

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, August 21, 2024 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 – August 21, 2024

- | | | |
|--|---------------------|-------------|
| 1. Quorum Call/Call to Order, Meeting Minutes | Steve Miller, Chair | 10:00 |
| a. Approval of July Meeting Minutes | | 10:00-10:05 |
| 2. Action Items | | 10:05-10:25 |
| a. Resolution 2024-27 Police Services | Keith Shartzter | |
| b. Resolution 2024-28 Depot Bus Charger Equipment | Chris Ward | |
| c. Resolution 2024-29 LG&E Electrical Supply Extension | Chris Ward | |
| d. Resolution 2024-30 Purchase of Support Vehicles | Chris Ward | |
| e. Resolution 2022 -01 Amendments and Updates | Tonya Day | |
| 3. Staff Reports and Presentation | | 10:25-10:35 |
| a. Audit Update for FY 2023-2024 | Tonya Day | |
| 4. Presentations | | 10:35-10:40 |
| a. Review overall Procurement calendar for year | Tonya Day | |
| 5. Proposed Agenda / Procurements | Tonya Day | 10:40-10:45 |
| 6. Adjournment | | 10:45 |

FINANCE COMMITTEE MEETING TARC BOARD OF DIRECTORS



July 17, 2024 Finance Committee Meeting Minutes

The Finance Committee of Transit Authority of River City (TARC) met on Wednesday, July 17, 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
Alice Houston

Members Virtual

DuWayne Gant
Ted Smith
Michael Schnuerle

Call to Order

Steve Miller called the meeting to order at 10:02 a.m.

Approved the June Finance Committee Meeting Minutes.

Action Items

Aida Copic presented Resolution 2024-25 TARC 2025 Plan Scope Change for JCPS Services.

- TARC is developing a TARC 2025 service restructuring plan, as approved by the Board of Directors with Resolution No. 2023-13 for Architectural, Engineering, Environmental and Transit Planning Services.
- The first-year scope of work includes TARC 2025 Plan, fully funded by federal grants for Route Restoration Program and Areas of Persistent Poverty, in the amount of \$1,230,000 with no local match required.
- TARC is proposing a change order to the original scope to include an additional scenario in the Final TARC 2025 Plan.
- The additional scenario will include a set of services and improvements targeting JCPS facilities to better serve students, particularly middle and high school students.
- The "School Access Scenario" will provide: detailed mapping, route and system level cost, peak fleet requirements, analysis of population and jobs covered, along with isochrone analyses changes in access to jobs and population provided by these improvements.
- The analysis will include the change in access for up to 60 JCPS facilities, primarily with respect to high schools and middle schools.
- The total cost for this change order is \$54,921.74 fully funded by TARC operating funds.
- The scope change and completion of this task will support TARC's efforts to improve and coordinate transportation services for JCPS in the short and long term.
- This TARC effort will be beneficial for JCPS students, families, and the entire community to have better access to education and JCPS facilities across the Louisville Metro area.

Ted Smith suggested as this resolution moves to the full board that it clearly states this scope of work is to cover the development of two scenarios that incorporate JCPS.

The Resolution will move on to the Board.

FINANCE COMMITTEE MEETING TARC BOARD OF DIRECTORS



Joe Triplett presented Resolution 2024-26 Verizon Wireless Service Renewal.

- This resolution is a request to renew our three wireless service agreements for Bus Routers, Tablets, and Cell Phones with Verizon Wireless used by TARC.
- As per internal control rules, this request is needed because the annual spending with Verizon Wireless for our current agreements is expected to exceed \$200,000.00
- The expected cost for the renewal of these three service agreements is expected not to exceed \$241,000.00, which includes a 10% contingency due to any unforeseen system requirements.
- The price was deemed fair and reasonable based on the Commonwealth of Kentucky Master Agreement MA 758 210000436.

Stephen Ott presented Amendment 1 to Resolution 2024-14 for Contract P2720.

- TARC seeks to exercise the final option of the contract P-2720.
- At this time, the staff is submitting an Amended Resolution 2024-14 requesting authority to enter into the final 24-month renewal contract with Goodyear Tire & Rubber Company for a not-to-exceed amount of \$1,430,780.

The Resolution will move on to the Board.

Staff Reports

Tonya Day presented the May 2024 Financial Statements. Refer to the PowerPoint presentation.

Chris Ward presented the Schmidt Tasks Orders (20221780) with the building location map.

Stephen Ott presented the overall review of the Procurement Calendar for the year.

Michael Schnuerle requested the calendar to be color coded differently for items in the budget and items covered under grants.

Alex Posorske presented the TARC 2025 Network Redesign Update.

- Stakeholders on July 29th, will see the 3 different concepts.
- July 30th the 3 different concepts will be shared with the public.
- Attendee number for the July 29th is 50 RSVP's.
- Scudder Wagg was the facilitator for the 90-minute presentation to Stakeholders on June 27th.
- We will have small group conversation, as well as and also one-on-one conversations with the Community Partners including standing meetings presentations with neighborhood associations and other groups that have regularly scheduled meetings.
- Customer Outreach is part of the plan with up to 20 pop up meetings at our busiest bus stops and also direct communication with riders throughout the days and throughout the different areas of the community.
- More updates to come as this process continues.

FINANCE COMMITTEE MEETING TARC BOARD OF DIRECTORS



Board Members asked for clarification of the public relations plan with the media regarding the July 30 unveiling of the 3 different concepts.

Alex Posorske said, "We've already had some really in-depth conversations with certain members of the press and definitely a good reminder to step that up and be very deliberate with that in the coming weeks."

Board Members requested a copy of the list of Stakeholders and the TARC 2025 Project Documents to review.

Proposed Agenda/Procurements

Steve Miller asked if Tonya Day would like to review any of them.

None of the items need to be reviewed at this time.

Steve Miller adjourned the meeting at 10:57 a.m.

ADOPTED THIS 21st DAY OF August, 2024.

Steve Miller, Chair of the Finance Committee



MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: August 28, 2024

Re: Resolution 2024-27 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 and its personnel and customers 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 activity on TARC's coaches and property. This includes providing support to all coach operators and passengers along with assisting property security personnel 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, 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.

On Wednesday, June 26, 2024, TARC received four (4) proposals of which only two (2) were deemed responsible: Morgan Security Services and Police Security Services. The review committee consisted of four (4) knowledgeable TARC employees who independently reviewed and scored the proposals using the solicitation evaluation criteria. The individual scoring was automatically averaged and weighted against the evaluation criteria in TARC's Bonfire portal with the final calculation resulting in a comparison ranking of each evaluation criteria and a final total score ranking. An unanimous decision was made to progress both proposers to the Step-2 process, which includes a presentation and interview. After the presentation and interviews, the evaluation committee went back to re-score both proposers based on the original prescribed criteria factors. The Step-2 final score resulted in an award to the highest ranked scorer, which was Police Security Services.

TARC has estimated an annual hour usage of 11,648 hours for such police support and an additional 120 contingency hours for any unforeseeable incident that may occur during the year. Police Security Services has accepted the negotiated rate of \$70.00 per hour for the initial term of two years. The optional three (3) one (1) year terms will include an annual escalator of 5% which the Procurement Department will conduct a market pricing analysis and the resulting rate will be taken back to the Board for authorization.

This Resolution seeks approval for the Board of Directors to authorize the Executive Director to negotiate and enter into a contract with Police Security Services at an annual estimate not to exceed \$823,760 for each of the first two (2) years. Please call me if you have any questions.



RESOLUTION 2024-27 POLICE SERVICES

A Resolution authorizing the Executive Director to negotiate and enter into a contract with Police Security Services for police support services at an estimated annual hour usage of 11,768 hours including contingency hours at an hourly rate of \$70.00 of an annual not to exceed amount of \$823,760 for an initial term of two (2) years with an additional option for a three (3) one (1) year terms which will be taken to the Board of Directors for authorization.

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 received the highest score and was deemed the most responsive and responsible; and

WHEREAS, Police Security Services offered the best value and most competitive rate based on market research and through the Procurement Department's pricing analysis; and

WHEREAS, TARC would like to execute an initial term of two (2) years for an annual estimated hour usage of 11,768 hours for such police support services including contingency hours, with an option to exercise an additional three (3) one (1) year terms which will be taken to the Board of Directors for authorization; 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 contract with Police Security Services for police support services at an annual estimated hour usage of 11,768 hours at the rate of \$70.00 per hour for an annual not to exceed amount of \$823,760 with an option to exercise an additional three (3) one (1) year terms which will be taken to the Board of Directors for authorization.

ADOPTED THIS 28th DAY OF AUGUST 2024

Ted Smith, Chair of the TARC Board of Directors



MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: August 28, 2024

Re: Resolution 2024 - 28 Purchase of Depot Charging Equipment (#20241886)

In the last five years, TARC has received five federal grants for funds to acquire up to 18 extended-range Gillig electric buses. Two grants for Section 5339 discretionary awards, KY-2024-006 and KY-26-0005, include funds for installation of charging equipment to support those buses. The combined amount available from the two grants for this purpose is \$3,881,524.

TARC's first two extended-range buses are anticipated to be delivered in late 2024, with six more to be delivered in late 2025. Additional buses associated with an FFY 2022 5339 Bus and Bus Facilities award will be ordered later this year with funds from a newly executed grant.

In support of the planned bus arrivals and orders, TARC has worked with Schmidt Associates to design charging infrastructure for the 10th Street Bus Storage Building to accommodate up to 20 extended-range electric buses. Additionally, TARC and Schmidt Associates have worked with ChargePoint through Gillig to specify equipment custom designed to TARC's requirements.

The charging equipment will include one (1) mobile charger, one (1) stationary 62.5kW depot charger, and five (5) 200kW chargers to supply ten (10) overhead pantograph charging connections. The purchase will include associated hardware, software, warranty, and supporting services for an estimated total cost of \$2,027,100. This estimate is based on a pricing proposal from Gillig that TARC has deemed fair and reasonable.

The two grants funding this purchase require a combined approach to procurement. The older grant, KY-26-0005, will make use of an interstate contract based on State of Virginia IFB #6447 with Gillig to allow for purchase of the seven charging units, as well as warranty and freight. The amount expended will not exceed \$2.1M, which includes less than a 4% contingency for any additional costs. The total local match from the Mass Transit Trust Fund will not exceed \$277K. The local match for the line item associated with this grant is 10% rather than the 20% that is standard for formula grants.

The more recent grant, KY-2024-006, is a Bus and Bus Facilities program grant for which TARC named Gillig as a partner. A unique feature of this grant program is that "if an application that involves such a partnership is selected for funding, the project will be deemed to satisfy the requirement for a competitive procurement under 49 U.S.C. 5325(a) for the named entities." In other words, the grant award itself meets the FTA's requirement for competitive procurement. TARC will use funds from this grant to purchase additional ChargePoint equipment from Gillig, including overhead dispensers, pantographs, warranty, installation, and support services. The local match associated with this grant is 15%.

In association with this equipment order (#20241886), TARC plans to issue a construction procurement solicitation later this year to prepare the structure and electrical systems in the 10th Street Bus Storage Building to house the new equipment.

This Resolution seeks approval for the Board of Directors to authorize the Executive Director to negotiate and enter into a contract with Gillig at a cost not to exceed \$2.1 million.



RESOLUTION 2024-28 PURCHASE OF DEPOT CHARGING EQUIPMENT

A Resolution authorizing the Executive Director to negotiate and enter into a contract with Gillig for purchase of depot charging equipment (#20241886) at a cost not to exceed \$2.1 million.

WHEREAS, TARC has funds available from Low and No Emission Vehicle program grant KY-26-0005 and Bus and Bus Facilities program grant KY-2024-006 for the installation of bus charging infrastructure; and

WHEREAS, TARC has received funding awards to purchase up to eighteen (18) extended-range electric buses, and eight (8) of those buses are currently on order; and

WHEREAS, TARC has worked with Schmidt Associates to design charging infrastructure for the 10th Street Bus Storage Building to accommodate up to 20 extended-range electric buses; and

WHEREAS, TARC has satisfied federal procurement requirements through use of an interstate contract based on State of Virginia RFP #6447 and by the terms of the FFY 2022 Bus and Bus Facilities award to purchase ChargePoint charging equipment from Gillig; and

WHEREAS, the proposed infrastructure will include a mobile charger, a stationary depot charger, and equipment to support ten (10) overhead pantograph charging connections; 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 a contract with Gillig for purchase of depot charging equipment (#20241886) at a cost not to exceed \$2.1 million.

ADOPTED THIS 28th DAY OF AUGUST 2024

Ted Smith, Chair of the TARC Board of Directors



MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: August 28, 2024

Re: Resolution 2024 -29 LG&E Electrical Supply Extension (#20231791)

In the past five years, TARC has received five federal grants for funds to acquire up to 18 extended-range electric vehicles. In support of the planned bus arrivals and orders associated with those awards, TARC has worked with Schmidt Associates to design charging infrastructure for the 10th Street Bus Storage Building to accommodate up to 20 extended-range electric buses.

This new charging infrastructure will require additional power supply from Louisville Gas & Electric (LG&E). To meet that need, LG&E has proposed project #7166360 Electric Vehicle Charging Station for the provision of the required electric supply including installation of a new 1500kW pad mount transformer. LG&E is in the process of acquiring the necessary easements and will coordinate with TARC to ensure a federal compliance through this sole source agreement.

The base cost for the proposed LG&E work is \$76,553 with additional charge of \$176 per cubic yard of rock removed when rock cannot be removed with traditional trenching equipment. TARC has \$83,037 remaining funds from an FFY 2014 Low and No Emission Vehicle program (KY-26-0005) award that will fully fund the base cost. Should the charges stemming from rock removal drive the overall cost above that amount, TARC has funds from a much larger Bus and Bus Facilities program grant (KY-2024-006) available. To mitigate the need for an additional request for authority to accommodate underground conditions, this resolution requests \$20K in contingency to accommodate any potential rock removal. The Procurement Department has deemed \$76,553 is fair, reasonable and best value to TARC.

TARC's first two extended-range electric buses are anticipated to be delivered by Gillig in late 2024, with six more to be delivered in late 2025. The additional power supply will not be needed until the arrival of that second group of six buses. TARC plans to issue a construction procurement solicitation later this year to prepare the structure and electrical systems in the 10th Street Bus Storage Building to house the ChargePoint charging equipment that Gillig will supply.

The LG&E utility work requires advance payment, so TARC will initially fund the project with operational funds. When the work is complete, TARC will be reimbursed with grant funds. The local match requirement for the two grants associated with this project are 10% and 15% versus the 20% match that is standard for federal formula grants, so the total local match from the Mass Transit Trust Fund will not exceed \$11K.

The Resolution seeks approval for the Board of Directors to authorize the Executive Director to enter into purchase agreement with LG&E for additional power supply infrastructure as specified in the project #7166360 Electric Vehicle Charging Station. The amount expended will not exceed \$96,553, which includes a \$20K contingency to accommodate any additional rock removal costs.



RESOLUTION 2024-29 LG&E ELECTRICAL SUPPLY EXTENSION

A Resolution authorizing the Executive Director to enter into a purchase agreement with Louisville Gas & Electric (LG&E) for additional power supply infrastructure as specified in the project #7166360 Electric Vehicle Charging Station for an amount not exceed \$96,553.

WHEREAS, TARC has funds available from Low and No Emission Vehicle program grant KY-26-0005 for new infrastructure needed to receive additional power supply from LG&E; and

WHEREAS, TARC has received funding awards to purchase up to eighteen (18) extended-range electric buses, and eight (8) of those buses are currently on order; and

WHEREAS, TARC has worked with Schmidt Associates to design charging infrastructure for the 10th Street Bus Storage Building to accommodate up to 20 extended-range electric buses; and

WHEREAS, LG&E project #7166360 will provide the addition power supply equipment, including a new 1500kW pad mount transformer, necessary to support the designed charging infrastructure; and

WHEREAS, as LG&E is the regional power utility, this will be a sole source procurement, and TARC has found the proposed cost to be fair, reasonable and best value to 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 enter into a purchase agreement with Louisville Gas & Electric for additional power supply infrastructure as specified in the project #7166360 Electric Vehicle Charging Station in the amount not to exceed \$96,553, which contains a \$20,000 contingency for rock removal, if necessary.

ADOPTED THIS 28th DAY OF AUGUST 2024

Ted Smith, Chair of the TARC Board of Directors



MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: August 28, 2024

Re: Resolution 2024 – 30 Purchase of Support Vehicles (#20241888)

TARC currently has twenty-seven support vehicles in use for transportation monitoring and administrative use. This number does not include vehicles used for fleet and facilities maintenance. Of those twenty-seven support vehicles, eleven (11) have been identified for replacement. Each of the vehicles has exceeded TARC's useful life benchmark. For automobiles and trucks, that benchmark is eight years of service. Additionally, the Maintenance Department has identified a 2003 pick-up truck for replacement.

TARC currently has \$425K budgeted to replace these vehicles through FY2022 and FY2023 multi-source formula grants (KY-2023-010 and KY-2024-009). Of that amount, the total local match from the Mass Transit Trust Fund will not exceed \$85K.

Based upon input from the Transportation and Maintenance departments, the most appropriate and flexible mix of vehicles that can be purchased with available funds is one (1) four-wheel drive Ford F250 with a 1,500lb lift gate, four (4) mid-size SUVs, and six (6) full-size SUVs.

TARC is utilizing a Commonwealth of Kentucky Master Agreement (MA 758) that can procure these vehicles with the available funds. The Commonwealth has established Master Agreements with numerous vendors and requires quotes to be solicited for specific models at the time of purchase. The Procurement Department conducted an independent cost estimate and discovered pricing of base vehicles ranges from \$32K to \$52K depending on model and available of options.

The Resolution seeks approval for the Board of Directors to authorize the Executive Director to negotiate and to purchase eleven (11) vehicles for a not-to-exceed amount of \$425K from the vendor or combination of vendors that provide the lowest price by model under the Commonwealth of Kentucky (MA 758) vehicle contract.



RESOLUTION 2024-30 PURCHASE OF SUPPORT VEHICLES

A Resolution authorizing the Executive Director to purchase eleven (11) new vehicles under one or more Commonwealth of Kentucky Master Agreement (MA 758) contracts to replace support vehicles that have exceeded its useful life at a total cost not-to-exceed \$425K.

WHEREAS, TARC has a need for replacement support vehicles for the Transportation Department and the Administrative vehicle pool as well as a replacement utility support maintenance pick-up truck; and

WHEREAS, of the twenty-seven non-revenue vehicles in TARC's Transportation and Administrative fleet, eleven (11) have been identified for replacement, and each vehicle has exceeded its useful life benchmark; and

WHEREAS, TARC has the use of existing Commonwealth of Kentucky Master Agreements (MA 758) with local dealerships for the procurement of vehicles; and

WHEREAS, TARC has set aside funds from its Section 5307 and Section 5339 formula grants to purchase new support vehicles; and

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

The Executive Director is hereby authorized to purchase up to eleven (11) support vehicles for a not-to-exceed amount of \$425K from the vendor or combination of vendors that provide the lowest pricing by model and specification under Commonwealth of Kentucky Master Agreement (MA 758) vehicle contracts.

ADOPTED THIS 28th DAY OF AUGUST 2024

Ted Smith, Chair of the TARC Board of Directors



MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: August 28, 2024

Re: Resolution 2022 – 01 Amendments and Updates to TARC FMO Policy

In 2018, the Federal Transit Administration undertook a Financial Management Oversight (FMO) Review at TARC. The FMO Review is within FTA’s purview and did not arise from a prior finding or documented issue. The FMO Review can be undertaken after a particular project, or to follow up on a finding, to explore an issue from an 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.

On an annual basis, TARC reviews this policy to ensure accurate reflection of procedures as well as clarification to job titles and responsibilities. Accordingly, TARC has amended this policy to make clarifications of job titles, and responsibilities. These changes are listed below:

- Section 2.1: Updated job titles to Director of Finance and Chief Finance and Administration Officer (CFAO)
- Section 2.3: Updated job titles to Director of Finance and CFAO
- Section 3.2: Updated job titles to Director of Finance and CFAO
- Section 3.3: Updated job titles to Director of Finance and CFAO and updated budget schedule
- Section 4.3: Updated job titles to CFAO
- Section 4.4.1: Updated job titles to Director of Finance and CFAO
- Section 4.5.1: Updated job titles to Director of Finance and CFAO
- Section 4.6.1: Updated procedures for deposit processing and updated titles to Revenue Coordinator and Accounts Payable Specialist.



- Section 4.7.1: Updated job titles to CFAO
- Section 4.7.3: Updated job titles to CFAO
- Section 4.7.4: Updated job titles to Director of Finance
- Section 4.8.1: Updated job titles to Director of Finance
- Section 4.9.1: Updated payroll process to reflect current department structure
- Section 4.9.4: Updated compensation review to include CFAO
- Section 4.11.1: Updated job title to CFAO
- Section 4.12.1: Updated purchase authority to include CFAO approval
- Section 4.14.1: Updated job titles to CFAO
- Section 4.15.1: Updated job titles to CFAO
- Section 4.16.1: Updated job titles to Director of Finance
- Section 4.17.1: Updated job titles to Director of Finance
- Section 4.18.1: Updated job titles to Director of Finance and updated process for bank reconciliations to reflect current process
- Section 4.21.1: Updated job titles to Director of Finance

This Resolution seeks approval from the Board of Directors to amend the FMO Policy to clarify job titles and responsibilities, and update the processes set forth therein to reflect current practices.

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



Resolution 2022-01 Amendments and Updates to TARC FMO Policy

A resolution to approve amendments and updates to TARC's FMO Policy 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, last review of this policy occurred in July 2023; 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 28th day of August 2024

Ted Smith, Chair of the TARC Board of Directors

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



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

Version Number and Updates			
Version Number	Section/Pages Affected	Reason for Change	Date Issued
1		Agency Wide policy	2018
2		Revision of Job Titles	2021
3	4.7	Updated Check Printing Procedures	2023
4	4.6.1 & 4.9.1	Updated job titles and procedures to reflect correct positions performing the work.	2023

TRANSIT AUTHORITY OF RIVER CITY FINANCIAL MANAGEMENT POLICY



1.0 Purpose:

- 1.1 The purpose of these policies 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 Director of Finance, with oversight from the Chief Finance and Administrative Officer (CFAO) and Executive Director, 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 Metro 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, the CFAO, and the Director of Finance.

3.0 Responsibility

- 3.1 The Executive Director acts as the primary fiscal agent with the CFAO as designated alternate, implementing all financial policies and procedures. The Executive Director 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 Director of Finance is responsible for making sure the monthly financial statements are in a format approved by the Executive Director and Board. The Director of Finance will present the financial statements monthly to the Executive Director and CFAO for review and approval. Once approved, the

TRANSIT AUTHORITY OF RIVER CITY FINANCIAL MANAGEMENT POLICY



Director of Finance will present the monthly financial statements to the Finance Committee and Board of Directors during the monthly meeting.

- 3.3 Each Department Director works with the Finance Department on developing budgets for their department. Each department head will meet with the Executive Director, COO, CFAO, and Director of Finance to go over their budget. After the departmental meetings the draft budget is presented to the Finance Committee at its March meeting. The proposed budget is then reviewed by the Finance Committee before presentation to the full Board for its consideration and approval. Following Board approval, the budget is submitted to Metro Government for its consideration and approval no later than May 1st.
- 3.4 The Board of Directors is responsible for the establishment of financial policies and for reviewing operations and activities on a periodic basis.
- 3.5 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 managed by the Procurement Department. Additionally, for solicitations requiring an evaluation committee, the Procurement 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 in December with a Management Team meeting. The team is given the budget schedule that is approved by the Executive Director. The budget schedule shall be prepared in order to confidently meet Metro Government's May 1st submittal deadline.
- 4.1.2 The first draft will typically recognize a gap between expected revenues and expenditures. Board members shall have sufficient time to ask questions and discuss options to address the gap. After any adjustments are made the Executive Director presents the final draft for approval to send to Metro Government. The executive branch of Metro Government presents the annual budget to the legislative branch of Metro Government, Metro Council, in May and the budget is adopted in June.

TRANSIT AUTHORITY OF RIVER CITY FINANCIAL MANAGEMENT POLICY



The Agency's budget is presented along with Metro's budget 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 Financial statements will be presented at monthly Finance Committee meetings and Board meetings.

4.3 Mass Transit Trust Fund:

- 4.3.1 The MTTF year-end balance must allow for two months of operating expenses. Board approval is required to take the balance below the minimum. If the fund balance falls below this minimum, the Executive Director, COO, CFAO and Board shall develop a plan and budget for rebuilding the fund.

4.4 Audit & Reviews:

- 4.4.1 An independent financial audit shall be done at the end of each fiscal year, which is June 30th. The audit must be completed and submitted to Metro Government by October 1st with any additional reporting requirements. The Executive Director, CFAO, and Director of Finance shall have direct responsibility to oversee the implementation of the Annual Financial Audit. Once completed, the Auditors shall present the draft audited financials to the Board during the monthly Board meeting. The Board shall approve the draft, which is then sent to Metro Government.
- 4.4.2 The Agency has the following audits & reviews:
 - Annual Operational Audit
 - 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.

4.5 Revenue and Income Procedures:

- 4.5.1 The Executive Director, COO, Director of Capital and Facilities, CFAO, and Director of Finance develop and propose revenue goals and objectives for the annual budget.
- 4.5.2 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.

4.6 Recording Receipts:

- 4.6.1 All incoming cash is to be placed in the safe. The Revenue Coordinator or designee processes all deposits and forwards to a second member of the Finance team for verification. The in-house courier takes all cash deposits to the bank in a secure locked bank bag. Check deposits are processed in house using on site scanners to be electronically submitted to the bank. The Revenue Coordinator will scan the checks while a second member of the Finance team with authorized bank credentials will review the deposits and transmit to the bank upon approval. Once the deposits are returned they are verified by the Accounts Payable Specialist or designee for the deposit amounts to be entered onto the cash log spreadsheet. Then the Revenue 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 Fare Media Specialist or designee who enters the entry into the general ledger to record the transactions. Several entries are created from the cash log spreadsheet. All accounts receivables must be entered into the accounts receivable module as cash receipts including incoming grant cash.

4.7 Expenditures Procedures:

- 4.7.1 All expenditures shall be approved either by the Department Director, COO, CFAO, Executive Director or the Board depending on the amount of the purchase. Please refer to the Board and FTA approved procurement manual.

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- 4.7.2 All expenditures shall be coded by the account number using the chart of accounts. The Accounts Payable Specialist maintains the accounting records including check register and pay packets.
- 4.7.3 After invoices are approved, the Accounts Payable Specialist or designee will process a check run at least once a week for operational expenses. Pay packets are matched with the checks that are then taken to the Executive Director or designee for the first signature. The second signature must be from the CFAO or designee. The check register must accompany the checks presented for signature. Once both signatures are on the checks and all checks have been accounted for, they are given back to the Accounts Payable Specialist to prepare for mailing. Once mailed, pay packets are filed by vendor name. 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.
- 4.7.4 Accounts Payable may elect to pay invoices thru an electronic payment module called Expert AP. This option was approved by the Board of Directors in Resolution 2021-08 Amendment No. 1. After invoices are approved, Accounts Payable or designee will process a check run at least once a week for operational expenses. This run will generate a file rather than physical checks that will be uploaded to the Expert AP portal for payment. Pay packets and the check register is provided to the Director of Finance or designee to review and approve. Upon approval, the Director of Finance or designee will approve each payment in the Expert AP portal releasing it for payment. Payment details and images are generated for each pay packet and given to Accounts Payable for filing.

4.8 Signature Policy:

- 4.8.1 The Executive Director or designee signs all contracts and commitments based on the authority given by the Board. Checks printed by the Agency require one signature from the Executive Director or designee and one signature from the Director of Finance or designee. The Board approves all signatories on TARC bank accountants.

4.9 Compensation and Payroll:

- 4.9.1 Payroll is processed weekly and pay day is on Thursday, although holidays may alter normal processes. Department Directors are responsible for approving their payroll and monitoring their expenses to

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budget. The Payroll Accountant verifies and makes corrections by communicating to the Department Director or their designee before sending to TARC's payroll process contractor.

- 4.9.2 Direct deposits and Wisely 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.
- 4.9.3 Monthly payroll expenses shall be verified against reports and reconciled with the checking account reports to ensure any employee withholdings withheld are paid to the proper party within the month.
- 4.9.4 The Executive Director's compensation shall be determined by the Board. The salaries of all other employees shall be determined by the Director of Human Resources or Union Contract and approved by the Executive Director, CFAO, or COO.

4.10 Local Travel and Expense Reimbursements:

- 4.10.1 All employees must abide by the Agency's Travel and Expense policy. Travel and expense reports will be submitted to Finance for review. Approved expense reports shall be forwarded to the Executive Office for Executive Director signature. The Chair of the Board will approve the Executive Director and Board member expense reports. Travel reimbursement shall not be above the IRS Guidelines.

4.11 Credit Card Expenditures:

- 4.11.1 Credit card purchases should follow the procurement guidelines. Only Procurement and Finance have credit cards. Finance monitors the use of the corporate card and reconciles the bill. The corporate card is in the CFAO's name and may only be used for travel, emergency purchases and purchases that can't be made using other payment methods available to TARC. A request form must be submitted and approved before the corporate card can be used. Procurement has the cards and/or account number to businesses that we have accounts with and must follow our guidelines and provide receipts and/or purchase orders for the purchases.

4.12 Purchases:

4.12.1 Department Directors have authority to approve or make purchases up to \$15,000; the CFAO and COO have authority for purchases up to \$50,000; and the Executive Director has authority for purchases up to \$100,000. The Director of Procurement 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.

4.13 Leases and Other Contractual Agreements:

4.13.1 Leases and other Contractual Agreements are managed by TARC's Procurement Department and follow the procedures that are in place. The Executive Director signs contracts along with the Agency's General Counsel or designee. Most contractual agreements are approved by the Board during monthly Board meetings.

4.14 Notes, Loans, ETC:

4.14.1 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 or CFAO and Board approval.

4.15 Deeds, Conveyances, ETC:

4.15.1 The Executive Director or CFAO 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.

4.16 Bank Accounts and Investment Accounts:

4.16.1 The Director of Finance shall maintain and oversee Bank and Investment accounts and ensure the Agency's day-to-day financial operations. Several accounts may be maintained by the Agency as follows:

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

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- 4.16.2 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.

4.17 Checking Accounts:

- 4.17.1 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 third parties that oversee worker's compensation, safety, health savings plan and the credit card processing. Funds are also transferred between the operating and grant account through the banking web portal. The Director of Finance also authorizes funds to be transferred between accounts listed above under bank accounts.

4.18 Bank Reconciliations:

- 4.18.1 Bank reconciliations shall be completed monthly and then approved by the Director of Finance. A list shall be maintained to document which members of Finance are responsible for each reconciliation. Reconciliations shall be tied to the general ledger and filed in the Finance department for auditor's annual review.

4.19 Cash and Cash Equivalent:

- 4.19.1 Cash and Cash Equivalent include all cash balances and highly liquid investments (including restricted investments). 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.

4.20 Petty Cash:

- 4.20.1 Petty cash fund provides a method for paying and recording out-of-pocket cash payments that are small and can't wait for purchase orders. Employees must seek reimbursement from the Finance Department. Petty cash levels are set at the following:
- Finance Department \$500
 - TARC owned Vending machines (2) \$50

4.20.2 Each TARC location that issues smart cards to the public will have a cashing fund. These funds are also included in the petty cash general ledger and are set at the following amounts:

- Union Station Kiosk \$100
- NIA Center Kiosk \$100
- Cashier's Office \$50

4.21 *Investments Reports and Investment Policy:*

4.21.1 The auditors review banking and investments annually to make sure the funds are protected. The Director of Finance is responsible for making sure Agency funds are protected. Please refer to the investment policy.

4.22 *Insurances:*

4.22.1 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 Insurance Trust
- Liability including Cyber – self-insured with the Louisville Area General Government Insurance Trust
- Workers Compensation – self-insured and managed by third party administrator
- Excess Workers Compensation
- Felonious Assault
- Crime Coverage
- Health
- Life
- Disability

4.22.2 Insurance policies shall be carefully reviewed by the Department Director that oversees the coverage and approved by the Executive Director.

4.23 *Property and Equipment:*

4.23.1 Property, property improvements and equipment shall be entered into the system at the purchase price. Depreciation is computed over the estimated useful live of the asset using the straight-line depreciation

method. 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 biennially.

4.24 Confidentiality and Records Security:

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

4.25 Document Retention:

- 4.25.1 The Agency's documents are retained for a period of time in accordance with requirements for the use of federal and state funds, or referencing the Internal Revenue Service's recommendations on all other documents not related to federal or state governments. Each department is responsible for retaining records as set out for their departments. Guidelines are maintained on the TARC network public drive.

4.26 Tax Reporting:

- 4.26.1 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

6.2 Position: Board Chair

DRAFT



TARC Useful Terms

ADA	Americans with Disabilities Act
AED	Assistant Executive Director
A/I and I	Accident/Incident and Investigations
ATS	Applicant Tracking System (automated HR system)
Contractor	An entity that performs tasks required on behalf of TARC
CAP	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.
EAM	Enterprise Asset Management is an online asset management system used by all maintenance personnel for work orders, hazards, and procedures related to TARC assets
FASuites	Fixed Asset database
FTA	Federal Transit Administration, an agency within the U.S. Department of Transportation
KDOT/SSO	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
Intelligent Transportation System (ITS)	Component that provides the Automatic Vehicle Locator (AVL) System
Mass Transit Trust Fund (MTTF)	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)
New Starts Project	Any fixed guideway system funded under FTA's 49 U.S.C. 5309 discretionary construction program
NIMS	National Incident Management System
NTD	National Transit Database
Paratransit	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)
Program Standard	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
TAM Plan	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
Trapeze EAM	Fixed Asset Database

Useful Websites

Transit Authority of River City (TARC)

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

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

<http://www.kipda.org>

Federal Transit Administration (FTA)

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

American Public Transportation Association (APTA)

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

Americans with Disabilities Act (ADA)

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

Electronic Code of Federal Regulations

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

Safety & Security Office (SSO)

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

Kentucky Transportation Cabinet

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

Louisville KY.gov

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

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