



Finance Committee Members
Rick Baker, Gary Carey, Stephen Kepley (Chair)

FINANCE COMMITTEE


Wednesday, July 17, 2019, 4:00 p.m.

Rapid Administrative Office, 300 Ellsworth Avenue, SW

AGENDA

PUBLIC COMMENT

- 1) MINUTES** – May 8, 2019 Finance Committee meeting
- 2) DISCUSSION**
 - a) FY 2019 Operating Budget Update
 - b) FY 2020 Operating Budget Update
 - c) FY 2019 Grants Update
- 3) NEXT MEETINGS**
 - a) Board Budget Meeting – July 31, 2019
 - b) Finance Committee Meeting – November 20, 2019



Financial Planning & Analysis
The Rapid

Finance Committee

July 17, 2019

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FY2019 Projection Update

FY2020 Budget Highlights

- Contract Service Rate
- Authorized Positions
- Healthcare
- Preventive Maintenance & Pension Strategy

Summary

FY2019 Projection Update



FY2019 Projecting to be 2% Over Budget

	FY2019 Adopted Budget	FY2019 Reallocated Budget	FY2019 Projection
Revenues and Operating Assistance			
Passenger Fares	\$ 6,431,855	\$ 6,557,255	\$ 6,495,816
Sale of Transportation Services	7,406,457	7,281,057	7,185,034
State Operating	15,415,231	15,415,231	15,136,674
Property Taxes	16,815,000	16,815,000	16,165,406
Other Revenue	745,031	745,031	638,238
Total Revenues and Operating Assistance	\$ 46,813,574	\$ 46,813,574	\$ 45,621,167
Expenses			
Salaries and Wages	\$ 18,306,775	\$ 18,330,137	\$ 18,644,011
Benefits	10,164,045	10,164,045	10,722,861
Services	2,990,608	3,059,757	2,698,004
Materials and Supplies	5,247,297	5,148,795	4,819,368
Utilities, Insurance, and Other	3,260,181	3,266,172	3,154,645
Purchased Transportation	7,844,668	7,844,668	7,472,250
Capitalized Operating Expenses	(1,250,000)	(1,250,000)	(1,250,000)
Reserve	250,000	250,000	250,000
Total Operating Expenses	\$ 46,813,574	\$ 46,813,574	\$ 46,511,140
Net Surplus/(Deficit)	\$ -	\$ -	\$ (889,973)
Less: Reserve fund			(250,000)
Net Surplus/(Deficit) without reserve			\$ (639,973)

FY2020 Budget Highlights

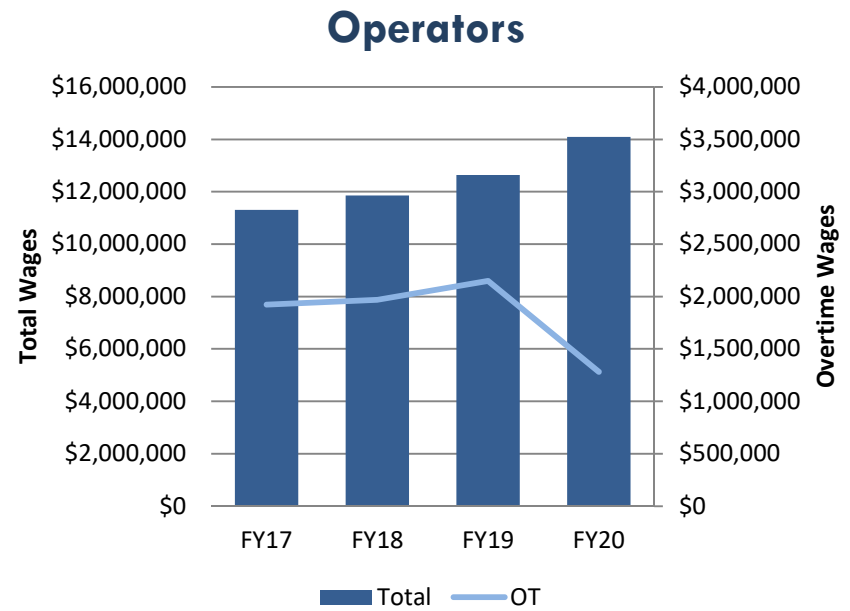
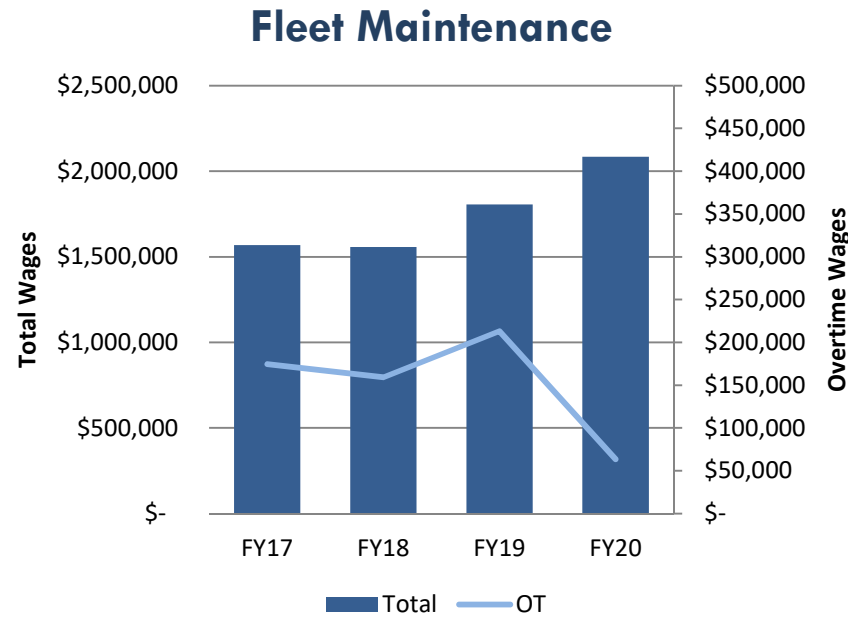


Authorized Positions

	FY 2019 Budget	FY 2019 Actual		FY 2020*
		Filled	Vacant	Recommended
			Total	
Administration				
Full Time	76	76	1	77
Part Time	5	5	1	6
Total Administration	81	81	2	83
Maintenance				
Fleet	30	29	1	30
Facilities	8	8		8
Total Maintenance	38	37	1	42
Operators				
Full Time	257	266	6	272
Part Time	33	24	9	20
Total Operators	290	290	15	292
TOTAL PERSONNEL	409	408	18	426

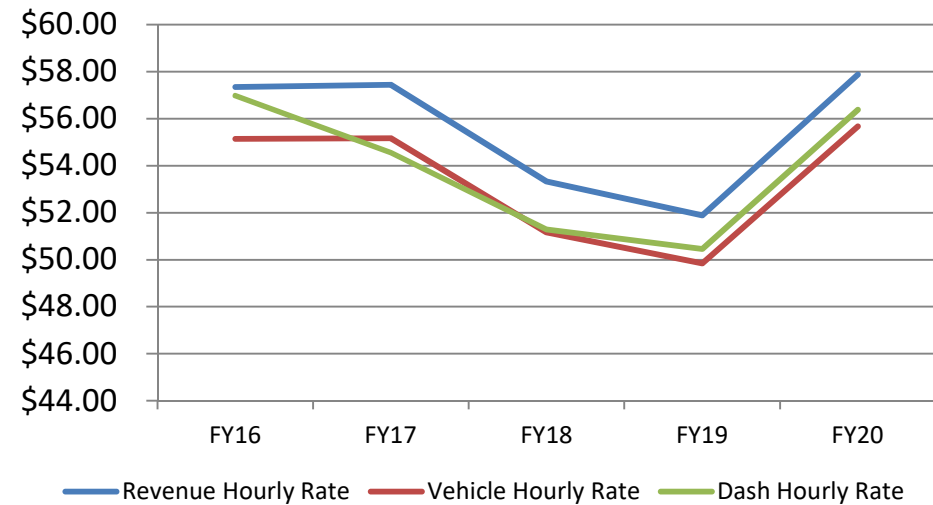
*Still under review

Achieving Full Staffing Levels Reduces Overtime in FY2020

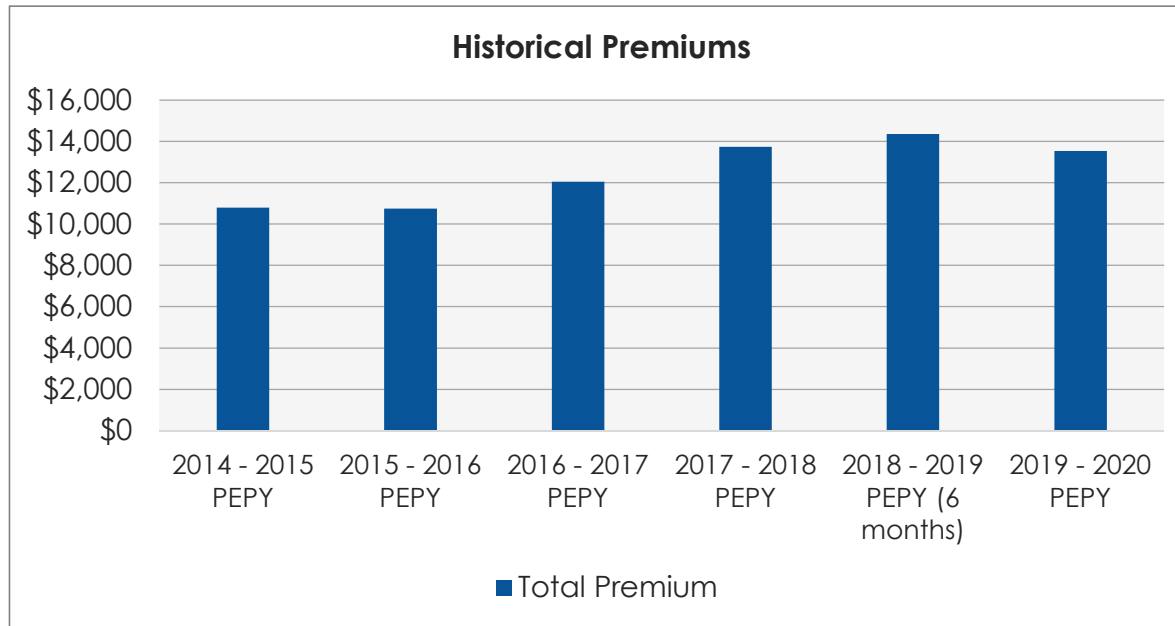


Contract Service Rate Returns To Normal

Budget FY	Revenue Hourly Rate	Vehicle Hourly Rate	Dash Hourly Rate	State Operating Asst.
FY16	\$ 57.34	\$ 55.14	\$ 56.97	29.00%
FY17	57.44	55.17	54.55	30.50%
FY18	53.33	51.16	51.29	31.00%
FY19	51.89	49.84	50.46	32.35%
FY20	\$ 57.88	\$ 55.67	\$ 56.38	32.93%



Managing Healthcare Effectively

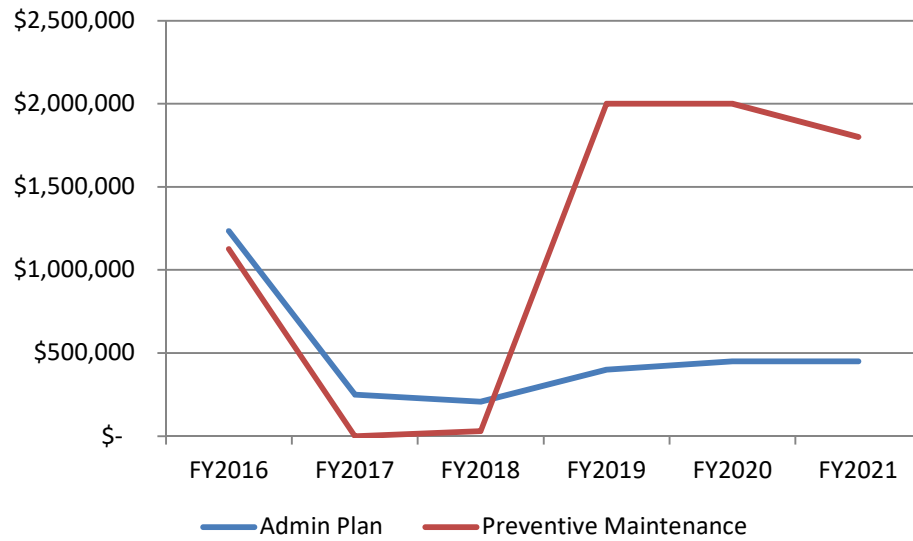


Plan Type	FY2019 Budget	FY2020 Budget
Single	138	140
Double	75	73
Family	104	107
Total	317	320
Premium	\$4,519,295	\$4,331,646
PEPY	\$14,256	\$13,536

PEPY = Per Employee Per Year

Source: USI

Plan to Reduce Reliance on Preventive Maintenance



- Accelerate funding on the Administration Defined Benefit plan to be fully funded by FY2021
- The Union Defined Benefit plan will be funded at least at mid range and higher as budget allows

Summary

- Anticipating a 4% increase in total revenues
- Still adjusting expenses, but currently expenses increased 7% in total
- Working towards presenting a balance budget at the July 31, 2019 meeting



The Rapid's Grants and Capital
Improvement Plan Update

Finance Committee

July 31, 2019

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Federal Funding Sources

- 5307
- 5339
- Congestion Mitigation and Air Quality (CMAQ)

Capital Improvement Plan Update

Discretionary Grants

- Laker Line
- Silver Line TOD Study
- Michigan Mobility Challenge Grant
- Battery-Electric Bus Program
- Bus Training Facility
- BUILD Automated Bus Project

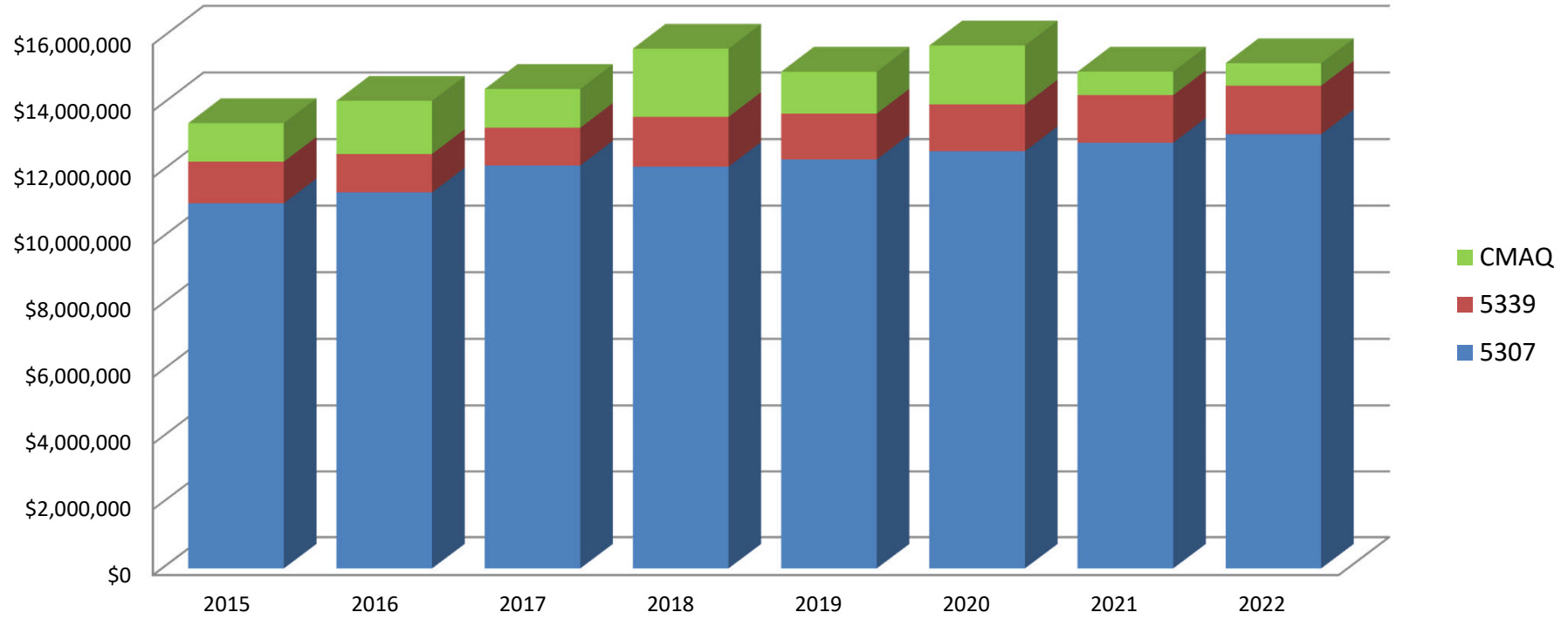


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Federal Funding Sources

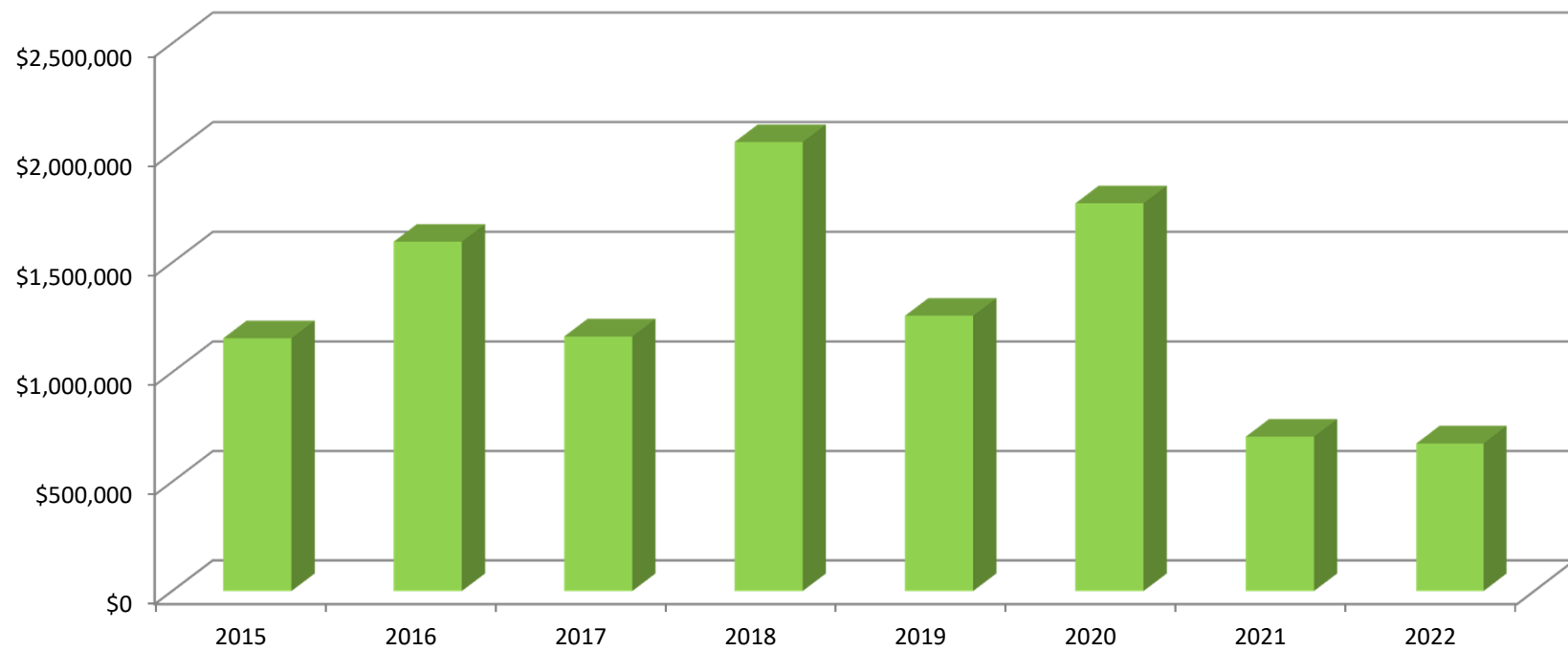


Federal Formula Funding



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Congestion Mitigation and Air Quality (CMAQ) Funding



Federal FY 2020 Grant Application Timeline



Capital Improvement Plan Update



Capital Planning Committee Mission Statement

The mission of the Capital Planning Committee is to strategically guide the capital planning process at The Rapid. This will be achieved by evaluating the lifecycle benefits and costs of each proposed capital project to determine its value to furthering the mission of The Rapid. This information will be used by the Committee to formulate a plan to prioritize The Rapid's capital investments.



Capital Planning Committee Process

- March 2019: finalized capital project application process and evaluation criteria; sent out a call for projects
- May 2019: evaluated and refined the projects
- June 2019: determined project scores
- July 2019: created 5-Year Capital Plan based on project scoring and funding availability
- July 31, 2019: will bring the 5-Year Capital Improvement Plan to the Board Budget Meeting for review



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Capital Project Selection Criteria

Capital Planning Investment Decision Criteria		Weighting
State of Good Repair		30%
Maintain assets and operation capability		15%
Support an urgent business need		10%
Support our staff safety, health or retention		5%
Continuous Improvement to Customer Service		20%
Provide safe, secure and reliable customer service		10%
Apply continuous improvement to service delivery		5%
Mitigate risk to the Authority / Regulatory Compliance		5%
Financial Return		20%
Optimize external funding source (Federal, State or Local Grant)		5%
Expands Revenue Stream		5%
Minimizes the Operation Budget Impact		5%
Positive Return on Investment		5%
Community Impact		10%
Improves Regional Mobility		5%
Improves Quality of Life in the Community		5%
Deliverability		10%
Skillsets		5%
Capacity		5%
Environmental Stewardship and Sustainability		10%
Reduce release of emissions and contaminants		4%
Improve waste management practices		3%
Promote sustainable energy and technology		3%



Capital Project Selection Criteria

Projects in **green** have been selected for funding in FY 2020

Project	Points Received	Ranking
Fixed Route Bus Replacement	90.3	1
Demand Response Bus Replacement	88.3	2
Rideshare Vehicles	85.5	3
Mid-life bus driveline repowering	83.5	4
TVM Replacement - Phase 1	83.3	5
New construction at 700 Butterworth	78.0	6
RSC/Ellsworth Rehabilitation	78.0	7
Data Center at RCS	76.3	8
TVM Replacement - Phase 2	75.8	9
Service Vehicle Replacements	73.8	10
Safety Software Template	68.3	11
Traffic Signal Priority Project	63.8	12
Grandville Transfer Station	59.0	13



Discretionary Grants



The Rapid's Current Discretionary Grants

Project	Year	Amount	Status
Laker Line	2017	\$ 70,237,085	Received
Silver Line TOD Study	2019	\$ 870,000	Received
Michigan Mobility Challenge Grant	2019	\$ 373,782	Received
Battery-Electric Bus Program	2019	\$ 6,968,000	Applied For
Bus Training Facility	2019	\$ 6,036,187	Applied For
Autonomous Mobility Project	2019	\$ 20,484,059	Applied For



Laker Line



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Silver Line Transit Oriented Development Study

- The FTA Awarded a TOD Study Grant to The Rapid last fall
- The Project Team includes:
 - The Rapid
 - Grand Rapids
 - Kentwood
 - Wyoming
- We are in the process of selecting a consultant
- The key focus areas of the study include:
 - Current market conditions in the corridor, including housing, retail and employment
 - Barriers to and opportunities for spurring economic development along the corridor, prioritizing equitable development
 - Planning policies, educational tools and initiatives that facilitate economic development along the corridor
 - Intermodal connections along the corridor, including bus, bicycle and pedestrian connections and facilities



Michigan Mobility Challenge Grant

- The Michigan Department of Transportation and Michigan Economic Development Corporation awarded The Rapid a grant to pilot on-demand curb to curb service for people with disabilities
- Our Project Partners:
 - **Via:** Create an app that allows passengers to schedule their trips in real time
 - **Disability Advocates:** conduct outreach for the project
 - **MV Transportation:** provide the service
- This project is being piloted with 5 vehicles in the southeast part of our service area
- The pilot will start on July 22 and run through the end of the year



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Battery-Electric Bus Program

- The Rapid applied in May 2019 for a FTA 5339 Discretionary Low Emission/No Emission grant to purchase 6 battery-electric powered buses as well as the necessary charging infrastructure
- One of the buses would be a DASH bus; the remaining 5 buses would be utilized on Route 19 – Michigan Crosstown
- We anticipate hearing whether our project was selected for funding this fall



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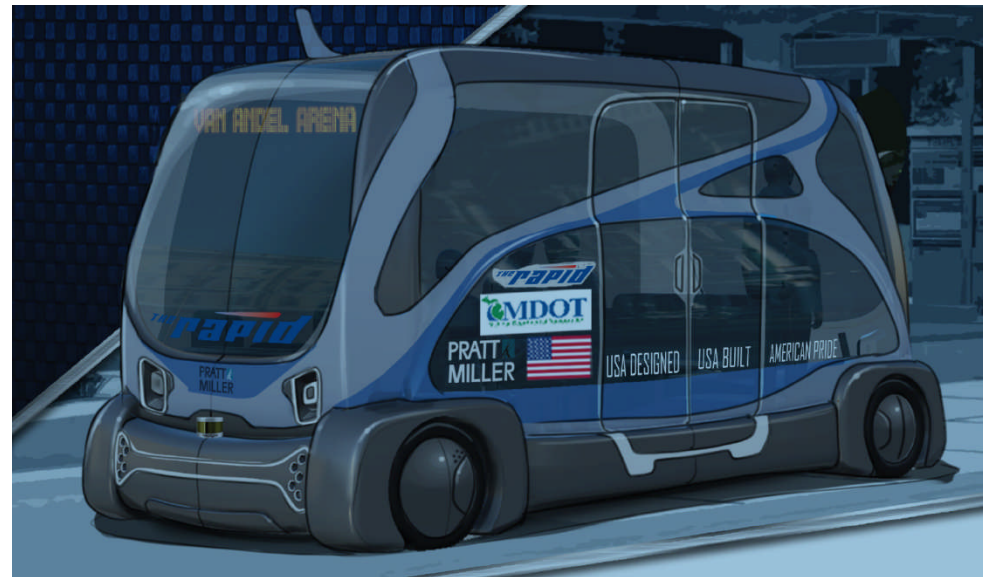
Bus Training Facility

- The Rapid applied for a 5339 Discretionary Bus and Bus Facility Grant in June 2019 to purchase the land for and construct a dedicated bus training facility
- The facility would include:
 - A wide expanse of pavement for drivers to practice
 - Features such as a practice intersection, raised BRT platform and skid steer pad
 - A small training building
 - A bus training simulator
- We anticipate hearing whether our project was selected for funding this fall



Autonomous Mobility Project

- The Rapid, in partnership with MDOT and Pratt & Miller, applied for a BUILD grant in July 2019 to implement an autonomous vehicle project in our region
- The project is to design an accessible 15 passenger automated vehicle that would be used to connect to The Rapid's BRT system
- We anticipate hearing whether our project was selected for funding near the end of this year



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