



Interurban Transit Partnership

Finance Committee Members

Mayor Gary Carey

Mayor Katie Favale

Steven Gilbert

Mayor Steve Maas

FINANCE COMMITTEE MEETING

Wednesday, April 15, 2026 – 4:00 p.m.

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

AGENDA

	<u>PRESENTER</u>	<u>ACTION</u>
1. PUBLIC COMMENT		
2. MINUTES REVIEW – January 21, 2026	Mayor Carey	Approve
3. DISCUSSION		
a. FY 26/27 Budget Guidelines	Linda Medina	Review
b. Financial Planning & Analysis	Linda Medina	Review
c. February 2026 Operating Statement	Linda Medina	Review
d. Budget Timeline	Linda Medina	Review
e. Budget Guidelines	Linda Medina	Review
f. Contract Service Rate	Linda Medina	Review
4. ADJOURNMENT		

Next meeting: June 10, 2026



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FINANCE COMMITTEE MEETING MINUTES

Wednesday, January 21, 2026 – 4:00 p.m.

Rapid Operations Center Training Room (335 Bartlett, SW)

ATTENDANCE:

Committee Members Present:

Mayor Carey, Mayor Favale, Steven Gilbert

Committee Members Absent:

Mayor Maas

Rapid Attendees:

Kris Heald, Linda Medina, Deb Prato, Steve Schipper

Public Attendees:

Joshua Laramy (BDO)

Mayor Carey called the meeting to order at 4:07 p.m.

1. PUBLIC COMMENT

No public comment

2. MINUTES – November 5, 2025

Chairman Mayor Carey entertained a motion to approve the meeting minutes from November 5, 2025. Mayor Favale motioned to approve, and Mr. Gilbert supported it. The motion passed unanimously.

3. DISCUSSION

a. **FY24/25 Audit (BDO), Mr. Joshua Laramy**

Mr. Laramy presented a high-level overview of the audit.

Mr. Laramy has been managing The Rapid's account for 8 years.

Audit Highlights:

- Completed federal NTD procedures, expecting a modified opinion.
- No issues or findings; records and documentation were readily available.
- Revenue recognition and higher-risk areas reviewed in depth, no concerns.
- No uncorrected errors or material misstatements.

- Significant risks related to expenses and revenue tested, no issues with journal entry controls.
- Policies and procedures deemed business as usual with no disagreements.

Mayor Carey thanked Ms. Prato, Mr. Schipper and Ms. Medina for their detailed work.

Financial Statement Highlights:

Opinion Letter (Pages 406); Unmodified opinion; all material accurate.

Balance Sheet (Pages 14-15):

- Pension assets increased by \$800,000.
- Total assets decreased by \$1M
- Liabilities decreased by \$3.2M
- Net position decreased but remains very healthy.

Income Statement (Page 16):

- Revenue decreased by \$1.11M to \$66.4M.
- Expenses increased by \$4.5M; benefits up by \$2.1M.
- Cash flow increased by \$5.8M.

b. November 2025 Operating Statement, Ms. Linda Medina

Ms. Medina presented the November 2025 Operating Statement.

Revenue Trends:

Bus advertising revenue is increasing annually, fares stable.

Expense & Programs:

- Utilities slightly up; no significant control issues.
- New programs implemented, including dispatch relocation and the line haul investments.
- Budget vs. Actual: Revenue \$51M vs \$58.2M budget; expenses at \$48.4M.
- Reserves not used; funds are being replenished.

Pension Funding:

- Union: 109% funded.
- Admin: 104% funded.
- A \$27,000 contribution has been made for the current year.

Ms. Medina is asking this committee to recommend this FY24/25 Audit to the board for approval.

Chairman Mayor Carey entertained a motion to recommend this FY 24/25 Audit to the board for approval. Mayor Favale motioned to approve, and Mr. Gilbert supported it. The motion passed unanimously.

4. ADJOURNMENT

This meeting was adjourned at 4:45 p.m.

The next meeting is scheduled for April 15, 2026

Respectfully submitted,



Kris Heald, Board Secretary



Interurban Transit Partnership

Date:

To: Finance Committee

From: Linda Medina, Director of Finance

Subject: FY 26/27 PROPOSED BUDGET FORMULATION GUIDELINES

ACTION REQUESTED

The Finance Committee to review and recommend the FY 26/27 Budget Formulation Guidelines for Board approval.

BACKGROUND

In February 2001, the ITP Board began a process of reviewing and approving guidelines to be used in the formulation of the annual operating budget. The following are the Fiscal Year 26/27 budget formulation guidelines for the Finance Committee's approval:

- 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 to the extent permitted by federal regulations.
- Contracted service billing rates will encompass all operational expenses and be prorated by revenue miles, hours, or contracted trips.
- A DASH pilot program will be initiated using a contracted service rate based on direct costs.
- 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 29%. This rate will be updated as additional information is received from Michigan Department of Transportation (MDOT).
- Unrestricted net reserves shall 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 2026 from Kent County.
- Implement adjustments to the administrative structure in accordance with the Compensation Philosophy revision approved by the Board on December 3, 2025, to support market competitiveness in attracting and retaining talent.

The goal is to remain flexible and adaptable to changing circumstances and continue to review and adjust budget priorities as needed to align with strategic objectives.

Please feel free to reach out to me directly at 774-1149 or Imedina@ridetherapid.org with any questions.

Financial Planning & Analysis

The Rapid

Finance Committee

April 15, 2026



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February 2026 Operating Statement - Revenues

	YTD as of February 28, 2026		Variance		FY 24/25		FY 25/26
	Budget	Actual	\$	%	YTD \$ Actual	YTD %	Annual Budget
Revenues and Operating Assistance							
Passenger Fares	\$ 1,911,110	\$ 1,823,475	\$ (87,635)	-4.6%	\$ 1,464,844	24%	\$ 4,813,645
Sale of Transportation Services							
CMH Contribution	189,349	148,415	(40,934)	-21.6%	119,467	24%	461,985
Dash Contract	1,033,427	1,057,147	23,720	2.3%	876,107	21%	2,501,834
Grand Valley State University	1,988,222	1,778,827	(209,395)	-10.5%	1,406,581	26%	4,583,236
Van Pool Transportation	-	-	-	0.0%	-	0%	-
Township Services	83,812	91,927	8,115	9.7%	75,294	22%	185,918
Other	147,950	139,654	(8,296)	-5.6%	113,656	23%	360,063
Subtotal Sale of Transportation Services	3,442,760	3,215,970	(226,790)	-6.6%	2,591,105	24%	8,093,036
State Operating	6,297,718	6,800,750	503,032	8.0%	5,153,093	32%	15,339,950
Property Taxes	9,192,395	9,612,182	419,787	4.6%	7,196,552	34%	22,061,749
Advertising & Miscellaneous	751,928	1,201,548	449,620	59.8%	885,739	36%	1,660,675
Subtotal Revenues and Operating Assistance	21,595,911	22,653,925	1,058,014	4.9%	17,291,333	31%	51,969,055
Grant Operating Revenue	-	-	-	0.0%	-		
Unrestricted Net Reserves	-	-	-	0.0%			8,030,753
Total Revenues and Operating Assistance	\$ 21,595,911	\$ 22,653,925	\$ 1,058,014	4.9%	\$ 17,291,333	31%	\$ 59,999,808

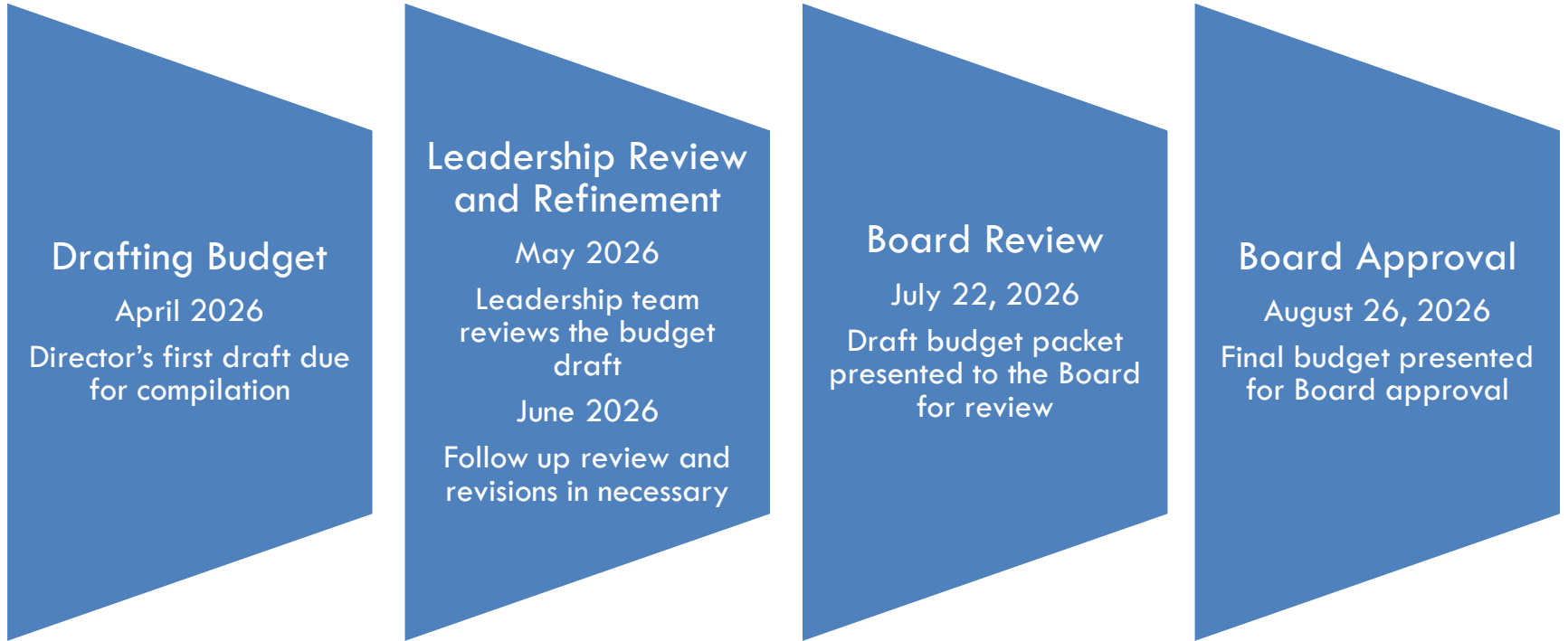
February 2026 Operating Statement - Expenses

	YTD as of February 28, 2026		Variance		FY 24/25		FY 25/26
	Budget	Actual	\$	%	YTD \$ Actual	YTD %	Annual Budget
Expenses							
Salaries and Wages							
Administrative	\$ 3,431,845	\$ 2,749,654	\$ (682,191)	-19.9%	\$ 2,102,363	31%	\$ 8,113,721
Operators	7,137,713	6,344,318	(793,395)	-11.1%	4,971,119	28%	16,870,956
Maintenance	1,641,262	1,464,375	(176,887)	-10.8%	905,901	62%	3,879,337
Subtotal Salaries and Wages	12,210,820	10,558,348	(1,652,472)	-13.5%	7,979,384	32%	28,864,014
Benefits	4,304,628	3,801,818	(502,810)	-11.7%	3,024,922	26%	10,431,981
Contractual Services	1,956,038	1,799,241	(156,797)	-8.0%	1,174,778	53%	5,538,372
Materials and Supplies				0.0%			-
Fuel and Lubricants	743,914	673,988	(69,926)	-9.4%	577,652	17%	2,273,730
Other	1,021,095	1,003,239	(17,856)	-1.7%	577,797	74%	2,672,063
Subtotal Materials and Supplies	1,765,009	1,677,227	(87,782)	-5.0%	1,155,448	45%	4,945,793
Utilities, Insurance, and Miscellaneous	2,263,946	2,190,276	(73,670)	-3.3%	2,261,302	-3%	5,967,010
Purchased Transportation	3,804,889	3,500,366	(304,523)	-8.0%	2,859,786	22%	9,252,638
Expenses Before Capitalized Operating	26,305,330	23,527,276	(2,778,053)	-10.6%	18,455,620	27%	64,999,808
Capitalized Operating Expenses	(2,083,335)	-	2,083,335	-100.0%	(445,351)	-100%	(5,000,000)
Total Operating Expenses	\$ 24,221,995	\$ 23,527,276	\$ (694,718)	-2.9%	\$ 18,010,269	31%	\$ 59,999,808
Net Surplus/(Deficit) without Net Reserves		\$ (873,351)			\$ (718,936)		

February 2026 Operating Statement – Highlights

- Revenue is favorable by 4.9% before federal operating assistance
 - Passenger fares are lower because fixed route ridership is currently trending approximately 2% under forecast
 - CMH Contributions is under budget due to ridership being lower than the projected 5% increase
 - Advertising and Miscellaneous is favorable, primarily due to bus advertising revenue and investment income performing better than expected
- Expenses continue to trend under budget, 10.6% through the month of February
 - Wages and fringes are lower than forecasted due to the current staffing levels, but we remain focused on employee recruitment and retention
 - Purchase transportation is trending below budget as a result of lower CMH ridership, which reduced the level of service

FY 26/27 Budget Development Timeline



Proposed FY 26/27 Budget Guidelines

- Funding consistent with guiding principles of enhancing frequency and a span of hours to create convenient mobility for the residents of the six cities.
- Both the union and administrative defined benefit pension contributions shall be based upon actuarial recommendations and will meet or exceed mid and high range contributions
- 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.
- A DASH pilot program will be initiated using a contracted service rate based on direct costs.
- Locally derived Interurban Transit Partnership funds shall not be used to subsidize contract services, unless specifically approved by the Board.

Proposed FY 26/27 Budget Guidelines

- State Operating Assistance is assumed to be 29%. This rate will be updated as additional information is received from Michigan Department of Transportation (MDOT).
- 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 2026 from Kent County.
- Implement adjustments to the administrative salary structure in accordance with the Compensation Philosophy revision approved by the Board in December 2025, to support competitiveness in attracting and retaining top talent.

Proposed FY 26/27 Contract Service Rate

Description	FY 23/24	FY 24/25	FY 25/26	FY 26/27
State Operating	29.5%	29.2%	33.9%	29.2%
Partner Cost	\$ 69.22	\$ 72.78	\$ 71.32	\$ 74.14
Rate with GO Bus	\$ 80.28	\$ 88.10	\$ 87.37	\$ 94.73

- Linehaul rate decreased 4.0%
- Linehaul + GO!Bus rate decreased 8%
- State operating assistance credit is included in the calculation
- Annual revenue hours are 360,071
- Does not include direct and indirect costs for the DASH pilot program

Linehaul	FY 24/25 Audited Numbers	Cost per Revenue Hour
Operations	23,784,234	66.05
Maintenance	8,434,838	23.43
Administration	5,461,853	15.17
Total	37,680,926	\$ 104.65
State Operating Deduction		30.51
Linehaul Rate		\$ 74.14

Linehaul & Go Bus	FY 24/25 Audited Numbers	Cost per Revenue Hour
Operations	23,784,234	66.05
Maintenance	8,434,838	23.43
Administration	5,461,853	15.17
Paratransit	10,462,248	29.06
Total		\$ 133.71
State Operating Deduction		38.98
Linehaul & GO Bus Rate		\$ 94.73

FY 26/27 DASH Proposed Contract Service Rate

DASH	FY 24/25 Audited Numbers
Direct Costs	1,472,031
Indirect Costs	3,726,685
Total	5,198,716
Dash Cost Per Hour	\$ 148.87
State Operating Deduction	43.36
Dash Cost Per Hour	\$ 105.51

- Direct costs include wages, fringes and maintenance costs directly tied to providing the service
- Indirect costs represent shared costs that support the service; the amount is a percentage based on revenue hours
- State operating assistance credit is included in the calculation
- Contract rate for Sunday event coverage is \$121.17

Questions?