



Interurban Transit Partnership

Board Members

Mayor Gary Carey, Chair		Mayor Stephen Kepley, Vice-Chair		
Charis Austin	Rick Baker	Tracie Coffman	Mayor Katie Favale	Steven Gilbert
Andy Guy	Renee Hill	Jack Hoffman	Mayor David LaGrand	Mayor Steve Maas
	Tim Mroz	OPEN	Paul Troost	

BOARD OF DIRECTORS MEETING AGENDA

Wednesday, August 27, 2025 – 4:00 p.m.

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

AGENDA

	<u>PRESENTER</u>	<u>ACTION</u>
1. PUBLIC COMMENT		
2. MINUTES REVIEW – July 23, 2025, Board Budget Workshop	Mayor Carey	Approval
3. CEO’S REPORT	Deb Prato	Information
4. ACTION ITEMS		
a. Contract with Crystal Flash for Fuel	Kevin Wisselink	Approval
b. Contract with Avail Technologies	Andy Prokopy	Approval
c. FY 25/26 Operating and Capital Budget Approval	Linda Medina	Approval
5. PERFORMANCE REPORTS		
a. Paratransit Route Ridership	Jason Prescott	Information
1. July 2025		
b. Fixed Route Ridership	Tim Roseboom	Information
1. July 2025		
c. Finance	Linda Medina	Information
1. Operating Statement – June 2025		
2. Professional Development and Travel Report		
a. June 2025		
3. Grant Statement		
6. CHAIR’S REPORT	Mayor Carey	Information
7. COMMITTEE MEETING MINUTES		
a. Finance Committee (June 11, 2025)	Mayor Kepley	Information
8. ADJOURNMENT		

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



Board Members

Mayor Gary Carey, Chair

Charis Austin
Andy Guy

Rick Baker
Renee Hill
Tim Mroz

Tracie Coffman
Jack Hoffman
OPEN

Mayor Stephen Kepley, Vice-Chair

Mayor Katie Favale
Mayor David LaGrand
Paul Troost

Steven Gilbert
Mayor Steve Maas

BOARD OF DIRECTORS MEETING MINUTES – BOARD BUDGET WORKSHOP

Wednesday, July 23, 2025 – 3:00 p.m.

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

ATTENDANCE:

Board Members Present:

Charis Austin, Tracie Coffman, Mayor Favale, Steven Gilbert, Andy Guy, Renee Hill, Jack Hoffman, Mayor Kepley, Mayor LaGrand, Mayor Maas, Tim Mroz, Paul Troost

Board Members Absent:

Rick Baker, Mayor Carey

Rapid Attendees:

Nathan Bigelow, Josh Brink, Steve Clapp, Jason Culberson, Justin Hagel, Kris Heald, Jeffrey King, Deron Kippen, Linda Medina, Nick Monoyios, James Nguyen, Deb Prato, Jason Prescott, Andy Prokopy, Tim Roseboom, Steve Schipper, Peter Sillanpaa, Mike Wieringa, Kevin Wisselink

Public Attendees:

T.J. Jordan (MTM Transit), Eddie Hemp (MV Transit), Matt Veach (MV Transit)

Vice Chairman Mayor Kepley called the meeting to order at 3:02 p.m. Chairman Mayor Carey was absent.

1. PUBLIC COMMENT

No public comment

2. MINUTES REVIEW – May 28, 2025

Mayor Kepley entertained a motion to approve the meeting minutes from May 28, 2025. Mr. Hoffman motioned to approve, and Mayor LaGrand supported it. The motion passed unanimously.

3. CEO'S REPORT

Ms. Prato commenced her remarks by introducing the newest members of the Administrative Team:

Mr. Jason Culberson, our new Manager of Safety and Training, brings extensive safety and security expertise, including leadership experience at Transdev in Peoria. He is also a Navy veteran who was stationed in Pearl Harbor, and we are delighted to welcome him aboard.

Mr. Josh Brink joined us as a full-time planning team member. He initially started as an intern during his master's studies, holding a master's in urban and regional planning and a bachelor's in marketing. We are pleased to have him as a part of our team.

Ms. Prato then outlined the agenda, emphasizing discussions around changes in Paratransit service, along with reviews of the operating and capital budgets.

She highlighted that the packet included a preliminary overview of the Community Value Survey results. This marks the third year of conducting the survey, with the notable difference this year being the distribution method-surveys were sent by cities, serving as a proxy related to upcoming ballot initiatives. The survey was randomized and targeted a broad demographic, with 5,000 surveys distributed (compared to 3,000 in previous years) to ensure a statistically representative sample at the city level.

A key finding she pointed out was public opinion regarding future public/government funding for transit over the next five years. The results showed steady support: 74% in 2023, 75% in 2024, and 77% in 2025.

4. ACTION ITEMS

a. Contract for ADA Paratransit Services, Mr. Kevin Wisselink

Mr. Wisselink is requesting authorization from the Board of Directors to enter into a contract with Transdev Services, Inc., to provide ADA and other paratransit services, effective October 1, 2025. The term of the contract is two years with three one-year extensions. The hourly rate for the first year of service is \$61.19 for an estimated annual cost of \$8,199,460. As part of this contract agreement, The Rapid will perform maintenance and dispatch operations in-house.

Mayor Kepley entertained a motion to approve the contract with Transdev Services, Inc., Mr. Mroz motioned to approve, and Mr. Hoffman supported it. The motion passed unanimously.

b. Contract with Hoekstra to purchase 12 Paratransit Vehicles, Mr. Steve Clapp

Mr. Clapp is requesting authorization from the Board of Directors to enter into a contract with Hoekstra Transportation for the purchase of twelve (12) Ford E-450 paratransit vehicles at a total cost of \$2,157,432 for the purpose of replacing existing paratransit vehicles that have met their Useful Life Benchmark (ULB) of seven (7) years/200,000 miles with an additional contingency of \$12,000 for 3rd party bus inspections and Buy American compliance reports.

Mr. Mroz inquired where Hoekstra was based, to which Mr. Clapp replied Grand Rapids, Michigan.

Mayor LaGrand asked Mr. Clapp to speak to where we are on the viability of full electric buses, and he assumes these buses are standardized CE models.

Mr. Clapp summarized the current electric fleet includes 12 Ford Transit vans from 2023 model year. These vans have a limited range of approximately 8,200 miles, which poses operational challenges for daily deployment. The existing propane-powered buses are standard cut-away models, not the fully electric equivalent. Due to the limited range, the ratio of electric to propane vehicles needed daily is about 2 or more electric vehicles for every 1.5 propane vehicles, making widespread electric adoption currently impractical.

Mayor LaGrand's skepticism about the low mileage seems rooted in the assumption that these vehicles might be older or leftover models, but Mr. Clapp confirmed they are all 2023 models.

Mayor Kepley entertained a motion to approve the contract with Hoekstra Transportation for the purchase of twelve (12) Ford E-450 Paratransit vehicles. Mr. Guy motioned to approve, and Mayor Maas supported it. The motion passed unanimously.

5. INFORMATION

Transportation Funding, Mr. Jack Hoffman

Mr. Hoffman noted he included in the meeting packet a submittal he made to the House Transportation Committee in June.

Despite the Governor's repeated commitment to fix the roads ("Fix the dam roads"), Mr. Hoffman is skeptical that any action will occur this year. He expressed concern about the possibility of a government shutdown and mentioned some tension between the Governor and the Senate, though the reasons are unclear. He considers transportation funding reform necessary and expects it will happen someday, but not within this year. He plans to continue working on this issue despite the current obstacles.

6. PERFORMANCE REPORTS

a. Paratransit Route Ridership, Mr. Jason Prescott

1. May/June 2025

No questions

b. Fixed Route Ridership, Mr. Tim Roseboom

1. May/June 2025

Mayor Kepley inquired on behalf of Mayor Carey, who was returning from business travel, regarding a notable 6%+ increase in fixed route hours in June. Was this increase related to DASH services, considering schools are out of session during June?

The response from Mr. Roseboom was yes, the increase was primarily due to DASH. He noted Ferris service, the Grand Valley Apartment connectors, and the GRCC shuttle did not operate during this period. The Laker Line and DASH services continued to operate. The rise in fixed route hours was entirely attributable to DASH.

c. On-Time Performance, Mr. Nick Monoyios

1. May/June 2025

No questions

d. Financial Reports

1. Operating Statement – April/May 2025
2. Professional Development and Travel Report
May/June 2025
3. Grant Statement

No questions

7. DISCUSSION

a. Fare Policy, Mr. Nick Monoyios

Mr. Monoyios presented a background on the Fare Policy. Initiated from the January board meeting, where the existing eleven-year-old Fare Policy was discussed, the Board consensus was to review and consider alternative options. Last month at the Finance Committee, four primary goals were set to guide the policy update.

Goals for Fare Policy Reconsideration:

1. Simplicity
2. Sustainability
3. Consolidation
4. Operational Efficiency

Mr. Monoyios noted the peers were evaluated based on:

- Operating budgets
- Ridership
- Metropolitan population
- Location within Michigan

The findings highlighted wide variability in funding and revenue sources. Many agencies partner with MPOs and cities rather than operating standalone. The revenue structures are highly diverse. He noted the review is customizable; understanding peer practices helps inform local decisions.

The Current Challenges:

- 59 different fare types in use
- 39 organizations participate in partner programs (e.g., one-ride discounts at \$1.25)
- 19 organizations have adult fare partner programs
- 117 organizations utilize the Wave Card partner program
- Staff administrative burden is high due to the complexity and obsolescence of many fare types and monitoring systems.

Proposed Structural Options:

1. Consolidate fare types and disallow same-route transfers (recommended)
2. Raise base fare to \$2.00 with free transfers and fare-capping
3. Lower base fare to \$1.50 and eliminate free transfers, maintain fare capping
4. Eliminate free transfers while keeping the current base fare and fare capping
5. Eliminate fare capping but retain current base fare and free transfers

Mayor LaGrand does not understand Fare Capping, and he recommends looking into monthly passes. He also asked Mr. Monoyios to explain why we bought into that concept and why.

Mr. Monoyios explained, the Wave Card was introduced before the pandemic. It was designed to encourage ridership without requiring upfront payment. The daily cap, \$5.25 (meaning after riding 4-6 times per day, the rider won't be charged more). Monthly cap, \$60.00 (riders pay up to \$60 per month, regardless of how many rides they take beyond that).

From Mayor LaGrand's perspective, he finds fare capping complex and akin to airline miles – less straightforward. He prefers simplicity of a monthly pass. He questions whether other peer agencies primarily use month passes instead of fare capping. Mr. Monoyios noted approximately one-third of peers use fare capping.

Ms. Prato mentioned that fare capping might pose challenges during a Title VI review due to its implications for equity, as it could be seen as a “takeaway” benefit.

Ms. Coffman requested clarity on how each fare policy option aligns with the four goals: simplicity, sustainability, consolidation, and operational efficiency.

Mr. Monoyios indicated that each option impacts these goals differently, especially from an equity standpoint. He noted there will be further analysis to understand the assumptions and impacts of each option. He added the \$1.25 discount partner program will be eliminated, however existing organizations receiving a \$1.75 discount will continue to receive it.

Ms. Prato explained that some organizations, specifically 19 of the Partner One rides, use single-ride barcodes without transfers, while 117 others receive a \$0.50 discount because they are 501c3 organizations. We propose continuing to use their partner portal for these arrangements.

Mr. Mroz emphasized the importance of incorporating flexibility into the fare policy -possibly tying it to inflation or ridership metrics -to avoid rigid fare structures that might become outdated over time.

Mr. Monoyios discussed the strategic review process aimed at adjusting fare levels dynamically, considering various factors such as sustainability goals and regional attributes.

Mr. Guy appreciated the effort to simplify a complex fare system and inquired about transfer practices industry wide. Mr. Monoyios shared that transfer policies vary significantly depending on regional characteristics, such as urban density and transit network design. For example, their current transfer window is one hour and 45 minutes, and 13% of trips involve transfers after that window.

Ms. Prato noted that the current hub-and-spoke system often results in two-seat rides requiring transfers, which influences transfer policies.

Ms. Coffman mentioned the recent childcare center, aimed at reducing transfer needs for families. When Mr. Guy asked about agencies that eliminated transfers, Mr. Monoyios cited Rochester as an example, where a \$1.00 fare and no transfers are used, but their low farebox recovery is supported heavily by state funding.

Ms. Prato explained that the removal of free transfers was motivated by past issues with transfer abuse and the desire to simplify fare collection, especially after eliminating zones and pre-transfers.

****Mentimeter Exercise****

Mr. Monoyios noted he will have results of the Mentimeter exercise at the August Board Meeting.

b. FY 25/26 Operating Budget Draft, Ms. Linda Medina

Ms. Medina presented the FY 25/26 Budget Timeline and Process.

The guidelines were established in April. The budget is based on service trends, levels, and cost allocations. The leadership team collaborates, with final approval expected in August.

Revenue Highlights:

- Overall increase of 1% over FY 24/25
- Significant increases in Sale of Transportation Services (13.2%) and Advertising/Miscellaneous (23.9%)
- Major contributor: GRCC contract, including an all-access and campus contract.
- GVSU contract also impacted by FY25 budget changes
- Reduction in State Operating Assistance rate from 29% to 26%
- The Alternative Fuel Credit expired in December 2024, requiring budget adjustments

Expenses and Staffing:

- Projected expense increase of 2.7%, excluding preventative maintenance
- Contractual services include \$1M for ballot initiatives
- Preventative Maintenance funds up to \$4M for eligible expenses
- Staffing projections: planning to fill 245 full-time operators and 20 part-time operators, aimed at a total of 417 operators

Operational and Fleet Updates:

- Actual expenses in FY23/24 were lower than budget due to unfilled positions
- Fleet conversion ongoing: diesel buses to CNG, with completion expected by end of 2026
- Current fleet includes 21 diesel, 10 hybrid/diesel, and 103 CNG buses; plans to convert 18 diesel buses in FY25/26

Additional Notes:

Mayor Kepley noted discussion around billing rates to contract partners based on audited expenses and state assistance. Consideration of adjusting billing rates to address subsidy concerns.

Ms. Medina noted budget variances explained, particularly in Operations, Finance and General budgets.

Ms. Medina reported on our Health Insurance renewal.

After reviewing options, the team chose to proceed with Option 1, which includes three programs (Michigan Tier, PPO, HSA). Adjustments like raising deductibles in the Tier program could lower rates by 4%, resulting in an overall estimated increase of about 6%. The current budget assumes a 9% cap rate.

Risk & Staffing

With the addition of 19 new employees due to in-house Paratransit and Maintenance Dispatch, the team is cautious and believes more claims data is needed before reassessing risk exposure.

Financial Projections

A conservative five-year outlook estimates revenue growth at 5.1%, expenses at ~6.1%. Reserves have been used cautiously, with upcoming plans to explore revenue enhancements and fare policy revaluation.

Advertising & Other Revenue

Includes bus advertising, investment income, and fuel credits, though the fuel credits sunset at the end of 2024.

Ridership and Operations

Projected to increase modestly; plans include \$4M for preventative maintenance and continued work on cost controls like CNG buses.

Contract Service Rates

Several methodologies were discussed, including basing rates on audited expenses (current plan), budget projections, and moving averages. There was debate about whether to include or exclude state subsidies in the calculations, with some leaders favoring using budgeted figures for fairness and simplicity.

Rate Calculation Clarification

Rates are derived from audited expenses, adjusted by the percentage of state assistance, with alternative approaches considering proportional indirect costs based on revenue hours.

c. Capital Budget Draft, Mr. Kevin Wisselink

Mr. Wisselink presented the 2026 Five Year Capital Plan

Funding Sources

- Exclusively Federal (mainly 5307, 5339, 5337) and State funding, with 80% federal and 20% state match
- Federal formula funds are allocated based on demographics, service hours, and passenger miles
- Additional funds include CMAQ and partnerships via Grand Valley Metro Council
- Discretionary grants are applied for through three ongoing applications

Capital Planning Process

- Utilizes a Capital Planning Committee involving leadership and key staff
- Projects or solicited, scored, prioritized, and reviewed by the Committee
- Draft Plan presented in August; final approval by the Board
- The plan aligns with the Regional Transportation Improvement Plan, finalized in January
- Federal application submissions occur in Spring; funds are typically received by September

Selection Criteria

- Community Impact
- State of Good Repair
- Financial Return

Key Projects and Highlights

- Total proposed budget: \$35.8M

- Major Projects Include:
- Building a new Demand Response Operations Center at Busch Drive (reallocating leftover funds from previous grants)
- Lift Hoist Replacements at Rapid Operations Center
- Purchase of 8 fixed-route and 8 demand response vehicles (including Silver Line buses) via competitive grants
- Bus Collision Avoidance System (pending grant approval)
- Construction of a new Busch Drive Facility (to replace flood-prone building, currently in NEPA approval)
- Shelter and Amenity improvements
- Facility rehabilitations (Hoist replacements, Bus Wash repairs)
- Equipment and parts (Tire Lease)
- Technology upgrades (Paratransit eFare System)
- Operating and Planning (Preventative Maintenance, Mechanic wages)

Projection and Funding Outlook

- Anticipated Federal Funding: \$18-\$20M annually
- Expenditures in 2026 focus on existing and new projects, with larger needs projected for 2029/30 due to large bus replacements on a 12-year cycle

8. **CHAIR'S REPORT** – Mayor Kepley yielded the floor.

9. **COMMITTEE MEETING MINUTES**

a. **Future Planning and Innovation Committee (March 10, 2025), Committee Members**

No comments

b. **Present Performance & Service Committee (March 18, 2025), Ms. Charis Austin**

No comments

c. **Finance Committee (April 16, 2025), Mayor Kepley**

No comments

10. **ADJOURNMENT**

The meeting was adjourned at 5:05 p.m.

The next meeting is scheduled for August 27, 2025

Respectfully submitted,



Kris Heald, Board Secretary

Date: August 27, 2025
To: ITP Board
From: Kevin Wisselink – Director of Procurement and Capital Planning
Subject: CONTRACT WITH CRYSTAL FLASH FOR FUEL– PROJECT #2025-21

ACTION REQUESTED

Authorization is requested from the ITP Board to enter a contract with Crystal Flash, Inc. for providing propane fuel for our Busch Drive Operations Center (BDOC). The contract will run from October 1, 2025, to September 30, 2026, with options of two one-year options.

BACKGROUND

The ITP has purchased a facility at 3531 Busch Drive SW for the purpose of operating contract services for ADA, Mobility and Demand and Other Paratransit Services. Crystal Flash has been the successful lowest bid and responsive/responsible supplier of propane fuel under two previous one-year contracts. Their contract expires at the end of September, so it was necessary to go out to bid for propane fuel again.

PROCUREMENT

The ITP elected to conduct the procurement as a Request for Quotations (RFQ) since the scope of work and specifications for required fuel could be clearly defined, there were two or more qualified responsible bidders able to perform the work, and the contract could be awarded on the lowest priced responsive bid. The ITP elected to go with a one-year contract with two one-year options.

A search was conducted for firms certified to provide a propane fuel to the annual amount ITP requires. Three firms provided bids that were qualified as responsible, responsive, and able to perform the transport and fueling. They were Crystal Flash, WESCO, and FerrellGas.

Firm Name	Total Mark-up Price	Average Markup / Gallon
Crystal Flash	\$493,920	\$0.3430
WESCO	\$515,088	\$0.3577
FerrellGas	\$571,200	\$0.3967

The bids were based on an estimated annual usage of 480,000 gallons of propane fuel annually. Crystal Flash was the lowest responsive bidder and is therefore being brought to the ITP Board as the recommended firm.

FUNDING

Propane fuel purchase is funded from the ITP operations budget.



INTERURBAN TRANSIT PARTNERSHIP BOARD OF DIRECTORS

RESOLUTION No. 082725-1

Fiscal Year: 2025-2026

Moved and supported to adopt the following resolution:

Approval to enter a contract with Crystal Flash, Inc. for providing propane fuel for our Busch Drive Operations Center (BDOC). The contract will run from October 1, 2025, to September 30, 2026, with options of two one-year options.

BE IT RESOLVED that the ITP CEO is hereby authorized to enter a contract with Crystal Flash, Inc. for providing propane fuel for our Busch Drive Operations Center (BDOC). The contract will run from October 1, 2025, to September 30, 2026, with options of two one-year options.in accordance with the information presented to the ITP Board on August 27, 2025.

CERTIFICATE

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

Kris Heald, Board Secretary

Date

Date: August 27, 2025
To: ITP Board
From: Andy Prokopy, Director of Information Technology
Subject: INTELLIGENT TRANSPORTATION SYSTEM SUPPORT AGREEMENT

ACTION REQUESTED

Authorization from the Board is requested to enter into a three-year ITS maintenance and support agreement extension with Avail Technologies in the amount of \$822,580 for the purpose of maintaining the Intelligent Transportation System (ITS).

BACKGROUND

In 2019 and 2022, The Rapid Board approved three-year maintenance and support agreement extensions with Avail Technologies to maintain the Computer Aided Dispatch/Automatic Vehicle Location (CAD/AVL) system. The CAD/AVL system is comprised of many technological components: digital voice and data communication systems, mobile data terminals, automated passenger counting system, automated annunciation system, navigation and detour assistance, Real-Time information system, Interactive Voice Response for the telephone system, business intelligence reporting, and web-based passenger information.

The CAD/AVL system is a critical component of our transportation operations as well as an important tool for enhancing the overall customer experience. Ensuring that this system is well maintained is key to maximizing the value of the investment in the CAD/AVL system. Over the past several years, The Rapid has implemented several enhancements to the Intelligent Transportation System, including moving operations from on-premises servers and outdated radio communications to entirely cloud-hosted services and voice-over internet protocol (VoIP) communications for improved operation, reliability, and communication.

PROCUREMENT

The proposed agreement continues the provision of maintenance support for the technologies noted above for a period covering three (3) years, from October 2025 through September 2028, at an average annual cost of \$274,194. The cost of the renewal has risen from previous years due to the consolidation of maintenance and support from other Avail contracts that have either expired or are in addition to Avail services ITP has added within the past 3 years. This includes the extended support of the Laker Line station real-time arrival signs (5 yr agreement expired in 2025), and the addition of the monthly cloud-hosted CAD/AVL platform and VoIP services.

Because the service must be obtained from the system integrator, this is a sole source procurement, which makes it necessary to determine that the cost be reasonable.

In 2022, we compared the Avail maintenance and support renewal cost with others that utilize Avail for CAD/AVL services (Akron METRO) and concluded that a similar sized transit agency is

in a similar price range for the comparable services. The basis for this new 3-year contract starts with the original 4th year cost for maintenance and support that Avail quoted back in 2022 with no additional increase (\$201,645). The additional costs added to the renewal include \$32k per year for Laker Line real-time information signage licensing and support, \$14k for voice-over internet protocol (VoIP) communications hosting and licensing, and \$27k for cloud-hosting services for all Avail services and data. When compared to the VoIP licensing and support for ITP's telephone system, and other cloud-hosted services with similar device, user, and data sizes, the quoted amounts from Avail are nearly half the cost.

Period of Support	Annual Price w/ Year-to-Year Contract	Annual Price w/ Three-Year Contract	Single Purchase of Three-Year Contract
October 1, 2022 - September 30, 2023	\$ 161,618.96	\$ 158,386.58	\$ 156,770.39
October 1, 2023 - September 30, 2024	\$ 169,699.91	\$ 166,305.91	\$ 164,608.91
October 1, 2024 - September 30, 2025	\$ 191,657.90	\$ 187,824.75	\$ 185,908.17
October 1, 2025 - September 30, 2026	\$ 201,644.99		
October 1, 2026 - September 30, 2027	\$ 212,163.77		
Total Price	\$ 936,785.53	\$ 512,517.24	\$ 507,287.47
Savings Compared to Annual Contract	\$ -	\$ 10,459.54	\$ 15,689.30
Discount	0%	2% /	3%

Itemized Annual Pricing Breakdown

CAD/AVL Licensing and Support	\$201,644.99
Laker Line real-time signage M&S	\$32,331.60
Server, DB Web Hosting and Backup	\$26,663.41
VoIP Bus/Dispatch Communications	\$14,022.00
3-year Discount – 1%	(\$2,746)

TOTAL \$271,886.00

Comparable Cost Considerations

Laker Line device licensing (38 x \$500)
 Past Avail on-site server & backup costs
 ITP VoIP Telephone M&S Agreement

Vendor

Avail/MPM
 VMware/Veeam
 Telnet/Mitel

Annual Cost

\$19,000.00
 \$28,540.00
 \$37,110.00

Period of Support	Annual Price w/ Year-to-Year Contract	Annual Price w/ 3-Year Contract	Single Purchase of 3-Year Contract
October 1, 2025 - September 30, 2026	\$ 274,632.00	\$ 271,886.00	\$ 269,140.00
October 1, 2026 - September 30, 2027	\$ 275,913.00	\$ 273,154.00	\$ 270,395.00
October 1, 2027 - September 30, 2028	\$ 280,343.00	\$ 277,540.00	\$ 274,737.00
October 1, 2028 - September 30, 2029	\$ 284,893.00		
October 1, 2029 - September 30, 2030	\$ 289,568.00		
Total Price	\$ 1,405,349.00	\$ 822,580.00	\$ 814,272.00
Savings Compared to Annual Contract	\$ -	\$ 8,308.00	\$ 16,616.00
Discount	0%	1%	2%

Based on this information the average annual cost of \$274,194 during the life of the agreement is deemed both fair and reasonable.

Furthermore, this maintenance and support contract is for Avail specific products and services, meaning support cannot be provided by another party unless the entire CAD/AVL system (including software, licensing, etc.) is replaced as well. Replacing the CAD/AVL system would be a multimillion-dollar, large-scale project that would involve extensive changes to every bus, real-time sign, our website, and mobile application along with considerable time to complete.

FUNDING

This project will be funded through preventive maintenance which will be reimbursed through federal and state grants.



INTERURBAN TRANSIT PARTNERSHIP BOARD OF DIRECTORS

RESOLUTION No. 082725-2

Fiscal Year: 2024-2025

Moved and supported to adopt the following resolution:

Approval to execute a three agreement with Avail Technologies for the purpose of maintaining the Intelligent Transportation System.

BE IT RESOLVED that the ITP CEO is hereby authorized to execute a three-year agreement with Avail Technologies in an amount of \$822,580 for the purpose of maintaining the Intelligent Transportation System in accordance with information presented to the ITP Board on August 27, 2025.

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

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

August 28, 2025

Dear Board Members,

Public transportation is a quiet powerhouse in our six cities — moving people, creating access, removing barriers, and connecting people to a wide array of opportunities our six cities offer. It also knits communities together. A well-designed transit system doesn't just connect points on a map — it connects people. The Rapid is a daily reminder that progress, and growth often requires what we share as a community, not simply what we own individually.

Public transportation is, at its core, a living investment: every bus, every bus lane we create, park-and-ride, and platform we develop is a commitment to accessibility, sustainability, and the freedom for all our six cities' citizens to mobility. The paratransit service we deliver isn't simply a legal requirement; it is tangible evidence of our community's values brought to life, ensuring mobility is truly for everyone. By providing safe, reliable transportation for people who cannot drive or use standard public transit due to disability, age, or other mobility challenges, it's all about access to life, jobs, healthcare, education, and social activities. As critical infrastructure, it's both an equalizer and an engine of growth.

The quiet power of a vibrant public transportation system serves to amplify our shared commitment and a shared community strength for making our six cities and West Michigan a region that attracts, offers, and creates better outcomes for our residents.

I am pleased to present the proposed annual operating and capital projects budgets for The Rapid for the fiscal year 25/26. The proposed budget reflects our business priorities, current economic conditions, and operational realities. Both the operating and capital budgets are developed collaboratively with the entire leadership team and Finance to ensure overall alignment with areas of operational priority, fiscal accountability, and our responsibility to be great stewards of taxpayer and customer dollars.

While this plan is grounded in conservative revenue projections and controlled expense growth, we remain mindful of potential risks, including flat farebox recovery, unstable state operating assistance, and for the capital program the potential at the federal level for swift moving executive orders, the unknown impacts of tariffs, or other programmatic changes at the Department of Transportation/Federal Transit Administration. Contingency plans and systems are in place to ensure agile response if conditions shift.

I respectfully request the Board's review and formal approval of the FY 25/26 operating and capital budgets. Your approval will enable us to move forward with confidence, stay aligned with our plan, and continue to deliver strong value to the communities and partners we serve.

Please do not hesitate to reach out ahead of the meeting with any questions or points requiring clarification.

Thank you for your continued leadership and support.

Sincerely,

A handwritten signature in cursive script that reads "Deb Prato".

Deb Prato
Chief Executive Officer



Interurban Transit Partnership

Date: August 27, 2025
To: ITP Board of Directors
From: Linda Medina, Director of Finance
Kevin Wisselink, Director of Procurement & Capital Planning
Subject: PROPOSED FY 25/26 OPERATING AND CAPITAL BUDGETS

ACTION REQUESTED

We are pleased to submit the proposed FY 25/26 budgets for your approval. The operating budget is \$64,999,808 (prior to applying federal capital preventative maintenance funds; the capital projects budget is \$35,519,803; \$22,023,798 for FY 25/26 grant funded projects. A five-year operating budget projection is included for long-term planning.

BACKGROUND

The proposed budgets reflect our commitment to maintaining high-quality service while investing in the future. The operating budget supports day-to-day operations and service delivery while the five-year operating budget projection assists with long-term decision-making and financial sustainability. The grant funded budget outlines the planned capital expenditures for FY 25/26.

The following approved Budget Guidelines are incorporated into the FY 25/26 proposed operating budget:

- Funding consistent with guiding principles of enhancing frequency and a span of hours to create convenient mobility for the residents of the six cities.
- Contribution to the union defined benefit pension plan shall be based upon actuarial recommendations and will meet or exceed the mid-range contribution as the budget allows.
- Contribution to the administrative defined benefit pension plan shall be based upon actuarial recommendations and will meet or exceed the high range contribution as the budget allows.
- Utilize Section 5307 funds for preventive maintenance as permitted by federal regulations.
- Contracted service billing rates will encompass all operational expenses and be prorated by revenue miles, hours, or contracted trips.
- Locally derived Interurban Transit Partnership funds shall not be used to subsidize contract services, unless specifically approved by the Board.
- State Operating Assistance is assumed to be 26%. This rate will be updated as additional information is received from Michigan Department of Transportation (MDOT).
- If Farebox Recovery is less than 25% and/or State Operating Assistance (SOA) percentage is under 29% an analysis of locally generated funding will be brought back to the Board for discussion.
- Unrestricted net reserves will be used to balance the budget.

- The budgeted millage rate is assumed to be flat or include a minimal Headlee reduction. The new millage rate will not be available until May 2025 from Kent County.
- Implement adjustments to the administrative salary structure based on labor market data, as outlined in the Compensation Philosophy approved by the Board in 2017, to ensure competitiveness in attracting and retaining top talent

Operating Budget Highlights

Governor Whitmer has not yet signed the FY 2026 fiscal year state budget. The budget presented includes the proposed state operating assistance rate of 26%. Once the state budget is passed and the new state operating assistance rate is determined, we will present it to the Board.

On July 23, 2025, Budget Workshop meeting, a new ADA purchase transportation contract was approved. This contract features a reduced revenue hourly rate, transitioning the maintenance and dispatch functions in-house while the operators remain with the contractor. Key budget impacts include:

- 19 full-time equivalent (FTE) positions with increased wages and benefits of \$1,257,576
- Contractual services and materials and supplies increased by \$436,994
- Purchase transportation reduced by \$608,230
- Capitalized operating expenses increased by \$1,000,000
- State Operating Assistance revenue increased by \$22,448
-

Further analysis identified a \$781,749 reduction in revenues, primarily due to the expiration of the Alternative Fuel credit.

With a reduction of \$759,301 in revenues and an increase of \$86,340 in expenses, \$8,030,753 will now be utilized from reserves rather than the prior projection of \$7,185,112, an increase of \$845,641.

FY 25/26 projected revenues increased 3% compared to FY 24/25 budget. Below are the FY 25/26 revenue highlights:

- Ridership is projected to slightly increase.
- The contract rate is \$71.32 for express service and \$87.37 for linehaul and GO!Bus.
- State Operating assistance is budgeted at 26% of eligible expenses compared to the FY 24/25 rate of 29.6045%
- The property tax levy is 1.47 mills (1.3817 after Headlee and captures) as approved by the ITP Board in May 2025.
- \$5 million in capital funds applied in accordance with Federal regulations.

FY 25/26 expenses increased 3% from FY 24/25 after utilizing federal capital preventative maintenance funds. Below are the highlights:

- Mid to high range contributions are budgeted for Administration and Union defined benefit plan.
- The budget includes 19 new positions: 1 – Maintenance Supervisor, 1 – Maintenance Fleet Foreman, 6 – Dispatchers, 6 – Fleet Technicians, and 5 – Utility Technicians.
- Continued transition from diesel to RNG/CNG fleet for fuel stability.
- Purchase Transportation’s revenue hour rate was reduced by moving maintenance and dispatch to in-house management

Five-Year Operating Budget

The five-year operating budget is based on the FY 25/26 proposed budget along with a conservative increase of 5.4% in revenue each year through FY 29/30 State Operating Assistance reflects a flat rate of 26%. Expenses are projected to increase an average of 5.6% each year. Capital preventative maintenance funds are programmed in accordance with Federal regulations. Federal funding allows us to preserve greater reserves, enabling reserves to offset the ongoing fare revenue gap in future years.

Five Year Capital Improvement Plan

The Rapid's FY 2026 Capital Improvement Plan totals \$35,519,803. The Capital projects in The Rapid's 2026 Capital Improvement Plan optimize The Rapid's operating budget while focusing on maintaining The Rapid's assets in a State of Good Repair. The funding for this plan includes The Rapid's normal 5307, 5337, and 5339 federal apportionments as well as a pending congressional funding request, a Bus and Bus Facility/Low-No grant application and a Safe Streets 4 All grant application. The final version of the 2026 Capital Plan will come back to the Board for review and approval in early 2026.

Below are the highlights for the FY 25/26 Capital Improvement Plan:

- Funding for major projects to improve Rapid operations, including the construction of a demand response operations center at Busch Drive to improve paratransit operations.
- A significant investment in The Rapid's fixed route and GO!Bus vehicles, bringing the fleet into a state of good repair. This will complete the transition of The Rapid's revenue vehicle fleet from diesel and gasoline to CNG/RNG and Propane.
- A Low/No Emission and Bus and Bus Facility grant application for the purchase of 8 fixed route buses and 8 demand response vehicles as part of The Rapid's vehicle purchase plan. The results of the applications will be available later this year.
- A congressional funding request and a Safe Streets 4 All grant application for a Bus Collision Avoidance System. The current bill includes funding for this project, but the bill is still moving through the legislative process and the results of the Safe Streets 4 All grant will be released later this year

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

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



The Rapid
Board Budget Approval
August 27, 2025

Table of Contents

Revenues

- FY 25/26 Operating Budget – Revenues
- Comparison to Previous Fiscal Year
- Revenue Highlights

Expenses

- FY 25/26 Operating Budget – Expenses
- Comparison to Previous Fiscal Year
- Expense Highlights

5-Year Operating Projection

- Revenue
- Expenses
- Highlights

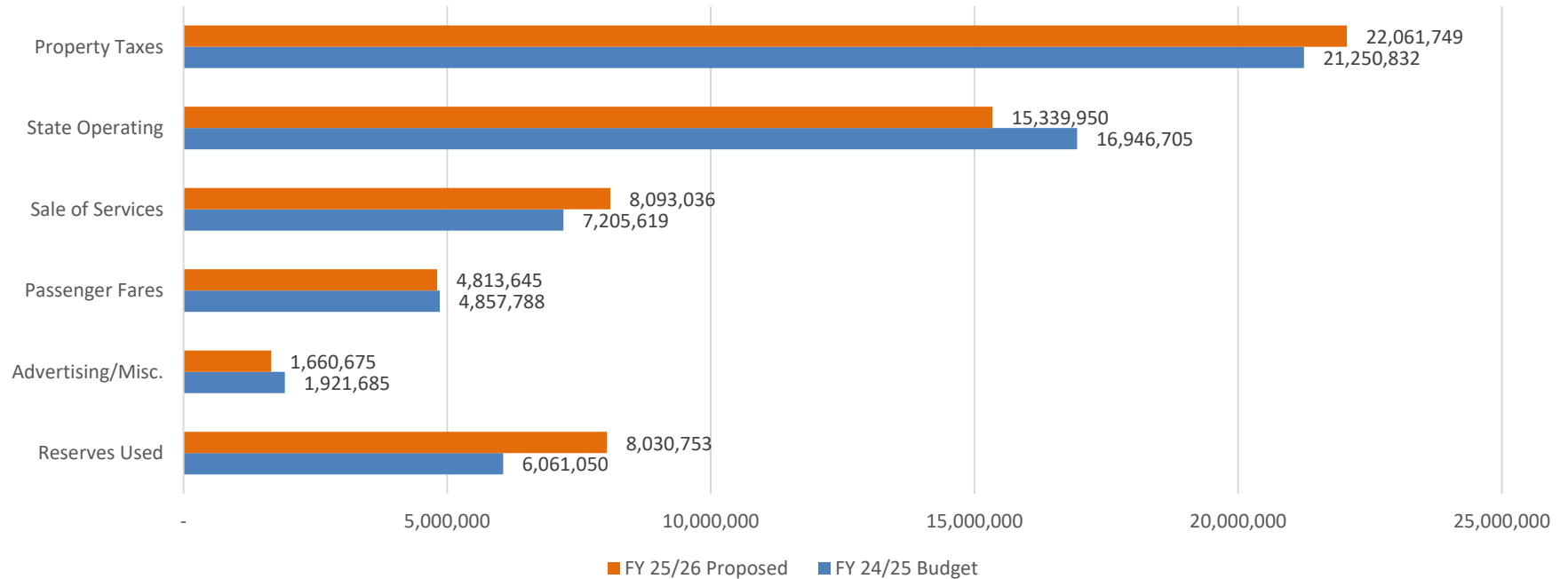
FY 25/26 Grant Projections

Summary

FY 25/26 Operating Budget – Revenue

	FY 18/19 Actual	FY 19/20 Actual	FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Budget	FY 25/26 Proposed	FY 25/26 Proposed vs. FY 24/25 Budget	%
							\$	%
Revenues and Operating Assistance								
Passenger Fares	\$ 6,611,260	\$ 4,105,834	\$ 4,534,783	\$ 4,783,317	\$ 4,857,788	\$ 4,813,645	\$ (44,143)	-0.9%
Sale of Transportation Services								
Grand Valley State University	\$ 2,466,820	\$ 2,282,372	\$ 3,188,376	\$ 3,423,844	\$ 3,743,876	\$ 4,583,236	\$ 839,360	22.4%
DASH Contract	2,365,359	2,058,507	1,659,742	2,270,135	2,522,264	2,501,834	(20,430)	-0.8%
Township Services	548,036	570,393	388,759	197,217	204,912	185,918	(18,994)	-9.3%
Other	202,981	220,356	203,024	234,889	282,557	360,063	77,506	27.4%
CMH Contribution	724,649	390,640	403,637	361,793	452,010	461,985	9,975	2.2%
Route 19	468,408	248,366	-	-	-	-	-	-
Vanpool Transportation	115,696	57,302	(1,243)	-	-	-	-	-
Subtotal Sale of Transportation Services	\$ 6,891,949	\$ 5,827,936	\$ 5,842,295	\$ 6,487,878	\$ 7,205,619	\$ 8,093,036	\$ 887,417	12.3%
State Operating	\$ 14,894,724	\$ 13,849,041	\$ 14,310,222	\$ 14,652,905	\$ 16,946,705	\$ 15,339,950	\$ (1,606,755)	-9.5%
Property Taxes	16,237,538	16,791,217	18,867,978	20,315,753	21,250,832	22,061,749	810,918	3.8%
Advertising and Miscellaneous	554,551	649,209	1,907,029	3,650,877	1,921,685	1,660,675	(261,010)	-13.6%
Subtotal Revenues and Operating Assistance	\$ 45,190,024	\$ 41,223,237	\$ 45,462,307	\$ 49,890,730	\$ 52,182,628	\$ 51,969,055	\$ (213,573)	-0.4%
Grant Operating Revenue		2,355,997	8,321,660	-	-	-	-	-
Reserves Used					6,061,050	8,030,753	1,969,703	32.5%
Total Revenues and Operating Assistance	\$ 45,190,024	\$ 43,579,234	\$ 53,783,968	\$ 49,890,730	\$ 58,243,678	\$ 59,999,808	\$ 1,756,130	3.0%

Comparison to Previous Fiscal Year



Revenue Highlights Compared to FY 24/25

\$44K (0.9%) decrease in Total Fares

- Forecasting a 5% decrease in paratransit rides from FY 24/25 budget
- Forecasting a 1.9% increase in linehaul fares from current projections at an average \$0.85 per ride, which includes Adult, Youth, Reduced, and cash fare types.

\$887K (12.3%) increase in Sale of Transportation Services

- New contract service rate is \$71.32 for Linehaul service, \$87.37 for Linehaul & Go!Bus service
- GVSU's apartment connector is billed at rate that includes Go!Bus

Property Taxes reflects a \$811K (3.8%) increase

- Approved millage rate is 1.3817 mills with Headlee rollback

State Operating Assistance decreased significantly from previous year

- FY 24/25: budgeted 29.6045%, FY 25/26: budgeted 26.0000%

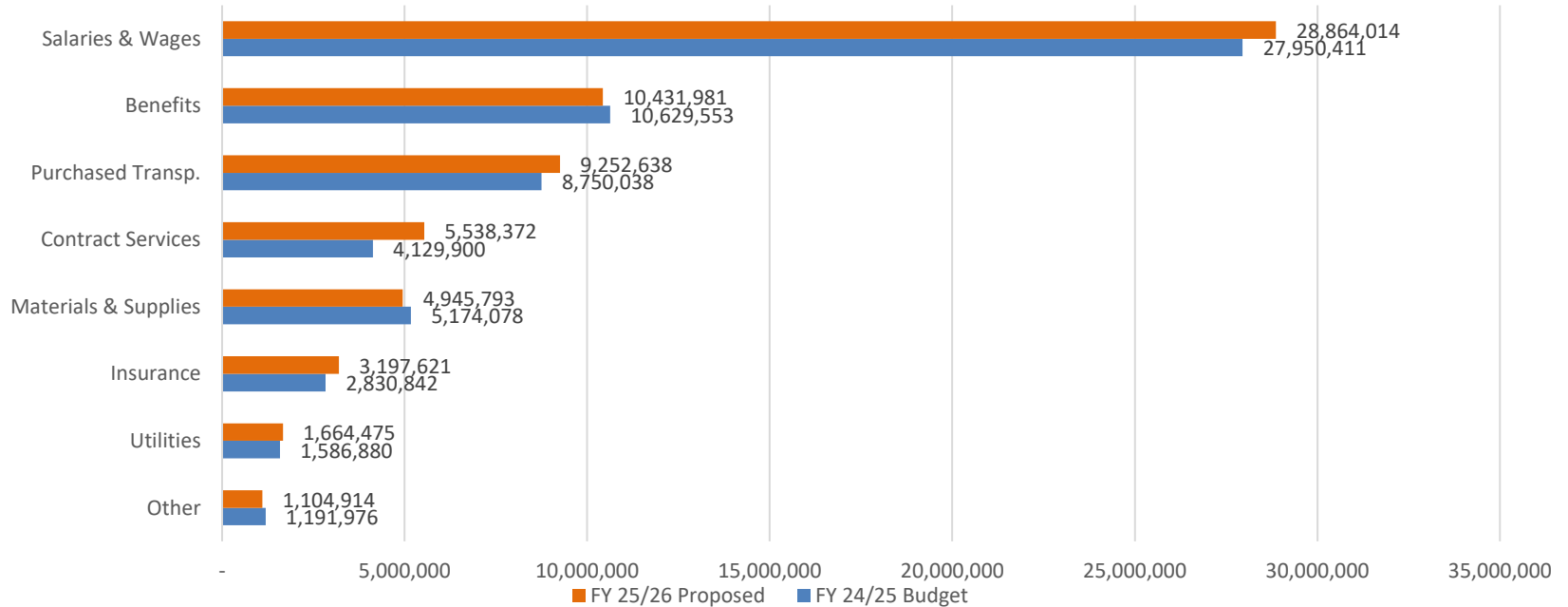
\$261K (13.6%) decrease in Advertising and Miscellaneous

- Alternative Fuel Tax credit on CNG and propane usage has expired

FY 25/26 Operating Budget – Expenses

	FY 18/19 Actual	FY 19/20 Actual	FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Budget	FY 25/26 Proposed	FY 25/26 Proposed vs. FY 24/25 Budget \$	%
Operating Expenses								
Salaries and Wages								
Administrative	\$ 4,400,948	\$ 6,118,778	\$ 4,793,970	\$ 5,177,203	\$ 7,826,769	\$ 8,113,721	\$ 286,952	3.7%
Operator	12,508,602	10,286,500	12,093,929	11,755,935	17,173,678	16,870,956	(302,721)	-1.8%
Maintenance	1,840,683	1,896,150	2,100,983	2,330,365	2,949,964	3,879,337	929,373	31.5%
Subtotal Salaries and Wages	<u>\$ 18,750,233</u>	<u>\$ 18,301,428</u>	<u>\$ 18,988,882</u>	<u>\$ 19,263,503</u>	<u>\$ 27,950,411</u>	<u>\$ 28,864,014</u>	<u>\$ 913,603</u>	<u>3.3%</u>
Benefits	\$ 10,670,188	\$ 10,336,791	\$ 10,156,108	\$ 9,923,063	\$ 10,629,553	\$ 10,431,981	\$ (197,571)	-1.9%
Contractual Services	\$ 2,653,123	\$ 2,644,897	\$ 3,475,406	\$ 3,189,355	\$ 4,129,900	\$ 5,538,372	\$ 1,408,472	34.1%
Materials and Supplies								
Fuel and Lubricants	2,710,729	1,689,996	2,716,979	2,276,303	3,029,049	2,273,730	\$ (755,319)	-24.9%
Other	2,024,395	1,780,345	1,748,878	1,906,343	2,145,030	2,672,063	527,034	24.6%
Subtotal Materials and Supplies	<u>\$ 4,735,124</u>	<u>\$ 3,470,341</u>	<u>\$ 4,465,857</u>	<u>\$ 4,182,646</u>	<u>\$ 5,174,078</u>	<u>\$ 4,945,793</u>	<u>\$ (228,285)</u>	<u>-4.4%</u>
Utilities, Insurance, & Miscellaneous	\$ 3,039,242	\$ 3,089,703	\$ 4,420,125	\$ 4,168,689	\$ 5,609,698	\$ 5,967,009	357,311	6.4%
Purchased Transportation	\$ 7,480,048	\$ 5,326,226	\$ 7,269,466	\$ 7,337,871	\$ 8,750,038	\$ 9,252,638	\$ 502,600	5.7%
Operating Expenses before Capitalized Operating	<u>\$ 47,327,958</u>	<u>\$ 43,169,386</u>	<u>\$ 48,775,844</u>	<u>\$ 48,065,128</u>	<u>\$ 62,243,678</u>	<u>\$ 64,999,808</u>	<u>\$ 2,756,130</u>	<u>4.4%</u>
Capitalized Operating Expenses	(1,511,393)		(3,186,414)	(3,729,671)	(4,000,000)	(5,000,000)	(1,000,000)	25.0%
Subtotal Operating Expenses	<u>45,816,565</u>	<u>43,169,386</u>	<u>45,589,430</u>	<u>44,335,457</u>	<u>58,243,678</u>	<u>59,999,808</u>	<u>1,756,130</u>	<u>3.0%</u>
Reserve								
Total Operating Expenses	<u>\$ 45,816,565</u>	<u>\$ 43,169,386</u>	<u>\$ 45,589,430</u>	<u>\$ 44,335,457</u>	<u>\$ 58,243,678</u>	<u>\$ 59,999,808</u>	<u>\$ 1,756,130</u>	<u>3.0%</u>
Net Surplus (Deficit)			\$ 8,194,500	\$ 5,555,273	\$ -	\$ -		
Reserves Used		1,812,352	\$ 127,123	\$ -	\$ 6,061,050	\$ 8,030,753	1,969,703	32.5%
Reserves Gained			\$ 5,555,273					

Comparison to Previous Fiscal Year



Expense Highlights Compared to FY 24/25

\$914K (3.3%) increase in wages and salaries

- Addition of 19 full time equivalent (FTE) positions due to the purchase transportation transition to in-house management

\$1.4M (34.1%) increase in contract services

- Addition of the transit ballot initiative
- Higher cost of contract services due to economic trends

\$357K (6.4%) increase in utilities, PL & PD insurance, & miscellaneous

- Anticipating upward trend in utility expenses
- Higher premiums for public liability and property damage (PL & PD) insurance

\$1M (25.0%) increase to our capitalized operating expenses

- Eligible operating preventative maintenance expenses for management of in-house paratransit maintenance services

\$1.8M (3.0%) increase in overall expenses after capitalized operating

5-Year Forecast - Revenue

	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
	ACTUALS	ACTUALS	APPROVED	PROPOSED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Revenues and Operating Assistance								
Passenger Fares	\$ 4,534,783	\$ 4,783,317	\$ 4,857,788	\$ 4,813,645	\$ 5,037,269	\$ 5,272,511	\$ 5,519,939	\$ 5,780,150
Sale of Transportation Services	5,932,328	6,487,878	7,205,619	8,093,036	8,451,670	8,826,723	9,218,961	9,629,188
State Operating Assistance	14,310,222	14,652,905	16,946,705	15,339,950	16,559,059	17,595,853	18,635,305	19,737,968
Property Taxes	18,867,978	20,315,753	21,250,832	22,061,749	23,164,837	24,323,078	25,539,232	26,816,194
Advertising & Miscellaneous	<u>\$1,816,996</u>	<u>\$3,650,877</u>	<u>\$1,921,685</u>	<u>\$1,660,675</u>	<u>\$1,806,586</u>	<u>\$1,896,916</u>	<u>\$1,991,761</u>	<u>\$2,091,349</u>
Subtotal Revenues and Operating Assistance	\$45,462,307	\$49,890,730	\$52,182,628	\$51,969,055	\$55,019,420	\$57,915,080	\$60,905,199	\$64,054,849
Grant Operating Revenues (COVID Relief)	8,321,660							
Reserves Used			6,061,050	8,030,753	8,669,267	9,761,276	10,769,051	11,860,411
Total Revenues and Operating Assistance	<u>\$53,783,967</u>	<u>\$49,890,730</u>	<u>\$58,243,678</u>	<u>\$59,999,808</u>	<u>\$63,688,687</u>	<u>\$67,676,357</u>	<u>\$71,674,250</u>	<u>\$75,915,260</u>

5-Year Forecast - Expenses

	FY 22/23 ACTUALS	FY 23/24 ACTUALS	FY 24/25 APPROVED	FY 25/26 PROPOSED	FY 26/27 PROJECTED	FY 27/28 PROJECTED	FY 28/29 PROJECTED	FY 29/30 PROJECTED
Expenses								
Salaries and Wages	\$18,988,882	\$19,263,505	\$27,950,411	\$28,864,014	\$30,430,696	\$32,246,899	\$34,175,751	\$36,224,507
Benefits	10,156,108	9,921,328	10,629,553	10,431,981	10,942,817	11,505,102	12,098,796	12,725,728
Contractual Service	3,475,406	3,189,355	4,129,900	5,538,372	5,888,802	6,282,211	6,596,322	6,926,138
Materials and Supplies	4,465,857	4,182,645	5,174,078	4,945,793	5,391,572	5,780,424	6,061,111	6,358,247
Utilities, Insurance, and Miscellaneous	4,420,125	4,170,424	5,609,698	5,967,009	6,395,110	6,818,456	7,278,184	7,777,725
Purchased Transportation	7,269,466	7,337,871	8,750,038	9,252,638	9,639,690	10,043,264	10,464,086	10,902,916
Expenses Before Capitalized Operating	\$48,775,844	\$48,065,129	\$62,243,678	\$64,999,808	\$68,688,687	\$72,676,357	\$76,674,250	\$80,915,260
Capitalized Operating Expenses	(3,186,414)	(3,729,671)	(4,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Total Operating Expenses	\$45,589,430	\$44,335,458	\$58,243,678	\$59,999,808	\$63,688,687	\$67,676,357	\$71,674,250	\$75,915,260
Reserves Used	127,123		6,061,050	8,030,753	8,669,267	9,761,276	10,769,051	11,860,411
Reserves Gained		5,555,272						
Reserve Balance	\$56,172,096	\$61,727,369	\$55,666,319	\$47,635,566	\$38,966,299	\$29,205,022	\$18,435,971	\$ 6,575,560
							Deficit	\$ -

5-Year Operating Projection



Assumptions

Revenues are increasing at an average of 5.4% year over year

State Operating Assistance is budgeted at 26% starting in FY 25/26

Expenses are increasing at an average of 5.6% year over year

Capitalizing eligible operating expenses are programmed through FY 29/30



Conclusion

Reserves will be \$6.6 million at the end of FY 29/30 and depleted by FY 30/31

FY 25/26 Grant Projections

- Anticipating \$22.0M in grant expenses for FY 25/26
- \$8.5M spent in Rolling Stock includes purchases of 9 new bus builds
- \$4.1M spent in Other includes associated capital, shelters, service vehicles, and IT hardware/software
- Capitalizing \$5M in eligible operating expenses

	Adopted Budget	Amended Budget	Month To Date	Year To Date	Balance
<u>Grant Revenue</u>					
Federal Grant Assistance	\$ 17,619,038	\$ 17,619,038	\$ -	\$ -	\$ 17,619,038
State Grant Assistance	4,404,760	4,404,760	-	-	4,404,760
Transfer In - Operating Budget	-	-	-	-	-
Use of Restricted Net Assets	-	-	-	-	-
Other Local	-	-	-	-	-
Total Grant Revenue	\$ 22,023,798	\$ 22,023,798	\$ -	\$ -	\$ 22,023,798
<u>Labor</u>					
Administrative Salaries	\$ 36,000	\$ 36,000	\$ -	\$ -	\$ 36,000
Fringe Benefit Distribution	12,000	12,000	-	-	12,000
Total Labor	\$ 48,000	\$ 48,000	\$ -	\$ -	\$ 48,000
<u>Materials & Supplies</u>					
Tires & Tubes	\$ 312,000	\$ 312,000	\$ -	\$ -	\$ 312,000
Office Supplies	-	-	-	-	-
Printing	7,100	7,100	-	-	7,100
Total Materials & Supplies	\$ 319,100	\$ 319,100	\$ -	\$ -	\$ 319,100
<u>Purchased Transportation</u>					
Purchased Transportation	\$ -	\$ -	\$ -	\$ -	\$ -
Specialized Services	795,474	795,474	-	-	795,474
Total Purchased Transportation	\$ 795,474	\$ 795,474	\$ -	\$ -	\$ 795,474
<u>Other Expenses</u>					
Dues & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Development	6,500	6,500	-	-	6,500
Miscellaneous	276,100	276,100	-	-	276,100
Total Other Expenses	\$ 282,600	\$ 282,600	\$ -	\$ -	\$ 282,600
<u>Capital</u>					
Rolling Stock	\$ 8,491,683	\$ 8,491,683	\$ -	\$ -	\$ 8,491,683
Facilities	926,000	926,000	-	-	926,000
Equipment	2,002,256	2,002,256	-	-	2,002,256
Other	3,682,000	3,682,000	-	-	3,682,000
Total Capital	\$ 15,101,939	\$ 15,101,939	\$ -	\$ -	\$ 15,101,939
Planning Services	476,685	476,685	-	-	476,685
Capitalized Operating	5,000,000	5,000,000	-	-	5,000,000
Total Expenditures	\$ 22,023,798	\$ 22,023,798	\$ -	\$ -	\$ 22,023,798

Summary

- Ridership is projected to slightly climb from current year projections
- \$5.0 million in operating expenses will be capitalized as allowed by Federal regulations
- Proposed revenues to decrease 0.4%, prior to accounting for reserves used
- Proposed total expenses to increase 3.0% after capitalized operating expenses
- \$8.0 million in reserves will be utilized to address the shortfall between projected revenue and expenses
- Reserves are projected to be depleted by FY 30/31
- Staff remains committed to identifying revenue strategies within our control



5-Year Capital Improvement Plan

FY 2026 to FY 2030

Revised August 2025



Table of Contents

I.	The Rapid at a Glance.....	2
II.	The Rapid’s Goals and Objectives.....	3
III.	Five-Year Service Projections.....	5
IV.	Capital Planning Process Overview.....	6
V.	Capital Funding Sources.....	9
VI.	FY 2026 to FY 2030 Capital Improvement Plan.....	11
VII.	FY 2026 Capital Improvement Plan.....	12
VIII.	Capital Project Highlights.....	13
	A. Vehicle Purchases.....	13
	B. Facilities Construction.....	15
	C. Vehicle Maintenance.....	16
	D. Facility Maintenance.....	17
	E. Information Technology.....	18
	F. Operations Funding.....	19
	G. Safety and Security.....	19
	H. Planning.....	20

I. The Rapid at a Glance

The Rapid is the public transportation provider for the greater Grand Rapids region. It is a regional body, comprised of the member cities of East Grand Rapids, Grand Rapids, Grandville, Kentwood, Walker and Wyoming, formed as an Act 196 Authority under Michigan Public Act 196 of 1986. There is a 15-member board of directors appointed by the member cities. The Rapid is authorized to have taxing authority and currently levies a 1.47 mil property tax on the member communities that is used to operate The Rapid's services.

The Rapid operates several different services. These include:

Bus Rapid Transit: The Rapid operates two Bus Rapid Transit (BRT) lines, The Silver Line, on Division Avenue and the Laker Line out to GVSU's Allendale Campus. These are the first two BRT lines in Michigan and have enhanced features such as dedicated lanes, substantial stations at all stops, and level boarding. These are the two highest ridership lines in The Rapid's system.

Fixed Route: The Rapid operates 24 fixed route bus lines, making up the core of The Rapid's services. This includes service throughout the member communities as well as limited contract service into some of the surrounding townships. The service is fully accessible and carries the majority of The Rapid's trips.

GO!Bus Paratransit: The Rapid provides Americans with Disabilities Act (ADA) transportation throughout its six-city service area. This service provides door-to-door service for people with disabilities and seniors who cannot access The Rapid's fixed-route system. The Rapid also operates the PASS system that provides service to the public who live in the service area but are not on a fixed route bus line.

Ridesharing: The Rapid coordinates West Michigan Rides, a service that promotes alternatives to single-occupancy vehicle travel throughout the West Michigan region. The Rapid provides a technology solution that matches potential carpool riders using the West Michigan Rides platform and works directly with local employers on transportation needs.

II. The Rapid's Goals and Objectives

The Rapid's Mission is to "create, offer, and continuously improve a flexible network of regional public transportation options and mobility solutions." The Rapid's vision for the future is a growing community in which:

- Citizens can live conveniently without owning a car.
- More citizens choose public transportation because it is an easy, economical, and efficient way of getting where they want to go.
- Employers choose our community because it provides multiple solutions for getting employees to work.
- Public transit serves as an economic engine.
- Public transportation is an integral part of the life of every citizen in the region and creates opportunities.
- Public transportation supports sustainability and economic development.

Further refining The Rapid's goals are its Transit Asset Management (TAM) Plan, which directs how The Rapid is to most efficiently and effectively utilize its assets. The Plan outlines three core values that drive The Rapid's mission:

- **Customer service orientation.** ITP will provide service that is convenient, affordable, accessible, timely, and responsive to customer needs;
- **Customer loyalty.** ITP will earn its customers' trust by providing service that is friendly, respectful, safe and dependable; and
- **Employees.** ITP sees its employees as the first line of contact with its customers and, therefore, ITP values its employees as integral to the success of the organization.

In evaluating future projects at The Rapid, the TAM Plan determined a Capital Investment Decision Matrix (see Figure 1) that provides a structured framework linked to The Rapid's strategic priorities. This model is what The Rapid is using to score and evaluate the capital projects within the 5-Year Capital Improvement Plan (CIP). These criteria facilitate a system that is customer focused, prioritizes our employees as an asset, and maximizes The Rapid's capital investments to leverage the greatest community benefit.

Figure 1: The Rapid's Capital Planning Investment Decision Matrix

Capital Planning Investment Decision Criteria (FY 2026)		Weighting
State of Good Repair		25
Maintain assets and operation capability		20
Mitigate risk to the Authority/Regulatory Compliance		5
Continuous Improvement to Customer Service		25
Provide safe, secure, and reliable customer service		15
Apply continuous improvement to service delivery		5
Support our staff safety, health or retention		5
Financial Return		25
Optimize external funding source (Federal, State or Local grant)		10
Minimizes the Operation Budget Impact		10
Expands Revenue Stream		5
Community Impact		25
Improves Regional Mobility		15
Improves Quality of Life in the Community		10

III. Five-Year Service Projections

Transportation providers across the country continue to face a rapidly changing service environment. It is anticipated that The Rapid's service provision and operating environment will change dramatically over the five-year period of this capital plan as well. Here are the key known factors that will be affecting The Rapid's services and subsequently our capital planning efforts over the next five years, including funding programs and study efforts:

Infrastructure Investment and Jobs Act (IIJA) – Congress passed this bill at the end of 2022 which increased formula transit funding by approximately 30%, starting with the FY 2022 allocation. As a result, capital funding for The Rapid has increased significantly from pre-EEJA levels, allowing The Rapid to implement additional capital projects and spend significant capital funds on maintaining The Rapid's assets in a State of Good Repair. However, the IIJA expires in 2026, and it is unknown how transit funding will fare in the next authorization bill.

Competitive Grant Awards – The IIJA contains substantial increases to Federal Transit Administration (FTA) competitive grant programs including the Low/No Emission program. The Rapid is submitting a \$ 9,403,000 FY 2025 Low/No Emission grant to purchase 5 Silver Line buses, 3 diesel buses and 5 gasoline powered response vehicles. The Rapid also is applying for \$1,110,660 to install Bus Collision Avoidance Systems on the fixed route fleet through a Safe Streets 4 All grant application and a Congressionally Directed Spending Request.

Transit Master Plan – The Rapid is finishing up a new master planning process. The purpose of the plan is to take a look at transit service throughout our region, and to project how The Rapid should position itself over the next 20 years. The plan is looking at multiple ways of delivering service, a 40-foot transit bus may not be the best solution for many transit-related opportunities in the region.

Concurrently, Grand Valley Metropolitan Council is implementing the results of a Transit Demand Management (TDM) study of the region looking at overall travel patterns and how travel patterns can be optimized. The Rapid is coordinating with this effort through its West Michigan Rides program and coordinating TDM services throughout the wider region.

Transit Asset Management – The Rapid completed a Transit Asset Management (TAM) plan in the fall of 2018, with a revision to the plan completed in fall of 2022. This plan presents a long-term action strategy for management of the assets of The Rapid, laying out a blueprint on how The Rapid intends to achieve and maintain its assets in a state of good repair. This will ensure The Rapid optimally maintains its assets, decreasing overall lifecycle costs. The various elements of this plan are now in the process of being implemented and will have an impact on The Rapid's operational and capital project selection.

IV. Capital Planning Process Overview

The Rapid's Capital Planning program is overseen by the Capital Planning Committee, which was first convened in the fall of 2018.

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 in 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.

The committee includes multidisciplinary representation from across The Rapid to guide our Capital Planning and Asset Management efforts. The standing members include:

Director of Communications	Director of Paratransit, ADA, and Mobility Services
Chief Operating Officer	Director of Maintenance
Director of Facilities	Director of Transportation
Financial Analyst	Director of Safety
Director of Finance	Director of Security
Director of Procurement and Capital Planning	Director of Planning
Grants Officer	Asset Management/Warranty Administrator
Human Resources Manager	Chief Executive Officer
Director of Information Technology	

Other Rapid staff members may be asked to periodically participate depending on what the committee is discussing.

This is the Capital Improvement Plan formulated by The Rapid. The Capital Planning Committee has spent the first part of 2024 formulating The Rapid's this 5-Year Capital Improvement Plan which covers FY 2026 through FY 2030. This process included the following steps:

- Reviewed the capital project application process and project scoring criteria.
- Sent out a call for projects internally for capital projects within the 5-year horizon.
- Reviewed submissions and scored them based on scoring criteria.
- Formulated 5-Year Capital Plan based on this review process.

The project scoring helps to determine which projects are selected for funding in the Capital Plan. The results of the scoring can be seen below in Figure 2, all scored out of a total of 100 possible points.

Figure 2: Summary of FY 2026 Capital Project scoring

Project Title	Score
Revenue Vehicle Replacements	90.8
Demand Response Vehicle Replacements	90.5
Paratransit E-Fare System Upgrade	87.0
E-Fare Software upgrade / cloud migration	84.0
Bus Collision Avoidance System	83.8
Intelligent Transportation Systems	82.8
Associated Capital Maintenance	81.5
Busch Drive Phase II Construction	81.5
Revenue Tire Lease	81.3
Computer Hardware	80.5
Computer Software	80.5
Rehab Facilities	79.3
Hoist Replacments	78.8
Non-Revenue Vehicle Replacements	78.3
Bus Wash	78.0
ADA Parts for Revenue Vehicles	78.0
A&E	77.5
Bus Stop/Shelter Improvements	77.3
Camera System Replacement Servers	77.0
Busch Drive Building Security Project	76.3
Shop Equipment	76.3
RCS Public Restroom Renovation	75.5
Silver Line BRT Stations Equipment	75.5
General Security	74.3
Office Furniture	72.3
RCS Parking Lot Resurface	70.8
UST Tank Removal	54.0

The 5-Year Capital Improvement Plan will be revised throughout the year as necessary, but projects for the upcoming fiscal year must be included in the plan before it is brought to the Rapid Board at its annual budget meeting held each summer. Projects included in FY 2026 for this capital plan and that are eligible for federal formula grant funding will be included in our FY 2026 grant application to the Federal Transit Administration (FTA) which begins in the fall of 2025. Funds applied for in early 2026 should be available to The Rapid in the late summer of 2026.

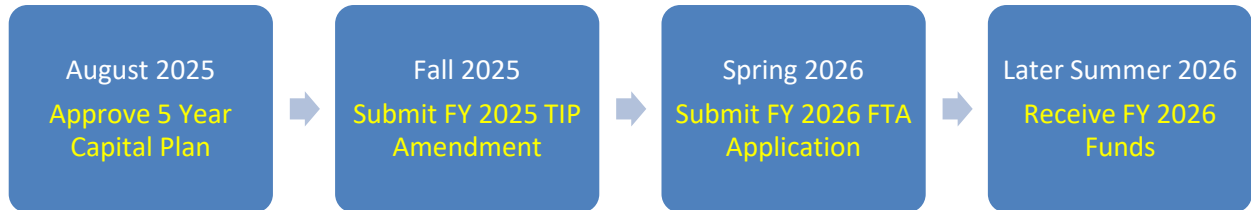


Figure 3: FTA Capital Funding Timeline for FY 2026

V. Capital Funding Sources

Funding sources for the projects in this plan include federal formula grants, as well as state matching funds, most federal grants are matched with 20% state funding. Funding sources included in the 5-Year Capital Program include:

5307 Formula Grant: Federal formula funds for capital transit projects. Funding is distributed by formula, using population, population density, and service delivery to determine the award amount. The Rapid's funds are set for FY 2026 as 5307 levels are set by current legislations, but the funding bill needs to be redone for FY 2027 meaning current funding levels are not guaranteed.

5337 Formula Grant: Fixed Guideway systems that have been in operation for at least seven years are eligible for 5337, which are used to keep them in a state of good repair. The Silver Line qualifies for this funding, which can be used to maintain BRT stations and alignments, and purchase replacement buses for the Silver Line.

5339 Formula Grant: Federal formula funds dedicated for the purchase and rehabilitation of buses and bus-related facilities. Just over half of the 5339 funds are distributed by a formula, similar to how 5307 funds are distributed. As with 5307 funding, The Rapid's 5339 funds are set for FY 2026 as levels are set by current legislations but not guaranteed going forward.

5339 Competitive Grants: The Rapid is applying for a Low/No Emission grant to purchase 5 Silver Line hybrid buses, 3 diesel buses and 5 gas powered transit vehicles with new CNG buses and propane demand response vehicles. This will complete The Rapid's transition away from diesel and gasoline fuel to cheaper and cleaner burning alternatives.

The Rapid is also part of the Grand Valley Metro Council's Safe Streets 4 All grant to fund the purchase and installation of Bus Collision Avoidance Systems on fixed route buses. This system provides audio and visual warnings to the driver about potential collisions, particularly those involving pedestrians and cyclists.

The Rapid should hear back on both applications before the end of the calendar year. If the applications are not successful, we will reevaluate our 2026 Capital Plan and come back to the Board with any changes.

Congestion Mitigation and Air Quality Grant: Grand Valley Metropolitan Council (GVMC) receives Congestion Mitigation and Air Quality (CMAQ) funds each year, to fund projects that improve area air quality. The Rapid receives a share of these funds and uses them to fund rideshare efforts, clean air action days, and purchase additional buses. There is \$181,074 in funding for the purchase of fixed route buses in FY 2026.

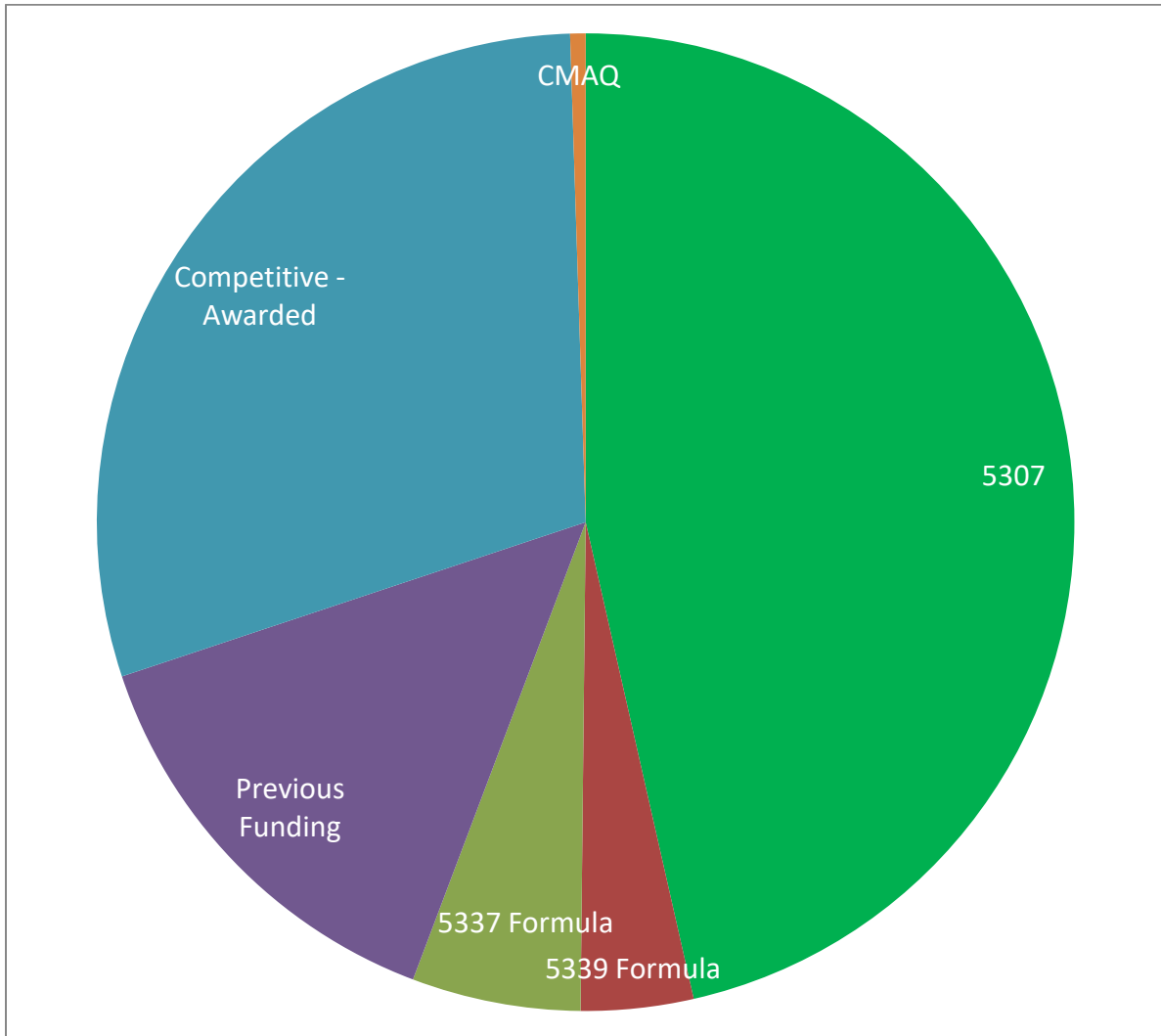


Figure 4: FY 2026 Rapid Capital Funding by Funding Source – total projected funding is \$35,519,803



VI. FY 2026 to FY 2030 Capital Improvement Plan

	Project Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total Funding
Vehicle Purchase	Fixed Route Buses	\$ 5,089,641	\$ 7,861,649	\$ 8,587,958	\$18,367,740	\$ 23,571,594	\$ 63,478,582
	Silver Line Buses	\$ 5,040,000	\$ -	\$ -	\$ -	\$ -	\$ 5,040,000
	Demand Response Buses	\$ 3,055,957	\$ -	\$ -	\$ 1,676,983	\$ 5,624,058	\$ 10,356,998
	Service Vehicles	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
	Bus Collision Avoidance System	\$ 1,110,660	\$ -	\$ -	\$ -	\$ -	\$ 1,110,660
	Vehicle Purchase Subtotal	\$14,296,258	\$ 7,861,649	\$ 8,587,958	\$20,044,723	\$ 29,295,652	\$ 80,086,240
New Facilities	Busch Drive Expansion	\$ 7,000,000	\$ -	\$ -	\$ -	\$ -	\$ 7,000,000
	Architecture and Engineering	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 150,000
	New Shelters	\$ 400,000	\$ 200,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 1,000,000
	New/Rehab Facilities Subtotal	\$ 7,450,000	\$ 200,000	\$ 250,000	\$ 100,000	\$ 150,000	\$ 8,150,000
Vehicle Main.	Tire/Tube Lease	\$ 282,042	\$ 294,368	\$ 305,702	\$ 317,472	\$ 330,171	\$ 1,529,755
	Bus Capital Maintenance	\$ -	\$ -	\$ 532,743	\$ 979,597	\$ 1,008,985	\$ 2,521,325
	ADA Vehicle Parts	\$ 35,257	\$ 28,124	\$ 19,570	\$ 37,812	\$ 29,315	\$ 150,078
	Shop Equipment	\$ 31,500	\$ 26,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 87,500
	Vehicle Maintenance Subtotal	\$ 348,799	\$ 348,492	\$ 868,015	\$ 1,344,881	\$ 1,378,471	\$ 4,288,658
Facility Main.	Facilities Rehabilitation	\$ 200,000	\$ 150,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000
	Hoist Replacements	\$ 2,312,551	\$ -	\$ -	\$ -	\$ -	\$ 2,312,551
	Bus Wash Replacement	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
	Silver Line State of Good Repair	\$ 1,982,195	\$ 1,976,496	\$ 1,976,496	\$ 1,976,496	\$ 1,976,496	\$ 9,888,179
	Office Furniture	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 550,000
	Facility Equipment	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 200,000
	Facility Maintenance Subtotal	\$ 5,144,746	\$ 2,276,496	\$ 2,176,496	\$ 2,176,496	\$ 2,176,496	\$ 13,950,730
IT	IT Hardware	\$ 370,000	\$ 350,000	\$ 400,000	\$ 400,000	\$ 529,000	\$ 2,049,000
	IT Software	\$ 420,000	\$ 420,000	\$ 420,000	\$ 420,000	\$ 420,000	\$ 2,100,000
	Intelligent Transportation Systems	\$ 300,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 1,900,000
	Paratransit Fare Collection	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ 1,400,000
	Information Technology Subtotal	\$ 2,490,000	\$ 1,170,000	\$ 1,220,000	\$ 1,220,000	\$ 1,349,000	\$ 7,449,000
Ops	Preventative Maintenance	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 25,000,000
	Operations Subtotal	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 25,000,000
Security	General Security Maintenance	\$ 80,000	\$ 80,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 385,000
	Bus Camera Equipment	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
	Facilities Security Equipment	\$ 385,000	\$ -	\$ -	\$ -	\$ -	\$ 385,000
	Security Subtotal	\$ 715,000	\$ 80,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 1,020,000
UPWP	UPWP Activities	\$ 75,000	\$ 125,000	\$ 135,000	\$ 150,000	\$ 160,000	\$ 645,000
	UPWP Subtotal	\$ 75,000	\$ 125,000	\$ 135,000	\$ 150,000	\$ 160,000	\$ 645,000
	Totals	\$35,519,803	\$ 17,061,637	\$ 18,312,469	\$30,111,100	\$ 39,584,619	\$140,589,628

VII. FY 2026 Capital Improvement Plan

	Project Description	Previous Funding	FY 2026 5307 Award	FY 2026 5337 Award	FY 2026 5339 Award	Competitive Awards	Total Funding
Vehicles	Demand Response Vehicles	\$ -	\$ 1,476,957	\$ -	\$ -	\$ 1,579,000	\$ 3,055,957
	Silver Line Buses	\$ -	\$ -	\$ -	\$ -	\$ 5,040,000	\$ 5,040,000
	Fixed Route Buses	\$ -	\$ 803,960	\$ -	\$ 1,320,607	\$ 2,965,074	\$ 5,089,641
	Bus Collision Avoidance System	\$ -	\$ -	\$ -	\$ -	\$ 1,110,660	\$ 1,110,660
	Vehicle Purchase Subtotal	\$ -	\$ 2,280,917	\$ -	\$ 1,320,607	\$ 10,694,734	\$ 14,296,258
	Busch Drive Expansion	\$ 3,225,644	\$ 3,774,356	\$ -	\$ -	\$ -	\$ 7,000,000
	Architecture and Engineering	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
	New Shelters	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
	New/Rehab Facilities Subtotal	\$ 3,225,644	\$ 4,224,356	\$ -		\$ -	\$ 7,450,000
Vehicle Main.	Revenue Tire Lease	\$ -	\$ 282,042	\$ -	\$ -	\$ -	\$ 282,042
	ADA Equipment	\$ -	\$ 35,257	\$ -	\$ -	\$ -	\$ 35,257
	Shop Equipment	\$ -	\$ 31,500	\$ -	\$ -	\$ -	\$ 31,500
	Vehicle Maintenance Subtotal	\$ -	\$ 348,799	\$ -	\$ -	\$ -	\$ 348,799
Facility Main.	Hoist Replacements	\$ 1,562,551	\$ 750,000	\$ -	\$ -	\$ -	\$ 2,312,551
	Bus Wash Replacement	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
	Facilities Rehabilitation	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
	Silver Line State of Good Repair	\$ -	\$ -	\$ 1,982,195	\$ -	\$ -	\$ 1,982,195
	Office Furnitures	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
	Facility Maintenance Subtotal	\$ 1,562,551	\$ 1,600,000	\$ 1,982,195	\$ -	\$ -	\$ 5,144,746
IT	IT Hardware	\$ -	\$ 370,000	\$ -	\$ -	\$ -	\$ 370,000
	IT Software	\$ -	\$ 420,000	\$ -	\$ -	\$ -	\$ 420,000
	Intelligent Transportation Systems	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000
	E-Fare Software Upgrade	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ 750,000
	Paratransit E-Fare System	\$ -	\$ 650,000	\$ -	\$ -	\$ -	\$ 650,000
	Information Technology Subtotal	\$ -	\$ 2,490,000	\$ -	\$ -	\$ -	\$ 2,490,000
Ops	Preventative Maintenance	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
	Operations Subtotal	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
Safety	Silver Line Security Equipment	\$ 235,000	\$ -	\$ -	\$ -	\$ -	\$ 235,000
	Busch Drive Security Equipment	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
	Camera System Servers	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
	General Security Maintenance	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000
	Security Subtotal	\$ 235,000	\$ 480,000	\$ -	\$ -	\$ -	\$ 715,000
UPWP	UPWP Activities	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
	UPWP Subtotal	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
	Totals	\$ 5,023,195	\$16,499,072	\$ 1,982,195	\$ 1,320,607	\$ 10,694,734	\$ 35,519,803

VIII. Capital Project Highlights

A. Vehicle Purchases

1. Fixed Route Buses – \$63,478,582

Fixed route buses provide the backbone of The Rapid's service. Replacing our fixed route buses regularly is essential to providing safe, reliable, and efficient bus service to our community. The Rapid generally operates fixed route buses for 12 years or 500,000 miles, beyond that point the repairs become prohibitively expensive and affect our operating budget. The early years of the capital plan are manageable, but there are substantial builds coming in the 2029 and 2030 Capital Plans that will take careful planning, including possibly securing discretionary funding.



	2026	2027	2028	2029	2030	Total
Purchase Buses	\$5,089,641	\$7,861,649	\$8,587,958	\$18,367,740	\$23,571,594	\$63,478,582

2. Demand Response Buses – \$10,356,998



GO!Bus vehicles provide complementary demand response transportation service as required by the Americans with Disabilities Act (ADA). Once again, replacing these vehicles is essential for providing safe and effective GO!Bus service to our community. The Rapid generally operates GO!Bus vehicles for 7 years or 200,000 miles, the replacement schedule over the course of the 5-Year Capital Plan is shown below.

	2026	2027	2028	2029	2030	Total
Cost	\$3,055,957	\$0	\$0	\$1,676,983	\$5,624,0058	\$10,356,998

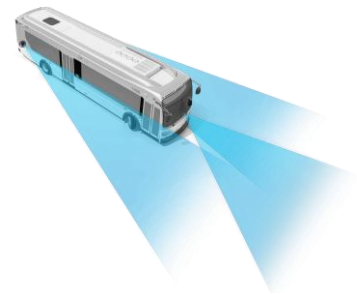
3. Service Vehicles – \$100,000

The Rapid utilizes a variety of service vehicles, including vehicles for road supervisors, facilities and fleet maintenance, driver relief and other pool vehicles. These vehicles must be replaced periodically as they complete their useful life. The Rapid currently has sufficient existing funding for this purpose available, so no additional funds are projected to be needed until 2030.

	2026	2027	2028	2029	2030	Total
Service Vehicles	\$0	\$0	\$0	\$0	\$100,000	\$100,000

4. Bus Collision Avoidance Systems – \$1,110,660

The Rapid applied for a Safe Streets 4 All as well as a Congressional Discretionary Spending Request to fund the implementation of a Bus Collision Avoidance System. This is a system designed specifically for buses and other large vehicles with extended blind spots operating in crowded urban environments. It focusses on providing warnings to the driver for pedestrian and bicycle interactions. Senator Peters has included this request in his requests to congress, the federal budgeting process will determine this funding and may not be finalized until early 2026, while we expect to hear the results of the Safe Streets 4 All Grant in fall of 2026.



	2026	2027	2028	2029	2030	Total
Bus Collision Avoidance System	\$1,110,660	\$0	\$0	\$0	\$0	\$1,110,660

B. Facility Construction

5. Construction and Property Purchase – \$7,000,000



The Rapid intends to move forward with the construction of a new demand response operations facility at its Busch Drive location, replacing the existing aging facility. The funds for this project include funds from the original grant used to purchase the property as well as new capital funds in 2026.

	2026	2027	2028	2029	2030	Total
A&E Services	\$50,000	\$0	\$50,000	\$0	\$50,000	\$150,000
Busch Drive Phase II	\$7,000,000	\$0	\$0	\$0	\$0	\$7,000,000

6. New Shelters – \$1,000,000

Purchase and install new shelters to be placed around The Rapid's service area. These locations will be cleared through the NEPA process prior to the grant application. The shelters will be purchased off our existing contract with Tolar and the funds in the project include required concrete pads as well.



	2026	2027	2028	2029	2030	Total
Shelters and Stop Enhancements	\$400,000	\$200,000	\$200,000	\$100,000	\$100,000	\$1,000,000

C. Vehicle Maintenance

7. Bus Capital Maintenance and Parts – \$4,288,658



The Rapid must purchase high-value bus parts, including fuel pumps, particulate filters, air compressors, driver seats, and alternators to maintain its fleet in a state of good repair. This line item will be used to ensure our maintenance staff has the necessary bus parts on hand to carry out necessary bus maintenance and repairs.

	2026	2027	2028	2029	2030	Total
Bus Capital Maintenance	\$0	\$0	\$532,743	\$979,597	\$1,008,985	\$2,521,325
Tire/Tube Lease	\$282,042	\$294,368	\$305,702	\$317,472	\$330,171	\$1,529,755
ADA Vehicle Parts	\$35,257	\$28,124	\$19,570	\$37,812	\$29,315	\$150,078
Shop Equipment	\$31,500	\$26,000	\$10,000	\$10,000	\$10,000	\$87,500

D. Facility Maintenance

8. General Facility Rehabilitation and Facilities Equipment – \$13,950,730

The Rapid owns several facilities across the region. All these facilities need periodic rehabilitation to keep them in a state of good repair. This line item will be used to purchase such things as flooring, doors, HVAC units, and other items that are necessary for the proper operation of The Rapid's facilities as well as certain facilities equipment. Funds from the 5339 Bus Rapid Transit State of Good Repair funding will be directed to Silver Line station and facilities rehabilitation.



The Rapid has two major rehabilitation projects, the replacement of an aging bus wash at its Wealthy facility which washes The Rapid's fixed route fleet, as well as the replacement of the hoists in the Wealthy maintenance bays which are also aging and well past their useful life.

	2026	2027	2028	2029	2030	Total
General Facility Rehabilitation	\$200,000	\$150,000	\$50,000	\$50,000	\$50,000	\$500,000
5339 Funds Silver Line Facilities Rehab	\$1,982,195	\$1,982,195	\$1,982,195	\$1,982,195	\$1,982,195	\$9,888,179
Facility Equipment	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Bus Wash Replacement	\$500,000	\$0	\$0	\$0	\$0	\$500,000
Hoist Replacements	\$2,312,551	\$0	\$0	\$0	\$0	\$2,312,551
Office Furniture	\$150,000	\$100,000	\$100,000	\$100,000	\$100,000	\$550,000

E. Information Technology

9. IT Hardware – \$2,049,000

The Rapid has various hardware needs, including computer replacements, projectors, network switches, and servers. This fund will be used to ensure that The Rapid's hardware requirements are met, ensuring the necessary IT infrastructure is in place.

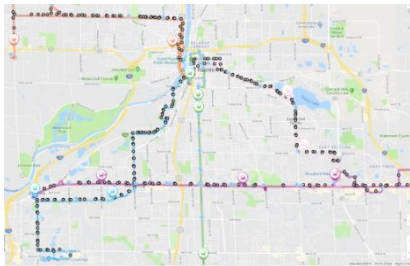
	2026	2027	2028	2029	2030	Total
IT Hardware	\$370,000	\$350,000	\$400,000	\$400,000	\$529,000	\$2,049,000

10. IT Software – \$2,100,000

The Rapid also has various software upgrades and licensing needs. There currently is an ongoing IT needs study being conducted that will give clarity to future IT needs and upgrades.

	2026	2027	2028	2029	2030	Total
IT Software	\$420,000	\$420,000	\$420,000	\$420,000	\$420,000	\$2,100,000

11. Intelligent Transportation Systems – \$3,300,000



Rapid buses carry a host of technological enhancements onboard allowing for better operation, data generation and enhanced security. FY 2026 includes the upgrade of fare collection software and the installation of Wave Card readers on all paratransit vans, allowing paratransit users the ability to utilize Wave Cards while using GO!Bus services.

	2026	2027	2028	2029	2030	Total
Intelligent Transportation Systems	\$300,000	\$400,000	\$400,000	\$400,000	\$400,000	\$1,900,000
Paratransit Fare Collection	\$1,400,000	\$0	\$0	\$0	\$0	\$1,400,000

F. Operations Funding

12. Preventative Maintenance – \$25,000,000

The Federal Transit Administration allows transit systems to use a portion of their capital funds for preventative maintenance activities to keep federal assets in a state of good repair. The Rapid has identified specific budget items that qualify for this and included them in the Capital Improvement Plan on an annual basis and will also pay a portion of maintenance technician wages out of this line item.

	2026	2027	2028	2029	2030	Total
Preventative Maintenance	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$25,000,000

G. Safety and Security

13. Security Projects – \$1,020,000



Funding for security-related projects, including new and replacement security cameras, security gates, access control, and upgrades of existing security assets. It also includes the necessary security equipment for the Busch Drive construction and the replacement of servers collecting security camera data from fixed route buses.

	2026	2027	2028	2029	2030	Total
Security Projects	\$80,000	\$80,000	\$75,000	\$75,000	\$75,000	\$385,000
Bus Camera Equipment	\$250,000	\$0	\$0	\$0	\$0	\$250,000
Facilities Security Equipment	\$385,000	\$0	\$0	\$0	\$0	\$385,000

H. Planning

14. Unified Planning Work Program – \$645,000

The Unified Planning Work Program (UPWP) is prepared and submitted annually and describes the major transportation planning activities that will take place in the upcoming fiscal year in the Grand Rapids area. Any transportation-related planning projects must be contained in an approved UPWP to be eligible for federal and/or state funding. The UPWP is developed jointly by The Rapid staff and the Grand Valley Metropolitan Council (GVMC).

The Rapid's 2026 UPWP project is short range planning funds to follow up on the Transit Master Plan and help implement it.

	2026	2027	2028	2029	2030	Total
Planning Projects	\$75,000	\$125,000	\$135,000	\$150,000	\$160,000	\$645,000



The Rapid's 5-Year Capital
Improvement Plan

ITP Board Meeting

August 27, 2025

Table of Contents

Funding Sources

Capital Planning Committee Process

Fiscal Year 2026 Capital Projects

Funding Sources

Federal Funding Sources

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

5337 – available to fixed guideway systems that have been operation for 7 years; this can be used to maintain Silver Line stations and replace Silver Line buses

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

Other Funding Sources

Discretionary Funding Award

- The Rapid applied for a Congressional Directed Spending Request for a Bus Collision Avoidance System
- The Rapid also applied for a Low/No Emission Grant to purchase 8 CNG buses and 8 propane demand response vehicles to complete the transition to CNG and propane fueled vehicles

Michigan Department of Transportation

- Matches most of our federal grants at 20%

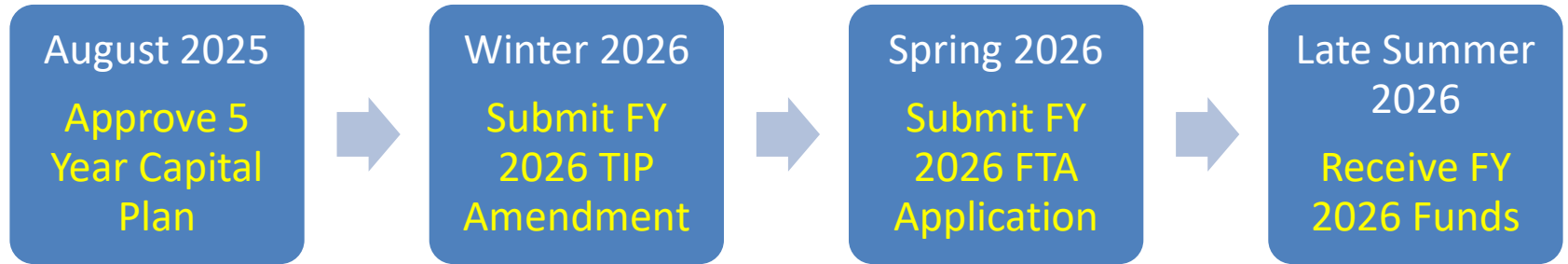


Capital Planning Committee Process

Capital Planning Committee Process

- January 2025: finalized capital project application process and evaluation criteria; sent out a call for projects
- March 2025: project submission deadline; collected and refined projects
- April – June 2025: determined project scores and prioritization
- June – July 2025: created 5-Year Capital Plan based on project scoring and funding availability
- July 23, 2025: bringing the 5-Year Capital Improvement Plan to the Board Budget Meeting for review; will make changes based on Rapid Board input
- August 27, 2025: bringing the 5-Year Capital Improvement Plan to the Board meeting for approval

Federal FY 2025 Grant Application Timeline



Capital Planning Investment Decision Criteria (FY 2026)

Weighting

State of Good Repair

25

Maintain assets and operation capability

20

Mitigate risk to the Authority/Regulatory Compliance

5

Continuous Improvement to Customer Service

25

Provide safe, secure, and reliable customer service

15

Apply continuous improvement to service delivery

5

Support our staff safety, health or retention

5

Financial Return

25

Optimize external funding source (Federal, State or Local grant)

10

Minimizes the Operation Budget Impact

10

Expands Revenue Stream

5

Community Impact

25

Improves Regional Mobility

15

Improves Quality of Life in the Community

10

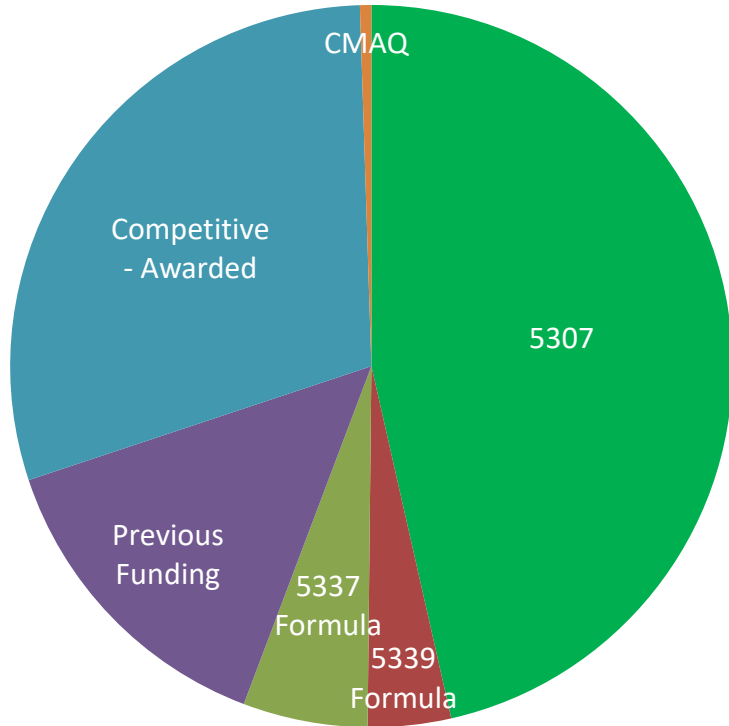
Capital Project Selection Criteria

Project Title	Score
Revenue Vehicle Replacements	90.8
Demand Response Vehicle Replacements	90.5
Paratransit E-Fare System Upgrade	87.0
E-Fare Software upgrade / cloud migration	84.0
Bus Collision Avoidance System	83.8
Intelligent Transportation Systems	82.8
Associated Capital Maintenance	81.5
Busch Drive Phase II Construction	81.5
Revenue Tire Lease	81.3
Computer Hardware	80.5
Computer Software	80.5
Rehab Facilities	79.3
Hoist Replacments	78.8
Non-Revenue Vehicle Replacements	78.3
Bus Wash	78.0
ADA Parts for Revenue Vehicles	78.0
A&E	77.5
Bus Stop/Shelter Improvements	77.3
Camera System Replacement Servers	77.0
Busch Drive Building Security Project	76.3
Shop Equipment	76.3
RCS Public Restroom Renovation	75.5
Silver Line BRT Stations Equipment	75.5
General Security	74.3
Office Furniture	72.3
RCS Parking Lot Resurface	70.8
UST Tank Removal	54.0

Capital Project Scoring

FY 2026 Capital Projects

FY 2026 Capital Project Plan by Funding Source



FY 2026 Capital Plan
Funding: \$35,591,803

	Project Description	Previous Funding	FY 2026 5307 Award	FY 2026 5337 Award	FY 2026 5339 Award	Competitive Awards	Total Funding
Vehicles	Demand Response Vehicles	\$ -	\$ 1,476,957	\$ -	\$ -	\$ 1,579,000	\$ 3,055,957
	Silver Line Buses	\$ -	\$ -	\$ -	\$ -	\$ 5,040,000	\$ 5,040,000
	Fixed Route Buses	\$ -	\$ 803,960	\$ -	\$ 1,320,607	\$ 2,965,074	\$ 5,089,641
	Bus Collision Avoidance System	\$ -	\$ -	\$ -	\$ -	\$ 1,110,660	\$ 1,110,660
	Vehicle Purchase Subtotal	\$ -	\$ 2,280,917	\$ -	\$ 1,320,607	\$ 10,694,734	\$ 14,296,258
	Busch Drive Expansion	\$ 3,225,644	\$ 3,774,356	\$ -	\$ -	\$ -	\$ 7,000,000
	Architecture and Engineering New Shelters	\$ - \$ -	\$ 50,000 \$ 400,000	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ 50,000 \$ 400,000
New/Rehab Facilities Subtotal	\$ 3,225,644	\$ 4,224,356	\$ -	\$ -	\$ -	\$ 7,450,000	
Vehicle Main.	Revenue Tire Lease	\$ -	\$ 282,042	\$ -	\$ -	\$ -	\$ 282,042
	ADA Equipment	\$ -	\$ 35,257	\$ -	\$ -	\$ -	\$ 35,257
	Shop Equipment	\$ -	\$ 31,500	\$ -	\$ -	\$ -	\$ 31,500
	Vehicle Maintenance Subtotal	\$ -	\$ 348,799	\$ -	\$ -	\$ -	\$ 348,799
Facility Main.	Hoist Replacements	\$ 1,562,551	\$ 750,000	\$ -	\$ -	\$ -	\$ 2,312,551
	Bus Wash Replacement	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
	Facilities Rehabilitation	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
	Silver Line State of Good Repair	\$ -	\$ -	\$ 1,982,195	\$ -	\$ -	\$ 1,982,195
	Office Furnitures	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
	Facility Maintenance Subtotal	\$ 1,562,551	\$ 1,600,000	\$ 1,982,195	\$ -	\$ -	\$ 5,144,746
IT	IT Hardware	\$ -	\$ 370,000	\$ -	\$ -	\$ -	\$ 370,000
	IT Software	\$ -	\$ 420,000	\$ -	\$ -	\$ -	\$ 420,000
	Intelligent Transportation Systems	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000
	E-Fare Software Upgrade	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ 750,000
	Paratransit E-Fare System	\$ -	\$ 650,000	\$ -	\$ -	\$ -	\$ 650,000
	Information Technology Subtotal	\$ -	\$ 2,490,000	\$ -	\$ -	\$ -	\$ 2,490,000
Ops	Preventative Maintenance	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
	Operations Subtotal	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
Safety	Silver Line Security Equipment	\$ 235,000	\$ -	\$ -	\$ -	\$ -	\$ 235,000
	Busch Drive Security Equipment	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
	Camera System Servers	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
	General Security Maintenance	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000
	Security Subtotal	\$ 235,000	\$ 480,000	\$ -	\$ -	\$ -	\$ 715,000
UPWP	UPWP Activities	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
	UPWP Subtotal	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Totals		\$ 5,023,195	\$ 16,499,072	\$ 1,982,195	\$ 1,320,607	\$ 10,694,734	\$ 35,519,803

FY 2026 Capital Improvement Plan

	Project Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total Funding
Vehicle Purchase	Fixed Route Buses	\$ 5,089,641	\$ 7,861,649	\$ 8,587,958	\$18,367,740	\$ 23,571,594	\$ 63,478,582
	Silver Line Buses	\$ 5,040,000	\$ -	\$ -	\$ -	\$ -	\$ 5,040,000
	Demand Response Buses	\$ 3,055,957	\$ -	\$ -	\$ 1,676,983	\$ 5,624,058	\$ 10,356,998
	Service Vehicles	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
	Bus Collision Avoidance System	\$ 1,110,660	\$ -	\$ -	\$ -	\$ -	\$ 1,110,660
	Vehicle Purchase Subtotal	\$14,296,258	\$ 7,861,649	\$ 8,587,958	\$20,044,723	\$ 29,295,652	\$ 80,086,240
New Facilities	Busch Drive Expansion	\$ 7,000,000	\$ -	\$ -	\$ -	\$ -	\$ 7,000,000
	Architecture and Engineering	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 150,000
	New Shelters	\$ 400,000	\$ 200,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 1,000,000
	New/Rehab Facilities Subtotal	\$ 7,450,000	\$ 200,000	\$ 250,000	\$ 100,000	\$ 150,000	\$ 8,150,000
Vehicle Main.	Tire/Tube Lease	\$ 282,042	\$ 294,368	\$ 305,702	\$ 317,472	\$ 330,171	\$ 1,529,755
	Bus Capital Maintenance	\$ -	\$ -	\$ 532,743	\$ 979,597	\$ 1,008,985	\$ 2,521,325
	ADA Vehicle Parts	\$ 35,257	\$ 28,124	\$ 19,570	\$ 37,812	\$ 29,315	\$ 150,078
	Shop Equipment	\$ 31,500	\$ 26,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 87,500
	Vehicle Maintenance Subtotal	\$ 348,799	\$ 348,492	\$ 868,015	\$ 1,344,881	\$ 1,378,471	\$ 4,288,658
Facility Main.	Facilities Rehabilitation	\$ 200,000	\$ 150,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000
	Hoist Replacements	\$ 2,312,551	\$ -	\$ -	\$ -	\$ -	\$ 2,312,551
	Bus Wash Replacement	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
	Silver Line State of Good Repair	\$ 1,982,195	\$ 1,976,496	\$ 1,976,496	\$ 1,976,496	\$ 1,976,496	\$ 9,888,179
	Office Furniture	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 550,000
	Facility Equipment	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 200,000
	Facility Maintenance Subtotal	\$ 5,144,746	\$ 2,276,496	\$ 2,176,496	\$ 2,176,496	\$ 2,176,496	\$ 13,950,730
IT	IT Hardware	\$ 370,000	\$ 350,000	\$ 400,000	\$ 400,000	\$ 529,000	\$ 2,049,000
	IT Software	\$ 420,000	\$ 420,000	\$ 420,000	\$ 420,000	\$ 420,000	\$ 2,100,000
	Intelligent Transportation Systems	\$ 300,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 1,900,000
	Paratransit Fare Collection	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ 1,400,000
	Information Technology Subtotal	\$ 2,490,000	\$ 1,170,000	\$ 1,220,000	\$ 1,220,000	\$ 1,349,000	\$ 7,449,000
Ops	Preventative Maintenance	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 25,000,000
	Operations Subtotal	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 25,000,000
Security	General Security Maintenance	\$ 80,000	\$ 80,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 385,000
	Bus Camera Equipment	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
	Facilities Security Equipment	\$ 385,000	\$ -	\$ -	\$ -	\$ -	\$ 385,000
	Security Subtotal	\$ 715,000	\$ 80,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 1,020,000
UPWP	UPWP Activities	\$ 75,000	\$ 125,000	\$ 135,000	\$ 150,000	\$ 160,000	\$ 645,000
	UPWP Subtotal	\$ 75,000	\$ 125,000	\$ 135,000	\$ 150,000	\$ 160,000	\$ 645,000
	Totals	\$35,519,803	\$ 17,061,637	\$ 18,312,469	\$30,111,100	\$ 39,584,619	\$140,589,628

FY 2026-2030 5-Year Capital Improvement Plan

Purchase fixed route buses:
\$5,089,641



Purchase demand response
buses: \$3,055,957

Vehicle
Purchase:
\$14,296,258



Bus Collision Avoidance Systems
\$1,110,660

Purchase Silver Line BRT
buses: \$5,040,000





New Shelters:
\$400,000



Architecture & Engineering
\$50,000

New Facilities:
\$7,450,000



Busch Drive Expansion:
\$7,000,000



Bus Wash Replacement:
\$500,000



General Rehabilitation:
\$200,000



Office Furniture
\$200,000

Facilities
Rehabilitation:
\$5,144,746



BRT Station Rehabilitation:
\$1,982,195



Hoist Replacement
\$2,312,551



Shop Equipment:
\$31,500



ADA Equipment:
\$35,257

Equipment
and Parts:
\$348,799



Revenue Tire Lease:
\$282,042

THE RAPID



E-Fare Software
Upgrade: \$750,000



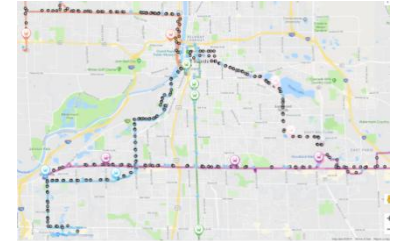
IT Software:
\$420,000

IT Hardware:
\$370,000



Information
Technology:
\$2,490,000

Paratransit E-Fare
System: \$650,000



Intelligent Transportation
Systems: \$300,000



Busch Drive Security
Equipment: \$150,000



Silver Line Security
Equipment: \$235,000

Safety and
Security:
\$715,000



General Security Maintenance: \$80,000



Camera System Servers:
\$250,000



Preventive Maintenance:
\$5,000,000

Operations
and Planning:
\$5,075,000



Short Range Transit Planning
\$75,000



INTERURBAN TRANSIT PARTNERSHIP BOARD OF DIRECTORS

RESOLUTION No. 082725-3

Fiscal Year: 2024-2025

Moved and supported to adopt the following resolution:

Whereas, the Interurban Transit Partnership, formed under Public Act 196 (“ITP”) will levy 1.3817 mills of ad valorem property taxes for the purpose of providing public transportation services during FY 2026: and

Whereas the 1.3817 millage rate reflects a slight decrease in the millage rate levied by the Interurban Transit Partnership Board of Directors (“ITP Board”) in FY 2025 (1.3950); and

Whereas total expenditures do not exceed total revenues; and

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

THEREFORE, BE IT RESOLVED that the ITP Board hereby adopts the FY 2026 Operating and Grant Budgets as presented to the ITP Board on August 27, 2025.

BE IT FURTHER RESOLVED that the ITP Board hereby approves the 1.3817 budgeted millage rate for FY 2026 pursuant to Section 211.24e(3) of the Michigan Truth in Taxation Act.

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

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

BE IT FURTHER RESOLVED those funds in the budget (\$64,999,808 Operating), (\$22,023,798 Grant Annual) and (\$35,519,803 Capital Grant Projects) are appropriate for those purposes described in the budget, as required under Section 21 of Act 196 (Public Act of 1986, as amended).



CERTIFICATE

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

Kris Heald, Board Secretary

Date



Interurban Transit Partnership

DATE: August 27, 2025
TO: ITP Board
FROM: Jason Prescott
SUBJECT: JULY 2025 PARATRANSIT RIDERSHIP REPORT

Paratransit ridership information for July 2025, as compared to July 2024

	2025	2024	% Change
Total Paratransit Ridership	19,146	18,227	5.0%
ADA Ridership	16,100	15,206	5.9%
Non-Disabled Senior (NDS) Ridership	117	134	-12.7%
PASS Ridership	127	194	-34.5%
Network 180	2,208	2,242	-1.5%

Ridership averages, as compared to 2024

	2025	2024	% Change
Weekday Ridership	657	624	5.3%
Saturday Ridership	225	230	-2.2%
Sunday Ridership	242	208	16.3%

Other Performance Measures

	2025	2024	% Change
On-Time Performance	90.50%	94.50%	-4.2%
On-Time Drop-Off	96.70%	98.00%	-1.3%
Average Cost Per Trip	\$48.22	\$54.46	-11.5%

July 2025 Paratransit Ridership and Operating Statistics				
	2025	2024	Change	% Change
ADA				
Clients	1,304	1,231	73	5.9%
Passenger Trips	16,100	15,206	894	5.9%
NDS				
Clients	21	16	5	31.3%
Passenger Trips	117	134	(17)	-12.7%
PASS				
Clients	5	12	(7)	-58.3%
Passenger Trips	127	194	(67)	-34.5%
CONTRACTED				
Clients	0	0	0	#DV/0!
Passenger Trips	0	0	0	#DV/0!
RIDELINK				
Clients	275	218	57	26.1%
Passenger Trips (Performed by The Rapid)	594	451	143	31.7%
TOTALS				
Clients	1,605	1,477	128	8.7%
Passenger Trips	16,938	15,985	953	6.0%
Average Weekday Ridership	657	624	33	5.3%
Average Saturday Ridership	225	230	(5)	-2.2%
Average Sunday Ridership	242	208	34	16.3%
All Ambulatory Passengers	13,379	12,867	512	4.0%
All Wheelchair Passengers	2,965	3,118	(153)	-4.9%
No - Shows	377	385	(8)	-2.1%
Cancellations	383	351	32	9.1%
Transdev				
Average Cost per Trip	\$48.22	\$54.46	(\$6.24)	-11.5%
Riders per Hour	1.7	1.7	0.0	0.0%
Accidents per Month	3.0	6.0	(3)	-50.0%
Trip Denials	0	0	0	#DV/0!
NTD Travel Time (minutes)	34	35	-1	-2.9%
NETWORK 180				
Passenger Trips	2,208	2,242	(34)	-1.5%
Average Weekday Ridership	100	102	(2)	-2.0%
TOTAL PASSENGER TRIPS	19,146	18,227	919	5.0%
Paratransit Service Quality Statistics: network 180 Excluded				
Complaints	2025	2024	% of Trips	% Change
Transdev Complaints	23	18	0.1%	27.8%
On-Time Performance				
On-Time Compliance - Pick-up	90.50%	94.50%	-4.0%	-4.2%
On-Time Compliance - Drop-off	96.70%	98.00%	-1.3%	-1.3%

Date: August 27, 2025
To: ITP Board
From: Tim Roseboom – Senior Planner
Subject: FIXED ROUTE RIDERSHIP AND PRODUCTIVITY REPORT – July 2025

OVERVIEW: In July 2025, there was a 4.7% increase in total monthly route ridership as compared to July 2024. Contract services increased 6.8%, and regular fixed route services increased 4.2%. Pre-pandemic ridership recovery is 60.3% compared to July 2019 and remains 62.1% year-to-date. Year-to-date ridership remains on pace to increase 3.2% for FY2025.

It should be noted that July 2025 had three Clean Air Action Days compared one in July 2024. Fares are not charged on Clean Air Action Days.

BACKGROUND INFORMATION

Monthly Ridership

	July 2025	July 2024	% Change
Regular Fixed Route Service (<i>Routes 1–44</i>)	310,984	298,343	4.2%
Contracted Service (<i>GVSU, DASH, GRCC, and Ferris</i>)	70,367	65,874	6.8%
Total Monthly Fixed Route Ridership	381,351	364,217	4.7%

Daily Average Ridership

	July 2025	July 2024	% Change
Weekday Total	15,015	14,256	5.3%
Weekday Evening	2,463	2,420	1.8%
Saturday	8,364	8,084	3.5%
Sunday	4,391	4,562	-3.8%

Productivity Summary

	July 2025	July 2024	% Change
Average passengers per hour per route	12.1	12.5	-2.9%
Average passengers per mile per route	0.87	0.93	-5.8%
Average farebox recovery percent per route	10.1%	10.1%	-0.4%

Fiscal Year Ridership

	FY 2025	FY 2024	% Change
Regular Fixed Route Service (<i>Routes 1–44</i>)	3,543,994	3,537,768	0.2%
Contracted Service (<i>GVSU, DASH, GRCC, and Ferris</i>)	1,645,853	1,490,992	10.4%
Total Fixed Route Ridership YTD	5,189,847	5,028,760	3.2%

COMPARISON OF JULY 2025 TO JULY 2019

Monthly Ridership

	July 2025	July 2019	% Change
Regular Fixed Route Service (<i>Routes 1–44</i>)	310,984	560,988	-44.6%
Contracted Service (<i>GVSU, DASH, GRCC, and Ferris</i>)	70,367	71,979	-2.2%
Total Monthly Fixed Route Ridership	381,351	632,967	-39.8%

Daily Average Ridership

	July 2025	July 2019	% Change
Weekday Total	15,015	25,388	-40.9%
Weekday Evening	2,463	4,452	-44.7%
Saturday	8,364	12,631	-33.8%
Sunday	4,391	5,979	-26.6%

Productivity Summary

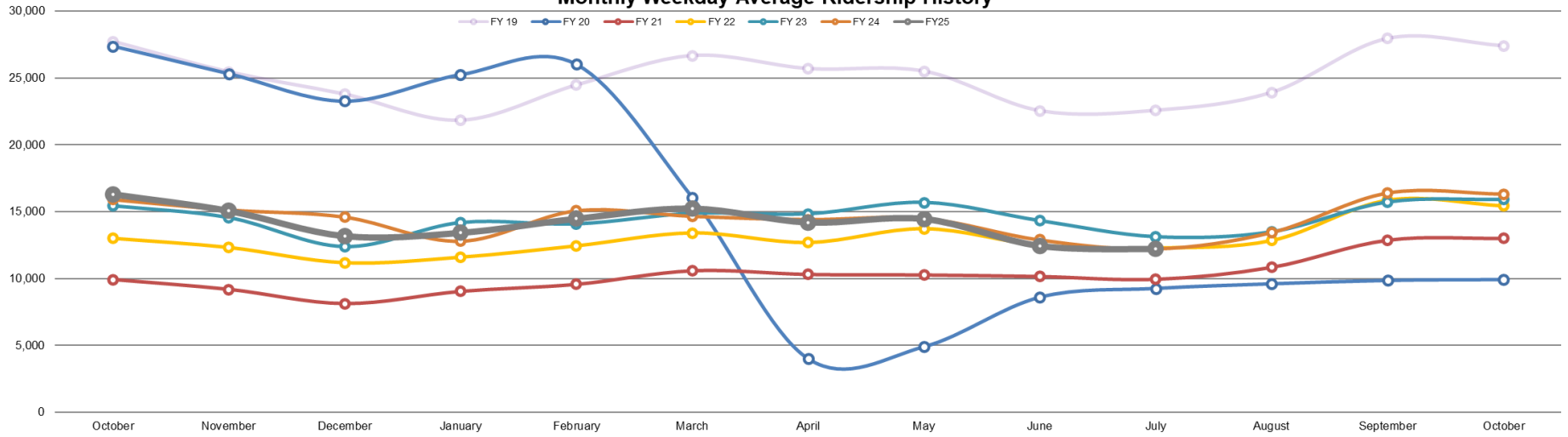
	July 2025	July 2019	% Change
Average passengers per hour per route	12.1	18.8	-35.6%
Average passengers per mile per route	0.87	1.49	-41.4%
Average farebox recovery percent per route	10.1%	26.0%	-61.2%

Fiscal Year Ridership

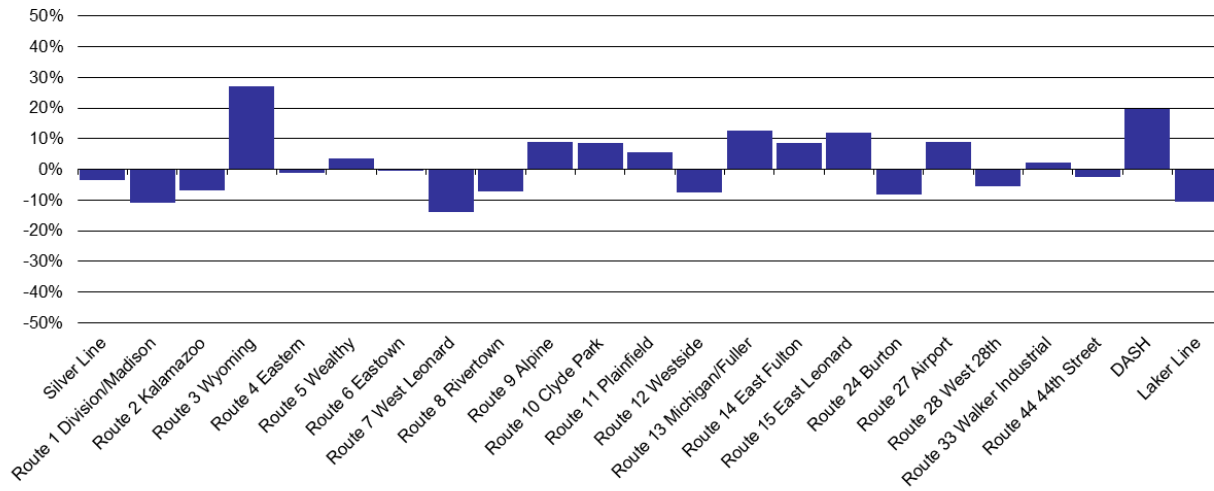
	FY 2025	FY 2019	% Change
Regular Fixed Route Service (<i>Routes 1–44</i>)	3,543,994	6,055,980	-41.5%
Contracted Service (<i>GVSU, DASH, GRCC, and Ferris</i>)	1,645,853	2,305,354	-28.6%
Total Fixed Route Ridership YTD	5,189,847	8,361,334	-37.9%

	Monthly Farebox Recovery	Weekday Farebox Recovery	Saturday Farebox Recovery	Sunday Farebox Recovery
Silver Line	10.86%	10.04%	12.86%	11.22%
Route 1 Division/Madison	10.23%	9.51%	11.08%	7.69%
Route 2 Kalamazoo	9.45%	8.94%	11.07%	8.22%
Route 3 Wyoming/Rivertown	10.93%	10.73%	10.88%	9.30%
Route 4 Eastern	10.51%	9.61%	10.12%	12.07%
Route 5 Wealthy	10.27%	9.27%	9.24%	n/a
Route 6 Eastown	8.89%	8.78%	7.72%	10.85%
Route 7 West Leonard	6.69%	6.38%	7.22%	8.13%
Route 8 Prairie/Rivertown	9.54%	9.37%	9.45%	6.13%
Route 9 Alpine	14.72%	13.50%	15.69%	20.16%
Route 10 Clyde Park	12.64%	12.19%	12.11%	9.86%
Route 11 Plainfield	9.96%	9.24%	10.01%	12.80%
Route 12 Westside	7.61%	7.00%	8.31%	n/a
Route 13 Michigan/Fuller	9.28%	8.44%	7.64%	n/a
Route 14 East Fulton	9.83%	9.43%	6.71%	n/a
Route 15 East Leonard	12.75%	12.76%	9.62%	14.24%
Route 24 Burton	7.38%	6.59%	6.88%	n/a
Route 27 Airport Industrial	8.27%	7.27%	n/a	n/a
Route 28 West 28th	11.06%	10.29%	11.17%	10.06%
Route 33 Walker Industrial	2.44%	2.43%	n/a	n/a
Route 34 Northridge	2.53%	1.58%	n/a	n/a
Route 44 44th Street	10.13%	9.59%	9.70%	7.13%

Monthly Weekday Average Ridership History



Percent Change by Route: July 2025 compared to July 2024





Interurban Transit Partnership

Date: August 27, 2025
To: ITP Board of Directors
From: Linda Medina, Director of Finance
Subject: June 2025 Operating Statements and Professional Development and Travel Report

Attached are the financial reports through June 30, 2025, for both general operations and grants. Also included is the Professional Development and Travel reports reflecting activity for the month June 2025.

FY 24/25 YTD Operating Statement Analysis

Total revenues and expenses continue to trend below budget, with revenues 2.8% and expenses 15.8% below forecasted. This favorable variance includes lower-than-expected fuel costs, salaries, wages, and fringe benefits. The reduction in State Operating Assistance is consistent with the decrease in total expenses.

To date \$1,870,284 in eligible capital operating expenses has been identified.

As we approach the fiscal year end, with expenses remaining below budget, we anticipate finishing the year under budget by 10% or more—positively reducing the amount of reserves required.

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

The Rapid
General Operating Statement
Year to Date as of June 30, 2025

	YTD as of June 30, 2025		Variance		Last Year	% Variance	Current Year	Current YTD to Annual Budget Variance			
	Budget	Actual	\$	%	FY 23/24 YTD Actual	to FY 23/24 YTD Actual	FY 24/25 Annual Budget				
Revenues and Operating Assistance											
Passenger Fares	\$ 3,621,691	\$ 3,491,790	\$ (129,901)	-3.6%	\$ 3,571,869	-2%	\$ 4,857,788	71.9%	\$ 3,491,790	\$	0
Sale of Transportation Services											
CMH Contribution	331,419	285,260	(46,159)	-13.9%	275,252	4%	452,010	63.1%	\$ 285,260	\$	(0)
Dash Contract	1,868,215	1,957,409	89,194	4.8%	1,611,845	21%	2,522,264	77.6%	\$ 1,957,410	\$	(1)
Grand Valley State University	2,901,107	3,042,209	141,102	4.9%	2,692,698	13%	3,743,876	81.3%	\$ 3,042,210	\$	(1)
Van Pool Transportation	-	-	-	0.0%	-	0%	-	-	\$	\$	-
Township Services	169,380	167,919	(1,461)	-0.9%	156,738	7%	204,912	81.9%	\$ 167,920	\$	(1)
Other	238,116	295,710	57,594	24.2%	172,397	72%	282,557	104.7%	\$ 295,711	\$	(1)
Subtotal Sale of Transportation Services	5,508,237	5,748,508	240,271	4.4%	4,908,930	17%	7,205,619	79.8%	\$ 5,748,511	\$	(3)
State Operating	12,881,297	10,465,977	(2,415,320)	-18.8%	11,938,312	-12%	16,946,705	61.8%	\$ 10,465,976	\$	1
Property Taxes	15,938,127	16,194,178	256,051	1.6%	15,470,107	5%	21,250,831	76.2%	\$ 16,194,178	\$	(0)
Advertising & Miscellaneous	1,235,186	2,185,522	950,336	76.9%	2,250,017	-3%	1,921,685	113.7%	\$ 2,185,522	\$	0
Subtotal Revenues and Operating Assistance	39,184,538	38,085,975	(1,098,563)	-2.8%	38,139,235	0%	52,182,628	73.0%	\$ 38,085,977	\$	(2)
Grant Operating Revenue	-	-	-	0.0%	-	-	-	-			
Unrestricted Net Reserves	-	-	-	0.0%	-	-	6,061,050	0.0%			
Total Revenues and Operating Assistance	\$ 39,184,538	\$ 38,085,975	\$ (1,098,563)	-2.8%	\$ 38,139,235	0%	\$ 58,243,678	65.4%	\$ 38,085,977	\$	(2)
Expenses											
Salaries and Wages											
Administrative	\$ 5,721,047	\$ 4,417,376	\$ (1,303,671)	-22.8%	\$ 4,376,167	1%	\$ 7,826,769	56.4%	\$ 4,326,142	\$	91,234
Operators	12,550,003	10,440,147	(2,109,856)	-16.8%	9,082,058	15%	17,173,678	60.8%	\$ 10,645,280	\$	(205,133)
Maintenance	2,155,755	1,976,917	(178,838)	-8.3%	1,803,483	10%	2,949,964	67.0%	\$ 1,863,018	\$	113,899
Subtotal Salaries and Wages	20,426,805	16,834,440	(3,592,365)	-17.6%	15,261,709	10%	27,950,411	60.2%	\$ 16,834,440	\$	0
Benefits	7,951,960	6,162,679	(1,789,281)	-22.5%	6,218,578	-1%	10,629,553	58.0%	\$ 6,162,678	\$	1
Contractual Services	2,680,274	2,360,462	(319,812)	-11.9%	2,261,034	4%	4,129,900	57.2%	\$ 2,360,462	\$	0
Materials and Supplies											
Fuel and Lubricants	2,121,262	1,370,698	(750,564)	-35.4%	1,669,826	-18%	3,029,048	45.3%	\$ 1,370,698	\$	0
Other	1,429,405	1,400,803	(28,602)	-2.0%	1,307,923	7%	2,145,030	65.3%	\$ 1,400,803	\$	0
Subtotal Materials and Supplies	3,550,667	2,771,501	(779,166)	-21.9%	2,977,749	-7%	5,174,078	53.6%	\$ 2,771,501	\$	0
Utilities, Insurance, and Miscellaneous	4,238,345	3,952,095	(286,250)	-6.8%	3,326,876	19%	5,609,698	70.5%	\$ 3,952,094	\$	1
Purchased Transportation	6,533,514	6,441,130	(92,384)	-1.4%	6,741,328	-4%	8,750,038	73.6%	\$ 6,441,130	\$	(0)
Expenses Before Capitalized Operating	45,381,565	38,522,307	(6,859,258)	-15.1%	36,787,275	5%	62,243,678	61.9%	\$ 38,522,305	\$	2
Capitalized Operating Expenses	(1,870,285)	(1,870,284)	0	0.0%	(1,524,518)	23%	(4,000,000)	46.8%	\$ (1,870,284)	\$	(0)
Total Operating Expenses	\$ 43,511,281	\$ 36,652,023	\$ (6,859,258)	-15.8%	\$ 35,262,757	4%	\$ 58,243,678	62.9%	\$ 36,652,021	\$	2
Net Surplus/(Deficit) without Net Reserves		\$ 1,433,953			\$ 2,876,479						

PROFESSIONAL DEVELOPMENT & TRAVEL REPORT
ALL EMPLOYEES
JUNE 2025

AMOUNT	PURPOSE	EMPLOYEE (s)	LOCATION
<u>\$ 105.23</u>	MDOT 101 Conference	L. Schelling	Flint, MI
<u>\$ 105.23</u>			

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

Interurban Transit Partnership
Grant Revenues & Expenditures
Month Ended 06/30/25

	Adopted Budget	Amended Budget	Month To Date	Year To Date	Balance	Percent Target 75%
<u>Grant Revenue</u>						
1. Federal Grant Assistance	19,310,779	19,310,779	789,339	6,101,674	13,209,105	32%
2. State Grant Assistance	4,827,695	4,827,695	197,335	1,525,418	3,302,277	32%
3. Transfer In - Operating Budget	0	0	0	0	0	100%
4. Use of Restricted Net Assets	0	0	0	0	0	100%
5. Other Local	0	0	0	0	0	100%
6. Total Grant Revenue	24,138,474	24,138,474	986,674	7,627,092	16,511,382	32%
<u>Labor</u>						
7. Administrative Salaries	40,000	38,900	2,338	9,607	29,293	25%
8. Driver Wages	0	0	0	0	0	100%
9. Temporary Wages	0	0	0	0	0	100%
10. Fringe Benefit Distribution	20,000	20,000	848	3,179	16,821	16%
11. Total Labor	60,000	58,900	3,186	12,786	46,114	22%
<u>Material & Supplies</u>						
12. Tires & Tubes	900,000	900,000	19,849	197,870	702,130	22%
13. Office Supplies	1,000	1,000	0	0	1,000	0%
14. Printing	1,000	4,100	0	4,065	35	99%
15. Total Material & Supplies	902,000	905,100	19,849	201,935	703,165	22%
<u>Purchased Transportation</u>						
16. Purchased Transportation	1,200,000	1,200,000	135,113	835,113	364,887	70%
17. Specialized Services	795,474	795,474	0	397,736	397,738	50%
18. Total Purchased Transportation	1,995,474	1,995,474	135,113	1,232,849	762,625	62%
<u>Other Expenses</u>						
19. Dues & Subscriptions	30,000	30,000	0	0	30,000	0%
20. Professional Development	30,000	28,000	0	0	28,000	0%
21. Miscellaneous	0	0	0	0	0	100%
22. Total Other Expenses	60,000	58,000	0	0	58,000	0%
<u>Leases</u>						
23. Office Lease	0	0	0	0	0	100%
24. Transit Center Lease	0	0	0	0	0	100%
25. Storage Space Lease	0	0	0	0	0	100%
26. Total Leases	0	0	0	0	0	100%
<u>Capital</u>						
27. Rolling Stock	10,463,411	10,463,411	64,714	2,210,108	8,253,303	21%
28. Facilities	1,208,000	1,208,000	362,290	854,577	353,423	71%
29. Equipment	938,843	938,843	52,834	206,683	732,160	22%
30. Other	4,053,116	4,053,116	95,203	1,002,456	3,050,660	25%
31. Total Capital	16,663,370	16,663,370	575,041	4,273,824	12,389,546	26%
32. Planning Services	457,630	457,630	0	35,414	422,216	8%
33. Capitalized Operating	4,000,000	4,000,000	253,485	1,870,284	2,129,716	47%
34. Total Expenditures	24,138,474	24,138,474	986,674	7,627,092	16,511,382	32%



Interurban Transit Partnership

Finance Committee Members

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

FINANCE COMMITTEE MEETING MINUTES

Wednesday, June 11, 2025 – 4:00 p.m.

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

ATTENDANCE:

Committee Members Present:

Mayor Favale, Steven Gilbert, Mayor Kepley, Mayor Maas

Committee Members Absent:

Mayor Carey

Rapid Attendees:

Steve Clapp, Deron Kippen, Linda Medina, Nick Monoyios, James Nguyen, Deb Prato, Jason Prescott, Andy Prokopy, Tim Roseboom, Steve Schipper, Peter Sillanpaa, Mike Wieringa, Kevin Wisselink

Public Attendees:

Mayor Kepley called the meeting to order at 4:00 p.m.

1. PUBLIC COMMENT

No public comment

2. MINUTES – April 16, 2025

Chairman Mayor Kepley entertained a motion to approve the meeting minutes from April 16, 2025. Mayor Favale motioned to approve, and Mayor Carey supported it. The motion passed unanimously.

3. DISCUSSION

a. Operating Statement April 2025, Ms. Linda Medina

Ms. Medina reviewed the Operating Statement of April 2025.

Revenues are approximately 1.8% below projections, mainly due to lower ridership on Fixed Route (about 1.3% below forecast), though GO!Bus ridership is slightly higher.

State Operating Assistance is trending lower, consistent with reduced expenses. Expenses are under budget by 14%, primarily because of open wages and stable fuel costs. Capitalized \$1.2M in operating expenses for preventive maintenance through April.

b. Fare Policy Status Update, Ms. Linda Medina and Mr. Nick Monoyios

The fare policy is being reviewed with the aim of streamlining and clarifying the fare categories. The goal is to simplify fare types, possibly reducing them from many to around 4-5, while maintaining equity.

Internal confusion exists around some fares (e.g., Corewell fare at \$1.10), which lack clear basis.

The review considers:

Sustainability: establishing a fare structure that can adapt over time, possibly linked to CPI, with periodic reviews.

Consolidation: reducing fare types for operational efficiency and clarity.

Operation Efficiency: simplifying admin tasks related to fare collection and troubleshooting.

Transfer Policy and Fare Capping:

About 35% of trips involve a transfer, often free within a 1 hour 45-minute window. There was discussion about programming fare collection systems to limit free same-route or round-trip transfers. Fare capping benefits riders but also reduces average fare revenue per ride to around \$0.86.

Mayor Kepley emphasized the need for a study on fare increases.

Ms. Prato addressed the Partner Program.

She noted this program currently offers discounted fare cards to 80-100 partner organizations, comprising of about 19% of wave card ridership. She added the program is cumbersome, with recommendations to end it unless a clear justification is established.

Mayor Kepley noted further investigation into partner organizations and ridership impact should be planned.

Ms. Prato noted The Rapid team will analyze data and bring recommendations to the July Board Budget Workshop.

c. Preliminary FY25/26 Budget, Ms. Medina

Ms. Medina noted the leadership team met on June 3rd to review all the departmental budgets. She presented a high-level summary.

Revenue Highlights:

There was a slight increase in ridership for both Fixed Route and GO!Bus services.

Contract Service Rate reduced by 2%, benefiting from a 34% rate received in 2024, which also benefits partners.

Millage Rate decreased from 1.395 to 1.3817, approved by the Board.

State Operating Assistance projected at 26%, aligned with the Governor's proposal, down from 29%.

Expenses and Investments:

Continued investments in vehicles, facilities, safety, and maintenance.

Budget includes resources for ballot initiatives and public outreach regarding millage.

Operational Updates:

RFP for GO!Bus Purchased Transportation Contract underway, proposals due end of June; evaluation and Board approval pending.

Property and Liability Insurance expected to increase approximately 15%, with industry trends ranging from 15-30%.

Employee Medical Insurance renewal options under consideration: fully insured vs. self-insured.

d. **DASH Cost Analysis, Ms. Medina**

Ms. Medina noted Mr. Sillanpaa took a deep dive into this and how we do our current contract service rate, which is using audited 2024 numbers.

Direct Costs: \$1.3M (operator wages, mechanic wages, fringe benefits, vehicle maintenance).

Indirect Costs: Remaining expenses (excluding purchased transportation) allocated based on revenue hours. DASH revenue hours represent 8% of total revenue hours. The cost per revenue hour (without State Operating Assistance) is \$150.22. The adjusted cost applying 33.8% is \$99.36 per hour. Ms. Medina noted next year's Contract Rate (FY25/26) will be \$71.32 across all partners who contribute toward DASH expenses.

Operational and Maintenance Challenges

Ms. Prato noted the challenges The Rapid has with the slow procurement of new buses by the City of Grand Rapids as led to increased maintenance and biohazard cleaning costs and pests and bugs issues. The DASH fleet of twelve buses tie up racks, impacting operations. Mr. Clapp's team tracks work order hours: costs are assigned accordingly. The six cities' payments for the millage help subsidize DASH operations.

Mayor Kepley recommends engaging an attorney to review the current contract and explore renegotiation options.

e. **Medical Insurance Renewal, Ms. Linda Medina**

Ms. Medina mentioned The Rapid met with the broker (HNI) last week.

Current Situation:

Premiums paid are approximately \$2M. Claims paid are approximately \$1.3M. The renewal options include Full Insurance (Priority Health): 8.9% increase based on a two-year cap. HMO Option (West Michigan Partners) is more cost effective for employees, changes in deductibles:

Tier 1 deductible: \$1,000 to \$1,500

Tier 2 deductible: \$2,000 to 3,000

Current plans have high-deductible HSA, PPO (with a 6% increase across the board.)

Our broker suggests potential benefits for the Self-Insured option. There is greater flexibility in plan design, and access to actual claims data.

The cost estimates with stop-loss at \$100,000 is approximately \$4.4M (a 10% increase). Max exposure is estimated at \$5.4M. The estimated actual cost is around \$4.3M

Considerations for this plan:

First-year benefits are typically favorable, however concerns about second-year stability. This plan may require sufficient staffing as Mayor Kepley inquired about. Ms. Prato discussed the pharmacy carve-out as a successful factor.

Next Steps:

Decide whether to remain fully insured or transition to self-funded.

Consider staff capacity for managing self-insured plans.

Evaluate the potential cost savings versus risks involved.

f. Contract Service Rate, Ms. Linda Medina

Ms. Medina informed the team that various scenarios for contract service rates are currently being evaluated. These options will be presented to the board for approval once finalized.

Ms. Prato reported that Special Olympics Michigan (SOMI) has notified The Rapid of potential funding cuts, which could affect their ability to renew their contract. Additionally, Byron Township has decided not to renew SOMI's contract, as it was built within Byron Township and co-located with disability services, featuring a significant GO!Bus service aligned with linehaul routes purchased by the township. She noted a meeting with Special Olympics (SOMI) is scheduled for June 16th, and a decision from them is expected by July 1st.

4. ADJOURNMENT

This meeting was adjourned at 5:06 p.m.

The next meeting is scheduled for August 13, 2025

Respectfully submitted,



Kris Heald, Board Secretary