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

Tuesday, July 21, 2026 at 2:00 p.m. (EST) 1:00 p.m. (CST)

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 – Tuesday, July 21, 2026

1. Quorum Call/Call to Order, Meeting Minutes	Steve Miller	2:00
a. Approval of June Meeting Minutes	Steve Miller	2:00-2:05
2. Action Items		2:05-2:30
a. Resolution 2024-42 Amendment 1 Advertising Policy	David Meckle	
b. Resolution 2026-22 Amendment 1 API Interface	Matt Abner	
c. Resolution 2026-32 Worker's Comp Excess Insurance	Matt Abner	
d. Resolution 2026-31 Leave Administration	Sherri Toohey	
e. Resolution 2026-33 Police Services	Keith Shartzer	
3. Financial Report		2:30-2:35
a. Audit Update	Matt Abner	
4. Proposed Agenda / Procurements		2:35-2:40
a. Procurement Calendar	Tonya Day	
5. Adjournment		2:40

FINANCE COMMITTEE MEETING
TARC BOARD OF DIRECTORS

June 16, 2026 Finance Committee Meeting Minutes

The Finance Committee of Transit Authority of River City (TARC) met on Tuesday, June 16, 2026 at 2:00 p.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	**Members Virtual**	**Declined**
Justin Brown	DuWayne Gant	Christy Ames
Steve Miller	Myra Rock	Abbie Gilbert
	Alice Houston	Ted Smith

Call to Order

Justin Brown called the meeting to order at 2:04 p.m.

Board Members approved the May 2026 Finance Committee Meeting Minutes.

Action Items

Matt Abner presented Resolution 2026-25 Adoption of Payment Card System.

- This resolution requests the Board adopt the Payment Card Policy so that TARC's business practices ensure that payment card transactions are managed consistently and responsibly across the agency.
- In December 2025 the TARC Board of Directors approved the implementation of Commercial Card Services.
- The implementation of Commercial Card Services requires the establishment of a formal Payment Card Policy to ensure appropriate internal controls, fiscal accountability, and compliance with federal, state, and local requirements.
- The Payment Card Policy outlines roles, responsibilities, authorization procedures, allowable uses, documentation standards, and reconciliation requirements necessary to support sound financial management practices.
- TARC leadership has developed the Payment Card Policy to align with best practices and to support operational efficiency while maintaining strong oversight.

The Resolution will move on to the Board.

Matt Abner presented Resolution 2026 -26 Updating Financial Management Oversight (FMO) Policy.

- This resolution requests that the Board adopt the changes made to this Financial Management Policy so that TARC's business practices are accurately referenced and so that TARC remains compliant with the recommendation from the FMO review.
- The follow up FMO was conducted beginning January 2021 and was completed in September 2021.
- TARC reviews the Financial Management Policy annually to clarify job titles and responsibilities and update business processes to reflect current practices.
- TARC continues to review this policy annually to ensure job titles and responsibilities accurately reflect TARC's business processes and organizational structure especially those of the Chief Financial & Administrative Officer and the Director of Finance.
- A summary of the policy revisions along with a redline version, highlighting such revisions, is attached for your review.

The Resolution will move on to the Board.

Ozzy Gibson presented Resolution 2026-27 Facility-Wide Surveillance Camera Systems, Support, Maintenance and Licensing Fees (20251947).

- TARC's legacy surveillance cameras are outdated and have poor resolution. The manufacturer no longer supports the current model. TARC will be moving to a cloud-based framework for a more efficient system.
- On February 5, 2026, TARC issued RFP 20251947 via Transit Talent, the TARC website, and Bonfire to maximize competition. Following a pre-proposal conference on February 23, 2026, TARC received 15 proposals.
- The Evaluation Committee representing key departments independently scored the submissions based on the criteria established in the solicitation, resulting in a shortlist of: Dallmann Systems, Data Link, Proline Technology and Trace3.
- Following a comprehensive price and cost analysis, the committee determined that Proline Technology provided the best overall value and was deemed fair and reasonable based on comparison with the ICE and market competition.
- Monitoring of the security cameras is currently done at the Guard Desk, with the proposed new system it can be monitored from other locations as well.

The Resolution will move on to the Board.

Timothy Mackintosh presented Resolution 2026-28 Bus Stop Improvements and Pedestrian Access Upgrades – Joint Agreement (#20262042).

- Improving the accessibility, appearance, and comfort of bus stops is central to TARC's mission.
- For several years, TARC has collaborated with Louisville Metro (Metro) to execute these essential upgrades.
- In anticipation of the expiration of the current agreement on June 30, 2026, TARC Planning and Metro Public Works have together created a new draft three-year agreement (July 1, 2026 – June 30, 2029). Wesley Sydnor, the Director of Metro Public Works and Assets approved this new agreement effective July 1, 2026.
- The agreement is valid through June 30, 2029.
- This partnership has already successfully delivered new or replaced sidewalks and shelters across our entire service area.
- While significant progress has been made, miles of sidewalk installation remain necessary to ensure our fixed-route system is fully accessible and ADA-compliant.
- The staff is seeking authority to contribute up to $2,000,000 in Federal funds over the next three (3)years to support the joint Bus Stop Improvements and Pedestrian Access Upgrades project in partnership with Louisville Metro Public Works and Assets.

The Resolution will move on to the Board.

Timothy Mackintosh presented Purchase Paratransit Cutaways (Piggyback 20262045).

- TARC has a need to replace cutaway vehicles in our paratransit fleet that have far exceeded their useful lives. The supply chain issues that affected paratransit vehicles in previous years have subsided, and two (2) recent grant awards have created an opportunity to significantly improve the paratransit fleet.
- To maximize efficiency, TARC will Piggyback (20262045) on a federally compliant contract procured by the State of Georgia, which grants access to a broad selection of vehicle configurations.
- TARC intends to primarily procure the StarTrans Senator II model with air suspension from Model 1 Commercial Vehicles.
- This resolution requests approval to purchase up to forty (40) new wheelchair-accessible paratransit vehicles for a total price not to exceed $5,400,000.
- TARC will acquire these paratransit vehicles upon execution of two (2) grants.
- The first grant is a FY 2025 Community Project Funding (CPF) earmark awarded through Congressman McGarvey. The second grant is a FY 2024 Competitive Bus and Bus Facilities grant that was originally awarded for the purchase of extended-range electric buses but has been repurposed by the Federal Transit Administration.
- The 20% local match for the CPF grant and the 15% local match for the Bus and Bus Facilities grant will be drawn from the Mass Transit Trust Fund (MTTF) and will not exceed $875,000.
- The plan is to spread the purchases over the next two (2) fiscal years.

The Resolution will move on to the Board.

FINANCE COMMITTEE MEETING
TARC BOARD OF DIRECTORS

Staff Reports and Presentations

Matt Abner presented the May FY 2026 Financials.

Steve Miller requested the Finance Department create a TARC memo identifying the true out of pocket costs for the TARC /JCPS agreement.

Steve Miller complimented Ozzy Gibson on his presentation to the Metro Council regarding our budget.

Board Members discussed the overall costs of the Paratransit program.

Tonya Day presented the Procurement Calendar.

Justin Brown adjourned the meeting at 2:50 p.m.

ADOPTED THIS 21st of JULY 2026.

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Justin Brown – Finance Committee Chairperson

MEMORANDUM

To: Abbie Gilbert, Chair of TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: July 28, 2026

Re: Resolution 2024-42 Amendment #1 to TARC Advertising Policy

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The purpose of this memorandum is to request Board approval of an amendment to TARC's Advertising Policy, which currently limits alcohol-related advertising on transit vehicles, shelters, and other system assets to "alcohol experiences, tours and events." Alcohol-related ads that showcase a brand or type of alcohol are prohibited under the current policy.

Staff recommends a revision to the Advertising Policy to permit alcohol-related advertising that showcase a brand or type of alcohol on buses, shelters, and associated transit assets, subject to the following parameters:

- Advertisements must comply with all applicable federal, state, and local laws and regulations governing alcohol marketing.
- Advertisements must adhere to existing agency content standards, including prohibitions on obscene, discriminatory, or unsafe messaging.
- Advertisements may not target, depict underage individuals or imply underage alcohol consumption.
- Placement guidelines, review procedures, and monitoring mechanisms will be updated to ensure responsible implementation.

<u>Additional Background</u>

- Due to the current restriction, TARC is not considered by national advertising agencies when placing national or regional transit media ad buys.
- Current Adsposure transit partners –including IndyGo, KCATA, Trinity Metro and TANK– have expanded their advertising policies in recent years to permit responsible alcohol brand advertising.
- The no- and low-alcohol beverage market is growing, especially with millennials, creating additional advertising opportunities beyond traditional alcoholic beverages.
- Removing the restriction would generate meaningful new advertising revenue opportunities. Adsposure identified at least $100K in missed sponsorship opportunities for this year's Derby. Based on an estimated 50% close rate, this represents approximately $50K in lost revenue from that event alone.

RESOLUTION 2024-42 AMENDMENT # 1 to TARC ADVERTISING POLICY

A Resolution authorizing the Executive Director to amend the current Advertising Policy with Board approval to permit alcohol - related advertising on TARC – owned advertising assets.

WHEREAS, TARC has adopted an Advertising Policy governing the types of advertising permitted on transit vehicles, shelters, and other system assets; and

WHEREAS, the current Advertising Policy prohibits advertisements promoting or depicting alcohol brands or alcoholic beverage products; and

WHEREAS, the current restriction limits TARC's ability to participate in national and regional advertising campaigns, reducing opportunities to generate non-fare advertising revenue; and

WHEREAS, staff has determined that revising the Advertising Policy to permit alcohol-related advertising, subject to applicable laws, existing content standards, and appropriate review and placement procedures, will create additional revenue opportunities while ensuring responsible implementation.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Transit Authority of River City hereby approves the amendment to the Advertising Policy to permit alcohol-related advertising, including advertisements featuring alcohol brands and products, on TARC-owned advertising assets, subject to applicable federal, state, and local laws, existing agency advertising standards, and administrative procedures.

ADOPTED THIS 28 DAY OF JULY 2026

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Abbie Gilbert, Chair of the Board of Directors

Transit Authority of River City

MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: July 28, 2026

Re: Resolution 2026-22 Amendment #1 API to Payroll and HRIS System Solutions. (#20211692)

In May 2026, the Board approved a resolution (2026-22) to exercise the final 2 remaining option years for Payroll and HRIS System Solutions with ADP, Inc. (#20211692) for a total not-to-exceed amount of $363,600. Since that approval, additional planning and implementation efforts have identified a need for API integration services.

These services will enable automated, direct data communication between ADP and external applications, such as scheduling and leave management software, thereby increasing operational efficiency. The API services are quoted at $8,838 for the first year and $11,784 for the second year. The Procurement staff has reviewed the total integration cost of $20,622 and determined it to be fair and reasonable based on current market pricing. Funding for these services will be provided through the FY2027 budget and subsequent fiscal year budgets.

This Resolution requests Board approval to authorize the Executive Director to amend the Payroll and HRIS System Solutions contract with ADP, Inc. to add API integration services for an additional amount of $20,622 over the remaining two-year term. The new NTE amount for this term is $384,222.

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

Transit Authority of River City

RESOLUTION 2026-22 AMENDMENT #1 TO PAYROLL AND HRIS SYSTEM SOLUTIONS FOR API INTEGRATION SERVICES

A Resolution authorizing the Executive Director to amend the Payroll and HRIS System Solutions contract with ADP, Inc. to add API integration services for an additional amount of $20,622 over the remaining two-year term. The new NTE amount for this term is $384,222.

WHEREAS, subsequent implementation planning has identified the need for additional ADP API interfaces required to support the deployment of Optibus scheduling and workforce-management software; and

WHEREAS, these API interfaces will also enable future operational efficiencies in areas including leave administration, time accruals, and other business-process integrations; and

WHEREAS, ADP has provided pricing for the required API services, totaling $20,622 over the remaining two-year term of the existing agreement; and

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

The Board hereby authorizes the Executive Director to amend the Payroll and HRIS System Solutions contract with ADP, Inc. to add API integration services for an additional amount of $20,622 over the remaining two-year term. The new NTE amount for this term is $384,222.

ADOPTED THIS 28th DAY OF JULY 2026

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Abbie Gilbert, Chair of the TARC Board of Directors

Transit Authority of River City

MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: July 28, 2026

Re: Resolution 2026-32 Workers' Compensation Excess Insurance Policy (20262027)

Workers' Compensation Excess Insurance Policy currently self-insures the first $500,000 of any claim, including both medical payments and indemnity benefits. Due to TARC being a self-insured organization, Kentucky Labor Cabinet regulation requires that TARC maintain an excess insurance policy. Higginbotham serves as TARC's insurance broker for workers' compensation excess insurance and acquires premium quotations on TARC's behalf.

Higginbotham obtained quotations from Arch Insurance Company, Midwest Employers Casualty Company, and Safety National Casualty Corporation. A pricing analysis and review of the available coverage options was conducted by Finance, Executive, and Safety & Security staff. Based on this analysis, staff recommends awarding the Workers' Compensation Excess Insurance Policy to Arch Insurance Company, which provides the best value to TARC. TARC has determined the annual deposit premium of $429,046 to be fair and reasonable for coverage with a $500,000 specific retention beginning September 1, 2026. This renewal will result in a roughly $45,000 increase to the annual deposit premium which will be paid using Operating dollars and was budgeted for FY27.

This Resolution seeks approval from the Board of Directors to authorize the Executive Director to negotiate and enter into a policy agreement with Arch Insurance Company providing specific retention by TARC of the first $500,000 on any claim with an annual deposit premium of $429,046, effective September 1, 2026.

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

RESOLUTION 2026-32 WORKERS' COMPENSATION EXCESS INSURANCE POLICY

A Resolution authorizing the Executive Director to negotiate and enter into a policy agreement with Arch Insurance Company that has a specific retention by TARC of the first $500,000 on any claim with an annual deposit premium of $429,046, beginning September 1, 2026.

WHEREAS, Kentucky Administrative Regulation (KAR) 803 25:021 requires self-insured employers to have excess coverage for workers' compensation claims; and

WHEREAS, based on the recommendation of Higginbotham Insurance Broker and after discussion with department staff, TARC has deemed the annual deposit premium of $429,046 fair and reasonable based on the pricing analysis conducted of the four (4) quotations (20262027) acquired and provided by Higginbotham; and

WHEREAS, Arch Insurance Company provided the best value to TARC for the Workers' Compensation Excess Insurance Policy, which shall commence on September 1, 2026, and end on September 1, 2027;

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 policy agreement with Arch Insurance Company that has a specific retention by TARC of the first $500,000 on any claim with an annual deposit premium of $429,046, beginning September 1, 2026.

ADOPTED THIS 28th DAY OF JULY 2026

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Abbie Gilbert, Chair of the TARC Board of Directors

MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: July 28, 2026

Re: Resolution 2026-31 Leave Administration Software Solution (20262030)

TARC is seeking a leave administration software solution to transition from inefficient manual tracking to an automated system. As of May 2026, 27% of TARC's workforce (135 employees across 171 active cases) utilizes FMLA, driving up administrative complexity. Implementing this software is critical to ensure regulatory compliance, optimize HR operational efficiency, and streamline cross-agency leave management.

Following extensive market research and product demonstrations, the Procurement Department launched a competitive formal quote process, independent of any cooperative or piggyback available contracts under Louisville Metro. On April 16, 2026, formal quotes were requested from the top two qualified vendors. Proposals were rigorously evaluated across critical categories—including functionality, integration, support, and compliance tracking for FMLA, Workers' Compensation, and disability leave. Based on these criteria and pricing, AbsenceSoft was determined to provide the best overall value and selected for the award.

An Independent Cost Estimate (ICE) was developed through market research, vendor outreach, and software demonstrations. Following negotiations, a comprehensive price analysis was performed on AbsenceSoft's proposal. Procurement determined that AbsenceSoft's pricing is fair and reasonable based on comparison to the ICE, market research, and negotiated discounts, including a 15% reduction in annual subscription fees and a reduction in implementation costs from $30,000 to $22,500.

The contract includes a four (4) year term:

- A 20% contingency of $27,200 has been added to accommodate unforeseen FMLA service requirements or subsequent system upgrades.
- The implementation and first-year subscription costs will be funded through Federal Fiscal Year (FFY) 2022 Formula Grant KY-2023-010.
- The required local match of 20% ($9,667) is included in the FY 2027 operating budget.
- Subsequent annual subscription costs will be funded through TARC operating funds.
- The total authorization for this contract, including all optional terms, is $163,224.

This Resolution seeks approval for the Board of Directors to authorize the Executive Director to negotiate and enter into a contract with AbsenceSoft for leave administration software and implementation services, including software licensing, implementation, support, and maintenance, for a four (4) year term, at a total cost not to exceed $163,224 for the entire contract term.

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

RESOLUTION 2026-31 LEAVE ADMINISTRATION SOFTWARE (20262030)

A Resolution authorizing the Executive Director to negotiate and enter into an agreement with AbsenceSoft for leave administration software and implementation services including software licensing, support, and maintenance at a cost not to exceed $163,224.

WHEREAS, TARC has identified a need for a leave administration software solution to support Human Resources leave management operations and improve the administration of Family and Medical Leave Act (FMLA), Workers' Compensation, Short-Term Disability, and Personal Leave programs; and

WHEREAS, a formal quote request, 20262030, was issued on April 16, 2026, in accordance with the Agency's procurement policies to promote full and open competition, and the resulting award is not based on a cooperative purchasing agreement or piggyback contract; and

WHEREAS, an Independent Cost Estimate (ICE) was performed prior to requesting quotes to establish a baseline for cost expectations; and

WHEREAS, TARC requested formal quotes from AbsenceSoft, J.J. Keller, and Sparrow to identify a solution capable of meeting the Agency's leave administration and case management requirements; and

WHEREAS, Procurement and Human Resources evaluated the remaining vendor's functionality, implementation approach, customer support resources, workforce compatibility, and pricing and determined that AbsenceSoft provided the best overall value and operational fit; and

WHEREAS, following a comprehensive price and cost analysis, including a review of the Independent Cost Estimate, market research, vendor demonstrations, and formal quote responses, the Procurement Department determined that AbsenceSoft provided the best overall value, fair and reasonable pricing, and was the most responsive and responsible vendor; 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 negotiate and enter into an agreement with AbsenceSoft for a four (4) year term to provide leave administration software and implementation services, including software licensing, support, and maintenance, at a total cost not to exceed $163,224 over the entire contract term.

ADOPTED THIS 28th DAY OF JULY 2026

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Abbie Gilbert, Chair of the TARC Board of Directors

MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: July 28, 2026

Re: Resolution 2026-33 Amendment to Police Services (20241869)

The Transit Authority of River City (TARC) issued Request for Proposal (RFP) 20241869 Police services on Friday, May 17, 2024. Police support services are required to maximize safety for TARC while on TARC property and on TARC buses. Police support services are an essential part of TARC's daily operations. The police support services personnel are responsible for monitoring all security activities on TARC's coaches and property. This includes providing support to all coach operators and passengers. Along with providing assistance to onsite security guards as needed. Properties serviced by this contract include all TARC coaches, TARC's Union Station at 1000 West Broadway (including the Transportation and Operations Building and the Alyce French-Johnson Training and Education Center), the TARC maintenance facility at 2905 West Broadway, 925 West Broadway maintenance garage, and the TARC Customer Service building at 2901 West Broadway. This service is imperative to maintain the safety and security of TARC, its employees and passengers. The solicitation was sent to seven (7) known, interested proposers. The solicitation was also posted on TARC's website, on the TARC Bonfire portal, and advertised in TransitTalent.

TARC has estimated an annual hour of 11,648 for such police support and an additional 120 contingency hours for any unforeseeable incident that may occur through the year. Police Security Services has accepted the negotiated rate of $70.00 per hour for the initial term of two years at a contract value of $1,647,520. The optional three-year term will include an annual escalator of 5% which will bring the new not-to-exceed (NTE) total to $4,374,300.

To ensure uninterrupted service, staff recommends exercising the three-year option term and increasing the contract value of an additional $2,726,780, which includes a 5% annual escalator. The Procurement Department's pricing analysis of the previous two years confirms that the option-term pricing is fair and reasonable. This is not a piggyback contract, and funding has been budgeted for FY27 through the Safety Department.

This Resolution seeks approval for the Board of Directors to authorize the Executive Director to amend the contract with Police Security Services for the additional three (3) year term in an amount not-to-exceed (NTE), $2,726,780 for that term.

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

RESOLUTION 2026-33 AMENDMENT TO POLICE SERVICES

A Resolution authorizing the Executive Director to amend Contract 20241869 with Police Security Services to exercise the optional three (3) year term and increase the contract an additional $2,726,780 with a new not-to-exceed (NTE) amount to $4,374,300.

WHEREAS, TARC seeks police support services to provide and assist our operators on the coach, at coach stops and at our facilities on as needed; and

WHEREAS, Police Security Services has been providing reasonable service to monitor all TARC's property and coaches; and

WHEREAS, to ensure uninterrupted service, extend the current two (2) year contract the three (3) year optional term; and

WHEREAS, based on the Procurement Departments pricing analysis and expenditure tracking, the contract requires an additional funding authorization of $2,726,780 to cover the three (3) year optional term; 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 amend the current contract with Police Security Services to exercise the optional three (3) year term and increase the contract an additional $2,726,780 with a new not-to-exceed (NTE) amount to $4,374,300.

ADOPTED THIS 28th DAY OF JULY 2026

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Abbie Gilbert, Chair of the TARC Board of Directors

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