

# **FINANCE SUBCOMMITTEE BOARD OF DIRECTORS MEETING**



## **Meeting Notice:**

The next meeting of this subcommittee of the TARC Board of Directors will be held at:

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

**Tuesday, February 15, 2022 at 1:30 p.m.**

<https://us06web.zoom.us/j/87635632534?pwd=NFFHb29tc050TUZ6NkNIQ3dCbmjhUT09>

**Meeting ID:** 876 3563 2534

**Passcode:** 971447

**One tap mobile:** +19292056099,,87635632534#

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# FINANCE SUBCOMMITTEE BOARD OF DIRECTORS MEETING



## Agenda

I.	Quorum Call/Call to Order	Carla Dearing	1:30
II.	Staff Reports and Presentations ( <i>for Board Meeting</i> )		
	a. Financial Statements	Tonya Carter	1:35 – 1:50
	b. <i>Presentation on Micromobility Study</i> <i>from Via consulting team</i>	David Perl	
	c. <i>Presentation on TARC 3</i> <i>from MV Transportation</i>	Bruce Withers	
	d. <i>Update on Strategic Outcomes</i> <i>From Transpro consulting team</i>	Ehren Bingaman	
III.	Resolutions / Action Items for Board Meeting		
	a. Resolution 2022 - 01 Financial Management Policy	Carrie Butler	1:50 – 2:00
	b. Resolution 2022 - 05 Human Resources and Payroll Systems	J.P. Hamm	2:00 – 2:10
	c. Resolution 2022 – 06 Fluid Management System	Maria Harris	2:10 – 2:20
	d. Resolution 2022 – 07 Capital Assistance Projects	Geoffrey Hobin	2:20 – 2:35
IV.	Proposed Agenda Items/Next Meeting Date	Carrie Butler	2:35
V.	Adjournment		2:40

# TARC FINANCE SUBCOMMITTEE MEETING



## January 2022 Finance Subcommittee Meeting Minutes

The Finance Subcommittee of Transit Authority of River City (TARC) met on Tuesday, January 18, 2022 at 1:30 P.M. in person at TARC's headquarters, 1000 West Broadway in the Board Room.

### **Members Present**

Carla Dearing  
John Launius - Virtual

### **Call to Order**

Carrie Butler called the meeting to order at 1:30 p.m.

### **Financial Reports**

Presented By: Tonya Carter

November Financial Summary. See Financials in packet.

### **FY 2023 Budget Timeline and Overview**

Presented By: Carrie Butler

See Presentation

### **Board Resolutions**

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

Presented by: Carrie Butler

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

#### **Resolution 2022-02 Bulk Oils. Etc**

Presented by: Maria Harris/William Harris

A resolution authorizing the Executive Director 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 \$544,089.65.

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

Presented by: Lorri Lee

# TARC FINANCE SUBCOMMITTEE MEETING

A resolution authorizing the Executive Director 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 \$1,142,622.00.



## **Resolution 2022-04 Purchase of Support Vehicles**

Presented by: Geoffrey Hobin

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.

## **Proposed Agenda Items/Next Meeting Dates**

Payroll HRIS System  
Capital Program of Projects  
Fluids Management System  
Project Updates – TARC 3 and TARC Tomorrow

Meeting Adjourned at 2:11 p.m.



### **Current Month Revenues Compared to Budget**

Total Operating Revenues are under budget \$78,422 (pg. 2, line 9) mainly due to Passenger Fares and Special Fares being under budget. Total Non-Operating Revenues (Subsidies) are under budget \$498,017 (pg. 2, line 16) mainly due to Operating Expenses being under budget. Total Capital Contributions are under budget \$177,882 (pg. 2, line 25) due to timing of projects. Total Revenues with Capital are under budget \$754,321 (pg. 2, line 27) mainly due to Operating Revenues being under and Operating Expenses being under budget so less stimulus dollars used in the current month.

### **Current Month Expenses Compared to Budget**

Total Operating Expenses are under budget \$576,434 (pg. 2, line 41) mainly due to Direct Labor, Services, Materials and Purchased Transportation being under budget. Total Capital Expenses are over budget \$1,352 (pg. 2, line 48) compared to budget. Total Expenses with Capital are under budget \$575,082 (pg. 2, line 50) due to Operating Expenses being under budget.

### **Current Month Actual Summary**

Total Operating Revenues are \$666,426 (pg. 2, line 9) and Total Operating Expenses are \$7,750,366 (pg. 2, line 41) bringing the net to an unfavorable balance of \$7,083,940 before Subsidies are applied. After applying Subsidies of \$7,083,936 (pg. 2, line 16) there is an unfavorable balance of \$4 (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 \$605,284 (pg. 2 line 9) mainly due to Passenger Fares and Special fares being under budget. Total Non-Operating Revenues (Subsidies) are under budget \$2,514,147 (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 \$487,398 (pg. 2, line 25) mainly due to timing of state match on new bus purchases and local match on federal formula dollars being under budget. Total Revenues with Capital are under budget \$3,606,829 (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 \$3,119,414 (pg. 2, line 41) mainly due to Fringe & Benefits, Services, Materials, and Purchased Transportation being under budget. Total Capital Expenses are over budget \$234,918 (pg. 2, line 48) compared to budget. Total Expenses with Capital are under budget \$2,884,496 (pg. 2, line 50) due to Operating Expenses being under budget and offset with Depreciation expenses being over budget.

## **YTD Actual Summary**

Total Operating Revenues are \$3,798,483 (pg. 2, line 9) and Total Operating Expenses are \$45,371,410 (pg. 2, line 41) bringing the net to an unfavorable balance of \$41,572,927 (pg.7, YTD Balance tab) before Subsidies are applied. After applying Subsidies \$41,572,911 (pg. 2, line 16) the net is an unfavorable balance of \$16 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 Statement of Revenues – Expenses shows an unfavorable balance of \$16 before applying the MTTF Revenue receipts. December budgeted MTTF receipts for revenue deposits is over budget \$3,662,720 (pg. 8) year-to-date. We currently have a favorable balance before capital year-to-date of \$3,662,703 (pg. 7) due to the MTTF revenue deposits being over budget. MTTF Net Profit Fees are down \$652,058 (pg. 8) and Employee Withholdings are up \$1,672,002 (pg. 8) year-to-date compared to last year.

Statement of Revenue - Expenses - with Capital Contributions

December 2021, Fiscal Year 2022



page 2

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	362,015	440,976	(78,961)	2,150,091	2,573,023	(422,932)	54.80%
2 Paratransit Fares	805,500	84,348	70,000	14,348	450,785	497,500	(46,715)	44.04%
3 Special Fare Revenues (UofL, UPS and etc)	1,796,605	132,297	161,180	(28,883)	732,135	897,090	(164,955)	59.25%
4 Comp Specials	150,000	0	0	0	0	0	0	100.00%
5 Advertising Revenue	624,000	53,333	52,000	1,333	320,000	312,000	8,000	48.72%
6 Other Agency Revenues	183,300	31,270	15,275	15,995	123,942	91,650	32,292	32.38%
7 Total Recoveries-Insurance	65,000	3,163	5,417	(2,254)	21,528	32,502	(10,974)	66.88%
8								
9 Operating Revenues	<b>8,381,502</b>	<b>666,426</b>	<b>744,848</b>	<b>(78,422)</b>	<b>3,798,483</b>	<b>4,403,765</b>	<b>(605,284)</b>	<b>54.68%</b>
10								
11 MTTF Contributions- Federated	50,865,563	4,125,107	4,125,107	0	25,775,090	25,775,090	0	49.33%
12 Local Government Funds - MTTF	1,146,453	0	95,538	(95,538)	25,285	573,228	(547,943)	97.79%
13 Federal Reimbursement Funds - FTA	38,008,770	2,782,040	3,096,125	(314,085)	15,418,959	17,192,250	(1,773,291)	59.43%
14 State Government Funds	1,553,856	176,789	265,183	(88,394)	353,578	546,491	(192,913)	77.25%
15								
16 Total Non-Operating Revenues	<b>91,574,642</b>	<b>7,083,936</b>	<b>7,581,953</b>	<b>(498,017)</b>	<b>41,572,911</b>	<b>44,087,059</b>	<b>(2,514,147)</b>	<b>54.60%</b>
17								
18 Total Revenues Before Cap Contributions	<b>99,956,144</b>	<b>7,750,362</b>	<b>8,326,801</b>	<b>(576,439)</b>	<b>45,371,394</b>	<b>48,490,824</b>	<b>(3,119,431)</b>	<b>54.61%</b>
19								
20 Local Government Funds - MTTF, Cap	2,188,232	25,121	70,271	(45,150)	116,829	622,043	(505,214)	94.66%
21 Federal Reimbursement Funds - FTA, Cap	22,218,487	101,405	234,138	(132,733)	12,406,939	15,262,934	(2,855,995)	44.16%
22 State Government Funds, Cap	0	1	0	1	2,873,811	0	2,873,811	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>126,527</b>	<b>304,409</b>	<b>(177,882)</b>	<b>15,397,579</b>	<b>15,884,977</b>	<b>(487,398)</b>	<b>36.91%</b>
26								
27 Total Revenues	<b>124,362,863</b>	<b>7,876,889</b>	<b>8,631,210</b>	<b>(754,321)</b>	<b>60,768,972</b>	<b>64,375,801</b>	<b>(3,606,829)</b>	<b>51.14%</b>
28								
29								
30 Expenses								
31								
32 Labor	32,000,848	2,469,692	2,609,172	(139,480)	15,603,763	15,624,376	(20,613)	51.24%
33 Fringes & Benefits	31,734,057	2,961,299	2,917,163	44,136	15,689,364	16,045,662	(356,298)	50.56%
34 Services	5,639,222	313,388	468,971	(155,583)	2,607,203	2,831,767	(224,564)	53.77%
35 Materials	7,458,185	465,984	615,673	(149,689)	3,033,260	3,723,433	(690,173)	59.33%
36 Utilities	1,016,796	86,943	84,733	2,210	470,578	508,398	(37,820)	53.72%
37 Casualty & Liability	2,736,426	337,958	228,035	109,923	1,628,088	1,368,210	259,878	40.50%
38 Purchased Transportation	18,740,930	1,065,933	1,337,974	(272,041)	6,095,289	8,052,917	(1,957,628)	67.48%
39 Interest Expense	7,860	675	675	0	4,624	4,627	(3)	41.17%
40 Other Expenses	621,820	48,495	64,405	(15,910)	239,241	331,434	(92,193)	61.53%
41 Operating Expenses	<b>99,956,144</b>	<b>7,750,366</b>	<b>8,326,801</b>	<b>(576,439)</b>	<b>45,371,410</b>	<b>48,490,824</b>	<b>(3,119,414)</b>	<b>54.61%</b>
42								
43								
44								
45 Development Cost & Loss on Disposal	426,467	25,348	18,928	6,420	102,798	59,915	42,883	75.90%
46 Depreciation Expenses	12,194,557	1,012,485	1,018,041	(5,556)	5,946,111	5,756,138	189,973	51.24%
47 Loss on Disposal of Assets	0	488	0	488	2,062	0	2,062	0.00%
48 Total Capital Expenses	<b>12,621,024</b>	<b>1,038,321</b>	<b>1,036,969</b>	<b>1,352</b>	<b>6,050,971</b>	<b>5,816,053</b>	<b>234,918</b>	<b>52.06%</b>
49								
50 Total Expenses	<b>112,577,168</b>	<b>8,788,687</b>	<b>9,363,770</b>	<b>(575,082)</b>	<b>51,422,380</b>	<b>54,306,877</b>	<b>(2,884,496)</b>	<b>54.32%</b>
51								
52								
53 Revenue / Expense Difference Before Capital	0	(4)	0	(5)	(16)	0	(17)	0.00%
54								
55 Revenue / Expense Difference After Capital	<b>11,785,695</b>	<b>(911,798)</b>	<b>(732,560)</b>	<b>(179,239)</b>	<b>9,346,592</b>	<b>10,068,924</b>	<b>(722,333)</b>	<b>20.70%</b>

## Total Labor

December 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
1	Direct Labor	32,000,848	2,469,692	2,609,172	(139,480)	15,603,763	15,624,376	(20,613)	51.24%
2	Sick Leave	1,651,183	83,833	111,425	(27,592)	662,903	947,675	(284,772)	59.85%
3	Holiday	1,252,323	247,867	276,975	(29,108)	624,671	689,860	(65,189)	50.12%
4	Vacation	2,088,175	275,048	174,294	100,754	1,236,448	1,044,327	192,121	40.79%
5	Other Paid Absences	240,381	13,378	65,312	(51,934)	84,450	143,759	(59,309)	64.87%
6	Total	<b>37,232,910</b>	<b>3,089,818</b>	<b>3,237,178</b>	<b>(147,360)</b>	<b>18,212,235</b>	<b>18,449,997</b>	<b>(237,762)</b>	<b>51.09%</b>
7	Difference compared to Budget				(147,360)			(237,762)	

**Balance Sheet****December 2021, Fiscal Year 2022**

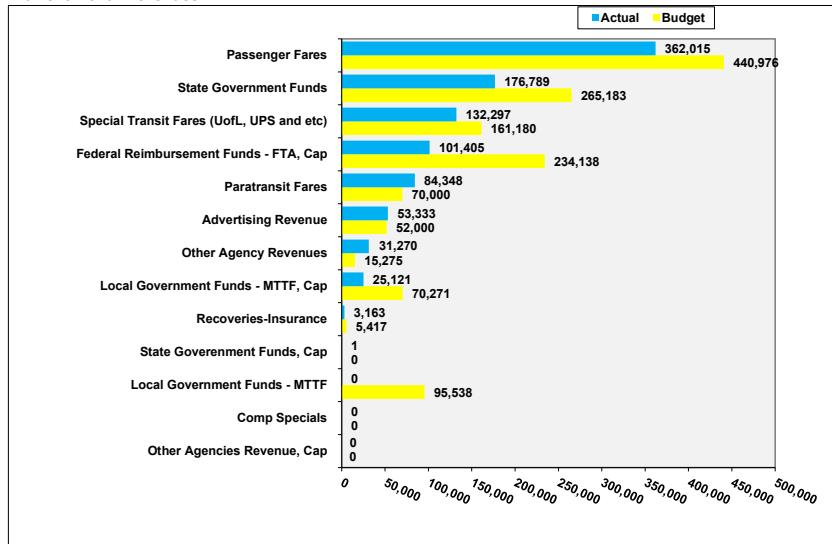
<b>Assets</b>	<b>FY 22</b>	<b>FY 21</b>	<b>Liabilities, Reserves &amp; Capital</b>	<b>FY 22</b>	<b>FY 21</b>
<b>Current Assets</b>					
<b>Current Liabilities</b>					
Cash & Cash Items	6,537,259	2,335,873	Long Term Debt	121,697	262,538
Short Term Investments	3,009,415	2,136,620	Short Term Debt	0	0
Accounts Receivable	59,585,859	63,262,770	Trade Payables	9,074,745	3,702,442
Interest Receivable	9	363	Accrued Payroll Liabilities	4,213,813	4,001,622
Due From Grant	80,000	80,000	Estimated Workmans Compensation	3,962,551	2,962,037
Materials & Supplies	1,779,727	1,643,751	Accrued Tax Liabilities	0	0
<b>Total Current Assets</b>	<b>70,992,269</b>	<b>69,459,377</b>	Unredeemed Tickets & Tokens	1,666,433	1,715,046
<b>Other Assets</b>			Reserves - Injury & Damages	1,910,800	1,263,400
Prepaid Insurance & Dues & WIP	1,329,941	1,443,748	Due To Operations	80,000	80,000
<b>Total Other Assets</b>	<b>1,329,941</b>	<b>1,443,748</b>	Unearned Capital Contributions	50,358,860	57,535,373
<b>Fixed Assets</b>			Other Current Liabilities (Health Ins.)	1,905,174	100,359
Land	3,187,624	3,177,782	<b>Total Current Liabilities</b>	<b>73,294,073</b>	<b>71,622,816</b>
Buildings	49,384,066	49,122,760	<b>Equity</b>		
Coaches	129,482,222	114,004,162	Retained Earnings	9,346,592	(4,462,030)
Office Equipment	10,456,335	10,459,196	Prior Year Retained Earning	75,248,859	76,430,607
Other Equipment	21,946,711	21,907,561	<b>Total Equity</b>	<b>84,595,451</b>	<b>71,968,577</b>
Development Costs	304,171	234,062	<b>Total Liabilities &amp; Equity</b>	<b>157,889,524</b>	<b>143,591,393</b>
Vehicle Exp - Operating	1,420,405	1,420,405			
Other Equipment -Operating	154,908	151,307			
<b>Total Fixed Assets</b>	<b>216,336,441</b>	<b>200,477,234</b>			
<b>Less Accumulated Depreciation</b>					
Accumulated Depr Land	733,631	699,857			
Accumulated Depr Buildings	27,882,240	26,365,029			
Accumulated Depr Coaches	74,680,216	74,389,376			
Accumulated Depr Office Equipment	8,415,908	7,861,473			
Accumulated Depr Other Equipment	17,875,546	17,432,621			
Accumulated Depr Development Cost	102,798	31,847			
Accumulated Depr Vehicle Exp - Opr	952,687	896,560			
Accumulated Depr Other Equipment Op	126,101	112,203			
<b>Total Depreciation</b>	<b>130,769,127</b>	<b>127,788,966</b>			
<b>Net Fixed Assets</b>	<b>85,567,314</b>	<b>72,688,268</b>			
<b>Total Assets</b>	<b>157,889,524</b>	<b>143,591,393</b>			

## Actual Revenue vs. Budget

December 2021, Fiscal Year 2022



## Current Month Revenues



MTTF \$4,125,107 Actual = \$4,125,107 Budget

Federal Reimbursement Funds - FTA \$2,782,040 Actual &lt; \$3,096,125 Budget

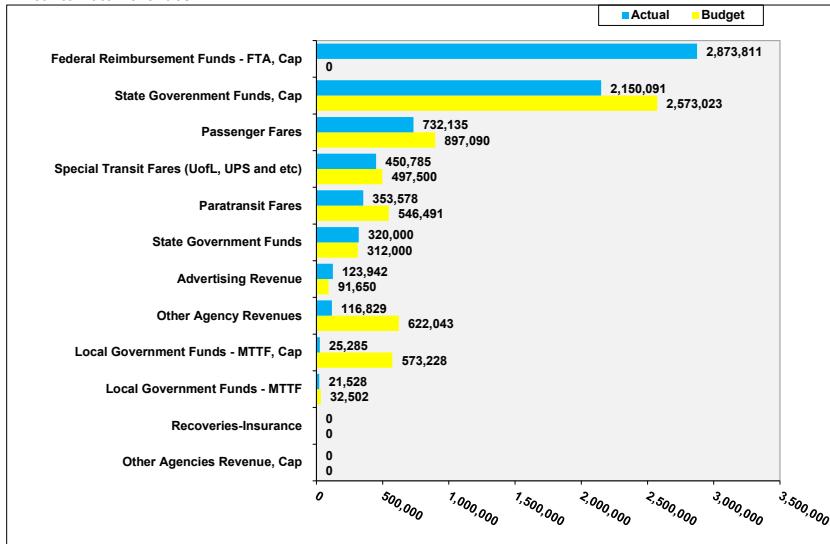
Passenger fares \$78,961

Paratransit fares \$14,348

Special Fares \$28,883

Federal Reimbursement Funds - FTA \$314,085

## Year to Date Revenues



MTTF \$25,775,090 Actual = \$25,775,090 Budget

Federal Reimbursement Funds - FTA \$15,418,959 Actual &lt; \$17,192,250 Budget

Federal Reimbursement Funds - FTA, Cap \$12,406,939 Actual &lt; \$15,262,934 Budget

Passenger fares \$422,932

Paratransit fares \$46,715

Federal Reimbursement Funds - FTA \$1,773,291

Federal Reimbursement Funds - FTA, Cap \$2,855,995

State Government Funds, Cap - \$2,873,811

## CM

- \* Special Fares - is under budget \$28,883 mainly due to one contract decrease and we will see this decrease monthly
- \* Federal Reimbursement Funds - FTA, is under budget \$314,085 mainly due to expenses being under budget

## YTD

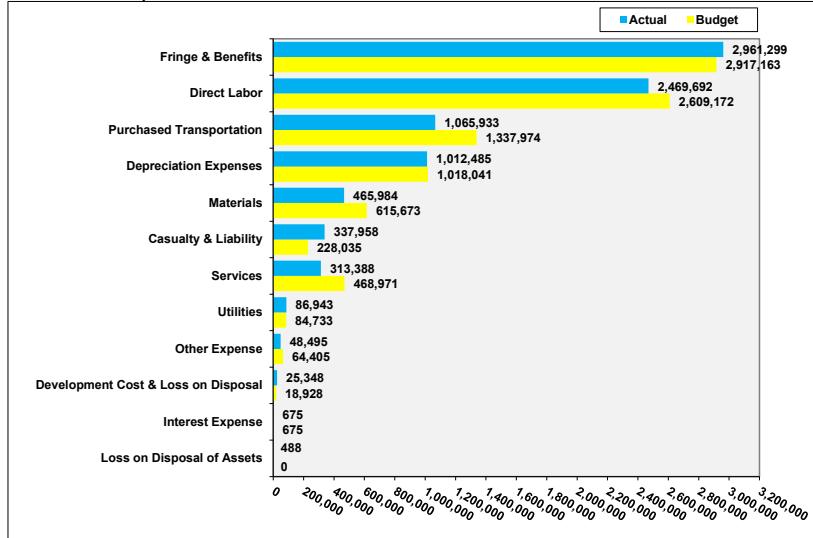
- \* Federal Reimbursement Funds - FTA is under budget \$1,773,291 mainly due to operating expenses being under budget
- \* Federal Reimbursement Funds - FTA, Cap is under budget \$2,855,995 mainly due to timing of expenditures for bus purchases
- \* State Government Funds - is over budget \$2,873,811 due to timing of expenditures for bus purchases

## Actual Expenses vs. Budget

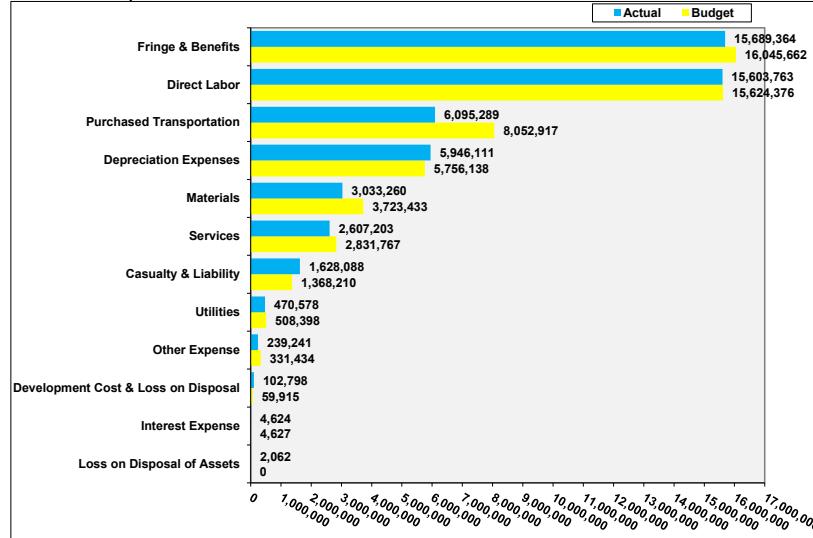
December 2021, Fiscal Year 2022



### Current Month Expenses



### Year to Date Expenses



Direct Labor \$139,480 Total Labor \$147,360   
 Fringe & Benefits \$44,136   
 Casualty & Liability \$109,923   
 Purchased Transportation \$272,041

Direct Labor \$20,613 Total Labor \$237,762   
 Fringe & Benefits \$356,298   
 Materials \$690,173   
 Purchased Transportation \$1,957,628   
 Depreciation Expenses \$189,973

### CM

- \* Direct Labor is under budget \$139,480
- \* Fringe & Benefits are over budget \$44,136 mainly due to Worker's Compensation
- \* Casualty & Liability is over budget \$109,923 mainly due to one reserve increase
- \* Purchased Transportation is under budget \$272,041 mainly due to revenue hours and penalties

### YTD

- \* Fringe & Benefits are under budget \$356,298 mainly due to Sick Leave, Pension, Medical all being under budget and offset by Worker's Compensation being over \$801,038
- \* Materials are under budget \$690,173 mainly due to diesel fuel and Maintenance materials and supplies
- \* Purchased Transportation is under budget \$1,957,628 mainly due to revenue hours and penalties
- \* Depreciation Expenses are over budget \$189,973 mainly due to timing of bus purchases, we had about a \$6,000 decrease from the prior month

## Year to Date Summary

December 2021, Fiscal Year 2022



### Actual Compared to Budget YTD

	Good	In the Red
Total Revenues before Capital are Over/ <b>Under</b> by (pg. 2, line 18)		\$3,119,431
Total Expenses are Over/ <b>Under</b> by (pg. 2, line 41)	\$3,119,414	
MTTF Revenue Deposits are <b>Over</b> /Under by (pg. 8)	\$3,662,720	
December has a favorable balance before Capital of	\$6,782,134	\$3,119,431
		<b>\$3,662,703</b>

### Actual Revenues over Expenses

Operating Revenues	\$3,798,483
Operating Expenses	\$45,371,410
<b>Net Gain/(Loss) before MTTF</b>	<b>(\$41,572,927)</b>
MTTF Approved Contributions	\$25,775,090
<b>Net Gain/(Loss) before Subsidies</b>	<b>(\$15,797,837)</b>

### Subsidies

CARES	\$10,387,177
CRSSAA	\$4,930,640
5307 Federal Formula dollars to be used as (CEER)	\$101,142
MTTF Local Share	\$25,285
State Contributions	\$353,578
<b>Total Subsidies</b>	<b>\$15,797,822</b>

**Net Gain/(Loss) before Capital** **(\$16)**

## 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	\$6,581,965	\$4,963,520	\$1,618,445	\$3,662,720	32.61%	19.96%
January	\$4,589,049					
February	\$4,233,049					
March	\$4,173,450					
April	\$5,781,232					
May	\$3,901,651					
June	\$4,747,430					
<b>TOTAL</b>	<b>\$30,328,965</b>	<b>\$54,092,106</b>				

## MTTF Revenue Deposits - Actuals

LOUISVILLE METRO REVENUE COMMISSION TARC LICENSE FEE TRANSACTIONS						
	December 2021	December 2020	YTD FY 2022	YTD FY 2021	Difference Amount	Percent Change
<b>Receipts</b>						
Employee Withholding	\$ 4,001,415	\$ 3,783,006	\$ 25,326,271	\$ 23,654,269	\$ 1,672,002	7.07%
Individual Fees	39	9	60	896	(836)	-93.28%
Net Profit Fees	2,616,040	1,744,805	5,029,509	5,681,567	(652,058)	-11.48%
Interest & Penalty	53,903	50,860	384,083	266,147	117,936	44.31%
<b>Total Collections</b>	<b>\$ 6,671,397</b>	<b>\$ 5,578,680</b>	<b>\$ 30,739,922</b>	<b>\$ 29,602,879</b>	<b>\$ 1,137,043</b>	<b>3.84%</b>
Investment Income	\$ 632	\$ 1,013	\$ 4,031	\$ 3,865	\$ 166	4.31%
<b>Total Receipts</b>	<b>\$ 6,672,029</b>	<b>\$ 5,579,693</b>	<b>\$ 30,743,954</b>	<b>\$ 29,606,744</b>	<b>\$ 1,137,210</b>	<b>3.84%</b>
<b>Disbursements</b>						
Collection Fee	\$ 90,064	\$ 75,312	\$ 414,989	\$ 399,638	\$ 15,351	3.84%
<b>Total Disbursements</b>	<b>\$ 90,064</b>	<b>\$ 75,312</b>	<b>\$ 414,989</b>	<b>\$ 399,638</b>	<b>\$ 15,351</b>	<b>3.84%</b>
<b>Due Mass Transit</b>						
Less Previous Payments						
<b>Payable To Trust Fund</b>	<b>\$ 6,581,965</b>	<b>\$ 5,504,381</b>	<b>\$ 30,328,965</b>	<b>\$ 29,207,106</b>	<b>\$ 1,121,859</b>	<b>3.84%</b>
			23,747,000	23,702,725	44,275	0.19%
			<b>\$ 6,581,965</b>	<b>\$ 5,504,381</b>	<b>\$ 1,077,584</b>	<b>19.58%</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			\$4,930,640	16,574,048	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



# MEMORANDUM

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

**From:** Carrie Butler, Executive Director

**Date:** February 22, 2022

**Re:** Resolution 2022-01

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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 22nd DAY OF FEBRUARY 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,

# TRANSIT AUTHORITY OF RIVER CITY FINANCIAL MANAGEMENT POLICY



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~~ 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, ~~sometime~~ in May and the budget is adopted in ~~then again in~~ June. ~~for approval of the annual budget~~ 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~~ 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 accountants.

**4.8 Compensation and Payroll:**

4.8.1 Payroll is processed weekly. ~~and p~~ 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~~mployees 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.

# TRANSIT AUTHORITY OF RIVER CITY FINANCIAL MANAGEMENT POLICY



## **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~~ in the CFO's name and may only be used for travel, emergency purchases and purchases that can't be purchased any other way. ~~An~~ 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 ~~to~~ 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 a~~ 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~~ies~~ that oversee worker's compensation, safety, health savings plans and ~~the~~ credit card processing~~er~~. 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:

# TRANSIT AUTHORITY OF RIVER CITY FINANCIAL MANAGEMENT POLICY



• Finance Department	\$500
• Union Station <del>Kiosk</del>	\$100
• NIA Center <del>Kiosk</del>	\$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 life 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:**

# TRANSIT AUTHORITY OF RIVER CITY FINANCIAL MANAGEMENT POLICY



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 ~~Federal funds, and Sstate 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 ~~sentions~~ 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

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



7.0

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# TRANSIT AUTHORITY OF RIVER CITY

## FINANCIAL MANAGEMENT POLICY



### 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</b>	Any fixed guideway system funded under FTA's 49 U.S.C. 5309
<b>Project</b>	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

# TRANSIT AUTHORITY OF RIVER CITY FINANCIAL MANAGEMENT POLICY



## 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:** February 22, 2022

**Re:** Resolution 2022-05 Payroll and Human Resources Information Systems Solution (RFP 20211692)

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The current payroll system through ADP has been functioning since it was originally implemented in 1997. While the current ADP system focuses on payroll, TARC is using two other systems for human resources information system management causing three different sources of information. This includes Ellipse for employee records such as discipline history, leave balances, and promotions/transfers, and Taleo, for recruiting and performance reviews. Also, Trapeze is used by Transportation and Maintenance for attendance and other functions. The intended plan for this procurement was to combine the functions of ADP, Ellipse, and Taleo into a single product for greater efficiency and to avoid communication issues between various systems. Ellipse and Trapeze will be kept because of other functions and for maintaining employee histories. Additionally, TARC seeks a more centralized and turnkey system that will better meet employee needs as well as future enhancements, integrations and basic requirements of payroll and human resources.

In July 2021, the Procurement Department issued a Request for Proposal (RFP) 20211692 for a comprehensive Payroll Services and Human Resources Information System Solutions. The solicitation was advertised in TransitTalent.com and TARC's Bonfire online portal as well as emailed directly to a number of providers nationwide. This procurement has a 5% Disadvantage Business Enterprise (DBE) participation goal for race consciousness and the DBE certified firms under the NAICS code 5415 listed under the Kentucky Transportation Cabinet were contacted. Proposals were received from eight (8) qualified and experienced firms and all were deemed responsive. The first-step evaluation scoring by the evaluation committee members was based on the technical requirements as prescribed in the criteria factor section of the solicitation. There were three (3) proposals selected as short-listed and to progress to the second-step of the evaluation:

- ADP
- Paycom
- Kronos

The evaluation committee completed a two-step evaluation process including a hybrid of an in-person and zoom meeting presentations and interviews. Factors considered during the evaluation process included qualifications, professional references of similar project and size, project team's experiences, system implementation and project scheduling and cost. A Best and Final Offer was



requested from all three proposers and fell within the competitive range of the independent cost estimate. After scoring and careful consideration, the evaluation committee determined that an award to the incumbent, ADP, would result in the most cost effective and valuable proposal to TARC. ADP's cost proposal included:

- Payroll, HRIS, Time & Attendance, Support and Maintenance, Integration to Trapeze and Ellipse, including a one-time set up fee for implementation, for \$186,326.
- Each year thereafter the annual cost is \$179,164.

ADP offers optional modules and services, which may be exercised at a future date; these include, but may not be limited to, employee learning and training programs, enhanced communication module, and document management. Upon completion of the basic system and a successful implementation, additional modules may be brought forth for the Board for additional funding.

The attached resolution requests that the Board of Directors authorize entering into an agreement with an initial term of three (3) years and an option of two (2) one-year terms with ADP for Payroll Services and Human Resources Information System Solution for a total not to exceed amount of \$902,981 for the five year term.

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



## **RESOLUTION 2022-05**

### **PAYROLL AND HUMAN RESOURCES INFORMATION SYSTEM SOLUTION**

A Resolution authorizing the Executive Director to enter into a contract for an Initial Term of three (3) years with an Option of two (2) one-year terms with ADP for a Payroll and Human Resources Information System over a 5-year period for a total not-to-exceed (NTE) amount of \$902,981:

**WHEREAS**, TARC seeks a Payroll and Human Resources Information System Solution to provide and assist TARC with its Payroll and Human Resources System Technologies requirements; and,

**WHEREAS**, a competitive solicitation, request for proposal was requested on July 19, 2021; and

**WHEREAS**, TARC received 8 proposals of which 3 of those were deemed the most responsible and their proposed cost fair and reasonable; and

**WHEREAS**, after thorough evaluation of the three proposals, TARC selected the proposal from ADP for \$902,981 over a 5-year period, which was deemed the most cost effective and value proposal to TARC; 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 three (3) years with an Option of two (2) one-year renewals with ADP for a total NTE amount of \$902,981 over a five-year period.

**ADOPTED THIS 22nd DAY OF FEBRUARY 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:** February 22, 2022

**Re:** Resolution 2022-06 Automated Fuel and Fluid Monitoring System (RFP 20211729)

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Each day, TARC vacuums, cleans and services our fleet of buses after they return to Union Station. In our service lanes, technicians pump diesel to refill the tank on the bus. They also monitor Diesel Exhaust Fluid (an additive used to treat exhaust), engine oil, automatic transmission fluid, and the mileage of the revenue vehicles. They manually enter the bus number, mileage, and the amount of each of the fluids dispensed into Ellipse, our asset management system. The information entered drives our preventive maintenance program, with accumulated mileage generating work orders based on when it is time for a bus inspection. Changes in consumption of fluids can tell us when a bus may have a maintenance issue. Yet, this manual process is cumbersome and prone to error.

In order to improve fluids and mileage tracking, as well as the efficiency of our service operation, in October 2021, the Procurement Department issued a Request for Proposal (RFP 20211729) for an automated fuel and fluid monitoring and management system. The solicitation was advertised in TransitTalent.com and TARC's Bonfire online solicitation website. Proposals were received from five (5) proposers and three (3) proposers were deemed responsive.

The evaluation committee completed its evaluation using the criteria and factors prescribed in the solicitation. Criteria considered were qualifications, references of similar projects, the project team's experiences, system design and understanding of TARC's project, and project scheduling and cost. After scoring and careful consideration, the evaluation committee determined that an award to S & A Systems, Inc., would result in the best and most cost-effective solution for TARC.

The Procurement Department acquired references from other peer transit agencies and has performed an independent cost estimate based on the classification of the scope and work. The Review Committee therefore recommends the award of an agreement for Fuel and Fluid Monitoring and Management System Solution to S & A Systems, Inc.

At this time, I am asking for authority to negotiate and enter into an agreement with S & A Systems, Inc. for fuel and fluid monitoring and management system solution for a term of four (4) years with three (3) two-year optional extensions. The contract terms for the initial year, including equipment and implementation costs will be at or below the submitted cost proposal of \$450,000. Each year thereafter, the costs will be negotiated at or below the cost proposal of approximately \$35,000 per year.

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



## **RESOLUTION 2022-06**

### **Fuel and Fluid Monitoring and Management System Solution**

A Resolution authorizing the Executive Director to negotiate and enter into a contract with S & A Systems, Inc. for an Automated Fuel and Fluids Monitoring System for a contract maximum of \$740,000 for a possible ten year term:

**WHEREAS**, TARC's current fuel, mileage and fluids monitoring is performed through an inefficient manual process; and

**WHEREAS**, TARC seeks an Automated Fuel and Fluid Monitoring and Management System Solution to provide and assist TARC with its fuel and fluid monitoring and management requirements; and

**WHEREAS**, a competitive solicitation, Request for Proposal 20211729 was issued on October 8, 2021; and

**WHEREAS**, TARC received five proposals, four of which were deemed responsive and evaluated by a committee of TARC staff with knowledge of agency processes and needs; and

**WHEREAS**, the proposal from S & A Systems, Inc. was ranked well above the other proposals by the evaluation committee;

**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 negotiate and enter into a contract with S & A Systems, Inc. for a contract maximum of \$740,000.

**ADOPTED THIS 22<sup>nd</sup> DAY OF FEBRUARY 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:** February 22, 2022

**Re:** Resolution 2022-07 FY 2022 Capital Assistance Grants

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Every year TARC plans for the best and most important use of its Federal capital resources. We do this in coordination with the Kentuckiana Regional Planning and Development Agency (KIPDA) and in keeping with Federal statute. The plan for the spending of these capital resources or, our Program of Projects (POP), is also reflected in TARC's fiscal year (FY) 2022 budget.

Each year we give the public an opportunity for input on that plan, and then seek approval of the plan from you, TARC's Board of Directors. This grant budget, along with the items identified in the POP, was the subject of a public meeting held on Zoom, February 4, 2022 at 12:00 p.m. This year we notified our customers about the meeting directly through a rider alert. After several years of using standard legal advertisements and in person public hearings that drew no attendance, this year we had three attendees. The projects in this plan reflect those in the Capital Budget section of TARC's FY 2022 Budget, which is attached herein by reference.

This POP identifies projects to be funded in a grant application for FY 2022 Sections 5307 and 5339 capital assistance apportioned to TARC through what is now called the Bipartisan Infrastructure Legislation (BIL). Funds appropriated will be distributed to transit agencies nationwide according to a formula. This year, we expect to file a grant of FY 2022 Section 5307 and 5339 funds for a total of \$26,504,105, of which \$21,175,666 will be Federal Funds. The amount represents a significant, 29%, increase in the amount of funding over FY 2021. However, Congress has not yet appropriated full year funding.

The major projects and associated expenses addressed with this POP are:

1. The replacement of buses that have exceeded TARC's 15-year useful life benchmark;
2. Replacement of TARC's CAD/AVL system, which has exceeded its expected life;
3. Renovation projects associated with TARC's 42-year-old operations center;
4. Reimbursement of Capital Maintenance costs; and
5. As much as 40% of the cost of contracting for paratransit service.

The projects listed are in keeping with the FY 2022 capital budget adopted by the Board and approved by Metro Council. I am requesting authorization to file the grant(s). If you have any questions, please call me at 561-5100.



## **RESOLUTION 2022-07**

### **FY 2022 Capital Assistance Grants**

A Resolution authorizing the Executive Director to file an application with the Department of Transportation, United States of America, for a grant under the Urban Mass Transportation Act of 1964, as amended.

**WHEREAS**, the Secretary of Transportation is authorized to make grants for a mass transportation program of projects; and

**WHEREAS**, the contract for financial assistance will impose certain obligations upon the applicant, including the provision by it of the local share of the project costs; and

**WHEREAS**, it is required by the U. S. Department of Transportation, in accordance with the provision of Title VI of the Civil Rights Act of 1964, as amended, that the applicant gives assurances that it will comply with Title VI of the Civil Rights Act of 1964 and the U. S. Department of Transportation requirements thereunder; and

**WHEREAS**, it is the goal of the applicant that Disadvantaged Business Enterprises be utilized to the fullest extent possible in connection with this/these project(s), and that definite procedures shall be established and administered to ensure that disadvantaged businesses shall have the maximum feasible opportunity to compete for construction contracts when procuring construction contracts, supplies, equipment contracts, or consultant and other services.

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

1. The Executive Director is authorized to execute and file an application on behalf of the Transit Authority of River City with the U.S. Department of Transportation to aid in the financing of planning, capital and/or operating assistance projects pursuant to Section 5307 of the Urban Mass Transportation Act of 1964, as amended.
2. The Board Chair, Vice-Chair, or Executive Director is authorized to execute and file with such applications an assurance or any other document required by the U. S. Department of Transportation effectuating the purpose of Title VI of the Civil Rights Act of 1964.
3. The Executive Director is authorized to furnish such additional information as the U. S. Department of Transportation may require in connection with the application for the program of projects and budget.
4. The Executive Director is authorized to set forth and execute affirmative disadvantaged business policies in connection with the program of projects and budget procurement needs.
5. The Executive Director is authorized to execute grant agreements on behalf of Transit Authority of River City with the U. S. Department of Transportation for aid in the financing of the planning, capital and/or operating assistance program of projects and budget.

*...continued...*



## **CERTIFICATION**

The undersigned duly qualified and acting Chair of the Transit Authority of River City certifies that the foregoing is a true and correct copy of a resolution, adopted at a legally convened meeting of the Board of Directors held on February 22, 2022.

**ADOPTED THIS 22nd DAY OF FEBRUARY 2022**

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

## ESTIMATED Program of Projects and Budget for Federal Fiscal Year 2022 Grant Funds

Urbanized Area: Louisville, KY  
 Designated Recipient: TARC  
 Grantee: Transit Authority of River City  
 Program Numbers:  
 Temporary number: 1105-2022-X

	Full Year Apportionment	Estimated
Section 5307 Apportionment for 2022 (A)	\$ 19,510,228	
Operations Assistance for LaGrange	\$ 46,026	
Capital Assistance for LaGrange	\$ 15,342	
Portion available for TARC 5307 Capital	\$ 19,448,859	
TARC Local Match	\$ 4,862,215	
<b>Total TARC 5307 Capital Program Funds Available</b>	<b>\$ 24,311,074</b>	
Section 5339 Apportionment for 2022 (B)	\$ 1,665,451	
TARC Local Match	\$ 416,363	
<b>Total 5339 Capital Program Funds Available</b>	<b>\$ 2,081,814</b>	
<b>Subtotal of TARC Apportionments</b>	<b>\$ 21,114,310</b>	
<b>Subtotal of TARC Local Match</b>	<b>\$ 5,278,578</b>	
<b>Carryover Funds</b>	<b>\$ -</b>	
<b>Total Funds Available for TARC Capital Program</b>	<b>\$ 26,392,888</b>	

### Project Description

I	CAPITAL PROJECTS (80/20 FUNDING)	ALI	LOCAL	FEDERAL	TOTAL
1	Buy Replacement STD 40' Bus	11.12.01	1,550,310.00	6,201,240.00	7,751,550.00
2	A & E Services	11.41.03	41,250.00	165,000.00	206,250.00
3	MIS Equipment / Hardware	11.42.07	212,500.00	850,000.00	1,062,500.00
4	MIS Equipment / Software	11.42.08	650,000.00	2,600,000.00	3,250,000.00
5	Security Enhancements	11.42.09	48,777.00	195,108.00	243,885.00
6	Rehab/Renovate Admin / Maint Facility	11.44.03	900,000.00	3,600,000.00	4,500,000.00
7	Capital Maintenance	11.7A.00	1,000,000.00	4,000,000.00	5,000,000.00
8	Non-Fixed Rte ADA Paratransit Svc	11.7C.00	450,000.00	1,800,000.00	2,250,000.00
9	Capital Cost of Contracting-Fixed Route	11.71.12	9,375.00	37,500.00	46,875.00
10	Operating Assistance (LaGrange)	30.09.03	46,030.00	46,030.00	92,060.00
11	Capital Maintenance (LaGrange)	11.7A.00	3,837.00	15,348.00	19,185.00
Subtotal Capital Section 5307 (A)			4,912,079.00	19,510,226.00	24,422,304.99
Project 1			4,462,079.00	17,710,226.00	22,172,304.99
12	Buy Replacement 40' ZEB	11.12.01	316,800.00	1,267,200.00	1,584,000.00
13	Acquire Miscellaneous Equipment	11.42.20	52,060.00	208,240.00	260,300.00
14	Purchase Support Vehicles	11.42.11	47,500.00	190,000.00	237,500.00
15	Facility Rehabilitation	11.44.02	-	-	-
Subtotal Capital Section 5339 (B)			416,360.00	1,665,440.00	2,081,800.00
<b>TOTAL CAPITAL</b>			<b>5,328,439.00</b>	<b>21,175,666.00</b>	<b>26,504,104.99</b>
 <b>ARP ACT (FFY 2021 FUNDING)</b>					
16	Operating Assistance FY 2023	30.09.03	-	48,587,329.00	48,587,329.00
 <b>OTHER FUNDING</b>					
17	Enhanced Mobility* (Section 5310)		313,176.50	1,252,706.00	1,565,882.50
18	ARP Act Enhanced Mobility** (Sect. 5310)		-	171,180.00	171,180.00
Subtotal Section 5310			313,176.50	1,423,886.00	1,737,062.50
<b>TOTAL PROGRAM OF PROJECTS</b>			<b>5,641,615</b>	<b>71,186,881</b>	<b>76,828,496</b>

\*TARC is the designated recipient for these funds. Funds will be awarded to **subrecipients whose projects are** selected in accordance with FTA guidance. The sources and amount of local match will be determined as a result of that process.

\*\*Section 5310 supplementary funds made available through the FFY 2021 ARP Act require no local match.