were available to us and what we picked. Perhaps this could be a board retreat item.

b. Contactless Fare Payment Update

Mr. Prokopy stated he had two (2) items to discuss. One is the status of the contactless fare payment system, and the second is the current projects, initiatives, and challenges IT is working through.

Contactless Fare Payment uses our existing readers that are on all the buses. It utilizes Apple pay Samsung, debit cards, and Visa cards. This will provide another option to pay for the fare. Currently, the system is in the beta testing phase. There have been a couple of speed bumps along the way. The vendor will be onsite at the end of the month. The official launch is scheduled for deployment in early February. Once we are comfortable with the system there will be a public launch. Mid to late February.

Mr. Anderson thinks this is awesome. Will the testing take a look at the connectivity across the routes?

Mr. Prokopy answered yes, it will go through cellular.

Mr. Troost asked if we will still accept cash.

IT Projects/Initiatives

Mr. Prokopy stated that we are constantly reviewing our infrastructure. Systems that are high risk or in need of replacement. The industry is moving toward Cloud Hosting. We have been working with our Grants team and the FTA to get this technology. Better support from the vendor and less redundancy. Also, maintain our many miles of fiber. This service is spanning the entire Silverline and Laker Line. There have been many issues with fiber going down. Digging destroys fiber conduit. GEO Tech helped us restore service.

Security Awareness training is continuing. Getting ready to interview for an IT Intern. Having an IT intern will really help with flexibility and cross-training.

Later this year we will be replacing the old radio system and we are looking at upgrading the AVAIL System. Smart card wave card access. Moving forward with Optibus. Looking at starting a finance replacement system.

Last thing, IT Grant Study. We will use this plan to review customer-facing technology. On bus system, platform, RCS, mobile solutions, and other software solutions.

Mr. Troost asked, do we pay our interns?

Ms. Prato answered yes, \$17.00/hour. We need to create our own talent pool

- c. Mr. Monoyios gave a preview of a couple of peak-only routes. Using stops along Cesar Chavez and Chicago Drive to Michigan Turkey. This is a great alternative. Implementation is still TBD.

Ms. Prato added that Mr. Erber and Mr. Wardell are out doing a lot of community outreach.

Mr. Hoffman added this is great! Do we have a margin of vehicles, and how do we make vehicles and people available?

Mr. Monoyios answered yes when these runs are cut, ensuring the availability of resources will be accommodated.

Ms. Prato added we are seeking another spare ratio waiver from the FTA. We have checks and balances in place. Labor is always an issue.

Ms. Prato stated that Flourish indicated that they want to be a financial partner.

4. ADJOURNMENT

This meeting was adjourned at 9:47 a.m.

The next meeting is scheduled for March 13, 2023

Respectfully submitted,



Kris Heald, Board Secretary



Interurban Transit Partnership

Present Performance & Service Committee Members

Charis Austin

David Bilardello (Chair)

Tracie Coffman

Steven Gilbert

Andy Guy

PRESENT PERFORMANCE & SERVICE COMMITTEE MEETING MINUTES

Tuesday, November 8, 2022 – 4 p.m.

Rapid Central Station Conference Room | 250 Cesar E Chavez, SW

ATTENDANCE:

Committee Members Present:

Charis Austin, Dave Bilardello, Tracie Coffman, Steve Gilbert, Andy Guy

Committee Members Absent:

Staff Attendees:

Deb Prato, Steve Schipper, Andy Prokopy, Linda Medina, Nancy Groendal, Deron Kippen, Steve Luther, Jason Prescott, James Nguyen, Kevin Wisselink, Jeffrey King, Amanda Moore, Adam Erber, Wardell Frazier, Max Dillivan, Mike Wieringa

Other Attendees:

Mr. Bilardello called the meeting to order at 4:03 p.m.

1. PUBLIC COMMENT

Mr. Bilardello asked for public comment. No public comments were offered.

2. Minutes – September 13, 2022, Present Performance & Service Committee Meeting

Mr. Bilardello asked for approval of the September 13, 2022, Minutes. The minutes were approved unanimously without any changes or edits.

3. INFORMATION

3A.1 Fixed Route Ridership

Mr. Dillivan reported there have been no major changes since the last meeting of the Present Performance Committee in September. Ridership recovery continues to hover in the mid-fifty percentile. However, ridership is 15% higher than the same time last year. In early October we experienced higher ridership than normal on the two DASH routes, attributed to Art Prize. Mr. Dillivan noted the routes that are performing best are those with high frequency, 15-minutes or

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

greater during the weekday. Those route average 70% ridership recovery. We have maintained that pattern since late August with the Fall service change.

3A.2 Paratransit

Mr. Prescott reminded the Committee paratransit services struggled at end of fiscal year due to the transition from MV Transportation to Transdev. Transdev has now been in place for one full month and eight days, and he reports improvement in performance. Mr. Prescott monitors the contractor's on-time performance, missed trips or late trips, and any customer trip time greater than 2-hours. Each one of those metrics have improved in October. In September, on-time performance was 61.23%, there were 296 missed trips, and 90 trips greater than 2-hours. In October, on-time performance was 75.39%, there were 172 missed trips and 76 trips greater than 2-hours. While those numbers are trending positively, there is more improvement required to meet our expectations for a satisfactory customer experience. Contributing to the less than satisfactory performance is the continuing shortage of labor, turnover, and high daily operator call-offs. Mr. Prescott has seen several administrative and operational changes in Transdev's approach to the performance issues. He is optimistic about what he has seen in this brief time and for the future.

Committee Chairman Bilardello asked Ms. Austin for her perspective on the changeover. Ms. Austin responded saying she thinks it has been good. She has talked with drivers that are happier, and drivers have commented they now get a break, which they rarely did when they were employed by MV. She thinks Transdev has inherited what MV left them in terms of poor maintenance, which has also contributed to performance issues. She cited her husband was on a Go!Bus recently and said it caught fire. She knows people who were not happy about rides greater than 2-hours, and she has talked to them, and tells over time it will get better. She works to advocate for both sides, the agency, and the customer.

Chairman Bilardello asked if there were any additional questions for Mr. Prescott. Mr. Guy asked Mr. Prescott about the metrics he uses for tracking the performance of the service, and asked Mr. Prescott to explain the 2-hour metric. Mr. Prescott responded saying many people think to comply with the Americans with Disabilities Act (ADA) a trip must not be longer than ninety (90) minutes in duration. Mr. Prescott indicated that is inaccurate. The trip time metric he uses is calculated by taking the similar fixed route travel time and adding fifteen minutes to the start and end of the trip. This added time at the start and end allows for time associated with the door-to-door service, and the customer boarding and alighting process. Mr. Prescott gave an example of a fixed route duration of one hour from point A to point B and indicated the paratransit transit customer trip would have an hour and thirty minutes. There is no set requirement or rule related to this. Mr. Prescott's follows the general rule of thumb that any trip over 1.5 hours is too long. Mr. Guy stated it is very understandable and he appreciates explanation of the logic behind the metric.

Chairman Bilardello asked a follow-up question asking when the time starts and when the time ends. He gave an example of customer scheduled to be picked up at 1 p.m. and asked when does the time start? Mr. Prescott replied each individual rider has their own set time. Each customer may have other customers picked-up and dropped-off, or detours along the way to their destination.

A Paratransit Scheduler is assigned the task of watching each run to monitor for excessive trip time. Unlike MV, Transdev places buses and drivers throughout the city which can be used to mitigate excessive trip times.

Chairman Bilardello asked what is a call-off? Mr. Prescott responded a call-off is when the driver calls in to work and reports they will not be coming to work. Transdev has experienced 22 call-offs in their first month of operations or an average of 3 per day, which leaves Transdev scrambling to reschedule the rides booked for the day.

3A.3. On-Demand Rapid Connect

Mr. Prescott continues to track the key metrics of Rapid Connect: ridership in Walker and Kentwood zones, on-time performance, and the super-user ridership. The Walker zone rides have been consistently increasing. On-time performance is consistently over the goal of 95%. Mr. Prescott reported a slight drop in super-user ridership in September, however the numbers bounced back in October. Mr. Prescott thanked the outreach team for the support of the program and the difference they are making in marketing the service.

Chairman Bilardello asked Mr. Gilbert as a representative of Walker for his impression of the program. Mr. Gilbert said Walker has been happy to see consistent steady growth. From the Walker perspective they were a little disappointed where we started, but happy now to see it continue to grow and develop into a sustainable service. Mr. Gilbert indicated the City of Walker believes there is more there, as evidenced by the Route 33 discussion. Walker is pleased to see the business community beginning to get involved and participate.

3A.4. On-Time Performance

Mr. Dillivan reported there has been little change in on-time performance. Systemwide, we are averaging 85%, just shy of the 90% on-time performance goal we set for ourselves. There have been some changes across the system as we examine route by route on-timer performance. These are many of the same things that were mentioned at the last meeting of the Present Performance Committee; the closure at Market and Fulton Street intersection, the closure of the Spectrum Health ramp has hampered the Silver Line as well as other routes that exit and enter Rapid Central Station using the Market Street and Fulton Street intersection. As construction season is ending, we are starting to see on-time performance trend back up. Mr. Dillivan also reported this is the time of year we begin working with our partners in the six cities, MDOT, GVMC and the County Road Commission to identify next construction season projects allowing us to start to prepare for and identify projects that will impact our routes and future schedules.

Chairman Bilardello commented it was great to see on-time performance consistent and added we all run into construction related traffic issues. Mr. Guy added it appeared Market and Fulton would open back up soon; he noted workers moving road closed signs on his way to the meeting today.

B. Mock Triennial Process

Mr. Wisselink reported The Rapid will be entering our triennial review and are preparing by participating in a mock triennial process. The federal triennial process covers approximately 20 different areas of operations, from financial management, to procurement, our EEO program. We will be reviewed to ensure compliance with FTA requirements. Triennials are conducted every three years. Our last triennial review was conducted in 2019. There was a one-year delay due to the pandemic. Our actual triennial will likely be conducted in spring or summer of 2023.

Chairman Bilardello asked if we use a consultant to walk us through this process. Mr. Wisselink responded we use John Caruolo Associates. They conduct this process for many other transits and performed the last one for The Rapid, he noted they do an excellent job getting us prepared.

C. Operator Availability and Service Cuts

Steve Schipper reported as noted by Mr. Prescott in his earlier agenda related to Transdev hiring, fixed route is also experiencing issues related to the labor shortage. Mr. Schipper stated we could add thirty (30) more drivers into the system today. The Operations team do their best to ensure all runs are filled each night for the next day of service however, operator call-offs are impacting our operations. In reviewing last month of service, the high call-offs have been on every Friday, with Halloween being the only other day with high call-offs. Mr. Schipper feels it is clearly about people wanting to spend time with their families. He stated every other day of the week we can fill that work, and do the work we are supposed to do, there is just not enough labor to go around.

There have been as many as eighteen (18) cancelled runs in a day. The highest day in the last 6 weeks, was 9 cancelled runs. We have twenty-one (21) new operators in the pipeline, and we look forward to them getting through the training process and coming on board.

Chairman Bilardello asked Mr. Schipper when you have that situation, are we just running the buses less on Fridays? Mr. Schipper responded we cancel any route we are unable to fill in our system. The customer can see when the next bus will arrive if they are using the tools online. However, customers are not always looking at those tools. We do get complaints, but the customers have been patient with us, and we are certainly keeping it to a minimum.

Chairman Bilardello cited his personal experience of intending to take the Route 6 at the arena. He said, using the online tools it appears the bus is going to arrive. Then about the time it is supposed to leave central station, it looks like it is not going to come. Then twice it has come, even though it does not show it is coming. Is there an explanation for that?

Mr. Schipper explained the situation described may be related to software issues we have recently identified. We have found if a bus operator logs into the Avail system, inside of the Wealthy operations building, it may not trigger the system that the bus is on the street until the bus reaches its first designated stop location. We have found this situation is currently impacting about 22% of our routes.

Chairman Bilardello asked Mr. Schipper to give an update on the Silver Line fare collection changes. Mr. Schipper explained the Silver Line at the time of its launch was equipped with the latest and greatest technology available. Customers paid off board, much like light rail, boarded the bus and fare enforcement officers validated the fare onboard. There have been a lot of technology improvements since the launch of the Silver Line, along with the launch of the wave card. The Rapid will soon be launching open payments which will allow contactless payment options for customers to pay their fare, or they can continue to use their wave card. The Silver Line ticket vending machines are at the end-of-life and the labor shortage has impacted our ability to hire Fare Enforcement Officers. This change allows us to be more efficient with the fare box and the tap reader and prepare for the future.

Chairman Bilardello recalled conversations of vandalism on the ticket vending machines and asked if the machines will be removed. Mr. Schipper responded the machines will eventually be removed; they are at their end-of-life. The maintenance agreement has been expired for 2-years, and the machines are expensive to continue to maintain.

Chairman Bilardello inquired about the Laker Line ticket vending machines. Mr. Schipper responded the Laker Line is newer technology, it is only 2-years old and will stay as is for now. Mr. Schipper concurred with Chairman Bilardello; we will need to revisit the Laker Line technology down the road.

Andy Guy commented he was also thinking about the interaction with the customer. Mr. Schipper responded the only change will be boarding at the front door. Ms. Prato added there will be signage on the outside of bus directing customers to board at the front to pay their fare. The external speakers will play a message at each stop to board and pay fare at the front door. There will also be messaging on the bus related to the change in boarding and fare payment.

D. Winter Pick – New Route 33

Mr. Monoyios introduced the new Route 33. This new route will begin on January 2, 2023, with the start of the winter pick. Mr. Monoyios showed the Committee the map of the northwest quadrant of our system; the new Route 33, the Walker On-Demand Zone, and the current Route 9 alignment. Mr. Monoyios reminded the Committee throughout the Comprehensive Operational Analysis (COA) process this area was identified by the consultant as ideal for micro-transit due to the disparate nature of trip generators, the street network, and the then small clusters of employment. Since the pandemic, Northridge Drive has completed through, there has been intensive development in the area, along with robust outreach and marketing done for the On-Demand service in this area. Based on feedback we have heard from businesses and their employees along Northridge Drive there is a strong desire for fixed route service, with a predictable schedule and pick-up locations to serve these businesses.

Mr. Monoyios reported the Laker Line will return to 10-minute headways in the winter pick, we have seen an increase in ridership with a lot of trips at capacity. System-wide on Friday afternoons we have seen a lot less demand, we will be reducing frequency to an evening frequency at 3 p.m. The team continually works to monitor and refine our system.

Chairman Bilardello called for questions. Steve Gilbert noted as he looks at the map presented, and knowing SAS is a major user of the micro-transit solution, Mr. Gilbert asked if the corner of Three Mile and Fruitridge would make sense as a stop location, or were the ones on the map set in stone? Mr. Monoyios responded the dots on the map shown are time points, not bus stops. The Rapid is actively coordinating with City of Walker staff to identify preferences for bus stop locations, including the corner of Three Mile and Fruitridge. The Rapid and the City of Walker are also coordinating the infrastructure requirements of concrete pads and the work to connect sidewalks for these bus stops.

Chairman Bilardello also wondered about the stops and thanked Mr. Monoyios for the explanation. Chairman Bilardello stated it appeared the frequency of the service is 1-hour. Mr. Monoyios confirmed the service is hourly. Mr. Monoyios said the new Route 33 is conveniently interlined with the short pattern of the Route 9 which terminates at Green Ridge Mall. At Green Ridge Mall the service will turn into Route 33, it will complete the loop shown in the map and will return to Green Ridge Mall. At the time it reaches the mall the route will convert back to the Route 9 for the return trip to Rapid Central Station. This will be a seamless connection and transfer point for customers coming to, or from Central Station.

Chairman Bilardello asked about the 10-minute frequency on the Laker Line on Friday. Mr. Monoyios confirmed Friday stands alone, 10-minute frequency until 3 p.m. At 3 p.m. the Laker Line will go to 15-minute frequency, the lowest frequency allowed for Bus Rapid Transit (BRT).

E. Community Engagement/Outreach

Mr. Erber and Mr. Frazier shared their work and the excitement in the Walker business community related to the new Route 33. They will continue their outreach to employers, including staffing agencies. They shared Ridgeview Industries, a key stakeholder and employer along the route, is ready to change their employees to flex schedules to coincide with the new Route 33 frequencies. Mr. Erber shared three upcoming events welcoming the Committee and The Rapid team to join. The Rapid will participate in the Grand Rapids Junior Chamber Santa Parade on November 19th, the Wyoming Kentwood Chamber Parade on December 10th, and The Rapid will serve as a warming station at the DGRI World of Winter Festival silent disco on February 4, 2023.

Mr. Frazier shared in addition to the work with businesses for the Route 33 creation, they have been working with businesses along 68th Street, near Broadmoor, meeting with Steelcase, Amazon and Davenport University who have all given a verbal commitment to becoming a partner in creating a route to help with their recruitment and retention of employees. Mr. Frazier indicated there is strong interest from Coca-Cola, but no official meeting conducted yet. Mr. Erber and Mr. Frazier will be meeting with Aspen Surgical and multiple other employers within the industrial park this coming week. The employers in this area are excited about resuming a conversation related to transit they started back in 2020.

The team has a meeting with GRCC and West Michigan Works to discuss The Rapid's talent pipeline. The discussion will focus on forming a partnership to create an apprenticeship program and career pathways program for students to enter for our workforce. Mr. Frazier indicated while the discussion is only in the beginning phase there is high interest and great potential among our partners.

Mr. Frazier reported he and Mr. Erber continually strive to participate in many community events; they actively participate of many committees within the Chamber, as well as the Essential Needs Taskforce. Most recently as they have worked to impact awareness of Rapid Connect. They visited multiple employers and employees at Woodland Mall to ensure they were aware of the service. They found many they talked with were not aware and are now very interested.

Chairman Bilardello called for any questions from the Committee. Ms. Coffman is very interested in the potential of creating an apprenticeship program and asked if the program would be certified by the Department of Labor (DOL) and which job families are being targeted? Mr. Erber responded the job family The Rapid is targeting is Maintenance Technicians. Ms. Coffman asked if there was a DOL certification, or if Michigan Works was pursuing a DOL certification? Mr. Erber responded he did not think there was a certification. Ms. Coffman was enthusiastic about the possibility of creating an apprenticeship, the work of the local Michigan Works, as well as the benefits of partnering with them.

F. Employees Recruitment and Retention

Ms. Groendal reported on a successful job fair held October 5, 2022, which was conducted on the platform at Rapid Central Station with other employers along our routes. She said all the partner participants indicated they would like to team up again in the future to hold an even larger event. As a result of the event The Rapid was able to extend offers for the position of Bus Operator. They will begin on November 17, 2022. This class is comprised of 7 women; 2 Hispanic, 3 Black, and 2 White as well as 6 men; 1 Hispanic, 3 Black, 1 Two or more races, and 1 White. There is also another class of 4 Bus Operators starting comprised of 4 males, 1 Hispanic, 2 Black, and 1 White male. Ms. Groendal reported a recent hire in the position of Accounting Specialist, a white male. Ms. Groendal added of those newly hired, 2 are Veterans.

The Rapid is currently seeking 2 Utility Technicians, a Facility Technician, 8 Mechanics, an IT Intern, a Part-time Mobility Assistant, 2 Dispatchers and continuously recruits for Bus Operators.

Chairman Bilardello asked Ms. Groendal if it feels like hiring is going to be awhile or is the ability to hire getting better? Ms. Groendal confirmed hiring is getting better and said we have been able to hire some great new employees. To assist in recruitment efforts, we modified new employee benefit eligibility for the union positions. Changing eligibility from ninety (90) days, to the first of the month following the date of hire.

Chairman Bilardello thanked Ms. Groendal for all her hard work in this very challenging environment.

G. Safety Update/COVID

Mr. Luther took the podium and reported the most recent Covid related statistics. In August, The Rapid experienced 10 employee positive covid cases. In both September and October there were 5 positive cases, and to-date in November there are 5 positive cases, representing an uptick which is tracking with Kent County statistics. The Rapid continues to follow the CDC guidelines and precautions related to positive and symptomatic cases.

Chairman Bilardello commented at the large hospital system where he is employed, the uptick in cases has been with a diagnosis of RSV, mostly children however, adults can also become ill. He wondered if some of the cases we have had reported as Covid were actually RSV. Mr. Luther responded all the employees tested positive for Covid. We receive proof of their tests to document the absence.

H. Fleet and Facilities

Mr. Kippen outlined the remodeling work The Rapid has done since September 1, 2022, at the Demand Response Operations Building on Busch Drive. The building received new flooring, new carpeting, interior painting, new LED lighting has been installed as well as power washing the interior maintenance area and exterior of the building. The new propane tank is operational, and the 2 existing diesel tanks have been removed. Parking lot lighting base units have been installed and are awaiting poles.

The Standale Park and Ride continues to progress. Carbon Six has paved the lot, the brick piers will be installed, fencing will be installed, and concrete work will be completed. All landscaping will be installed; the landscaping plants have a 1-year guarantee to survive or will be replaced. The project is on track for completion the first week of December, with an anticipated opening date in mid-December.

The Ellsworth remodel project continues to advance. The design and finishes have been selected.

4. ADJOURNMENT

This meeting adjourned at 5:09 p.m.

The next meeting is scheduled for January 17, 2023

Respectfully submitted,

Deb Prato, Chief Executive
Officer



Interurban Transit Partnership

Present Performance & Service Committee Members

Charis Austin Tracie Coffman David Bilardello (Chair) Steven Gilbert Andy Guy

PRESENT PERFORMANCE AND SERVICE COMMITTEE MEETING MINUTES

Tuesday, January 17, 2023 – 4:00 p.m.

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

ATTENDANCE:

Committee Members Present:

David Bilardello, Charis Austin

Committee Members Absent:

Tracie Coffman, Steven Gilbert, Andy Guy

Staff Attendees:

Kris Heald, Deb Prato, Andy Prokopy, Deron Kippen, Nick Monoyios, Jeff King, Adam Erber, Steve Schipper, Steve Clapp, Nancy Groendal, James Nguyen, Linda Medina, Max Dillivan, Steve Luther, Jason Prescott, Wardell Frazier

Other Attendees:

Ms. Edwards

Mr. Bilardello called the meeting to order at 4:03 p.m.

1. PUBLIC COMMENT

No Public Comment

2. MINUTES – November 8, 2022

The meeting minutes were not approved as there was not a quorum.

3. INFORMATION

a. Ridership Metrics

Mr. Dillivan reported that we are trending between 13%-16% greater levels in ridership through November. There were some minor disruptions in onboard fare collection on the Silver Line. Riders are getting acquainted with the onboard payments.

In December 2022, we are showing a little slowdown. Inclement weather for approximately 3-4 days had an impact on ridership. Overall, we are trending higher than last year, we are up 8.5%.

A couple of other items to comment on.

The average farebox recovery is bringing in more revenue.

Ms. Prato asked Mr. Dillivan to talk about wave taps.

Mr. Dillivan stated we use an auto counter system. We have a 100% count as everyone pays either cash or taps their wave card on board. APCs were accurate. We are seeing approximately 1600 riders per weekday and, now approximately 1400 riders per week, so a small dip. Since the transition, we are retaining more fare revenue at the farebox.

Mr. Bilardello asked if this is in the report.

Mr. Dillivan advised Mr. Bilardello where it can be found in the report.

Ms. Austin asked if there were any statics on the Transit App.

Mr. Dillivan advised that he didn't have information on the Transit App, but will get back to the board on the utilization of the app.

Mr. Prescott stated that for the first quarter in Paratransit, the average increase is approximately twenty (20) trips per day. We have been averaging 74% on time for pick-ups and 80% for drop-offs. We are averaging approximately twenty-nine (29) mins per ride.

Mr. Prescott reported On Demand has been in operation for one (1) year now. In that time, we have maintained on-time percentages of over 90%. We have over 1200 users signed up for the app. 155 of those signed up have taken trips. The most popular times of services are utilized between 6:00 a.m. and 7:00 a.m., and 5:00 p.m. and 6:00 p.m. In Kentwood, the Airport, Roskam Bakery, Steelcase, and Lighthouse Academy are among the most frequent stops. In Walker, Spectrum Distribution Center, Abraham Son's, Charter Communications, and Meijer Corporate are the most frequent stops.

Mr. Bilardello asked if the trips in Kentwood are mostly airport workers.

Mr. Prescott answered that most of the Kentwood trips are for the Academy.

Mr. Dillivan reported on the On Time Performance (OTP) – in November and December. We had issues around Fulton and Market Street closure, plus inclement weather around Thanksgiving. We did come in at 80% for on-time performance, which is below our target of 90%. However, we did see a bit of a reprieve in early December when Market and Fulton Streets re-opened and then our on-time performance increased back to 90%. The routes with a hill suffer disproportionately. Once we got out of the weather, we returned to 90% on-time performance. Glad to see the detours are ending and we are getting back to our regular routes.

b. Operational Financial/Impacts

New Route 33 Performance

Mr. Monoyios reported that in the first two (2) weeks of the service for the new Route 33, we are seeing an average of six (6) rides from Greenridge mall and the apartments, and about five (5) rides west of that. The second week was better, and we are expecting it to improve week over week. We are getting out to employers to promote this new route within their businesses.

Mr. Bilardello asked if this was at the request of the Walker City folks. Mr. Monoyios replied that in speaking with the businesses they felt it was most beneficial to have a fixed route.

Ms. Prato added that both Mr. Erber and Mr. Frazier rode the route and three (3) of the riders were brand-new employees for this area.

Mr. Monoyios reported on the two New Peak Only Routes, through outreach and other coordinated implementation date is TBD and we will keep you updated.

Mr. Bilardello asked how long of a walk it is from Route 8 to Michigan Turkey.

Mr. Monoyios answered approximately ½ mile.

Ms. Prato added that an important demographic of their employee base is to connect people to the places they need to go.

Mr. Monoyios continued with the second peak-only route, from Central Station to South on Ionia and Martin Luther King East to Division, South on Division to Hall, and will deviate West to Phillips which is near Buchanan. There are some new employers growing very fast in the Buchanan corridor. Flourish Cannabis, Butterball, Seacom, DECC, Michigan Wheel, and bigger industrial businesses. We are doing very specific intentional outreach to create these two new routes.

Mr. Bilardello is pleased that we are creating these routes.

Ms. Prato added that we are making it very assessable for people, with groceries, children, bags, etc.

Mr. Monoyios stated this will be a 30-minute frequency.

Ms. Prato asked Mr. Frazier to share some of the specifics of what they are working on.

Mr. Frazier said the conversation started with a board member from Seacom who reached out to him months ago. The concern was that their children and families couldn't get to the pantry and other services and wanted to see if there was something that we could do. The Silver Line was too far to walk. Other businesses such as Flourish and other organizations were struggling with the same issues. At the last meeting with Flourish indicated that they may want to contribute part of the funding for this new route.

c. Transdev Status

Mr. Prescott reported that Transdev has been operating for three (3) months located at our Busch Drive Facility. We are having operational shortages which is creating a lack of improvement in our service. Currently, they have forty-nine (49) full-time employees, eight (8) part-time employees, and three (3) part-time are from out of town. In order to be successful, we need at least 75 operators on our staff. We are having weekly meetings with their GM to monitor the monthly goals.

Mr. Bilardello asked regarding their on-time performance are you also measure how many employees they have. Is the environment so hard?

Mr. Prescott replied, Yes. Their GM is trying different things to bump up their hiring. Looking at job boards on the internet.

Ms. Prato added that we made a promise that it would improve with Transdev. The performance is not acceptable and does not meet our expectations. We are making every effort we can to improve our performance.

Mr. Prescott added it helps to have advocates on our committee.

Mr. Bilardello said we need to elevate this to the whole committee/board.

Ms. Austin echoes what Mr. Prescott says. Hard questions were asked about Paratransit and Fixed Routes. This is a good committee.

Securitas Performance

Mr. Schipper reported that we are still having some of the same issues with Securitas. This week is the first week we do not have FEOs working as Security. We will continue to monitor this. They are hiring many part-time workers. Plus, a new Site supervisor.

Ms. Prato stated that when our contracted services don't meet demand. It is more taxing on our boots-on-the-ground team. Staffing is an issue everywhere. We are struggling a bit in this area. It is not where we expect it to be.

Ms. Groendal stated that since November we have hired thirty-three (33) new employees. Some of these candidates are rehires.

We are also launching an Employee Resource Group/Affinity Group. This initiative is proving to be a very positive effort with our staff. We are working with GRCC toward an apprenticeship.

Bilardello Great to hear!

Safety PTASP

Mr. Schipper stated that new requirements for the PTASP came out in late 2021, which we had to rewrite. It was brought to the board in the fall for approval. There is one more PTASP item for approval at the January 25 board meeting.

The Joint Safety committee states that there need to be equal members for both the Union and Administration teams. It is disheartening to receive a letter stating we are not compliant when we are. To support that we have been through the Mock Triennial. They are confident we are compliant.

Mr. Bilardello asked if law lawmakers were brought in.

Mr. Schipper replied no, administrators staff with the ATU.

Ms. Prato added the letter came in, and we want to make you aware of it.

Mr. Bilardello asked if Mayor Carey is aware. Ms. Prato answered yes.

e. Fleet and Facilities

Blizzard

Ms. Prato is very proud of our staff. Hard decisions needed to be made. We don't have a checklist of weather events. We are going to fix a few items and create a checklist. GOBus was able to complete all their rides. Ms. Prato was very proud of the dispatch team; they were on their game. We had four (4) very minor collisions and NO one was injured. We made the right decisions for the safety of our team and our customers.

Mr. Bilardello agrees Ms. Prato made the right calls.

Ms. Austin remembers one time the bus closed, and she appreciates everything The Rapid does and she is glad we are making a checklist,

Ms. Edwards has been riding the bus since she was 14. She attended GRPS. Her issue is dealing with unruly teenagers. They are fighting at Rapid Central Station. Sometimes she needs to wait an hour to get home. She would appreciate it if the GRPS reinstates school buses. She would also appreciate this building being open on the weekends.

Lastly, she feels some of the bus operators are very rude.

Mr. Bilardello asked if the buses you can't board are because they are full.

Ms. Edwards said sometimes they are completely packed.

4. ADJOURNMENT

This meeting was adjourned at 4:57 p.m.

The next meeting is scheduled for March 21, 2023

Respectfully submitted,



Kris Heald, Board Secretary