

# TARC BOARD OF DIRECTORS MEETING



## Meeting Notice:

Pursuant to KRS 96.A, the TARC Board of Directors is to meet monthly. The next meeting will be held at:

**TARC's Headquarters, Board Room  
1000 W. Broadway, Louisville, KY 40203**

**Tuesday, January 25, 2022 at 1:30 p.m.**

Alternately, members of the public and/or TARC staff may watch a livestream of the meeting by going to [www.facebook.com/ridetarc](http://www.facebook.com/ridetarc) the livestream will be at the top of the page; No Facebook account is needed. Public comments may be submitted in the chat feature, please include your name in the chat.

Pursuant to the Americans with Disabilities Act, persons with a disability may request a reasonable accommodation for assistance with the meeting or meeting materials. Please contact Ashlie Woods at 502.561.5108. Requests made as early as possible will allow time to arrange accommodation.

# TARC BOARD OF DIRECTORS MEETING

## Agenda – January 25, 2022



I.	Quorum Call/Call to Order	John Launius	1:30
II.	Approval of November Meeting Minutes	Board of Directors	1:35 – 1:40
III.	Staff Reports and Presentations		1:40 – 2:00
	a. TARC Monthly Performance Report	Randy Frantz	
	b. November Financial Statements	Tonya Carter	
	c. Timeline and Overview Fiscal Year 2023 Budget	Carrie Butler	
			2:00 – 2:30
IV.	Action Items		
	a. Resolution 2022-01 Financial Management Policy	Carrie Butler	
	b. Resolution 2022-02 Bulk Oils, Liquids, Fluids and Lubricants	Maria Harris	
	c. Resolution 2022-03 Security Guard Services	Lorri Lee	
	d. Resolution 2022-04 Purchase of Support Vehicles	Geoffrey Hobin	
V.	Old Business		
VI.	New Business		
			2:30 – 2:40
VII.	Chair's Report	John Launius	
			2:40 – 2:45
VIII.	Public Comment	Pat Mulvihill	
			2:45 – 2:50
IX.	Proposed Agenda Items	Carrie Butler	
			2:55
X.	Adjournment	John Launius	

# TARC BOARD OF DIRECTORS MEETING



## December 2021 Board Meeting Minutes

The Board of Directors of Transit Authority of River City (TARC) met on December 14, 2021 at 1:30 P.M. in person at TARC Board Room, 1000 West Broadway.

### Board Members Present

#### **In person:**

John Launius  
Jan Day  
Ted Smith

#### **Virtual:**

Dave Christopher  
Carla Dearing  
Bonita Black  
Tawanda Owsley

### Quorum Call

Chair Launius called the meeting to order at 1:33 P.M.

### Adoption of Minutes

The motion was duly moved for the November 2021 Board Meeting minutes by Jan Day and seconded by Ted Smith. Board of Directors unanimously accepted the November 2021 Board Meeting minutes.

### Staff Reports-

#### October Performance Report

Presented By: Randy Frantz & Carrie Butler

See Powerpoint presentation

#### Overview of Procurement Process

Presented By: Maria Harris

See Powerpoint presentation

#### Update on Financials

Presented By: Tonya Carter

See PDF of September Financials

### Chair's Report

Subcommittee Reports

# TARC BOARD OF DIRECTORS MEETING



## Strategic Planning & Technology Update

Presented by: Ted Smith, Chair of Subcommittee

We had a special session a month ago or so, have a new cadence. Looking at Corridor work/route optimization work, doing a fantastic job at putting technology tools on the table. These are expensive and they are important and they need to be plan fully dealt with.

## Finance Committee Update

Presented by: Carla Dearing, Chair of Subcommittee

The Finance committee sees the resolutions a week before the Board Meetings. We have time to ask any questions or have changes made before it is presented to the full Board. Last week there was a preview of Financial Management Policy. For this budget year, we will need more board input during process and communicate with Management team at beginning of budget process. A year or so ago, we put a floor on MTTF reserves we wanted to hold at \$10 million, it has been above in the past. Need to think about bumping it up to 2 months of operating expenses in FMO policy.

## Customer Service Committee Update

Presented by: Jan Day, Chair of Subcommittee

Trying to get feedback from Customers. Thinking of attending the TAAC meeting to interact more with consumers, the people who use Paratransit and Fixed Route. Trying to figure out how that will work with By-Laws of Board. We are learning as we go.

## Human Resources Committee Update

Presented by: Tawanda Owsley

We have had lots of updates on staff. Dr. Tim Findley has done Diversity and Inclusion training of staff. We will be doing review of Executive Director. Expected to have a process down by the 1<sup>st</sup> quarter of the year.

## **Public Comment**

Presented by: Pat Mulvihill

- How much money is TARC getting from the infrastructure bill?
- How are the rapid transit lines performing?

## **Proposed Agenda Items**

- Financial Management Policy for Approval
- HR/Payroll System
- Security Services
- Fuel and fluid management system
- Preview of FY22 Budget
- Update on Federal funds

# TARC BOARD OF DIRECTORS MEETING



## **Closed Session**

Chair Launius makes a motion to move into closed session pursuant to KRS 61.810 part F to discuss the appointment, discipline or dismissal of an individual employee, member or student at 2:20 p.m.

The motion to move into closed session was moved by Ted Smith and seconded by Jan Day and accepted.

Chair Launius made a motion to reconvene from Closed session at 3:11 p.m. which was moved by Carla Dearing and seconded by Ted Smith and approved. Chair Launius stated no action was taken.

## **Adjournment**

Chair Launius made a motion to adjourn at 3:12 p.m. which was moved by Carla Dearing and seconded by Jan Day and approved.

\_\_\_\_\_  
John Launius, Chair

\_\_\_\_\_  
Date



**BOARD OF DIRECTORS UPDATE**  
**JANUARY 25, 2022**



# HIGHLIGHTS

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## SINCE THE LAST BOARD MEETING.....

- Onsite LouVax vaccine clinic January 5
- Managed through OSHA ETC policy changes
- Preparing for FTA Comprehensive Review
- Conducted Leadership Team and T&O building workshops
- Interviews for Director of Transportation
- Benefits open enrollment Jan 17-26
- Began FY23 budget process
- Assisted in Western Kentucky tornado relief



# MISSION STATEMENT

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Deliver  
to  
**Under Construction  
Coming Soon**







# TARC (FIXED ROUTE) OPERATOR STAFFING

# Budgeted: 376

# Total Operators: 328  
Delta to Budget: 48

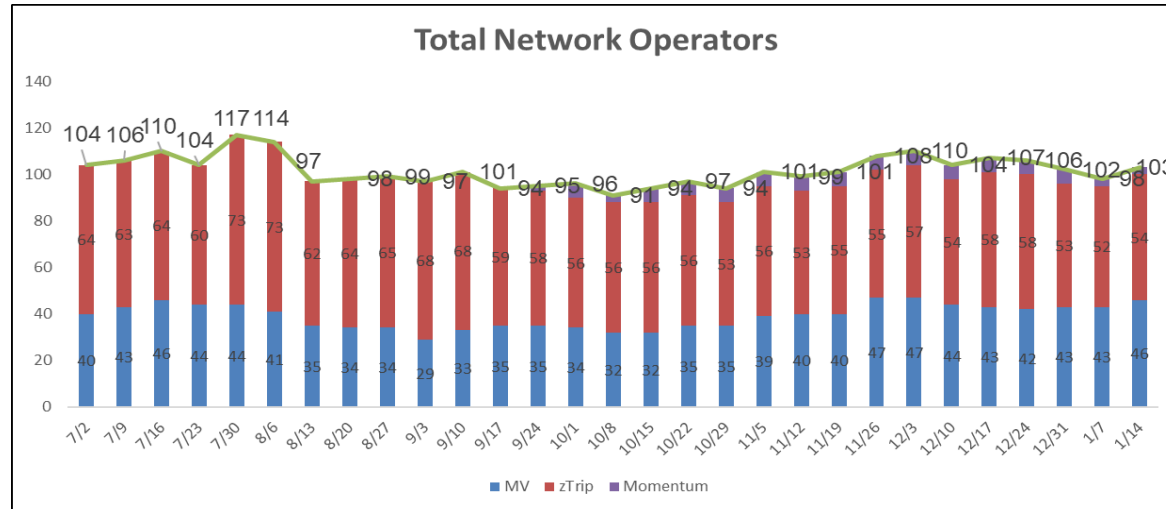
# Available Operators: 309  
Delta from Total: 19

- # Recent Graduates
  - Jun 21 class: 2
  - Jul 19 class: 11
  - Aug 23 class: 15
  - Oct 18 class: 9 (graduated 12/3)
- New class began Jan 10
- Preparing, recruiting, for Feb 28 class
  - 96.5 and 101.3 radio promo 1/17-1/30
  - 2 offers pending
  - 13 in pipeline
- Compliance with FMCSA Entry-Level Driver Standards
  - Effective Feb 7, 2022
  - Required for all new CLD holders
  - Standard curriculum for classroom instruction
  - Minimum qualifications for training instructors





# TARC3 (PARATRANSIT) OPERATOR STAFFING



Total Network Headcount to Date: 103 (-7, -6%, from Dec)

## Operator Updates

- 1 cadetting
- 2 behind the wheel training
- 4 began class Jan 19
- 1 began service Jan 24, 2 begin Jan 25

## Securing additional subcontractors

### Transportation Care Services:

- Signed agreement Jan 19
- 4-6 operators at start
- Begin training Feb 14

### Alpha:

- Signed agreement on Jan 19
- 15-18 operators at start
- Begin training Feb 1

### Silver Ride:

- Awaiting signed agreement
- 4 operators at start

## Week of 1/10 Recruiting Efforts

- Candidate outreach: 477
- Interviews scheduled: 13
- Interviews conducted: 6
- Total # in qualifications: 5



# RIDERSHIP

## FIXED ROUTE

Monthly

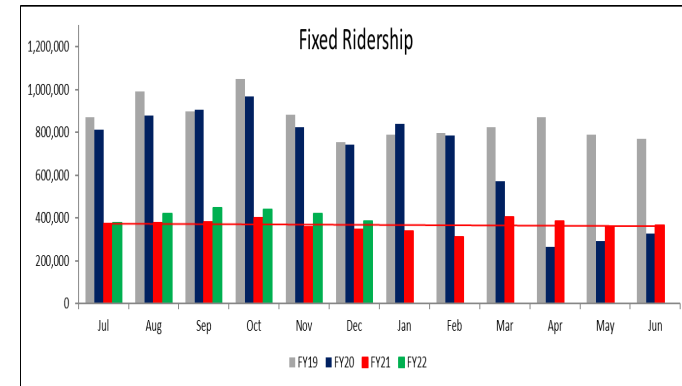
**385K**

-9% VLM  
+12% VLY

YTD

**2.5M**

+12% VLY



## PARATRANSIT

Monthly

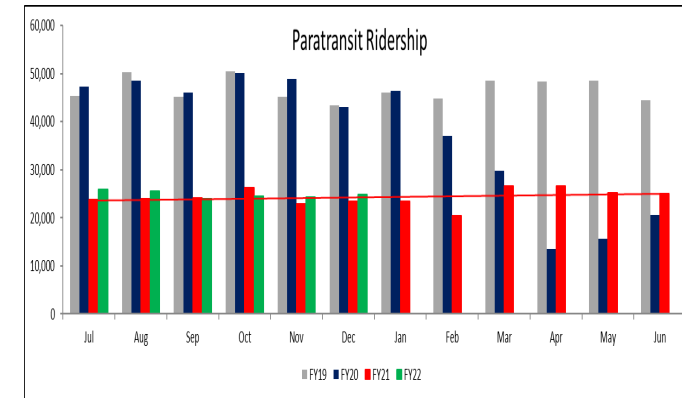
**24.8K**

+2% VLM  
+6% VLY

YTD

**149.0K**

+3% VLY





# ON-TIME PERFORMANCE

## FIXED ROUTE

Monthly

**79%**

+1Pts VLM  
-4 Pts VLY

YTD

**79%**

+1 Pts VLY

5% early, 17% late

## PARATRANSIT

Monthly

**74%**

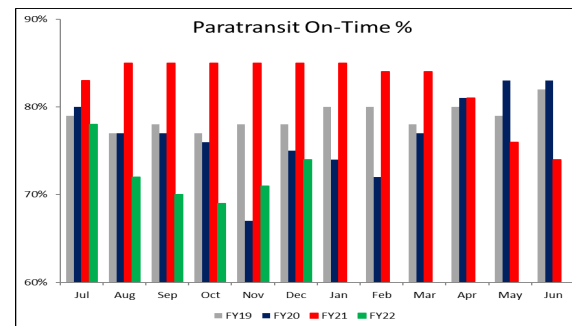
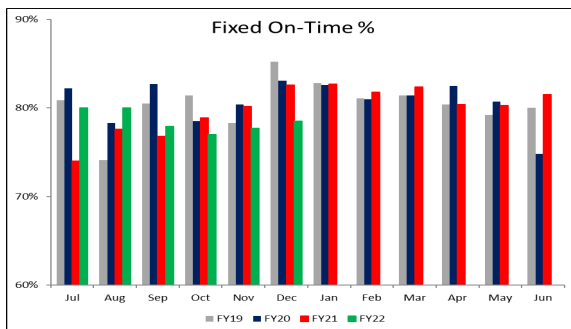
+3 Pts VLM  
-11 Pts VLY

YTD

**72%**

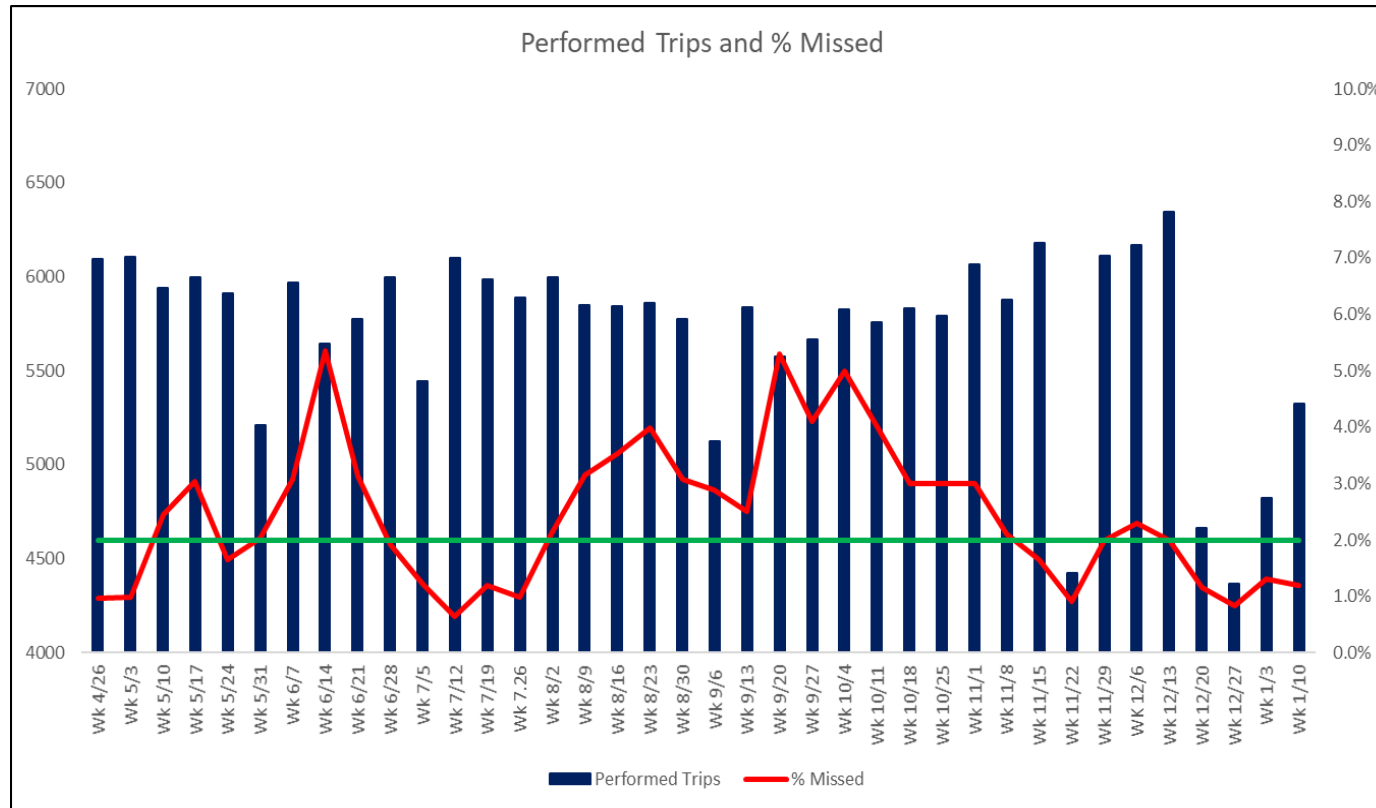
-13 Pts VLY

12% early, 17% late





# MV WEEKLY PERFORMANCE



% Missed Trips

Wk 1/10: 1.2%

Previous 5 Wk Avg: 1.52%

Dec: 1.7%, Nov: 2.0%, Oct: 3.8%, Sep: 3.7%



# MV LIQUIDATED DAMAGES

## PARATRANSIT

Monthly

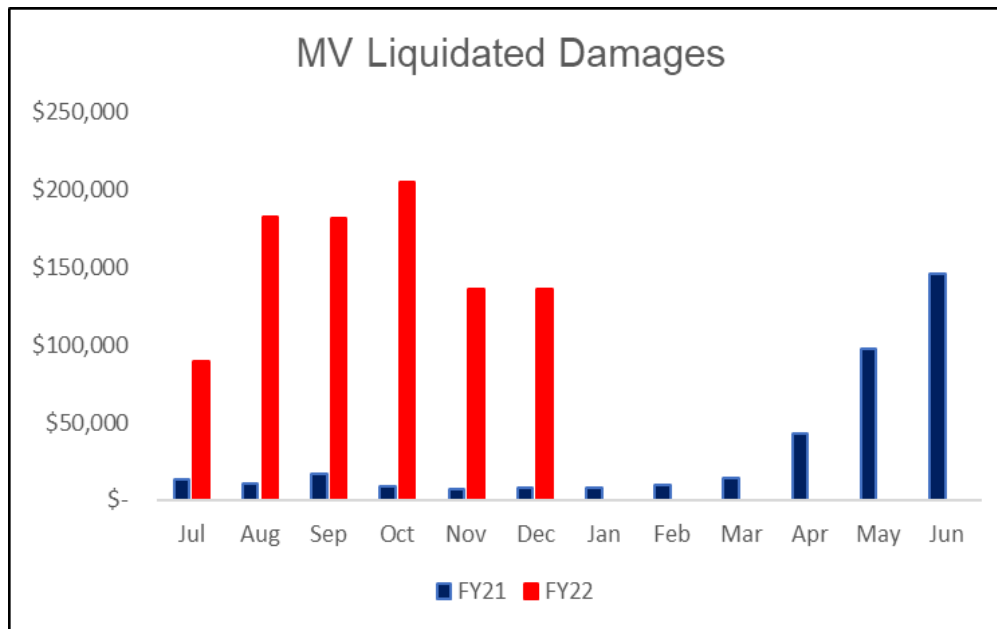
YTD

**\$136.5K** Flat VLM  
+1,972% VLY

**\$931.0K** +1,356% VLY

### Monthly Details

\$57K (42%), Late Trip, > 30 mins late (-\$6.8K)  
\$37K (27%), Productivity, 1.8 trips/hr (+\$14K)  
\$21K (15%), On Time, < 93% (-\$9K)  
\$11K (8%), Missed Trips (-\$2K)



### Types of Penalties:

- Missed Trip
- Late Trip
- On-Time Performance
- Excessive Trip Length
- Customer Complaints
- Compromised Safety
- Maintenance



# SAFETY

## SAFETY PREVENTABLE ACCIDENTS

Monthly

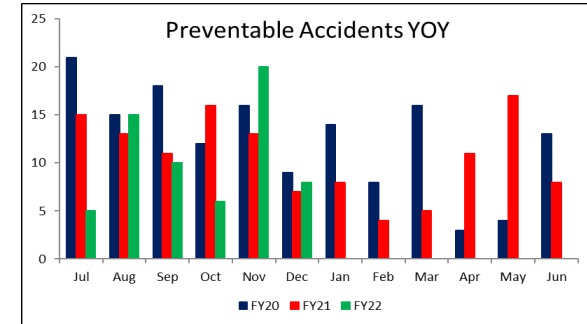
8

-60% VLM  
+14% VLY

YTD

64

-15% VLY



## SAFETY ACCIDENTS TOTAL

Monthly

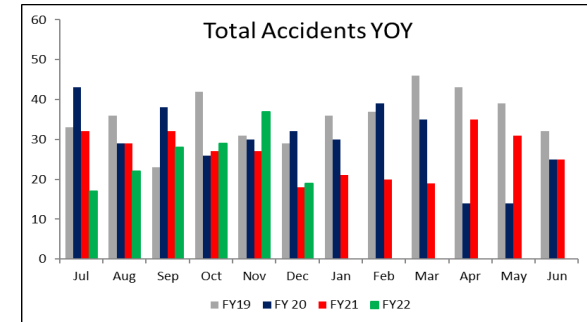
19

-49% VLM  
+6% VLY

YTD

152

-8% VLY



## PREVENTABLE ACCIDENTS / 100K MILES

Monthly

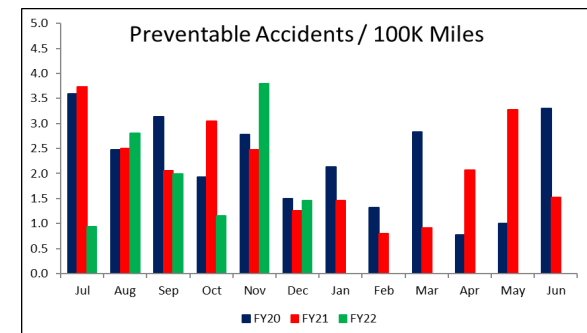
1.5

-60%% VLM  
+15% VLY

YTD

2.0

-20% VLY





# CUSTOMER SERVICE COMPLAINTS

## FIXED ROUTE

Monthly

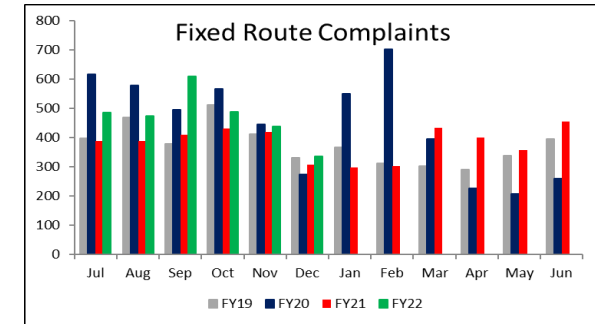
**326**

-23% VLM  
+9% VLY

YTD

**2.8K**

+20% VLY



## PARATRANSIT

Monthly

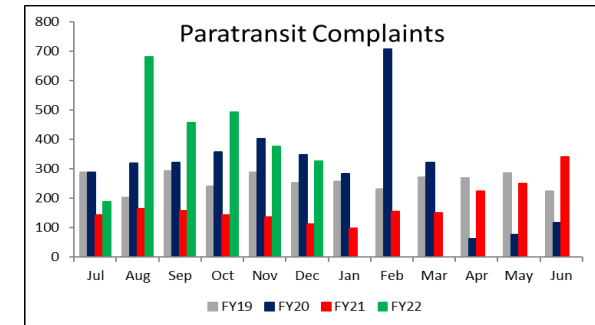
**326**

-14% VLM  
+193% VLY

YTD

**2.5K**

+195% VLY



## COMPLAINTS / 1,000 RIDERS

Monthly

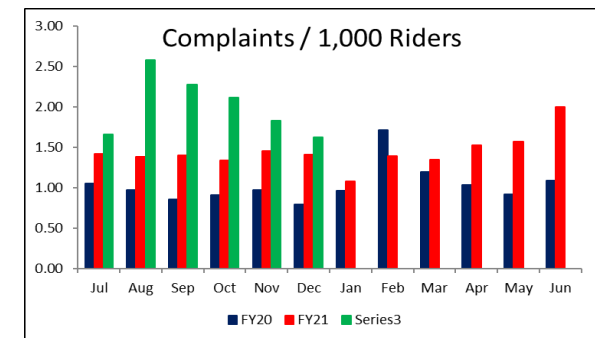
**1.6**

-11% VLM  
+15% VLY

YTD

**2.0**

+41% VLY







**THANK YOU**

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# JANUARY BOARD OF DIRECTORS UPDATE

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January 25, 2022

**TARC Board of Directors  
Financial Summary  
November 2021, Fiscal Year 2022**



**Current Month Revenues Compared to Budget**

Total Operating Revenues are under budget \$134,326 (pg. 2, line 9) mainly due to Passenger Fares, Paratransit Fares and Special Fares being under budget. Total Non-Operating Revenues (Subsidies) are over budget \$942,740 (pg. 2, line 16) mainly due to applying CARES and CRRSAA funds. Total Capital Contributions are under budget \$403,191 (pg. 2, line 25) due to timing of projects. Total Revenues with Capital are over budget \$405,223 (pg. 2, line 27) mainly due to total applying CARES and CRRSAA funds to cover expenses for Labor and Fringes for the current month.

**Current Month Expenses Compared to Budget**

Total Operating Expenses are over budget \$808,429 (pg. 2, line 41) mainly due to Direct Labor and Fringes & Benefits being over budget from paying out Essential pay this month. Total Capital Expenses are over budget \$2,267 (pg. 2, line 48) compared to budget. Total Expenses with Capital are over budget \$810,696 (pg. 2, line 50) due to Operating Expenses being over budget.

**Current Month Actual Summary**

Total Operating Revenues are \$564,316 (pg. 2, line 9) and Total Operating Expenses are \$8,761,606 (pg. 2, line 41) bringing the net to an unfavorable balance of \$8,197,290 before Subsidies are applied. After applying Subsidies of \$8,197,278 (pg. 2, line 16) there is a unfavorable balanced of \$12 (pg. 2, line 53) for the current month before Capital Contributions and Capital Expenses are applied.

**YTD Revenues Compared to Budget**

Total Operating Revenues are under budget \$526,861 (pg. 2 line 9) mainly due to Passenger Fares, Purchased Transportation fares and Special fares being under budget but off set by Other Agency Revenues being over budget. Total Non-Operating Revenues (Subsidies) are under budget \$2,016,130 (pg. 2, line 16) mainly due to applying less Federal Reimbursement Funds-FTA due to Operating Expenses being under budget. Total Capital Contributions are under budget \$309,516 (pg. 2, line 25) mainly due to timing of state match on new bus purchases. Total Revenues with Capital are under budget \$2,852,507 (pg. 2, line 27) mainly due to applying less subsidies because Operating Expenses are under budget.

**YTD Expenses Compared to Budget**

Total Operating Expenses are under budget \$2,542,978 (pg. 2, line 41) mainly due to Fringe & Benefits, Materials, and Purchased Transportation being under budget. Total Capital Expenses are over budget \$233,567 (pg. 2, line 48) compared to budget. Total Expenses with Capital are under budget \$2,309,411 (pg. 2, line 50) due to Capital contributions being under budget due to timing and Depreciation expenses being over budget.

## **YTD Actual Summary**

Total Operating Revenues are \$3,132,056 (pg. 2, line 9) and Total Operating Expenses are \$37,621,044 (pg. 2, line 41) bringing the net to an unfavorable balance of \$34,488,988 (pg.7, YTD Balance tab) before Subsidies are applied. After applying Subsidies \$34,488,976 (pg. 2, line 16) the net is an unfavorable balance of \$12 for year-to-date before Capital Contributions and Capital Expenses are applied. This can also be seen on the bottom half of page 7 in your Financial Statement packet.

## **Operating Summary**

Overall after applying the Subsidies the unfavorable balance for the year-to-date on the Statement of Revenues – Expenses is an unfavorable balance of \$12 before applying the MTTF Revenue receipts. November budgeted MTTF receipts for revenue deposits is over budget \$2,044,275 (pg. 8) year-to-date. We currently have a favorable balance before capital year-to-date of \$2,044,262 (pg. 7) due to the MTTF revenue deposits being over budget. MTTF Net Profit Fees are down \$1,523,293 (pg. 8) and Employee Withholdings are up \$1,453,593 (pg. 8) year-to-date compared to last year.

Statement of Revenue - Expenses - with Capital Contributions

November 2021, Fiscal Year 2022



Description	FY22 Total Budget	Current Month			Fiscal Year-to-date			
		Actual	Budget	Over budget (Under budget)	Actual	Budget	Over budget (Under budget)	Percentage Remaining
<b>Revenues</b>								
1 Passenger Fares	4,757,097	310,191	401,649	(91,458)	1,788,076	2,132,047	(343,971)	62.41%
2 Paratransit Fares	805,500	71,928	80,000	(8,072)	366,438	427,500	(61,062)	54.51%
3 Special Fare Revenues (UofL, UPS and etc)	1,796,605	115,357	144,300	(28,943)	599,838	735,910	(136,072)	66.61%
4 Comp Specials	150,000	0	0	0	0	0	0	100.00%
5 Advertising Revenue	624,000	53,333	52,000	1,333	266,667	260,000	6,667	57.26%
6 Other Agency Revenues	183,300	7,617	15,275	(7,658)	92,672	76,375	16,297	49.44%
7 Total Recoveries-Insurance	65,000	5,889	5,417	472	18,365	27,085	(8,720)	71.75%
8								
9 Operating Revenues	<b>8,381,502</b>	<b>564,316</b>	<b>698,641</b>	<b>(134,326)</b>	<b>3,132,056</b>	<b>3,658,917</b>	<b>(526,861)</b>	<b>62.63%</b>
10								
11 MTF Contributions- Federated	50,865,563	3,394,600	3,159,000	235,600	21,649,983	21,649,983	0	57.44%
12 Local Government Funds - MTF	1,146,453	0	95,538	(95,538)	25,285	477,690	(452,405)	97.79%
13 Federal Reimbursement Funds - FTA	38,008,770	4,802,678	4,000,000	802,678	12,636,919	14,096,125	(1,459,206)	66.75%
14 State Government Funds	1,553,856	0	0	0	176,789	281,308	(104,519)	88.62%
15								
16 Total Non-Operating Revenues	<b>91,574,642</b>	<b>8,197,278</b>	<b>7,254,538</b>	<b>942,740</b>	<b>34,488,976</b>	<b>36,505,106</b>	<b>(2,016,130)</b>	<b>62.34%</b>
17								
18 Total Revenues Before Cap Contributions	<b>99,956,144</b>	<b>8,761,594</b>	<b>7,953,179</b>	<b>808,414</b>	<b>37,621,032</b>	<b>40,164,023</b>	<b>(2,542,991)</b>	<b>62.36%</b>
19								
20 Local Government Funds - MTF, Cap	2,188,232	0	90,027	(90,027)	91,708	551,772	(460,064)	95.81%
21 Federal Reimbursement Funds - FTA, Cap	22,218,487	0	313,164	(313,164)	12,305,534	15,028,796	(2,723,262)	44.62%
22 State Government Funds, Cap	0	0	0	0	2,873,810	0	2,873,810	0.00%
23 Other Agencies Revenue, Cap	0	0	0	0	0	0	0	0.00%
24								
25 Total Capital Contributions	<b>24,406,719</b>	<b>0</b>	<b>403,191</b>	<b>(403,191)</b>	<b>15,271,052</b>	<b>15,580,568</b>	<b>(309,516)</b>	<b>37.43%</b>
26								
27 Total Revenues	<b>124,362,863</b>	<b>8,761,594</b>	<b>8,356,370</b>	<b>405,223</b>	<b>52,892,083</b>	<b>55,744,591</b>	<b>(2,852,507)</b>	<b>57.47%</b>
28								
29								
<b>Expenses</b>								
30								
31								
32 Labor	32,000,848	3,289,710	2,604,094	685,616	13,134,071	13,015,204	118,867	58.96%
33 Fringes & Benefits	31,734,057	2,880,366	2,571,257	309,109	12,728,066	13,128,499	(400,433)	59.89%
34 Services	5,639,222	552,908	469,971	82,937	2,293,815	2,362,796	(68,981)	59.32%
35 Materials	7,458,185	555,354	640,347	(84,993)	2,567,275	3,107,760	(540,485)	65.58%
36 Utilities	1,016,796	82,999	84,733	(1,734)	383,635	423,665	(40,030)	62.27%
37 Casualty & Liability	2,736,426	353,235	228,035	125,200	1,290,131	1,140,175	149,956	52.85%
38 Purchased Transportation	18,740,930	1,000,089	1,309,622	(309,533)	5,029,356	6,714,943	(1,685,587)	73.16%
39 Interest Expense	7,860	713	714	(1)	3,950	3,952	(2)	49.75%
40 Other Expenses	621,820	46,234	44,406	1,828	190,746	267,029	(76,283)	69.32%
41 Operating Expenses	<b>99,956,144</b>	<b>8,761,606</b>	<b>7,953,179</b>	<b>808,429</b>	<b>37,621,044</b>	<b>40,164,023</b>	<b>(2,542,978)</b>	<b>62.36%</b>
42								
43								
44								
45 Development Cost & Loss on Disposal	426,467	20,150	16,454	3,696	77,450	40,987	36,463	81.84%
46 Depreciation Expenses	12,194,557	1,012,931	1,014,360	(1,429)	4,933,627	4,738,097	195,530	59.54%
47 Loss on Disposal of Assets	0	0	0	0	1,574	0	1,574	0.00%
48 Total Capital Expenses	<b>12,621,024</b>	<b>1,033,081</b>	<b>1,030,814</b>	<b>2,267</b>	<b>5,012,650</b>	<b>4,779,084</b>	<b>233,567</b>	<b>60.28%</b>
49								
50 Total Expenses	<b>112,577,168</b>	<b>9,794,687</b>	<b>8,983,993</b>	<b>810,696</b>	<b>42,633,694</b>	<b>44,943,107</b>	<b>(2,309,411)</b>	<b>62.13%</b>
51								
52								
53 Revenue / Expense Difference Before Capital	<b>0</b>	<b>(12)</b>	<b>0</b>	<b>(15)</b>	<b>(12)</b>	<b>0</b>	<b>(13)</b>	<b>0.00%</b>
54								
55 Revenue / Expense Difference After Capital	<b>11,785,695</b>	<b>(1,033,093)</b>	<b>(627,623)</b>	<b>(405,473)</b>	<b>10,258,389</b>	<b>10,801,484</b>	<b>(543,096)</b>	<b>12.96%</b>

Total Labor

November 2021, Fiscal Year 2022



		Current Month			Fiscal Year-to-date			
Description	FY21 Total Budget	Actual	Budget	Over budget (Under budget)	Actual	Budget	Over budget (Under budget)	Percentage Remaining
1 Direct Labor	32,000,848	3,289,710	2,604,094	685,616	13,134,071	13,015,204	118,867	58.96%
2 Sick Leave	1,651,183	108,178	111,425	(3,247)	579,070	836,250	(257,180)	64.93%
3 Holiday	1,252,323	156,169	138,488	17,681	376,804	412,885	(36,081)	69.91%
4 Vacation	2,088,175	206,380	170,768	35,612	961,399	870,033	91,366	53.96%
5 Other Paid Absences	240,381	15,367	15,812	(445)	71,073	78,447	(7,374)	70.43%
6								
7 Total	<b>37,232,910</b>	<b>3,775,804</b>	<b>3,040,587</b>	<b>735,217</b>	<b>15,122,417</b>	<b>15,212,819</b>	<b>(90,402)</b>	<b>59.38%</b>
8								
9 Difference compared to Budget			735,217			(90,402)		
		Current Month			Year to Date			
Description	FY21 Total Budget	Actual	Budget	Over budget (Under budget)	Actual	Budget	Over budget (Under budget)	Percentage Remaining
10 FICA	2,848,318	283,154	232,606	50,548	1,132,058	1,163,784	(31,726)	60.26%
11 Pension	10,262,221	855,797	819,438	36,359	3,843,196	4,237,500	(394,304)	62.55%
12 Hospital Medical & Surgical	10,509,847	801,148	847,662	(46,514)	3,910,297	4,238,310	(328,013)	62.79%
13 Vision Care Insurance	101,537	4,952	8,468	(3,516)	22,719	42,340	(19,621)	77.62%
14 Dental Plans	353,988	27,106	29,499	(2,393)	114,495	147,495	(33,000)	67.66%
15 Life Insurance	101,040	7,247	8,420	(1,173)	36,406	42,100	(5,694)	63.97%
16 Disability Insurance	155,544	10,425	12,962	(2,537)	52,011	64,810	(12,799)	66.56%
17 Kentucky Unemployment	40,000	78	10,000	(9,922)	6,267	20,000	(13,733)	84.33%
18 Worker's Compensation	1,850,000	394,026	154,167	239,859	1,401,618	770,835	630,783	24.24%
19 Uniform & Work Clothing Allowance	277,000	10,197	11,333	(1,136)	219,666	202,665	17,001	20.70%
20 Other Fringes	2,500	144	209	(65)	985	1,045	(60)	60.60%
21 Total Fringe & Benefits	<b>26,501,995</b>	<b>2,394,272</b>	<b>2,134,764</b>	<b>259,509</b>	<b>10,739,720</b>	<b>10,930,884</b>	<b>(191,165)</b>	<b>59.48%</b>
22								
23								
24 Sick Leave	1,651,183	108,178	111,425	(3,247)	579,070	836,250	(257,180)	64.93%
25 Holiday	1,252,323	156,169	138,488	17,681	376,804	412,885	(36,081)	69.91%
26 Vacation	2,088,175	206,380	170,768	35,612	961,399	870,033	91,366	53.96%
27 Other Paid Absences	240,381	15,367	15,812	(445)	71,073	78,447	(7,374)	70.43%
28 Total Compensation Benefits	<b>5,232,062</b>	<b>486,094</b>	<b>436,493</b>	<b>49,601</b>	<b>1,988,346</b>	<b>2,197,615</b>	<b>(209,269)</b>	<b>62.00%</b>
29								
30 Total	<b>31,734,057</b>	<b>2,880,366</b>	<b>2,571,257</b>	<b>309,110</b>	<b>12,728,066</b>	<b>13,128,499</b>	<b>(400,434)</b>	<b>59.89%</b>
31								
32 Difference compared to Budget			309,109			(400,433)		



## Balance Sheet

November 2021, Fiscal Year 2022

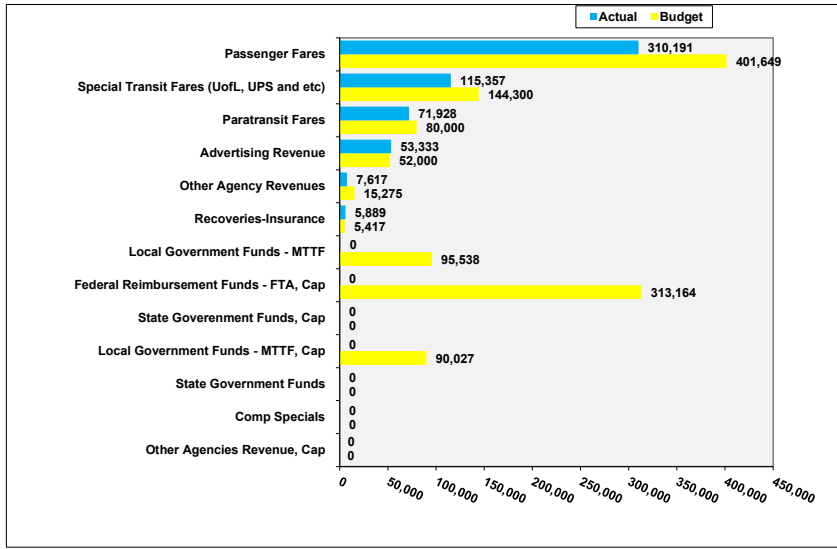
Assets	FY 22	FY 21	Liabilities, Reserves & Capital	FY 22	FY 21
<b>Current Assets</b>			<b>Current Liabilities</b>		
Cash & Cash Items	3,489,358	6,308,191	Long Term Debt	121,697	262,538
Short Term Investments	4,884,198	3,136,610	Short Term Debt	0	0
Accounts Receivable	65,153,464	64,931,832	Trade Payables	12,662,618	7,573,381
Interest Receivable	7	303	Accrued Payroll Liabilities	4,652,748	4,464,175
Due From Grant	80,000	80,000	Estimated Workmans Compensation	3,888,266	2,915,984
Materials & Supplies	1,701,326	1,564,118	Accrued Tax Liabilities	0	0
<b>Total Current Assets</b>	<b>75,308,353</b>	<b>76,021,053</b>	Unredeemed Tickets & Tokens	1,644,559	1,851,828
<b>Other Assets</b>			Reserves - Injury & Damages	1,756,400	1,139,000
Prepaid Insurance & Dues & WIP	1,517,835	1,696,000	Due To Operations	80,000	80,000
<b>Total Other Assets</b>	<b>1,517,835</b>	<b>1,696,000</b>	Unearned Capital Contributions	50,485,387	60,166,903
<b>Fixed Assets</b>			Other Current Liabilities (Health Ins.)	1,574,646	140,425
Land	3,187,624	3,177,782	<b>Total Current Liabilities</b>	<b>76,866,321</b>	<b>78,594,233</b>
Buildings	49,283,698	49,120,530	<b>Equity</b>		
Coaches	129,483,525	114,004,162	Retained Earnings	10,258,389	(4,023,451)
Office Equipment	10,469,772	10,454,586	Prior Year Retained Earning	75,248,859	76,430,607
Other Equipment	21,935,419	21,742,446	<b>Total Equity</b>	<b>85,507,249</b>	<b>72,407,155</b>
Development Costs	346,285	76,473	<b>Total Liabilities &amp; Equity</b>	<b>162,373,570</b>	<b>151,001,389</b>
Vehicle Exp - Operating	1,420,405	1,420,405			
Other Equipment -Operating	154,908	151,307			
<b>Total Fixed Assets</b>	<b>216,281,635</b>	<b>200,147,690</b>			
<b>Less Accumulated Depreciation</b>					
Accumulated Depr Land	730,803	697,069			
Accumulated Depr Buildings	27,755,093	26,238,807			
Accumulated Depr Coaches	74,001,925	73,816,635			
Accumulated Depr Office Equipment	8,340,476	7,785,355			
Accumulated Depr Other Equipment	17,755,565	17,310,168			
Accumulated Depr Development Cost	77,450	12,342			
Accumulated Depr Vehicle Exp - Opr	948,010	891,883			
Accumulated Depr Other Equipment Op	124,933	111,095			
<b>Total Depreciation</b>	<b>129,734,254</b>	<b>126,863,355</b>			
<b>Net Fixed Assets</b>	<b>86,547,381</b>	<b>73,284,336</b>			
<b>Total Assets</b>	<b>163,373,570</b>	<b>151,001,389</b>			

**Actual Revenue vs. Budget**

November 2021, Fiscal Year 2022



**Current Month Revenues**

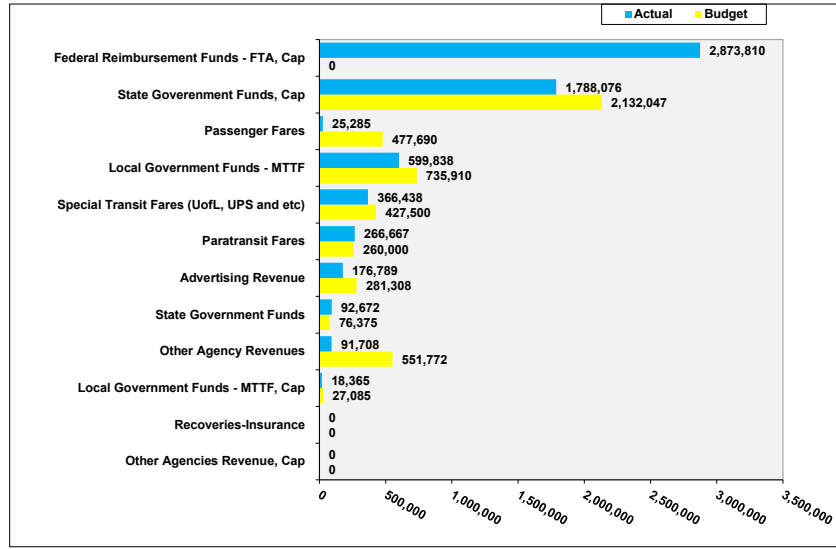


**MTTF \$3,394,600 Actual > \$3,159,000 Budget**

**Federal Reimbursement Funds - FTA \$4,802,678 Actual > \$4,000,000 Budget**

- Passenger fares \$91,458 ↓
- Paratransit fares \$8,072 ↓
- Special Fares \$28,943 ↓
- Federal Reimbursement Funds - FTA \$802,678 ↑

**Year to Date Revenues**



**MTTF \$21,649,983 Actual = \$21,649,983 Budget**

**Federal Reimbursement Funds - FTA \$12,636,919 Actual < \$14,096,125 Budget**

**Federal Reimbursement Funds - FTA, Cap \$12,305,534 Actual < \$15,028,796 Budget**

- Passenger fares \$343,971 ↓
- Paratransit fares \$61,062 ↓
- Federal Reimbursement Funds - FTA \$1,459,206 ↓
- Federal Reimbursement Funds - FTA, Cap \$2,723,262 ↓
- State Government Funds, Cap - \$2,873,810 ↑

**CM**

- \* Special Fares - is under budget \$28,943 mainly due to one contract decrease
- \* Federal Reimbursement Funds - FTA, is over budget \$802,678 mainly due to applying CARES and CRRSAA funds

**YTD**

- \* Federal Reimbursement Funds - FTA is under budget \$1,459,206 mainly due to operating expenses being under budget
- \* Federal Reimbursement Funds - FTA, Cap is under budget \$2,723,262 mainly due to timing of expenditures for bus purchases
- \* State Government Funds - is over budget \$2,873,810 due to timing of expenditures for bus purchases

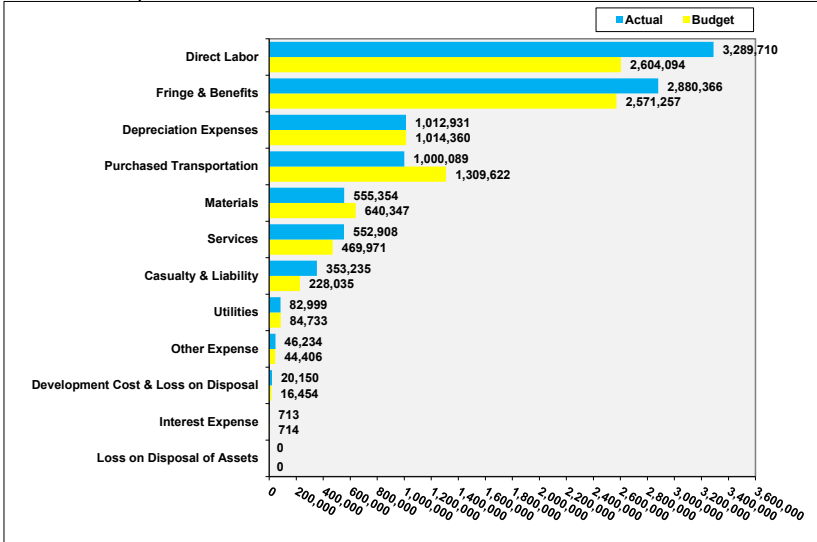


Actual Expenses vs. Budget

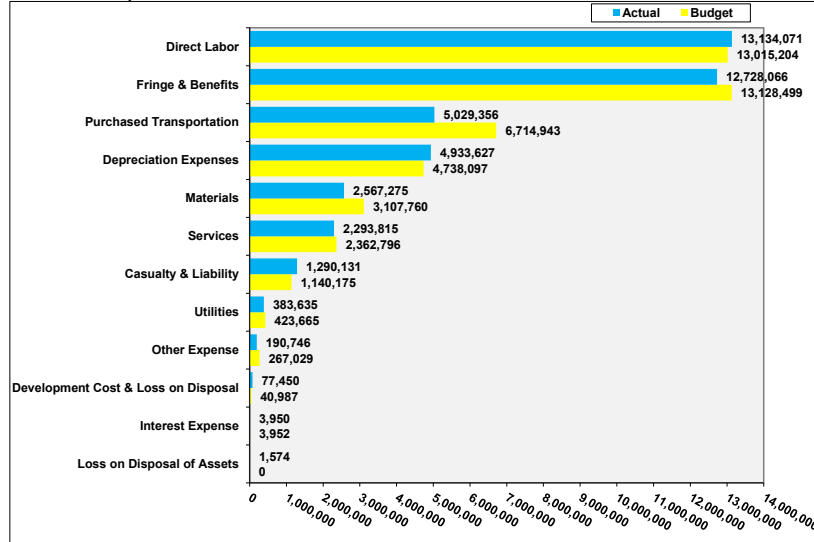
November 2021, Fiscal Year 2022



Current Month Expenses



Year to Date Expenses



Direct Labor \$685,616 ↑ Total Labor \$735,217 ↑  
 Fringe & Benefits \$309,109 ↑  
 Casualty & Liability \$125,200 ↑  
 Purchased Transportation \$309,533 ↓

Direct Labor \$118,867 ↑ Total Labor \$90,404 ↓  
 Fringe & Benefits \$400,433 ↓  
 Materials \$540,485 ↓  
 Purchased Transportation \$1,685,587 ↓  
 Depreciation Expenses \$195,530 ↑

CM

- \* Direct Labor is over budget \$685,616 mainly due to paying out essential pay
- \* Fringe & Benefits are over budget \$309,109 mainly due to FICA, Pension, and Worker's Compensation
- \* Casualty & Liability is over budget \$125,200 mainly due to 14 claims re-opened
- \* Purchased Transportation is under budget \$309,533 mainly due to revenue hours and penalties

YTD

- \* Fringe & Benefits are under budget \$400,433 mainly due to Sick Leave, Pension, Medical all being under budget and offset by Worker's Compensation being over \$630,784
- \* Materials are under budget \$540,485 mainly due to diesel fuel and Maintenance materials and supplies
- \* Purchased Transportation is under budget \$1,685,587 mainly due to revenue hours and penalties
- \* Depreciation Expenses are over budget \$195,530 mainly due to timing of bus purchases, not much change compared to last month



**Year to Date Summary**

**November 2021, Fiscal Year 2022**

**Actual Compared to Budget YTD**

	<b>Good</b>	<b>In the Red</b>	
Total Revenues before Capital are Over/ <b>Under</b> by (pg. 2, line 18)		\$2,542,991	
Total Expenses are Over/ <b>Under</b> by (pg. 2, line 41)	\$2,542,978		
MTTF Revenue Deposits are <b>Over</b> /Under by (pg. 8)	\$2,044,275		
November has a favorable balance before Capital of	\$4,587,253	\$2,542,991	<b>\$2,044,262</b>

**Actual Revenues over Expenses**

Operating Revenues	\$3,132,056
Operating Expenses	\$37,621,044
<b>Net Gain/(Loss) before MTTF</b>	<b>(\$34,488,988)</b>
MTTF Approved Contributions	\$21,649,983
<b>Net Gain/(Loss) before Subsidies</b>	<b>(\$12,839,005)</b>
 <b>Subsidies</b>	
CARES	\$10,387,177
CRSSAA	\$2,148,600
5307 Federal Formula dollars to be used as (CEER)	\$101,142
MTTF Local Share	\$25,285
State Contributions	\$176,789
<b>Total Subsidies</b>	<b>\$12,838,993</b>
 <b>Net Gain/(Loss) before Capital</b>	 <b>(\$12)</b>

## MassTransit Trust Fund (MTTF) Revenue Deposits



## Deposit to Budget Difference FY 2022

Month	FY 22 Actual Deposits	FY 22 Budget Deposits	Difference	YTD Total	Current Month	YTD
July	\$4,416,524	\$4,263,320	\$153,204	\$153,204	3.59%	
August	\$4,516,464	\$4,049,642	\$466,822	\$620,026	11.53%	7.46%
September	\$5,708,766	\$4,744,809	\$963,957	\$1,583,983	20.32%	12.13%
October	\$4,035,303	\$3,821,270	\$214,033	\$1,798,016	5.60%	10.65%
November	\$5,069,943	\$4,823,684	\$246,259	\$2,044,275	5.11%	11.72%
December		\$4,963,520				
January		\$4,589,049				
February		\$4,233,049				
March		\$4,173,450				
April		\$5,781,232				
May		\$3,901,651				
June		\$4,747,430				
		\$0				
TOTAL	\$23,747,000	\$54,092,106				

## MTTF Revenue Deposits - Actuals

<b>LOUISVILLE METRO REVENUE COMMISSION</b> <b>TARC LICENSE FEE TRANSACTIONS</b>
--

	November 2021	November 2020	YTD FYE 2022	YTD FYE 2021	Difference Amount	Percent Change
<b>Receipts</b>						
Employee Withholding	\$ 4,863,935	\$ 4,464,823	\$ 21,324,856	\$ 19,871,263	\$ 1,453,593	7.32%
Individual Fees	39	8	21	887	(866)	-97.61%
Net Profit Fees	209,945	371,430	2,413,469	3,936,762	(1,523,293)	-38.69%
Interest & Penalty	64,750	52,665	330,180	215,287	114,893	53.37%
<b>Total Collections</b>	<b>\$ 5,138,668</b>	<b>\$ 4,888,926</b>	<b>\$ 24,068,525</b>	<b>\$ 24,024,199</b>	<b>\$ 44,326</b>	<b>0.18%</b>
Investment Income	\$ 646	\$ 758	\$ 3,399	\$ 2,852	\$ 547	19.19%
<b>Total Receipts</b>	<b>\$ 5,139,315</b>	<b>\$ 4,889,684</b>	<b>\$ 24,071,925</b>	<b>\$ 24,027,051</b>	<b>\$ 44,874</b>	<b>0.19%</b>
<b>Disbursements</b>						
Collection Fee	\$ 69,372	\$ 66,000	\$ 324,925	\$ 324,326	\$ 599	0.18%
<b>Total Disbursements</b>	<b>\$ 69,372</b>	<b>\$ 66,000</b>	<b>\$ 324,925</b>	<b>\$ 324,326</b>	<b>\$ 599</b>	<b>0.18%</b>
<b>Due Mass Transit</b>	<b>\$ 5,069,943</b>	<b>\$ 4,823,684</b>	<b>\$ 23,747,000</b>	<b>\$ 23,702,725</b>	<b>\$ 44,275</b>	<b>0.19%</b>
Less Previous Payments			18,677,057	18,879,041	(201,984)	-1.07%
<b>Payable To Trust Fund</b>			<b>\$ 5,069,943</b>	<b>\$ 4,823,684</b>	<b>\$ 246,259</b>	<b>5.11%</b>



**Reimbursement Funds Only and a One Time Funding Source for TARC**

	<b>TARC Share</b>	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Actual YTD FY 2022</b>	<b>Remaining Balance</b>	<b>Budget YTD FY 2022</b>
<b>CARES*</b>	41,576,008	4,341,151	26,847,680	10,387,177	-	13,000,563
<b>CRRSAA**</b>	21,504,688			\$2,148,600	19,356,088	18,237,895
<b>ARP***</b>	48,587,329				48,587,329	0

\* KY-2020-012 was approved/Executed 5/27/2020

\*\* KY-2021-020 was approved/Executed 7/1/2021

\*\*\* Still moving through the process not approved/Executed



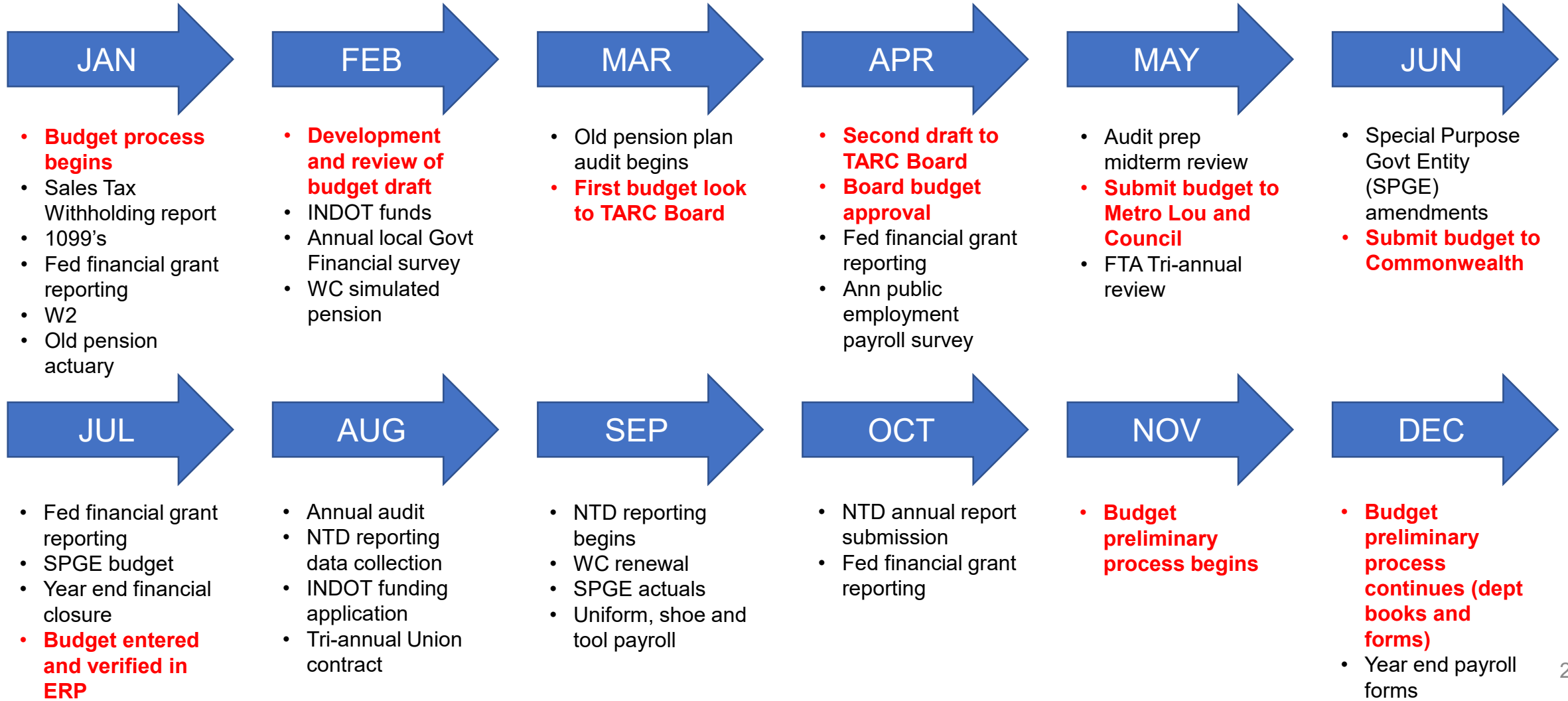
**FISCAL YEAR 2023 BUDGET  
OVERVIEW AND TIMELINE**

JANUARY 25, 2022





# ANNUAL FINANCIAL CALENDAR



# KEY CONSIDERATIONS FOR FY 2023 BUDGET

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## MANAGING THE THREE LEGGED STOOL

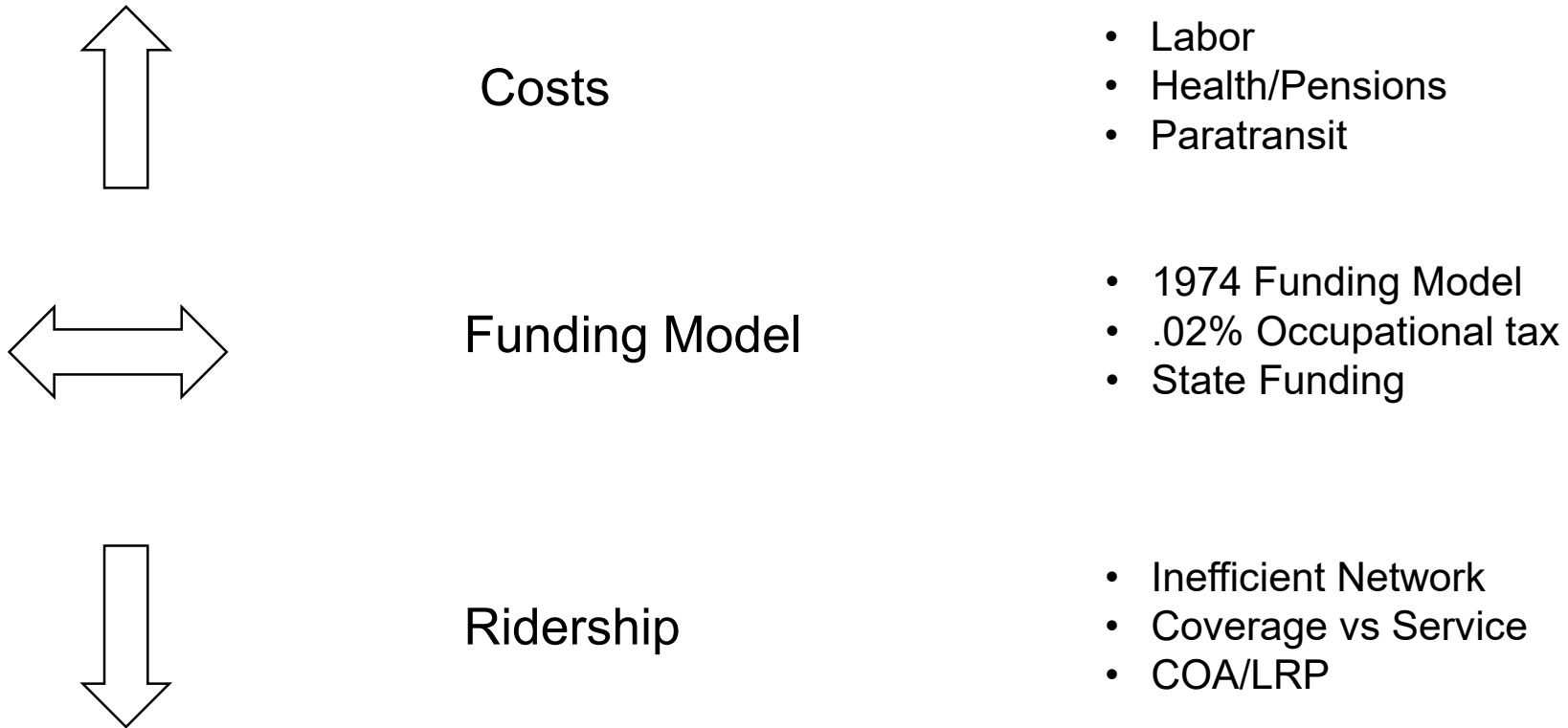
1. Multiyear Financial Outlook
  
2. Network Sustainability and Reviving Customer Awareness /Interest
  
3. Redefining the future, internally and externally



# MANAGING THE IMPERFECT TRIFECTA

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## SHORT-TERM FOCUS WILL HAVE LONG-TERM IMPACTS





# OUR FUNDING

## FEDERAL DOLLARS MATCHED BY STATE AND/OR LOCAL

38%

1. Federal: Capital Expenses
  - Formula: Bipartisan Infrastructure Bill for FFY 2021 to 2026 (e.g. 5307, 5339, 5310)
  - One Time:
    - Coronavirus Aid, Relief, and Economic Security (CARES) Act
    - Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)
    - American Rescue Plan (ARP)
  - Competitive or discretionary grants

61%

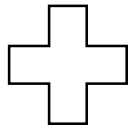
2. Local: Occupational Tax and Operating Revenue
  - 0.02% of Jefferson County Occupational License Fee from 1974 referendum
  - Fare revenue and pass programs
  - Advertising revenue

1%

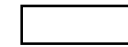
3. State - Kentucky and Indiana: Local Match / Capital Expenses
  - KY varies year to year, highest amount last year, pending biennial budget for this year
  - Some grant programs pass through from federal to state to MPO
  - IN funds are programmatic, but may decrease

# REVENUE AND COST CONSIDERATIONS

## BALANCING MANY FINANCIAL FACTORS



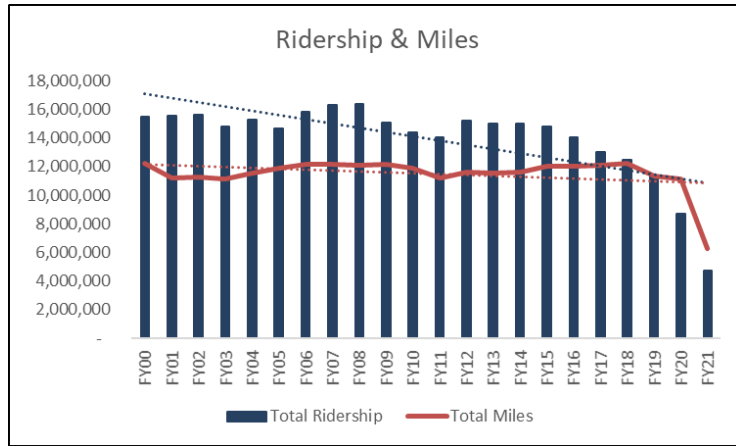
- Bipartisan Infrastructure Bill, increase in federal funds
- State budget includes transportation funding (pending approval of legislature)
- Mass Transit Trust Fund steady
- COVID relief funds as bolster



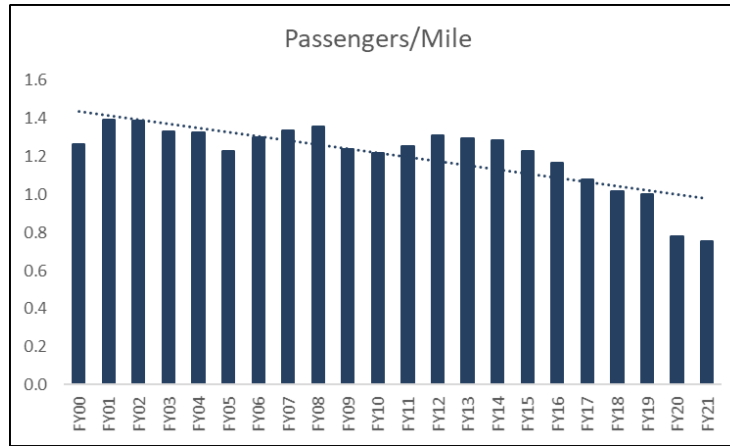
- Impacts of increased inflation
- Glacially slow ridership recovery, unknown changing commute patterns
- Continued COVID-19 impacts
- Unprecedented tight labor market
- Increasing Capital needs



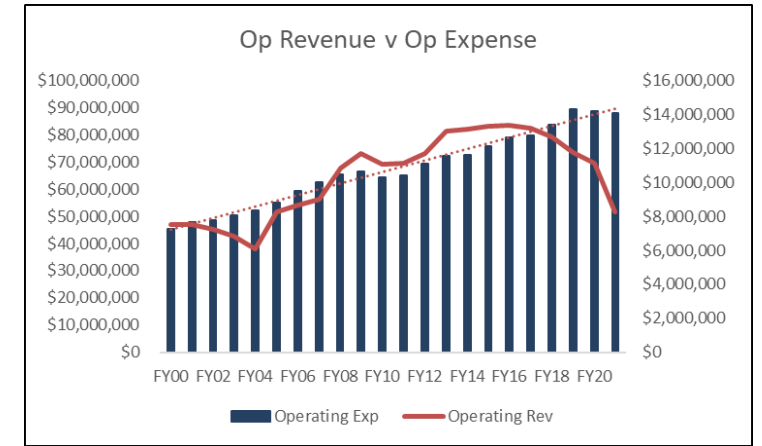
# HISTORICAL TRENDS



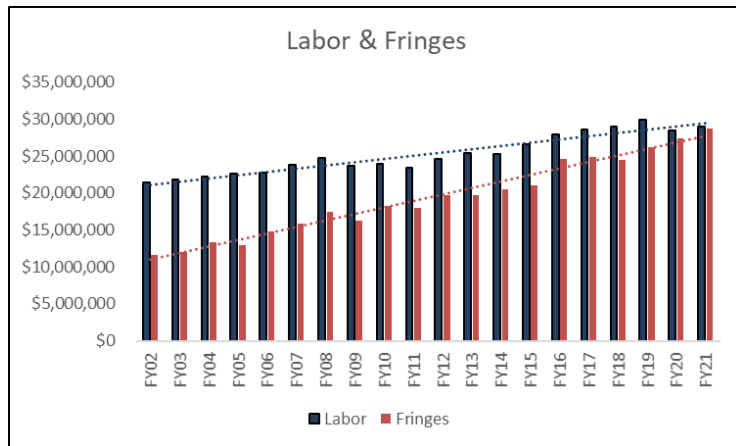
Ridership -27% from 00 to 19



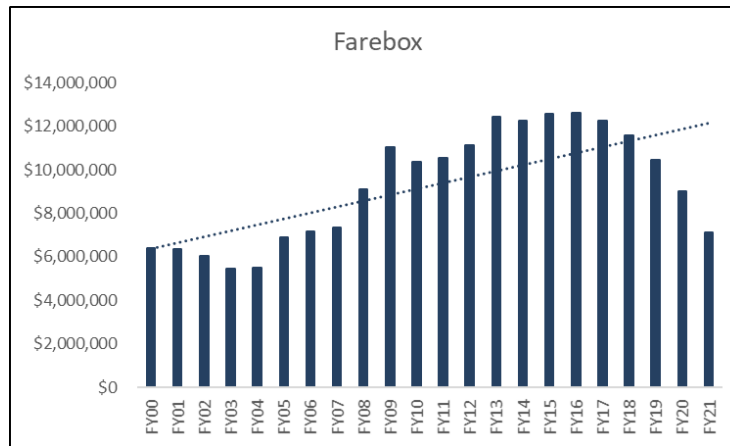
Passengers/Mile continues to decline



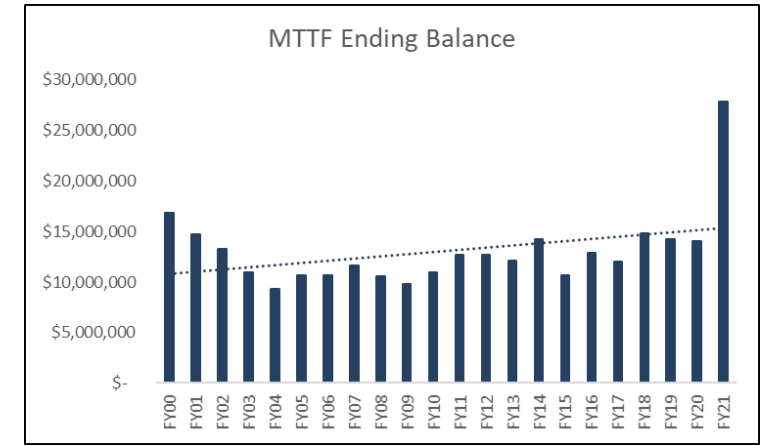
Expenses outpacing Op Rev



Labor +35%, Fringes +146% from 02 to 21



Farebox impacted by ridership and COVID



Stability needed for expiring stimulus funds



# FISCAL YEAR 2023 BUDGET TIMELINE

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January 25, 2022



# MEMORANDUM

**To:** John Launius, Chair of TARC Board of Directors Carrie  
**From:** Butler, Executive Director  
**Date:** January 25, 2022  
**Re:** Resolution 2022-01 Financial Management Policy

---

In 2018, the Federal Transit Administration undertook a Financial Management Oversight (FMO) Review at TARC. The FMO is within FTA's purview and did not arise from a prior finding or documented issue. The FMO can be undertaken after a particular project, or to follow up on a finding, to explore an issue from a FTA Comprehensive Review or 'triennial' review, or agencies may be selected at random. In November 2020, FTA requested a follow up from the 2018 process; this FMO review concluded in September 2021.

As part of this review, the FMO found that TARC's Financial Management Policy needed to be amended to clarify job titles and responsibilities, especially those of the Chief Financial Officer (CFO) and Director of Finance. Accordingly, TARC has amended this policy to make clarifications of job titles and responsibilities; and clarified and/or modified the budget, financial and procurement processes included in the policy. The draft policy with a redline version is attached for your review.

My recommendation is that the Board adopt this Financial Management Policy via resolution so that TARC is in compliance with the recommendation of the FMO audit and our new policy reflects our current processes.

Please call me at (502) 561-5100 if you have any questions.



## **RESOLUTION 2022-01 Financial Management Policy**

A resolution adopting updated Financial Management Policy as recommended by the Federal Transit Administration resulting from the Financial Management Oversight Program (FMO) to clarify job titles and responsibilities and to accurately depict our current budget, financial and procurement processes;

**WHEREAS**, a follow-up FMO was conducted beginning January 2021; and

**WHEREAS**, the FMO was completed in September 2021; and

**WHEREAS**, TARC wishes to update its Financial Management Policy to clarify job titles and responsibilities, and update the processes set forth therein to reflect current practices; and

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Transit Authority of River City that:

The updated Financial Management Policy is hereby adopted to make clarifications as recommended by the FMO and to reflect current budget, financial and procurement processes.

**ADOPTED THIS 25<sup>th</sup> DAY OF JANUARY 2022**

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**John Launius, Chair of the Board of Directors**



# FINANCIAL MANAGEMENT POLICY

TRANSIT AUTHORITY OF RIVER CITY

*December 2021*  
*Original - 2018*

**TRANSIT AUTHORITY OF RIVER CITY  
FINANCIAL MANAGEMENT POLICY**



<b>Name of Entity That Drafted This Policy</b>	Tonya Carter, Chief Financial Officer	
<b>Signature by the Executive Director</b>	<b>Signature of Accountable Executive</b>	<b>Date of Signature</b>
<b>Approval by the Board of Directors or an Equivalent Authority</b>	<b>Name of Individual/Entity That Approved This Plan</b>	<b>Date of Approval</b>
	<b>Relevant Documentation (Title and Location)</b>	
<b>Certification of Compliance</b>	<b>Name of Individual/Entity That Certified This Plan</b>	<b>Date of Certification</b>
	Pat Mulvhill, General Counsel	
	<b>Relevant Documentation (Title and Location)</b>	

<b>Version Number and Updates</b>			
<b>Version Number</b>	<b>Section/Pages Affected</b>	<b>Reason for Change</b>	<b>Date Issued</b>
1		Agency Wide policy	2018
2		Revision to Job Titles	2021



# TRANSIT AUTHORITY OF RIVER CITY FINANCIAL MANAGEMENT POLICY



## 1.0 Purpose:

- 1.1 The purpose of ~~these policies~~ this policy is to establish guidelines for making financial decisions, reporting the financial status of the Agency and managing the Agency's funds.

## 2.0 Scope

- 2.1 The Chief Financial Officer (CFO) with oversight from the Executive Director/ Chief Executive Officer (CEO) has responsibility of day-to-day operations for managing agency funds, ensuring accuracy of accounting records, internal controls, financial objectives and policies, financial statement preparation, and bank reconciliation review and approval.
- 2.2 Various accounting staff in the finance department are responsible for preparation of the chart of accounts, reporting formats, accounts payable/receivable processing, incoming cash processing, sales to corporate accounts, payroll input and payroll processing, cash receipts input, journal entries for general ledger, form 1099 reporting, sales tax reporting, National Transit Database reporting, Federal, State and Louisville/Jefferson County Metro Government (Metro Government) reporting, APTA reporting, analyzing balance sheet accounts and bank reconciliations.
- 2.3 The Board reviews finances at monthly Board meetings with the exception of year end audited financials which are presented to the Board by the current audit firm. This responsibility is shared through delegation with the Executive Director/CEO, Assistant Executive Director and the CFO.

## 3.0 Responsibility

- 3.1 The Executive Director/CEO acts as the primary fiscal agent with the Assistant Executive Director as designated alternate, implementing all financial policies and procedures. The Executive Director/CEO with the oversight of the Board of Directors is responsible for the coordination of the following: Annual budget presentation, management of funds, selection of the outside auditors, approving revenue and expenditures objectives in accordance with the Board approved long-term plans.
- 3.2 The Chief Financial Officer is responsible for making sure the monthly financial statements are in a format approved by the Executive Director/CEO and Board. The CFO will present the financial statements monthly to the Executive Director and Assistant Executive Director for review. Once approved by the Executives, the CFO will present the monthly financial statements to the Finance Committee and Board of Directors during the monthly meeting.
- 3.3 Each Departmental Director works with the CFO on developing budgets for their department. Each department head will meet with the Executive Director/CEO,



Assistant Executive Director and CFO to go over their budget. After the departmental meetings the draft budget is presented to the Finance Committee of the Board (Finance Committee) and then to the entire Board at the its March Board meeting. The proposed budget is then reviewed by the Finance Committee before presentation to the full Board for its consideration and approval in April. Following Board approval, the budget is submitted to Metro Government for its consideration and approval no later than May 1<sup>st</sup>.

3.4 The Board of Directors is responsible ~~to~~ for formulate ~~the~~ establishment of financial policies and for reviewing operations and activities on a periodic basis.

3.4.1 Conflict of Interest: Members of the Board of Directors and the Management Team are prohibited from activities that may present conflicts of interest. Each year the Board of Directors and the Management Team must complete conflict of interest statements ~~which are that~~ shall be prepared and managed by the Procurement Purchasing Department. Additionally, for solicitations requiring an evaluation committee, the Procurement Purchasing Department requires all pertinent staff to sign a conflict of interest statement that is solicitation specific.

#### 4.0 Process

##### 4.1 Budget Process:

4.1.1 The process starts every January with a Management Team meeting. The team is given ~~the~~ a budget schedule that is approved by the Executive Director/CEO. The budget schedule ~~works backward from the deadline to have the draft approved budget~~ shall be prepared in order to confidently meet Metro Government's May 1<sup>st</sup> submittal deadline to Metro Government by May 1<sup>st</sup>.

4.1.2 The first ~~look~~ draft will typically ~~has~~ recognize a gap between expected revenues and expenditures. ~~and it gives the b~~ Board members shall have sufficient time to ask questions and discuss ~~what the options are for to closing~~ address the gap. After any adjustments are made ~~During the April board meeting~~ the Executive Director/CEO presents the final draft for approval to send to Metro Government. The executive branch of Metro Government will presents the annual budget to the legislative branch of Metro Government, Metro Council, ~~some time~~ in May and the budget is adopted in ~~then again in~~ June. ~~for approval of the annual budget. The~~ The Agency's budget is presented along with ~~rolls up into~~ Metro's budget when presented to the Metro Council for its consideration and approval.

##### 4.2 Financial Statements:

4.2.1 The Agency's financial statements shall be prepared on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP).

4.2.2 ~~The monthly presentation of the f~~ Financial statements will be presented at ~~the~~ monthly Finance Committee meetings and Board meetings.

**4.3 Mass Transit Trust Fund (MTTF):**

4.3.1 The MTTF year-end balance must allow for two months of operating expenses remain at a minimum of \$10 million. Board approval is required to ~~without Board approval to~~ take ~~bring~~ the balance below the ~~set~~ minimum. If the fund balance falls below this minimum, the Executive Director/CEO Executives, CFO and Board shall develop a plan and budget for rebuilding the fund to the stated minimum as set forth herein.

**4.4 Audit & Reviews:**

4.4.1 ~~The Agency has annual a~~ An independent financial audits shall be done at the end of ~~the~~ each fiscal year, which is June 30<sup>th</sup>. The audit must be completed and submitted to Metro Government by October 1<sup>st</sup> with any additional reporting requirements. The Executive Director/CEO and CFO shall have direct responsibility ~~in~~ to overseeing the implementation of the Annual Financial Audit. Once completed, ~~The~~ the Auditors shall present the draft audited financials ~~once completed~~ to the Board during ~~the~~ a monthly Board meeting. The Board ~~will~~ shall approve the draft, which is then ~~to be~~ sent to Metro Government.

4.4.2 The Agency also has the following audits & reviews:

- Annual Operational Audit as mentioned above
- Annual Pension Audit
- Annual Workers Compensation Reserves Audit
- Special Purpose Government Entity (SPGE) – State review
- Internal Audits
- Triannual Review (FTA) conducted every 3 years
- Financial Management Oversight review (FMO)
- Drug & Alcohol Program review (FTA)
- Office of Inspector General review (OIG)

4.4.3 Region four of the Federal Transit Authority and the Office of Inspector General may require a review at any time.

**Revenue and Income Procedures:**

4.4.4 The Executive Director/CEO, Assistant Executive Director, Director of Grants & Capital Programs and CFO develop and propose revenue goals and objectives for the annual budget.

- 4.4.5 Revenue must be recorded in the appropriate revenue lines as presented in the annual budget and coded to the appropriate account as designated in the chart of accounts.

**4.5 Recording Receipts:**

- 4.5.1 All incoming cash is to be placed in the safe. The Fare Media Coordinator or designee processes all deposits and forwards to the Payroll Specialist for verification and check endorsement. The in-house courier takes all deposits to the bank in a secure locked bank bag. The courier shall not ~~for which they do not~~ have a key to the bank bag. Only the Payroll Specialist and the bank have the key for the bank bags. Once the deposits are returned they are verified and then sent to the Staff Accountant or designee for the deposit amounts to be entered onto the cash log spreadsheet. Then the Fare Media Coordinator codes the cash logs under the correct general ledger number. At the end of the month the cash log spreadsheet is verified by the Assistant Director of Finance or designee, who records the transactions ~~enters the entry into the general ledger to record the transactions.~~ ~~Entries are created from the cash log spreadsheet.~~ All accounts receivables revenues must be entered into the accounts receivable module as cash receipts including incoming grant cash funds.

**4.6 Expenditures Procedures:**

- 4.6.1 In keeping with TARC's purchase order process, ~~All~~ expenditures shall be approved either by the department head, ~~purchase order process,~~ the Assistant Executive Director, Executive Director/CEO or the Board depending on the amount of the purchase. Please refer to the Board and FTA approved procurement manual.
- 4.6.2 All expenditures shall be coded by the account number using the chart of accounts. The Accounts Payable position maintains the accounting records containing accounts payables including check register and pay packets.
- 4.6.3 After invoices are approved, Accounts Payable or designee will process a check run at least once a week for operational expenses. All checks receive two signatures. Pay packets are matched with ~~the~~ checks that are then taken to the Executive Director or ~~the~~ designee for the first signature. The second signature must be from the Finance Department CFO or designee ~~in the Finance or Grants Department.~~ ~~and~~ ~~†~~ The check register must accompany the checks before signing presented for signature. Once both signatures are on the checks and all checks have been accounted for they are given back to Accounts Payable to prepare for mailing. Once mailed, pay packets are filed after the checks go out in the mail. Grant checks are cut typically twice a month and follow almost the same



process, except that pay packets are given back to the Accounting Manager for filing.

**4.7 Signature Policy:**

4.7.1 The Executive Director/CEO signs all contracts and commitments based on ~~the~~ authority ~~given~~ provided by the Board. Checks printed by the Agency require one signature from the Executive Director/CEO ~~Executive Office~~ or a designee and one signature from CFO Finance Department or a designee ~~from within the Finance Department~~. The Board approves all signatories on TARC bank accounts.

**4.8 Compensation and Payroll:**

4.8.1 Payroll is processed weekly. ~~and~~ Pay day is on Thursday, although holidays may alter normal processes. There are two payroll team members; one processes Administration & Maintenance personnel; the other processes all Transportation personnel. Department Heads are responsible for approving their payroll and monitoring their expenses relative to their budget. The Payroll Team verifies and makes corrections by communicating to the Department Head or their designee before sending to ADP TARC's payroll process contractor.

4.8.2 Direct deposits: ~~Wisely~~ TARC's contractor who provide pay cards are processed and received by employees typically on Thursday unless a holiday falls on the pay day, then pay will fall on a Wednesday.

4.8.3 Monthly payroll expenses shall be verified against reports and reconciled with the checking account reports. Any employee withholdings withheld are paid to the proper party within the month.

4.8.4 The Executive Director's compensation shall be determined by the Board. The salaries of all other employees shall be determined by the Human Resource Director or Union Contract and approved by the Executive Director/CEO or Assistant Executive Director.

**4.9 Local Travel and Expense Reimbursements:**

4.9.1 All ~~E~~employees must abide by the Agency's Travel and Expense policy. Travel and expense reports will be submitted to Finance for review. ~~Once all approvals are on the~~ Approved expense reports ~~it should~~ shall be forwarded to the Executive Office for Executive Director/CEO signature. The Chair of the Board will approve the Executive Director/CEO and Board member expense reports. Travel reimbursement shall not be above the IRS Guidelines.



**4.10 Credit Card Expenditures:**

4.10.1 Credit card purchases should follow the procurement guidelines. Only Procurement Purchasing and Finance Departments have credit cards. The corporate card is in the CFO's name and may only be used for travel, emergency purchases and purchases that can't be purchased any other way. A request form must be submitted and approved before the corporate card is used. Finance monitors the corporate card use and reconciles the bill. ~~Finance has the cards connected to the tablets which are always zero and no purchases can be made on the tablets.~~ Procurement Purchasing Department has the cards and/or account numbers for businesses that we have accounts with. ~~and All purchases must follow our TARC guidelines and provide receipts and/or purchase orders for the purchases.~~

**4.11 Purchases:**

4.11.1 ~~Please refer to the Procurement Policy for thresholds for procedures and rules regarding purchases. Departmental Directors have authority to approve or make purchases up to \$15,000; the Assistant Executive Director has authority for purchases up to \$50,000; and the Executive Director/CEO has authority for purchases up to \$100,000. The Director of Purchasing has authority to purchase fuel up to \$100,000. These thresholds and procedures regarding purchases are included in the Procurement Policy, as may be amended subject to Board approval.~~

**4.12 Leases and Other Contractual Agreements:**

4.12.1 Leases and other Contractual Agreements ~~go through~~ are managed by our TARC's Procurement Purchasing Department and follow the procedures that are in place. The Executive Director/CEO signs contracts along with the Agency's attorney. Most contractual agreements are approved by the Board during monthly Board meetings.

**4.13 Notes, Loans, ETC:**

4.13.1 All notes, loans and other indebtedness contracted in the name of the Agency (except open accounts and all other routine banking transactions), shall require the signature of the Executive Director/CEO or CFO and Board approval.

**4.14 Deeds, Conveyances, ETC:**

4.14.1 The Executive Director/CEO or CFO shall execute all Deeds, Conveyances, Mortgages, Leases, Contracts and other instruments in the name of the Agency. Board approval is required for any amount over \$100,000 ~~thousand dollars.~~

**4.15 Bank Accounts and Investment Accounts:**

4.15.1 The CFO shall maintain and oversee Bank and Investment accounts and ensure the Agency's day-to-day financial operations. ~~Several~~ Accounts that TARC may ~~be maintained by the Agency~~ include as follows:

- Checking

# TRANSIT AUTHORITY OF RIVER CITY FINANCIAL MANAGEMENT POLICY



- Zero Balance Accounts (ZBA)
- Money Market Accounts
- Certificate of Deposit
- Line of Credit
- Brokerage Account

4.15.2 Accounts may vary depending on financial conditions and requirement changes. The Agency follows instruments authorized in KRS 66.480 (a)-(d) for investments. Please refer to the investment policy.

#### **4.16 Checking Accounts:**

4.16.1 All checks, cash, money orders and credit card deposits are reviewed by the Finance Department and deposited in the appropriate Accounts. Monies are transferred between accounts to cover 3<sup>rd</sup>-third party contractors that oversee worker's compensation, safety, health savings plans and the credit card processing. Funds are also transferred between the operating and grant account through banking web portal. The CFO also authorizes funds to be transferred between accounts listed above under bank accounts.

#### **4.17 Bank Reconciliations:**

4.17.1 Bank reconciliations shall be completed monthly by a Finance employee ~~that does~~ who does not have authority to input invoices and sign checks. ~~not sign checks and~~ They are then approved by the CFO. Reconciliations shall be tied to the general ledger and filed in the Finance department for auditor's annual review.

#### **4.18 Cash and Cash Equivalents:**

4.18.1 Cash and Cash Equivalents include all cash balances and highly liquid investments (including restricted investments) ~~purchases with an original maturity of three months or less. The Agency uses a nightly sweep account for the operating account to protect the funds~~ Funds will be protected and secure that are outside the FDIC insurance limits. Grant funds are drawn down and spent within 3 days and may not be invested.

#### **4.19 Petty Cash:**

4.19.1 Petty cash fund provides a method for paying and recording out-of-pockets cash payments that are small and can't wait for purchase orders. Employees must seek reimbursement from the Finance Department. ~~Customers who accidentally put too much in the fare box must see the Cashier's office. Both~~ TARC Customer Service ~~Kiosks~~ till amounts are also included in the Petty cash general ledger account.

4.19.2 Petty cash levels are set at the following:



- Finance Department \$500
- Union Station-Kiosk \$100
- NIA Center-Kiosk \$100
- Cashier's Office \$50
- TARC owned Vending machines (2) \$50

**4.20 Investments Reports and Investment Policy:**

4.20.1 ~~Investment reports on the daily sweeps are sent daily to the agency and reviewed and filed in the Finance Department. Collateral reports are available on the 3<sup>rd</sup> party's website.~~ The auditors review Banking and investments annually to make sure the funds are protected. The CFO is responsible for making sure Agency funds are protected. Please refer to the investment policy.

**4.21 Insurances:**

4.21.1 Reasonable and adequate coverage will be maintained to protect the Agency's interest and its employees including the Board. The Agency has the following insurance coverages:

- Property – self-insured with the Louisville Area Government Trust
- Liability including Cyber – self-insured with the Louisville Area General Government Trust
- Workers Compensation – self-insured and managed by 3<sup>rd</sup> party administrator
- Excess Workers Compensation
- Felonious Assault
- Crime Coverage
- Health
- Life
- Disability

4.21.2 Insurance policies shall be carefully reviewed by the Department heads that oversees the coverage and approved by the Executive Director/CEO.

**4.22 Property and Equipment:**

4.22.1 Property, property improvements and equipment shall be entered into the system at the purchase price. Depreciation is computed over the estimated useful live of the assets using the straight-line depreciation. The Agency follows the Federal Transit Authority (FTA) recommended guide lines for useful life on the majority of assets. A fixed asset listing is maintained monthly along with monthly depreciation. If a fixed asset is transferred or retired; a form is sent to Finance for entries to be made. Inventories on fixed assets are done biennial.

**4.23 Confidentiality and Records Security:**





4.23.1 Financials and payroll records are restricted materials with limited access. Only the Finance Department, Executive Office (including TARC's internal general counsel) ~~house legal is in the Executive Office~~ and Human Resources shall have access to financial records (vendor files, checks, journals, payroll ~~and~~, etc.). All open records requests go through the Executive Office) or Human Resources department with assistance and review provided by the Agency's legal counsel.

**4.24 Document Retention:**

4.24.1 The Agency's documents are retained for a period of time in ~~following~~ accordance with requirements for the use of ~~F~~ federal funds, ~~and~~ ~~S~~ state funds, ~~and~~ or referencing the Internal Revenue Service's recommendations on all other ~~items~~ documents ~~that do not fall into the~~ related to ~~other two~~ federal or state ~~areas~~ governments. ~~Every~~ Each department is responsible for ~~keeping up with the~~ record-retaining records ~~entions~~ as set out for their departments. Guidelines ~~that~~ are ~~all listed out~~ maintained on the TARC network public drive.

**4.25 Tax Reporting:**

4.25.1 The Agency is exempt from federal and state taxes.

**5.0 References / Related Documents**

- 5.1 2 CFR Part 200.302 (f) Financial Management
- 5.2 FTA Circular 5010.1E: Financial Management. Internal Controls
- 5.3 TARC Procurement Regulations
- 5.4 AP Accruals
- 5.5 Capital Purchases
- 5.6 Inventory
- 5.7 Financial Reporting (Closing Procedures)
- 5.8 Monthly Closing Procedures
- 5.9 Payroll
- 5.10 Revenue Receivables/Cash Receipts/Process Narrative
- 5.11 Standard Annual Inventory Procedures
- 5.12 Useful terms and Websites

**6.0 Additional Approval**

6.1 Position: Executive Director

Position: Board Chair



| 7.0

DRAFT



**Acronyms and Abbreviations**

<b>ADA</b>	Americans with Disabilities Act
<b>AED</b>	Assistant Executive Director
<b>A/I and I</b>	Accident/Incident and Investigations
<b>ATS</b>	Applicant Tracking System (automated HR system)
<b>Contractor</b>	An entity that performs tasks required on behalf of TARC
<b>CAP</b>	A Corrective Action Plan is a plan that describes the actions the agency will take to minimize, control, correct, or eliminate hazards, and the schedule for implementing those actions.
<b>EAM</b>	Enterprise Asset Management is an online asset management system used by all maintenance personnel for work orders, hazards, and procedures related to TARC assets
<b>FASuites</b>	Fixed Asset database
<b>FTA</b>	Federal Transit Administration, an agency within the U.S. Department of Transportation
<b>KDOT/SSO</b>	The entity designated by the State of Kentucky to implement FTA 49 CFR Part 659 also known as the State Oversight Rule. The Kentucky Department of Transportation (KDOT), Office of Intermodal Programs, designates the State Safety Oversight Agency to oversee TARC's System Safety Program Plan and Hazard Management Plan
<b>Intelligent Transportation System (ITS)</b>	Component that provides the Automatic Vehicle Locator (AVL) System
<b>Mass Transit Trust Fund (MTTF)</b>	An account set up by revenue commission for the collection of occupational license fees/taxes on behalf of the Louisville Metro Government, the Jefferson County Board of Education, and the Transportation Authority of River City (TARC)
<b>New Starts Project</b>	Any fixed guideway system funded under FTA's 49 U.S.C. 5309 discretionary construction program
<b>NIMS</b>	National Incident Management System
<b>NTD</b>	National Transit Database
<b>Paratransit</b>	Services offered to meet the service demands in compliance with the Americans with Disabilities Act (ADA) of 1990. At TARC, the Department of Paratransit operates and manages paratransit services aka (TARC3)
<b>Program Standard</b>	Written document developed and adopted by the oversight agency, that describes the policies, objectives, responsibilities, and procedures used to provide rail transit agency safety oversight
<b>TAM Plan</b>	Transit Assessment Asset Plan is a plan through which TARC will document its' asset base, asset conditions, and State of Good Repair, asset management policy, TAM goals and objectives, governance structure for asset management, strategy for capital asset funding and prioritization, and key priorities for asset management
<b>Trapeze EAM</b>	Fixed Asset Database

**Useful Websites**

**Transit Authority of River City (TARC)**

<https://www.ridetarc.org/about/about-tarc>

**Kentuckiana Regional Planning & Development Agency (KIPDA)**

<http://www.kipda.org>

**Federal Transit Administration (FTA)**

<https://cms.fta.dot.gov/>

**American Public Transportation Association (APTA)**

<http://www.apta.com/Pages/default.aspx>

**Americans with Disabilities Act (ADA)**

<https://www.ada.gov/>

**Electronic Code of Federal Regulations**

<https://www.ecfr.gov/cgi-bin/ECFR?SID=56745eba73630e229d4b8c6b66e53499&mc=true&page=browse>

**Safety & Security Office (SSO)**

<https://www.transit.dot.gov/regulations-and-guidance/safety/2018-sso-program-managers-training-workshop-presentations>

**Kentucky Transportation Cabinet**

<https://transportation.ky.gov/Pages/Home.aspx>

**Louisville KY.gov**

<https://louisvilleky.gov/government/mayor-greg-fischer>



# MEMORANDUM

**To:** John Launius, Chair of TARC Board of Directors

**From:** Carrie Butler, Executive Director

**Date:** January 25, 2022

**Re:** Resolution 2022-02 Bulk Oils, Liquids, Fluids, and Lubricants (IFB 20211667)

In October 2021, the Procurement Department released an Invitation for Bid (IFB) for supplies of bulk oils, liquids, fluids and lubricants for use in TARC's rolling stocks. The solicitation was advertised on TransitTalent.com and TARC's website using the online portal from Bonfire. A Disadvantage Business Enterprise goal was assigned to the project of 15%.

Proposals were received from five (5) qualified and experienced suppliers and all were deemed responsive and responsible. The evaluation committee scored and deemed all five (5) bidders (Apollo Oil, Cummins, Inc., Landrum Chemical Industries, Rely Supply and Valor Oil/Blue Sky (Valor)) were within range, and offered the lowest and best value to TARC.

The Procurement Department performed an independent cost estimate analysis prior to receiving bids and the analysis was based on products and lowest costs. Additionally, we requested samples to ensure the products met Maintenance Departments requirements and needs. We also conducted a spend report analysis from the prior three (3) years:

<i>FY ENDING 2019 ACTUAL</i>	<i>FY ENDING 2020 ACTUAL</i>	<i>FY ENDING 2021 ACTUAL</i>	<i>ESTIMATED FY ENDING 2022</i>
<b>\$116,687</b>	<b>\$115,740</b>	<b>\$87,184</b>	<b>\$106,537</b>

There was a decrease of bulk oils, fluids, liquids and lubricants used in FY 2021 (July 2020 to June 2021). This decline is due to less rolling stock (fixed-routes) in service during those months. Additionally, Covid-19 pandemic affected the supply chain, including some weeks where there were missed deliveries. Our ordering pattern was less, thus volume was less than the normal usage. FY2022 is continuing on the same trend as FY2021.

At this time, we are recommending a multi-vendor contract award as follows: Apollo Oil, Cummins, Inc., Landrum Chemical Industries, Rely Supply and Valor for the delivery of supplies of bulk oils, liquids, fluids and lubricants for a total not to exceed amount of \$588,687 over the 5-year term of the agreement.

The attached resolution requests the Board of Directors to authorize the Executive Director to enter into an agreement with these suppliers with an initial term of two (2) years and an option of three (3) one-year annual terms.

Please call me at 561-5100 if you have any questions. Thank you.



## **RESOLUTION 2022-02**

### **Bulk Oils, Liquids, Fluids and Lubricants**

A Resolution authorizing the Executive Director to enter into an Initial Term of two (2) years with an Option of three (3) one-year terms:

**WHEREAS**, TARC seeks supplies for bulk oils, liquids, fluids and lubricants for use in TARC's rolling stocks; and,

**WHEREAS**, a competitive solicitation, invitation for bid was requested on October 8, 2021; and

**WHEREAS**, TARC received a proposal from Apollo Oil, Cummins, Inc., Landrum Chemical Industries, Rely Supply and Valor and all were deemed responsive and responsible; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Transit Authority of River City that:

The Executive Director is hereby authorized to enter into a contract for an initial term of two (2) years with an Option of three (3) one-year annual terms with Apollo Oil, Cummins, Inc, Landrum Chemical Industries, Rely Supply and Valor based upon proposed cost for a total not-to-exceed amount of \$588,687.

**ADOPTED THIS 25th DAY OF JANUARY 2022**

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**John Launius, Chair of the Board of Directors**



# MEMORANDUM

**To:** John Launius, Chair of TARC Board of Directors

**From:** Carrie Butler, Executive Director

**Date:** January 25, 2022

**Re:** Resolution 2022-03 Security Guard Services – Armed and Unarmed

---

TARC has contracted in-person security services for a number of years with a variety of companies and contracts. Most recently, TARC had a contract with Walden Security to provide in-person security services for TARC offices located at Union Station and Maintenance Facilities at 29<sup>th</sup> and Broadway. With the onset of COVID-19, our needs for security services changed. These changes were factored into the development of the request for proposals (RFP) along with a review of our property to assess other ways to increase actual and perceived safety and security for employees and visitors. The services needed at this time are greater than in 2017 when the previous services were procured and include Union Station, the Transportation and Operations Building, the Guard Shacks at 10<sup>th</sup> and 11<sup>th</sup> Streets, and the 29<sup>th</sup> Street Maintenance and Customer Service Facility. The hours of coverage have also been increased.

In October 2021, the Procurement Department released a Request for Proposal (RFP) for certified armed and unarmed security guard services. The solicitation was advertised on TransitTalent.com and TARC's website using the online portal from Bonfire. Proposals were received from three (3) qualified and experienced service providers and all were deemed responsive and responsible. The evaluation committee scored and deemed all three (3) proposers were within range, thus progressing to the step 2 presentation/interview of the evaluation process:

- GardaWorld Security
- Allied Universal
- Morgan Security

The evaluation committee completed the step-2 evaluation process which included in-person presentations and interviews. Factors considered during the evaluation process included technical approach, professional references of similar project and size, project team's experiences and cost. After scoring and careful consideration, the evaluation committee determined that an award to both Allied Universal and Morgan Security would result in the most cost effective and value proposal to TARC.

The Procurement Department performed an independent cost estimate analysis prior to receiving bids and the analysis was based on the classification of the scope and work to determine the costs provided is fair and reasonable. The evaluation committee recommends a contract award to both Allied Universal and Morgan Security. Both providers offered the best value proposal and pricing were deemed fair and reasonable. Contract to both providers will be awarded as follows:



- Allied Universal to provide two (2) security guards at Union Station and Guard Shack (10<sup>th</sup> Street and 11<sup>th</sup> Street) building locations. Estimated hours of 31,200 with a not to exceed amount of \$863,486.00 for the term life of the contract; and
- Morgan Security to provide a security guard at the Maintenance and Customer Service on 29<sup>th</sup> Street building locations. Estimated hours of 11,440 with a not to exceed amount of \$279,137 for the term life of the contract.

This resolution requests that the Board of Directors authorize the Executive Director to enter into agreements with Allied and Morgan Security for an initial term of three (3) years and an option of two (2) one-year terms for a total not-to-exceed amount of \$1,142,622 over the entire 5-year term of the agreements.

Please call me at 561-5100 if you have any questions. Thank you.





## **RESOLUTION 2022-03 Security Guard Services Armed and Unarmed**

A Resolution authorizing the Executive Director to enter into an Initial Term of three (3) years with an Option of two (2) one-year terms:

**WHEREAS**, TARC seeks security service provider to provide and assist TARC with its safety and security guard surveillance services; and

**WHEREAS**, a competitive solicitation, request for proposal was requested on October 8, 2021; and

**WHEREAS**, TARC received a proposal from Allied Universal and Morgan Security and both were deemed responsive; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Transit Authority of River City that:

The Executive Director is hereby authorized to enter into an Initial Term of three (3) years with an Option of two (2) one-year term contract with Allied Universal and Morgan Security based upon proposed cost for a not-to-exceed amount of \$1,142,622.

**ADOPTED THIS 25th DAY OF JANUARY 2022**

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**John Launius, Chair of the Board of Directors**



# MEMORANDUM

**To:** John Launius, Chair of TARC Board of Directors

**From:** Carrie Butler, Executive Director

**Date:** January 25, 2022

**Re:** Resolution 2022-04 – Purchase of up to Eight (8) Support Vehicles

---

TARC currently has twenty-nine support vehicles in use for transportation monitoring and administrative use. This number does not include vehicles used for fleet and facilities maintenance. Of those twenty-nine support vehicles, thirteen (13) have exceeded TARC's own useful life benchmark; that is, their expected useful life. For automobiles and vans, that expected useful life is eight years of service. TARC currently has the ability to replace these vehicles with funds made available through our Section 5339 Formula Bus and Bus Facilities grants.

Based upon the input of the Transportation and Maintenance departments, the current priority is to replace those used by Transportation Supervisors. The most appropriate and flexible mix of vehicles that can be purchased with available funds is four (4) all-wheel drive Ford Escape hybrids (\$28,285 each) and four (4) four-wheel drive Ford Explorers (\$32,231 each) for a total eight (8) vehicles at a total price of \$243,284. All of the vehicles can be acquired through the use of a Master Agreement between the Commonwealth of Kentucky and Paul Miller Ford.

At this time, I am requesting Board approval to purchase up to eight (8) support vehicles from Paul Miller Ford.

If you have any questions, please call me at 561-5100.



## **RESOLUTION 2022-04**

### **Purchase of Support Vehicles**

A Resolution authorizing the Executive Director to purchase eight (8) new vehicles from Paul Miller Ford to replace support vehicles that have exceeded their expected useful life at a total cost not-to-exceed \$243,284.

**WHEREAS**, TARC has a pressing need for replacement support vehicles for the Transportation Department; and

**WHEREAS**, of the non-revenue vehicles in TARC's Administrative and Transportation fleet, thirteen (13) have exceeded their expected useful lives and need to be replaced; and

**WHEREAS**, TARC has the use of an existing Commonwealth of Kentucky agreement with Paul Miller Ford for the purchase of Ford Escapes and Ford Explorers; and

**WHEREAS**, TARC has set aside funds from its Section 5339 Formula Bus and Bus Facilities grants to purchase new support vehicles; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Transit Authority of River City that:

The Executive Director is hereby authorized to purchase up to eight (8) support vehicles from Paul Miller Ford for total not-to-exceed \$243,284.

**ADOPTED THIS 25th DAY OF JANUARY 2022**

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**John Launius, Chair of the Board of Directors**