

FINANCE COMMITTEE MEETING TARC BOARD OF DIRECTORS



Meeting Notice:

The TARC Board of Directors holds a monthly meeting of the Finance subcommittee. The next meeting will be held at:

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

Wednesday, January 15, 2025 at 10:00 a.m.

This meeting may also be 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 Stephanie Isaacs at 502.561.5103. Requests made as early as possible will allow time to arrange accommodation.

FINANCE COMMITTEE MEETING TARC BOARD OF DIRECTORS



Agenda – January 15, 2025

- | | | |
|---|---------------------|-------------|
| 1. Quorum Call/Call to Order, Meeting Minutes | Steve Miller, Chair | 10:00 |
| a. Approval of December Meeting Minutes | | 10:00-10:05 |
| 2. Action Items | | 10:05-10:15 |
| a. Resolution 2025-01 Construction of Bus Fleet | Tim Mackintosh | |
| b. Resolution 2025-02 Line of Credit | Matt Abner | |
| 3. Staff Reports and Presentation | | 10:15-10:20 |
| a. Financial Statements for December presented at Board Meeting | Matt Abner | |
| 4. Proposed Agenda / Procurements | | 10:20-10:25 |
| a. Procurement Calendar | Tonya Day | |
| 5. Adjournment | | 10:30 |

FINANCE COMMITTEE MEETING TARC BOARD OF DIRECTORS



December 11, 2024 Finance Committee Meeting Minutes

The Finance Committee of Transit Authority of River City (TARC) met on Wednesday, December 11, 2024 at 10:00 a.m. in person at TARC's headquarters, 1000 West Broadway in the Board Room and virtually via teleconference as permitted by KRS 61.826.

Members in Person

Steve Miller

Members Virtual

DuWayne Gant
Alice Houston
Abbie Gilbert
Michael Schnuerle
Christy Ames
Justin Brown

Declined

Christy Ames
Ted Smith

Call to Order

Steve Miller called the meeting to order at 10:04 a.m.

Approved the November Finance Committee Meeting Minutes.

Action Items

Steve Miller presented: TARC Executive Committee Charter Revised; Amendment to Resolution 2024-4 Revised Executive Committee; and Amendment to Resolution 2024-09 Executive Charter Revised.

- All of these documents are stating that there shall be four members (4) of the Committee, who shall be the Chair of the Board, Vice Chair of the Board, Chair of the Finance Committee and Chair of the Operations Committee.
- The Board Chair shall serve as the Chair of the Committee.
- The Committee will meet as necessary by the call of the Committee Chair.
- Three (3) members attending in-person or virtually shall constitute a quorum.

The Resolutions will move on to the Board.

Chris Ward presented Resolution 2024-44 Capital Assistance Grants FFY24

- Every year TARC plans for the use of capital funds available through Federal formula grant apportionments.
- This planning is done in coordination with the Kentuckiana Regional Planning and Development Agency (KIPDA) and in keeping in compliance with federal statutes.
- The result of this work is TARC's Program of Projects (POP), which is reflected in part in TARC's Fiscal Year (FY) 2025 budget.
- TARC's FFY 2024 POP identifies projects to be funded in a grant application for FFY 2024 Sections 5307 and 5309 capital assistance apportioned to TARC through the Bipartisan Infrastructure Legislation (BIL).

FINANCE COMMITTEE MEETING TARC BOARD OF DIRECTORS



- These are funds appropriated for 2024 and distributed to transit agencies nationwide according to a formula.
- Section 5310 funds are not included in this total as these funds are awarded through a competitive process overseen by TARC.
- TARC's FFY 2024 POP identifies projects to be funded in a grant application for FFY 2024 Sections 5307 and 5309 capital assistance apportioned to TARC through the Bipartisan Infrastructure Legislation (BIL).
- The grant application will be filed for a total of \$24,910,145 (\$19,928,116 federal share, \$4,982,029 local match or non-federal share).

Discussion regarding FFY 2024 sections 5307 and 5309 Capital Projects.

Board Members requested a one-page cheat sheet explaining the different federal funding programs (5307, 5310, 5339) for the next board packet.

The Resolution will move on to the Board.

Matt Abner presented Resolution 2024-45 Financial Auditing Professional Services.

- A total of two companies intended to bid, however, on October 31, 2024, TARC received one proposal, which resulted in a single bid procurement.
- The Procurement Department contacted the other company that had intended to bid, and asked why they did not provide a bid response.
- The company had indicated that it would be a burden for them to travel in to Louisville for any required meetings on TARC locations, and thus, they opted out of bidding, which then resulted in a single bid procurement.
- After scoring and careful consideration, the evaluation committee deemed the response as responsive and responsible, and thus, unanimously recommends an award to Crowe, LLP.

Board Members discussed for a future committee meeting on strategies to diversify auditing firms and improve the bidding process for financial auditing services.

The Resolution will move on to the Board.

Maria Harris presented Resolution 2024-46 Maintenance Mechanic and Custodian Uniform Rental and Laundry Program Services (20241876).

- On October 10, 2023, TARC received proposals from four (4) responsive vendors – Cintas, Unifirst, Digame, and Springfield Laundry.
- Additionally, Procurement Department conducted a pricing analysis of the past three (3) years spend.
- The average annual spend has been \$197K and the independent cost estimate conducted in May 2024 was \$192K, which is in alignment with the annual spend.

FINANCE COMMITTEE MEETING TARC BOARD OF DIRECTORS



- TARC evaluated all proposals and Cintas Corporation received the highest score.
- Upon analysis of price and per item and garment rates, Cintas pricing was deemed fair and reasonable.
- TARC seeks to enter into a contract with Cintas Corporation for maintenance mechanic and custodian uniforms rental and laundry program services at an annual cost not to exceed \$199K for an initial term of three (3) years with an option to auto-renew for an additional two (2) one-year terms.

Justin Brown asked, “Are we receiving the best deal and can we join on with other transit organization?”

Maria Harris answered, “We have been able to join in with MSD’s uniform contract.”

Board discussion continued regarding guiding the new Board members to understand the procurement process so that they are prepared for Metro Councils’ possible budget questions.

The Resolution will move on to the Board.

Joe Triplett presented Resolution 2020-37 Amendment No. 2 Contract 2822 TransTrack Annual Support.

- Although the Amendment was approved and TransTrack immediately took over the duties that Trapeze had been handling, TARC and Trapeze were working on the remaining billing discrepancies.
- After TransTrack took over the service and billing on July 1, 2024 for \$22K billed in quarterly increments for the term of July 1, 2024 – June 30, 2025 for Business Analytics and NTD Reporting System, the value of the agreement increased an additional \$23K.
- The current contract annual not to exceed amount is \$110K for FY2025, which requires Board approval.

The Resolution will move on to the Board.

Staff Reports and Presentations.

Matt Abner will present the November Financials during the Board Meeting.

Tonya Day presented the Procurement calendar.

Steve Miller adjourned the meeting at 10:40 a.m.

ADOPTED THIS 15th DAY OF JANUARY, 2025.

Steve Miller, Chair of the Finance Committee



MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: January 22, 2025

Re: Resolution 2025-01 - Construction of Bus Fleet Charging Infrastructure (RFP 20231791)

In August, the Board approved resolutions 2024-28 Purchase of Depot Charging Equipment and 2024-29 LG&E Electrical Supply Extension related to the installation of bus charging infrastructure in the 10th Street Bus Storage Building. Those resolutions allowed TARC to purchase charging equipment to support extended-range electric buses and to coordinate with LG&E to install a new power supply from 9th Street.

In early November, the Procurement Department issued Request for Proposals (RFP 20231791) for Construction of Bus Fleet Charging Infrastructure and Related Improvements which was advertised in TransitTalent and TARC's website Bonfire portal. This third step provides for structural and electrical improvements to the Bus Storage Building that are needed to house and operate the charging equipment and link the new system to the LG&E power supply. Structural improvements will include more than 20 steel support column repairs and replacement of two large areas of concrete.

On December 12th, TARC received responses from three (3) vendors, and two (2) were determined to be responsive and responsible proposals. A committee of TARC staff from a range of departments evaluated and independently scored the proposals from D.F. Osborne Construction, Inc. and Martin Construction Company.

Factors considered during the evaluation process included technical approach, understanding of project requirements, relevant experience successfully completing similar projects, and professional references. Additionally, a best and final offer (BAFO) was requested from the two (2) responsive proposers. After scoring and careful consideration, the evaluation committee determined that the proposal from D.F. Osborne Construction, Inc. offered the best value to TARC which is in alignment with the independent cost estimate of \$2.89M.

With D.F. Osborne's proposed cost of \$2,699,000 and an approximate 20% contingency, the not to exceed authority request for this resolution is \$3,250,000. Funds for the project are available from Bus & Bus Facilities Discretionary grant KY-2024-006, which is dedicated to electric bus related facility improvements, and multiple 5307 & 5339 formula grants with budgeted funds for facilities renovation.

This Resolution seeks approval for the Board of Directors to authorize the Executive Director to negotiate and enter into a contract with D.F. Osborne Construction, Inc. based on the proposed cost of \$2,699,000 and with a total project cost not to exceed \$3,250,000 which had been deemed fair and reasonable.

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

RESOLUTION 2025-01 CONSTRUCTION OF BUS FLEET CHARGING INFRASTRUCTURE AND RELATED IMPROVEMENTS (RFP 20231791)

A Resolution authorizing the Executive Director to negotiate and enter into a contract with D.F. Osborne Construction, Inc. for construction of bus fleet charging infrastructure and related improvements at a cost not to exceed \$3,250,000.

WHEREAS, TARC has received funding awards to purchase up to sixteen (16) extended-range electric buses depending on final pricing and options; and

WHEREAS, TARC has funds available from grant KY-2024-006 FFY 2022 Bus & Bus Facilities Discretionary and multiple years of 5307 & 5339 formula grants to make needed structural and electrical improvements to the facility and to install the charging equipment that has been ordered from Gillig; and

WHEREAS, two (2) responsive proposals were received from D.F. Osborne Construction, Inc. and Martin Construction Company; and

WHEREAS, Best and Final Offers were requested from each of the two proposers; and

WHEREAS, an evaluation committee comprised of knowledgeable TARC staff from relevant departments reviewed and scored each of the proposals; and

WHEREAS, the evaluation team determined that the significant and consistent scoring margin between the two proposals supported award without the optional step – 2 interview process; and

WHEREAS, the evaluation committee unanimously recommends an award to D.F. Osborne Construction, Inc. as the best value, which had been deemed fair and reasonable for TARC;

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 D.F. Osborne Construction, Inc. for construction of bus fleet charging infrastructure and related improvements at a cost not to exceed \$3,250,000.

ADOPTED THIS 22nd DAY OF JANUARY 2025

Ted Smith, Chair of the TARC Board of Directors



MEMORANDUM

To: TARC Board of Directors
From: Ozzy Gibson, Executive Director
Date: January 22, 2025
Re: Resolution 2025-02 Line of Credit Renewal

TARC relies on formula funding from the federal government to reimburse eligible operating expenses each year. For the last several years, federal funding has been unpredictable and TARC is sometimes faced with uncertainty on when we can receive or accrue for these funds. Delayed funding puts a strain on cash flow and while TARC continues to work very hard to manage cash flow efficiently and effectively, TARC needs to be prepared for any unforeseen disruptions to our business processes.

To reduce the likelihood of unforeseen disruptions, TARC has sought to maintain a line of credit with their provider of Banking Services, Fifth Third Bank. This line of credit was originally made available to TARC in 2009 and has continued to be renewed, with the current line of credit of \$4,000,000 set to expire at the end of January 2025. TARC strives to only use this funding in the event of emergencies once all other funding options have been exhausted and has only drawn on the line of credit once since 2009. That occurred prior to TARC receiving CARES funding and all funds were paid back in FY20.

Fifth Third has advised that they can accommodate up to a \$4,000,000 line of credit at a floating rate of 1-month SOFR + 1.50%. That rate today is 5.80%. Fifth Third will not charge TARC a fee on the unused portion of the line of credit. Fifth Third would set the line of credit for a one-year term. In keeping with historical precedence, TARC would use this line of credit as a last resort and only until TARC is able to draw down federal funding. The line of credit is unsecured. If TARC were to draw down \$1,000,000 at a 5.80% rate, it would cost roughly \$161.11 per day ($\$1,000,000 \times 0.058 / 360 \text{ days} = \161.11).

This resolution requests authorization for the Executive Director to have authority to authorize and execute any documents, advances, and pay downs on the \$4,000,000 revolving line of credit with Fifth Third Bank.

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



RESOLUTION 2025-02 FINANCIAL AUDITING PROFESSIONAL SERVICES

This resolution requests authorization for the Executive Director, Ozzy Gibson, to have authority to authorize and execute any documents, advances, and pay downs on the \$4,000,000 revolving line of credit with Fifth Third Bank.

WHEREAS, TARC entered into this agreement in 2009 and has only used funds in FY20 to assist with cash flow during the pandemic; and

WHEREAS, TARC may require a line of credit to finance operating activities to assist with cash flow; and

WHEREAS, TARC will renew the contract with Fifth Third Bank to provide a line of credit up to \$4,000,000 for a one-year term; and

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

The Executive Director has authority to authorize and execute any documents, advances, and pay downs on the \$4,000,000 revolving line of credit with Fifth Third Bank.

ADOPTED THIS 22nd DAY OF JANUARY 2025

Ted Smith, Chair of the TARC Board of Directors

The Procurement Calendar will be available during the Finance Committee Meeting.