

STRATEGIC PLANNING & TECHNOLOGY SUBCOMMITTEE BOARD OF DIRECTORS MEETING



Meeting Notice:

The TARC Board of Directors holds a quarterly meeting of the Strategic Planning and Technology subcommittee. The next will be held at:

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

Wednesday, April 19, 2023 at 1:30 p.m.

This meeting is also being held via teleconference as permitted by KRS 61.826.

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 Maria Fischer-Boothe at 502.561.5106. Requests made as early as possible will allow time to arrange accommodation.

Agenda

- | | |
|---|-------------|
| I. Call to Order | 1:30 |
| II. Updates | 1:35 – 1:55 |
| i. Project, Plan and Procurement Updates | |
| ii. Presentation TARC Tomorrow and Strategic Planning | |
| a. Future projects | |
| b. Financial Outlook and Scenario Planning | |
| i. Charitable Giving and Foundation | |
| c. Fleet Transition Plan | |
| III. Open Discussion | 1:55 – 2:15 |
| IV. Proposed Agenda Items/Next Meeting Date | 2:15 – 2:25 |
| V. Adjourn | 2:30 |

TARC STRATEGIC PLANNING & TECHNOLOGY SUBCOMMITTEE MEETING



January 2023 Strategic Planning & Technology Subcommittee Meeting Minutes

The Strategic Planning & Technology Subcommittee of Transit Authority of River City (TARC) met on Tuesday, January 18, 2023 at 1:30 P.M. in person at TARC's headquarters, 1000 West Broadway in the Board Room.

Members Present

Ted Smith

Call to Order

Ted Smith called the meeting to order at 1:31 p.m.

Project Updates

Presented By: Carrie Butler -Executive Director

Project, Plan and Procurement Updates

- TARC 3 Analysis – January to May Timeline
- Upgrade to Trapeze V.21 begun: June 2023 go live
- ADP implementation partially complete
- Office 365/Teams in preliminary phase

Open Procurements

- Mobile Ticketing Fair use the existing readers
- On Board Intelligent Transportation Systems
- Architecture, Engineering and Planning Indefinite Delivery/Indefinite Quantity
- Marketing, Public and Government Relations Services

Annual Financial Calendar

- 3 to 5 year budget planning
- Ridership
- Labor Costs and Fringe Up Tick
- Increase dollars from Metro Budget
- Route Changes
- 2026 -2027 – Financial Cliff
- Shared responsibility of the community

Route changes presented by Aida Copic

Refer to PowerPoint Presentation.

Board Member, Ted Smith offered some feedback including setting up a foundation for block grants. How will that work to offset the financial cliff 2026-2027.

TARC STRATEGIC PLANNING & TECHNOLOGY SUBCOMMITTEE MEETING



Adjournment

Board Member Ted Smith - Meeting adjourned at 2:07 p.m.



Strategic Planning and Technology Committee Meeting

April 19, 2023

Agenda and Discussion Items

- Project Updates
 - Slow progress on the HRIS and Trapeze v.21 Upgrades
 - Moving forward on open procurements
 - Paratransit Assessment
- Financial Outlook and Scenario Planning
 - Themes from TARC Tomorrow, including:
 - Charitable Giving and Foundation
 - Fleet Transition Plan



Rider Experience



Mobility & Innovation



Service & Expansion



Financial Sustainability & Funding Growth



Collaboration



Equity & Environment



TARC Tomorrow Themes



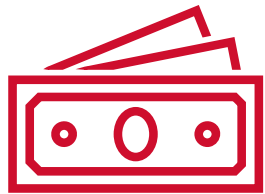
Rider Experience



Mobility & Innovation



Service & Expansion



Financial Sustainability & Funding Growth



Collaboration



Equity & Environment

TARC Themes



Rider Experience

Listening to our riders and aligning our plans with their needs means we're building a more reliable, equitable and useful system to provide access to all the opportunities that Louisville offers.



Mobility and Innovation

The world is changing faster than ever before. By thoughtfully adopting best practices and innovative technologies, we will bring new levels of convenience and quality to our transit system.



Service and Expansion

As Louisville grows and mobility needs change, we'll work to increase service levels on existing services and add new services to improve access for the community.



Financial Sustainability and Funding Growth

Meeting the growing mobility needs of the community means TARC needs added resources to grow and improve services.



Equity and Environment

Doing right for people and the environment happens through understanding, engagement, and action, and we're working hard to uphold and support community values in these areas.



Collaboration

Working in partnership with public agencies and the private sector to foster a more transit-supportive Louisville region is an ongoing and increasingly important effort for TARC.

Mobility & Innovation

By thoughtfully adopting best practices and innovative technologies, we will bring new levels of **convenience** and **quality** to our transit system.



Mobility & Innovation

Initiatives:

- Leverage technology and on-demand services to improve service coverage and access
- Enhance and expand employer shuttle partnership program
- Identify and develop mobility hubs in key locations to improve access and increase non-auto choices for travel



○ Modernizing Systems, Applications, and Processes

○ Evaluate and develop a post-covid commuting Corporate Partnership Program

○ Technology Roadmap and Next set of projects

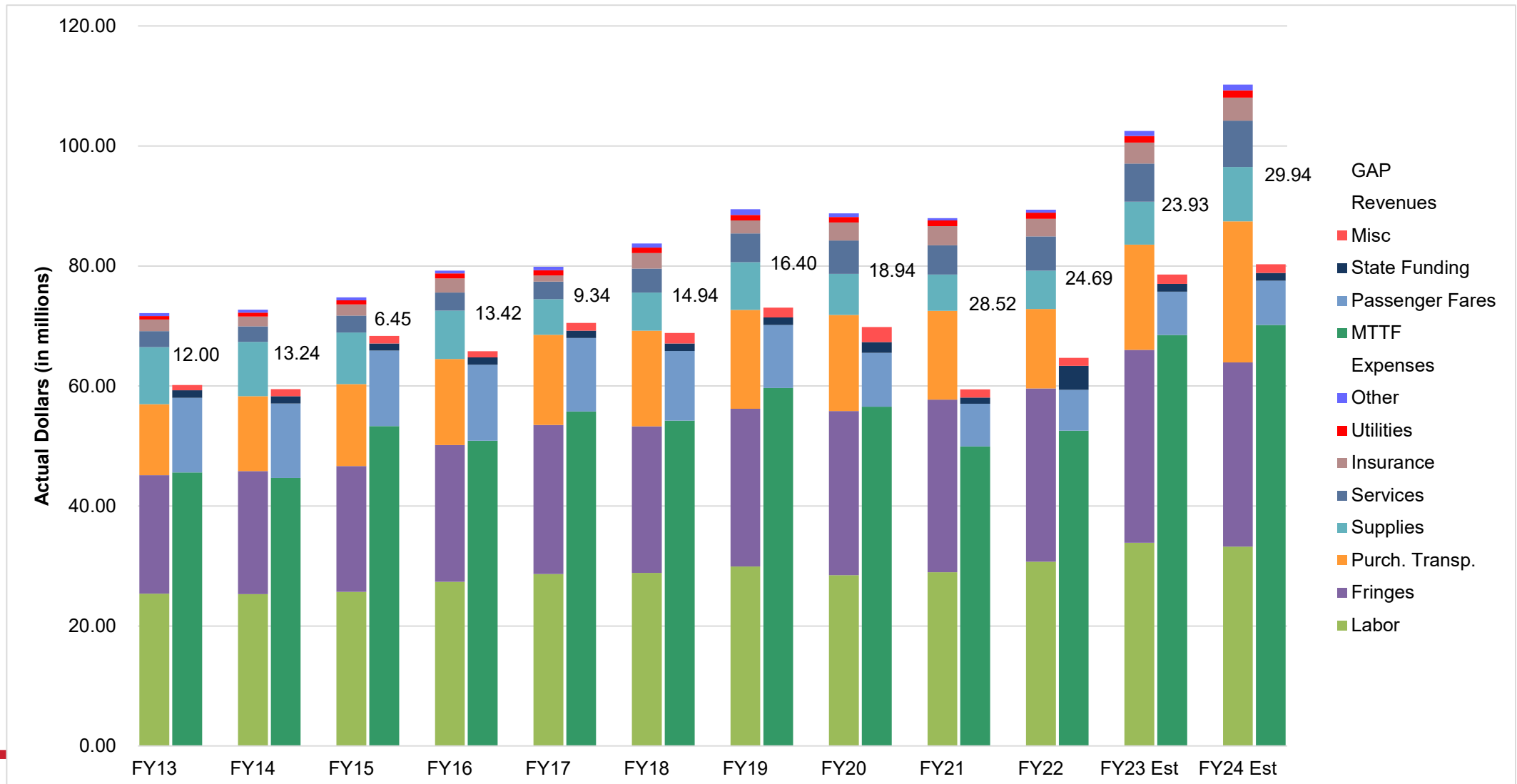
Financial Stability & Funding Growth

Meeting the growing mobility needs of the community means TARC **needs added resources** to grow and improve services.



REVENUES AND EXPENSES OVER 10 YEARS

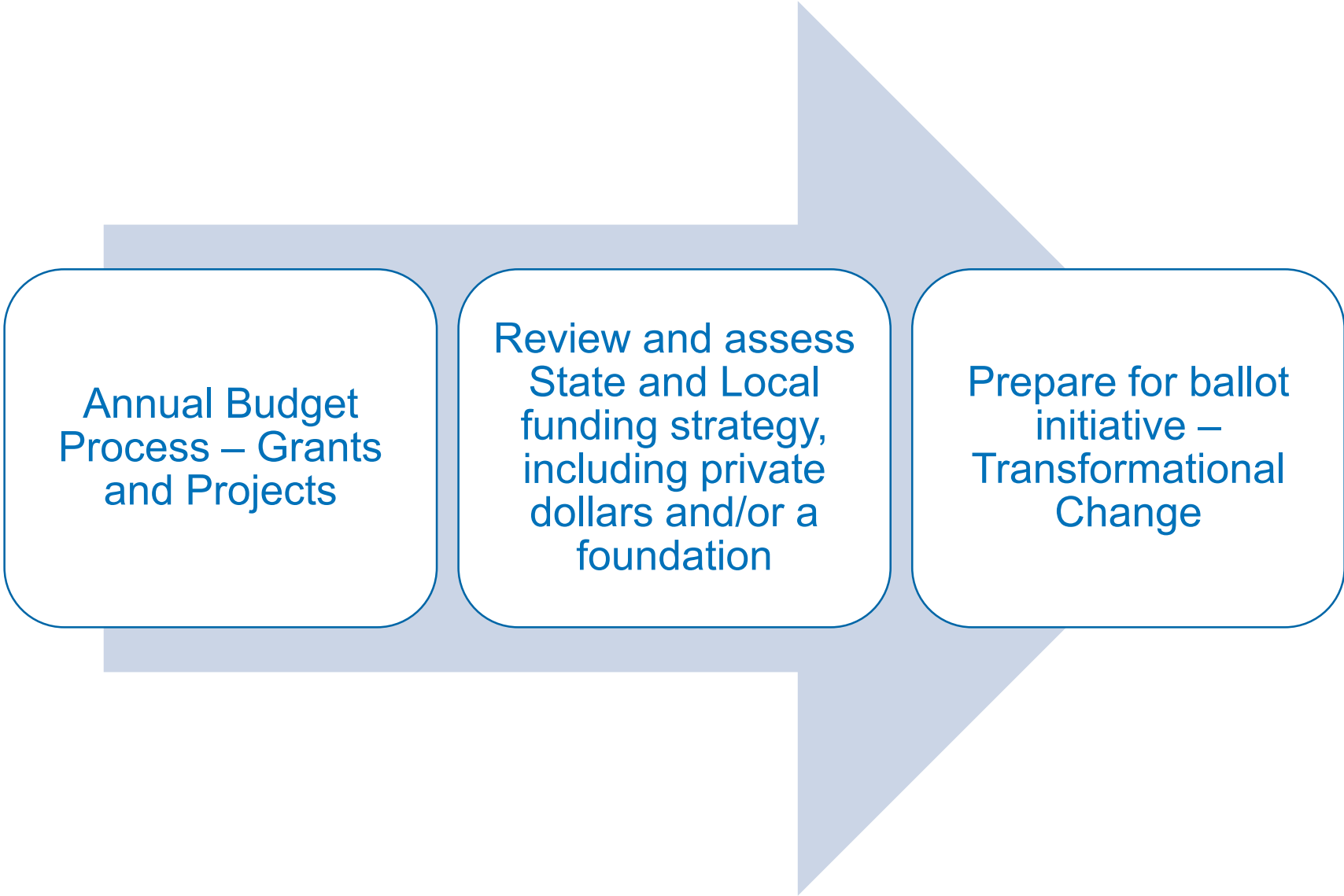
GAP IS FUNDED THROUGH FEDERAL FORMULA FUNDS, MTTF BALANCE & COVID FUNDS



Financial Sustainability & Funding Growth

Initiatives:

- Maximize federal funding opportunities by aligning TARC's programs and projects with U.S. Department of Transportation priorities
- Develop a transit system plan and associated funding to lay the groundwork for transformative system upgrades and expansions



Annual Budget
Process – Grants
and Projects

Review and assess
State and Local
funding strategy,
including private
dollars and/or a
foundation

Prepare for ballot
initiative –
Transformational
Change

Equity & Environment

Doing right for people and the environment happens through **understanding**, **engagement**, and **action**. We are working hard to uphold and support community values in these areas.



Equity & Environment

Initiatives:

- Identify opportunities to improve access and equity
- Position TARC as an Employer of Choice
- Reduce environmental impact of TARC system



Fleet Transition Plan

Key Conclusions

Physical space challenges to full transition to zero emission

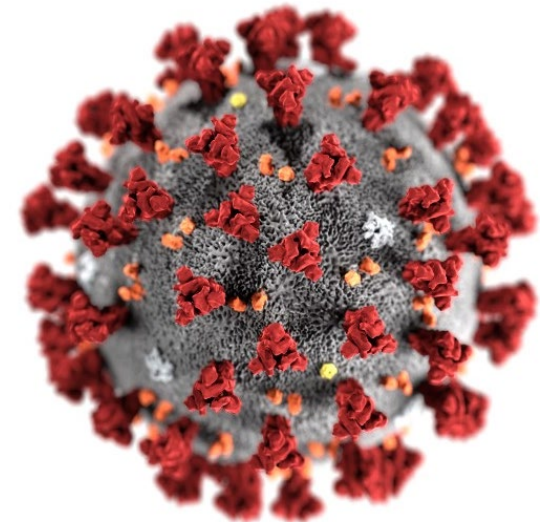
Able to transition to 100% battery electric bus, with facilities upgrades

Can transition up to 100 Fuel Cell Bus, with Additional facility changes

BUILD SCENARIOS INTO NEXT SET OF PLANNING PROJECTS

RAPID CHANGE

- Price impacts and inflationary forces
- Electrification, energy climate
- Automation, connectedness
- Artificial Intelligence, machine learning
- Local, social challenges – housing affordability, substance abuse, systemic racism, gun violence
- What else?



THANK YOU

BUDGETING WHEN COVID FUNDS RUNOUT

Budget By Object Class	FY22	FY23	FY23	FY24	FY25	Percentage
When COVID runs out	Actual	Budget	Estimate	Budget	COVID Funds Run Out	of Revenue & Expenses
Beginning MTTF Balance	\$27,844,858	\$40,661,948	\$46,436,662	\$46,436,662	\$46,436,662	
Revenues:						
Farebox	\$5,252,949	\$5,305,786	\$5,705,790	\$5,819,906	\$5,907,205	5.10%
Special Fares	\$1,553,207	\$1,535,891	\$1,535,890	\$1,535,890	\$1,558,928	1.35%
Charter	\$0	\$0	\$0	\$0	\$0	0.00%
Advertising	\$644,167	\$650,000	\$650,000	\$650,000	\$650,000	0.56%
Other Agency Revenues	\$205,548	\$213,300	\$363,300	\$363,300	\$374,199	0.32%
Total Recoveries-Insurance	\$206,697	\$50,000	\$80,000	\$50,000	\$50,000	0.04%
MTTF Collections	\$71,103,336	\$67,612,995	\$67,612,995	\$69,641,385	\$71,291,886	81.28%
MTTF Interest	\$59,893	\$5,040	\$890,000	\$550,000	\$5,000	
State Government Funds	\$3,988,108	\$1,276,642	\$1,276,642	\$1,276,642	\$1,276,642	1.10%
Federal Reimb. Funds-Access to Jobs	\$263,637	\$384,500	\$454,060	\$408,594	\$384,500	15.42%
MTTF Principal	(\$18,591,804)	\$0	\$0	\$0	\$22,775,714	
Total Revenues	\$64,685,738	\$77,034,155	\$78,568,677	\$80,295,717	\$104,274,074	
Expenses:						
Direct Labor	\$30,701,505	\$31,366,902	\$33,876,433	\$33,240,842	\$34,570,476	29.87%
Fringe Benefits:						
Vac/Hol/Sick/Bday	\$4,156,887	\$5,112,195	\$5,149,320	\$5,664,910	\$5,891,506	
Health/Welfare/Pension	\$24,731,909	\$26,397,927	\$26,987,840	\$25,047,219	\$26,049,108	27.60%
Services	\$5,705,776	\$6,713,100	\$6,360,240	\$7,737,546	\$8,511,301	7.35%
Material Supplies	\$6,370,931	\$7,440,936	\$7,133,580	\$9,035,040	\$9,866,306	8.52%
Utilities	\$1,035,703	\$1,035,600	\$1,119,000	\$1,205,000	\$1,253,200	1.08%
Casualty Liability	\$2,928,897	\$3,413,070	\$3,495,720	\$3,827,100	\$3,903,642	3.37%
Purchased Transportation	\$13,264,507	\$20,541,764	\$17,552,766	\$23,507,410	\$24,682,781	21.33%
Interest Expense	\$7,858	\$2,660	\$2,660	\$0	\$0	
Other Expense	\$467,683	\$921,770	\$815,320	\$961,020	\$1,009,071	0.87%
Total Operating Expense	\$89,371,657	\$102,945,924	\$102,492,879	\$110,226,087	\$115,737,391	
Capital Eligible Expense Reimbursement	(\$5,988,819)	(\$8,433,400)	(\$4,107,192)	(\$7,456,494)	(\$10,000,000)	
CARES Act Funding	(\$11,087,177)	\$0	\$0	\$0	\$0	
CRRSAA Funding	(\$9,315,786)	(\$4,896,014)	(\$12,058,902)	\$0	\$0	
ARP	\$0	(\$20,504,079)	(\$10,781,182)	(\$30,048,877)	(\$7,463,317)	
Subtotal	(\$26,391,782)	(\$33,833,493)	(\$26,947,276)	(\$37,505,371)	(\$17,463,317)	
NET OPERATING EXPENSE	\$62,979,875	\$69,112,431	\$75,545,603	\$72,720,716	\$98,274,074	
MTTF Capital Share	\$1,705,863	\$7,921,724	\$3,023,074	\$7,575,001	\$6,000,000	
Total Operating/Capital	\$64,685,738	\$77,034,155	\$78,568,677	\$80,295,717	\$104,274,074	
Ending MTTF Balance	\$46,436,662	\$40,661,948	\$46,436,662	\$46,436,662	\$23,660,948	



NO USE OF FEDERAL FORMULA FUNDS AND COVID FUNDS RUN OUT

Budget By Object Class	FY22 Actual	FY23 Budget	FY23 Estimate	FY24 No Federal Funds	FY25 No Federal Funds	Percentage of Revenue & Expenses
No Use of Federal Funds & COVID runs out						
Beginning MTTF Balance	\$27,844,858	\$40,661,948	\$46,436,662	\$46,436,662	\$39,080,168	
Revenues:						
Farebox	\$5,252,949	\$5,305,786	\$5,705,790	\$5,819,906	\$5,907,205	5.10%
Special Fares	\$1,553,207	\$1,535,891	\$1,535,890	\$1,535,890	\$1,551,249	1.34%
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MTTF Interest	\$59,893	\$5,040	\$890,000	\$550,000	\$5,000	
State Government Funds	\$3,988,108	\$1,276,642	\$1,276,642	\$1,276,642	\$1,276,642	1.10%
Federal Reimb. Funds-Access to Jobs	\$263,637	\$384,500	\$454,060	\$408,594	\$384,500	6.78%
MTTF Principal	(\$18,591,804)	\$0	\$0	\$7,356,494	\$34,260,594	
Total Revenues	\$64,685,738	\$77,034,155	\$78,568,677	\$87,652,211	\$115,849,075	
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Capital Eligible Expense Reimbursement	(\$5,988,819)	(\$8,433,400)	(\$4,107,192)	\$0	\$0	
CARES Act Funding	(\$11,087,177)	\$0	\$0	\$0	\$0	
CRRSAA Funding	(\$9,315,786)	(\$4,896,014)	(\$12,058,902)	\$0	\$0	
ARP	\$0	(\$20,504,079)	(\$10,781,182)	(\$30,148,877)	(\$7,463,317)	
Subtotal	(\$26,391,782)	(\$33,833,493)	(\$26,947,276)	(\$30,148,877)	(\$7,463,317)	
NET OPERATING EXPENSE	\$62,979,875	\$69,112,431	\$75,545,603	\$80,077,210	\$108,274,074	
MTTF Capital Share	\$1,705,863	\$7,921,724	\$3,023,074	\$7,575,001	\$7,575,001	
Total Operating/Capital	\$64,685,738	\$77,034,155	\$78,568,677	\$87,652,211	\$115,849,075	
Ending MTTF Balance	\$46,436,662	\$40,661,948	\$46,436,662	\$39,080,168	\$4,819,574	



FORECASTING OUT & CAPPING FEDERAL FORMULA FUNDS AND LOCAL MTTF SHARE

	FY17	FY18	FY19	FY20	FY21	FY22	Estimate FY23	Estimate FY24	Estimate FY25	Estimate FY26	Estimate FY27		
MTTF Beginning	\$ 12,886,494	\$ 12,019,629	\$ 14,837,470	\$ 14,205,466	\$ 14,038,469	\$ 27,844,858	\$ 46,436,662	\$ 46,436,662	\$ 46,436,662	\$ 23,662,741			
Revenues	\$ 69,659,352	\$ 71,646,895	\$ 72,448,414	\$ 69,676,789	\$ 73,263,081	\$ 83,277,542	\$ 78,568,677	\$ 80,295,717	\$ 81,500,153	\$ 82,722,655	\$ 83,963,495	\$ 76,305,928	Average
												\$ 10,000,000	Formula
Expenses	\$ 79,872,140	\$ 83,888,216	\$ 89,280,289	\$ 88,787,516	\$ 87,983,988	\$ 89,371,657	\$ 102,492,879	\$ 110,226,087	\$ 115,737,391	\$ 122,681,634	\$ 130,042,532	\$ 86,305,928	Expenses including Capital Match
Capital Expense	\$ 4,669,847	\$ 5,463,305	\$ 5,346,615	\$ 3,554,041	\$ 859,439	\$ 1,705,863	\$ 3,023,074	\$ 7,575,001	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ (23,507,410)	Purchased Transportation
Subtotal	\$ 84,541,987	\$ 89,351,521	\$ 94,626,904	\$ 92,341,557	\$ 88,843,427	\$ 91,077,520	\$ 105,515,953	\$ 117,801,088	\$ 121,737,391	\$ 128,681,634	\$ 136,042,532	\$ 62,798,518	523,321 hours of service
Gap before MTTF applied	\$ (14,882,635)	\$ (17,704,626)	\$ (22,178,490)	\$ (22,664,768)	\$ (15,580,346)	\$ (7,799,978)	\$ (26,947,276)	\$ (37,505,371)	\$ (40,237,238)	\$ (45,958,979)	\$ (52,079,037)		
Federal Formula	\$ 14,015,770	\$ 20,522,467	\$ 21,546,486	\$ 18,156,620	\$ 2,539,055	\$ 5,988,819	\$ 4,107,192	\$ 7,456,494	\$ 10,000,000	\$ 10,000,000		\$ 42,276,008	Totals
CARES Funding	\$ -	\$ -	\$ -	\$ 4,341,151	\$ 26,847,680	\$ 11,087,177	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,374,688	Totals
CRRSAA Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,315,786	\$ 12,058,902	\$ -	\$ -	\$ -	\$ -	\$ 48,293,376	Totals
ARP Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,781,182	\$ 30,048,877	\$ 7,463,317	\$ -	\$ -		
MTTF Principal Needed +/-	\$ 866,865	\$ (2,817,841)	\$ 632,004	\$ 166,997	\$ (13,806,389)	\$ (18,591,804)	\$ -	\$ -	\$ 22,773,921	\$ 23,662,741			
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,296,238)	\$ (52,079,037)		
Ending MTTF Balance	\$ 12,019,629	\$ 14,837,470	\$ 14,205,466	\$ 14,038,469	\$ 27,844,858	\$ 46,436,662	\$ 46,436,662	\$ 46,436,662	\$ 23,662,741	\$ (12,296,238)	\$ -		
Required 2 month's of expenses		\$ (13,981,369)	\$ (14,880,048)	\$ (14,797,919)	\$ (14,663,998)	\$ (14,895,276)	\$ (17,082,147)	\$ (18,371,015)	\$ (19,289,565)	\$ (20,446,939)			
Over/(Short)		\$ 856,101	\$ (674,582)	\$ (759,450)	\$ 13,180,860	\$ 31,541,386	\$ 29,354,515	\$ 28,065,647	\$ 4,373,176	\$ (45,039,415)			

FORECASTING OUT - INCREASING REVENUES, WHILE DECREASING EXPENSES

Grow Revenues & Decrease Expenses											
	FY17	FY18	FY19	FY20	FY21	FY22	Estimate FY23	Estimate FY24	Estimate FY25	Estimate FY26	Estimate FY27
MTTF Beginning	\$ 12,886,494	\$ 12,019,629	\$ 14,837,470	\$ 14,205,466	\$ 14,038,469	\$ 27,844,858	\$ 46,436,662	\$ 46,436,662	\$ 46,436,662	\$ 44,399,034	\$ 35,375,116
Revenues	\$ 69,659,352	\$ 71,646,895	\$ 72,448,414	\$ 69,676,789	\$ 73,263,081	\$ 83,277,542	\$ 78,568,677	\$ 80,295,717	\$ 82,704,589	\$ 85,185,727	\$ 90,296,871
Expenses	\$ 79,872,140	\$ 83,888,216	\$ 89,280,289	\$ 88,787,516	\$ 87,983,988	\$ 89,371,657	\$ 102,492,879	\$ 110,226,087	\$ 100,205,534	\$ 102,209,645	\$ 106,298,031
Capital Expense	\$ 4,669,847	\$ 5,463,305	\$ 5,346,615	\$ 3,554,041	\$ 859,439	\$ 1,705,863	\$ 3,023,074	\$ 7,575,001	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000
Subtotal	\$ 84,541,987	\$ 89,351,521	\$ 94,626,904	\$ 92,341,557	\$ 88,843,427	\$ 91,077,520	\$ 105,515,953	\$ 117,801,088	\$ 106,205,534	\$ 108,209,645	\$ 112,298,031
Gap before MTTF applied	\$ (14,882,635)	\$ (17,704,626)	\$ (22,178,490)	\$ (22,664,768)	\$ (15,580,346)	\$ (7,799,978)	\$ (26,947,276)	\$ (37,505,371)	\$ (23,500,945)	\$ (23,023,918)	\$ (22,001,160)
Federal Formula	\$ 14,015,770	\$ 20,522,467	\$ 21,546,486	\$ 18,156,620	\$ 2,539,055	\$ 5,988,819	\$ 4,107,192	\$ 7,456,494	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000
CARES Funding	\$ -	\$ -	\$ -	\$ 4,341,151	\$ 26,847,680	\$ 11,087,177	\$ -	\$ -	\$ -	\$ -	\$ -
CRRSAA Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,315,786	\$ 12,058,902	\$ -	\$ -	\$ -	\$ -
ARP Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,781,182	\$ 30,048,877	\$ 7,463,317	\$ -	\$ -
MTTF Principal Needed +/-	\$ 866,865	\$ (2,817,841)	\$ 632,004	\$ 166,997	\$ (13,806,389)	\$ (18,591,804)	\$ -	\$ -	\$ 2,037,628	\$ 9,023,918	\$ 8,001,160
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending MTTF Balance	\$ 12,019,629	\$ 14,837,470	\$ 14,205,466	\$ 14,038,469	\$ 27,844,858	\$ 46,436,662	\$ 46,436,662	\$ 46,436,662	\$ 44,399,034	\$ 35,375,116	\$ 27,373,956
Required 2 month's of expenses		\$ (13,981,369)	\$ (14,880,048)	\$ (14,797,919)	\$ (14,663,998)	\$ (14,895,276)	\$ (17,082,147)	\$ (18,371,015)	\$ (16,700,922)	\$ (17,034,941)	\$ (17,716,339)
Over/(Short)	\$ 856,101	\$ (674,582)	\$ (759,450)	\$ 13,180,860	\$ 31,541,386	\$ 29,354,515	\$ 28,065,647	\$ 27,698,112	\$ 18,340,175	\$ 9,657,617	

*inc 3% reduce 10%

*inc 3%, inc 2%

*inc 6%, inc 4%