



Board of Directors Meeting

Thursday, March 21, 2024

Wayne County Community College, 1001 W. Fort St. Detroit, MI 48226

[Zoom Virtual Public Participation](#)

1:00 PM

AGENDA

1. Call to Order
2. Roll Call
3. **Approval of Agenda**
4. Public Comment- Time Limitation for Public Comment = 3 minutes per speaker
5. Executive Directors Report
6. Presentations - none
7. Consent Agenda
 - a. **Approval of the February 2024 Board Meeting Summary**
 - b. **Approval of Financial Reports for February 2024**
 - c. **Approval of Updated FOIA Policy**
 - d. **Approval of On-Call Planning Consultant Selection**
8. Regular Agenda
 - a. **Approval of 2024 Annual Audit**
 - b. **Approval of Fiscal Year 2025 State Funding Applications**
 - c. **Approval of Intent to Transfer the Assets of M1-RAIL**
9. New Business
10. Adjourn

The Board may, at its discretion, revise this agenda or take up any other issues as needed, and time allows. Request for reasonable accommodation at RTA meetings requires advanced reservations. Individuals with disabilities requiring assistance should contact RTA Information Services at least 48 hours in advance of the meeting. Documents and information are available in a variety of formats. Contact the RTA at info@rtamichigan.org or call 313-402-1020 to discuss your format needs.



**REGIONAL
TRANSIT AUTHORITY**
OF SOUTHEAST MICHIGAN

Proposed Meeting Summary

Board of Directors

Thursday, February 15, 2024

1:00 PM

1. **Call to order at 1:13 PM**
2. **Roll Call:** June Lee; Freman Hendrix; Jon Moore; Alma Smith; Ned Staebler; Helaine Zack (virtual). A quorum was present.
RTA Representatives Present:
Ben Stupka; Khalil Davis; Julia Roberts; Melanie Piana; Shauna Morris; Corri Wofford; Kameron Bloye; Isaac Constans
Other Meeting Participants:
Morrow and Associates – RTA Consultant
3. **Approval of Agenda**
Moved by Alma Smith and supported by Ned Staebler. The February 14, 2024, Agenda was approved.
4. **Public Comment**
Robert Pawlowski provided comment in support of the 2024 Legislative Agenda and the Regional Transit Master Plan (RTMP).
5. **[Executive Directors Report](#)**
Mr. Stupka presented the Executive Directors Report to the Board. Moved by Alma Smith and supported by Ned Staebler, the Executive Directors report was received.
6. **Presentations**
 - a. **[2024 Funding Actions Overview](#)**
Moved by Alma Smith and supported by Freman Hendrix, the 2024 Funding Actions Overview was received.
7. **Consent Agenda**
 - a. **[Approval of the December 2023 Board Meeting Summary](#)**
 - b. **[Approval of Financial Reports for December 2023](#)**
 - c. **[Approval of Financial Reports for January 2024](#)**

- d. [Approval of Small Purchase Policy](#)
- e. [Approval of Strategic Identity Refresh Notice of Award](#)
- f. [Approval of Mario Morrow and Associates Contract Amendment](#)

Moved by Alma Smith and supported by Ned Staebler, the Consent Agenda was approved.

8. Regular Agenda

- a. [Approval of 2024 Legislative Agenda](#)

Moved by Jon Moore and supported by Ned Staebler, the 2024 Legislative Agenda was approved.

- b. [Approval of Regional Transit Master Plan \(RTMP\)](#)

Moved by Alma Smith and supported by June Lee, the RTMP was approved.

9. New Business

There was no new business.

10. Meeting adjourned at 2:04 PM

Regional Transit Authority of Southeast Michigan

Statement of Position

as of

February 29, 2024

	Current Yr 2/29/2024	Prior Yr 2/28/2023
Assets		
Cash and Cash Equivalents	\$ 177,844	\$ 72,057
Accounts Receivable	755,743	101,739
Prepays and Other Current Assets	2,110	50
Total Assets	\$ 935,697	\$ 173,846
 Liabilities		
Accounts Payable	\$ 817,691	\$ 56,942
Accrued Payroll and Related Liabilities	28,379	12,922
Refundable Advance	81,361	101,854
Total Liabilities	\$ 927,431	\$ 171,718
 Net Assets		
Fund Balance	\$ 7,813	\$ 1,413
Net Revenue	453	715
Total Net Assets	\$ 8,266	\$ 2,128
Total Liabilities and Net Assets	\$ 935,697	\$ 173,846

Regional Transit Authority of Southeast Michigan
Statement of Activity
Admin - FY2024 YTD Comparison to Budget
February 29, 2024

	Actual	Actual	Actual	Admin YTD	Budget YTD	Annual Budget
	ADMIN - ARPA	ADMIN - MDOT 2023/2024	Interest/Other Admin	Total		
Revenue						
Federal Grants	\$ 640,861	\$ -	\$ -	\$ 640,861	\$ 1,235,205	\$ 2,964,493
State Grants - Matching	-	-	-	-	-	-
State Grants	-	123,377	-	123,377	149,870	359,687
Local Grants	-	-	-	-	-	-
In-Kind Revenue	-	1,500	-	1,500	-	-
Project Match Revenue	-	-	-	-	-	-
RTA Regional Planning Set-Aside	-	-	-	-	-	-
Other	-	-	539	539	-	-
Total Revenue	\$ 640,861	\$ 124,877	\$ 539	\$ 766,277	\$ 1,385,075	\$ 3,324,180
Administrative Expenses						
Operating:						
Personnel	\$ 393,630	\$ -	\$ -	\$ 393,630	\$ 626,435	\$ 1,503,443
Conferences/Travel/Training	-	11,717	-	11,717	18,919	45,405
Memberships and Subscriptions	-	4,248	-	4,248	4,690	11,257
Board & Public Mtg Management	-	915	-	915	6,917	16,600
Finance, Legal, Government Relations	63,404	36,858	-	100,262	119,125	285,900
Insurance	-	15,857	-	-	6,188	14,850
Rent and Utilities	-	3,791	-	3,791	9,500	22,800
Telephone and Internet	-	2,156	-	-	3,429	8,230
Computer Equipment and IT Support	-	12,911	-	12,911	14,856	35,655
Supplies	-	254	87	340	1,042	2,500
Total Operating	457,035	88,706	87	545,827	811,100	1,946,640
Planning:						
Planning Services	183,826	0	-	183,826	158,938	381,450
Specialized Planning Services	-	-	-	-	214,583	515,000
CHSTP	-	-	-	-	62,500	150,000
Community Engagement	-	-	-	-	62,500	150,000
Total Planning	183,826	0	-	183,826	498,521	1,196,450
External Affairs:						
Branding	-	-	-	-	18,750	45,000
External Communications	-	33,750	-	33,750	35,000	84,000
Social Media Management	-	1,195	-	1,195	3,250	7,800
Website	-	101	-	101	12,600	30,240
Graphics/Photography	-	900	-	900	4,229	10,150
Promotional Items	-	-	-	-	792	1,900
Miscellaneous Items	-	225	-	225	833	2,000
Total External Affairs	-	36,171	-	36,171	75,454	181,090
Total Expenses	\$ 640,861	\$ 124,877	\$ 87	\$ 765,825	\$ 1,385,075	\$ 3,324,180
Net Increase/(Decrease) in Net Assets	\$ -	\$ -	\$ 453	\$ 453	\$ -	\$ -

Project Budget Tracker

Title **Detroit to Ann Arbor Express Bus (D2A2)**
Description Express bus connecting downtown Detroit to downtown Ann Arbor.
Schedule October 2021 - December 2025

Budget Tracker			
	Total	ITD	Balance
Cost	\$ 8,202,699	\$ 5,725,997	\$2,476,702
Grants			
MI-2021-036-01	\$4,311,592	\$3,879,281	\$432,311
2017-0119/P7/R2	\$1,635,893	\$1,148,405	\$487,488
Fares/Contrib	\$955,214	\$698,310	\$256,904
FY2023 CMAQ*	\$1,300,000		\$1,300,000
	\$8,202,699	\$5,725,997	\$2,476,702

*Funding is secured. Will be amended into the grant at a future date.

Title **Regional Mobility Management (MyRide2)**
Description Call center/website with information for seniors and persons with disabilities.
Schedule October 2017 - March 2024

Budget Tracker			
	Total	ITD	Balance
Cost	\$1,336,805	\$1,326,907	\$9,898
Grants			
MI-2017-031-02	\$1,069,444	\$1,061,526	\$7,918
2017-0119/P2/R4	\$267,361	\$265,382	\$1,979
	\$1,336,805	\$1,326,907	\$9,898

Title **Universal Basic Mobility Pilot**
Description Mobility wallet fare technology pilot focused on Detroit jobseekers.
Schedule June 2023 - December 2024

Budget Tracker			
	Cost	ITD	Balance
Cost	\$1,025,000	\$290,571	\$734,429
Grants			
2022-0126-P3	\$1,025,000	\$290,571	\$734,429
	\$1,025,000	\$290,571	\$734,429

Title **Downtown to Airport Express**
Description Express bus connecting downtown Metro Airport to Downtown Detroit.
Schedule March 2024 - March 2025

Budget Tracker			
	Cost	ITD	Balance
Cost	\$2,500,000	\$0	\$2,500,000
Grants			
FY2024 CMAQ*	\$2,000,000	\$0	\$2,000,000
State Grant*	\$500,000	\$0	\$500,000
	\$2,500,000	\$0	\$2,500,000

*Funding is secured. Will be amended into the grant at a future date.

Title **Access to Transit Program**
Description Grant program for safety and access improvements at bus stops.
Schedule October 2024 - December 2026

Budget Tracker			
	Cost	ITD	Balance
Cost	\$2,000,000	\$0	\$2,000,000
Grants			
FY2024 CMAQ*	\$1,600,000	\$0	\$1,600,000
State Grant*	\$400,000	\$0	\$400,000
	\$2,000,000	\$0	\$2,000,000

*Funding is secured. Will be amended into the grant at a future date.

Title **Regional Technology Strategic Plan***
Description Inventory and assessment of providers technology and identification of goals.
Schedule June 2024 - June 2025

Budget Tracker			
	Cost	ITD	Balance
Cost	\$125,000	\$0	\$125,000
Grants			
2017-0119/P10	\$125,000	\$0	\$125,000

*Extension amendment pending approval.



BOARD OF DIRECTORS MEMORANDUM

TO: RTA Board of Directors

FROM: Melanie Piana, Program Director

SUBJECT: Freedom of Information Act (FOIA) Procedures & Guideline Policies

DATE: March 9, 2024

REQUESTED ACTION: Requesting Board of Directors Approval

Approval Request:

Motion to amend the 2017 Freedom of Information Act (FOIA) Procedures and Guidelines Policy.

Background:

Michigan Public Act 563 of 2014 Freedom of Information Act (FOIA) details specific procedures for government agencies. FOIA procedures and guidelines are comprised of five documents:

- Procedure and Guideline Policies
- Written Public Summary of FOIA Procedures and Guidelines
- FOIA Request form
- Fee Itemization form
- Affidavit of Indigency form

These five documents reflect standard FOIA language across public agencies and local transit providers. In October 2023, the Michigan Municipal League trained the RTA team on FOIA policy and standard operating procedures.

Information:

The RTA Board of Directors adopted a FOIA procedures and guidelines policy in 2017. The 2024 update has been reviewed by Dykema legal counsel and includes:

- Adopts SEMCOG's policy format and structure, which is easier to read.
- Updated the required FOIA Coordinator to the Program Director or their designee.
- Created a foiacordinator@rtamichigan.org email address as the main contact to receive requests and deliver responses.
- Removed mention of receiving FOIA requests by fax. The RTA is unable to receive or deliver FOIA requests through fax.



**REGIONAL
TRANSIT AUTHORITY**
OF SOUTHEAST MICHIGAN

FREEDOM OF INFORMATION ACT PROCEDURES & GUIDELINES POLICY

Amended March 22, 2024

FREEDOM OF INFORMATION ACT PROCEDURES AND GUIDELINES

I. INTRODUCTION

The Michigan Freedom of Information Act, 1976 P.A. 442, MCL §15.231 *et seq.*, (“FOIA” or the “Act”) was enacted by the Michigan Legislature to provide for public access to certain public records of public bodies with the express intent “that all persons, ... are entitled to full and complete information regarding the affairs of the government and the official acts of those who represent them as public officials and public employees...”.

FOIA sets requirements for the disclosure of public records by public bodies upon written request by a requester. RTA is a public body under the Act, and shall comply with its requirements. RTA’s Program Director shall designate a FOIA Coordinator to accept, process, track, grant, and/or deny requests in writing as required by the Act.

Terms not defined herein shall have the meaning given under FOIA.

II. THE FOIA COORDINATOR

- a. Designation of the FOIA Coordinator: The FOIA Coordinator shall be RTA’s Program Director or his/her designee. The FOIA Coordinator is authorized to designate other employees to act on their behalf.
- b. Receiving and Processing Requests. The FOIA Coordinator shall be responsible for accepting and processing all FOIA requests. The FOIA Coordinator shall make all determinations regarding whether the FOIA requests are granted or denied, and whether the response time should be extended. If the FOIA Coordinator issues a notice extending the period to respond, they shall specify a reason and the date by which RTA will respond.
- c. Determination of Exempt Material. The FOIA Coordinator shall determine whether any of the information in the requested public records is exempt from disclosure. The FOIA Coordinator shall also determine whether there is an RTA employee capable of redacting the necessary information. If there is no such employee, the FOIA Coordinator shall arrange for a person or firm of the FOIA Coordinator’s choosing to provide this service.
- d. Determination of Cost and Fees. The FOIA Coordinator shall determine the costs of complying with each FOIA request by completing the Fee Itemization Form in compliance with the cost guidelines provided in Section IX. The FOIA Coordinator shall also determine whether each FOIA request would result in an unreasonably high cost to RTA and whether a fee may be charged for the request. The FOIA Coordinator shall also determine if a deposit shall be required in accordance with

Section 10 herein.

- e. Revising Forms. The FOIA Coordinator is authorized to make reasonable revisions to and create necessary forms to implement these Procedures and Guidelines and administer the FOIA Program.
- f. Compliance. All actions taken by the FOIA Coordinator or their designee under this section shall be consistent with the requirements of FOIA and these Procedures and Guidelines.

III. RIGHT TO INSPECT, COPY, OR RECEIVE PUBLIC RECORD

A requester has a right to inspect, copy, or receive copies of requested public records. If a person requests to inspect public records without having the public records duplicated, the following shall apply:

- a. The requester shall make an appointment with the FOIA Coordinator, who shall provide the requester a reasonable opportunity for inspection and examination of the public records during usual business hours. If requester arrives without an appointment the FOIA Coordinator shall endeavor to accommodate the public records inspection.
- b. The Public Body shall make reasonable accommodations to a person requesting the opportunity to inspect public records, but at all times shall protect public records from loss, unauthorized alteration, mutilation, or destruction, and shall also prevent the excessive and unreasonable interference with the discharge of its functions. To this extent, any person requesting to inspect the public records shall be under the direct supervision of the FOIA Coordinator or his or her designee at all times.
- c. If the requested public records contain exempt information, the FOIA Coordinator will make copies for inspection with the exempt material redacted.
- d. An individual serving a sentence of imprisonment in a local, state, county or federal correctional facility does not have a right to inspect, copy or receive copies of a requested public record. The FOIA Coordinator will deny all such requests

IV. PROCEDURES AND GUIDELINES

- a. Procedures and Guidelines Available at No Cost. RTA will keep copies of these Procedures and Guidelines, including a written public summary, available at its public office and will provide a copy, at no cost, to any person requesting the Procedures and Guidelines.
- b. Maintaining Procedures and Guidelines on Website. RTA shall post and maintain a Written Public Summary of Procedures and Guidelines on its website at www.rtamichigan.org.
- c. Responses to Written Requests. RTA shall include with all responses, either in paper form or via electronic link at its election, a copy of these Procedures and Guidelines, including a written public summary.

V. WRITTEN REQUESTS

- a. Submit in Writing. All requests for public records must be submitted in writing to the FOIA Coordinator. The writing may be submitted by mail, electronic mail, or other electronic transmission. Requests for public records should be as specific as

possible and must describe the public record sufficiently to enable RTA to find the public record.

Regional Transit Authority of Southeast Michigan (RTA)

Attn: FOIA Coordinator

1001 Woodward Avenue, Suite 1400

Detroit, MI 48226-1904

Phone: (313) 402-1020

Email: foiacordinator@rtamichigan.org

- b. Subscription. A person may subscribe to future issuances of public records that are created, issued, or disseminated on a regular basis. A subscription shall remain valid for up to six (6) months, at the request of the subscriber, and shall be renewable.
- c. Record Retention. The FOIA Coordinator will retain a copy of all written requests for public records for no less than 1 year.

VI. TIME TO RESPOND

- a. When a Request is Considered Received. Requests submitted by mail are considered received on the day they arrive at RTA. A request made by electronic mail, or other electronic transmission is not considered received until 1 business day after the electronic transmission is made. If the electronic mail is delivered to RTA's spam or junk folder, the request is not considered received until 1 day after RTA becomes aware of the request. RTA shall keep a record of when the request is delivered to the spam or junk mail folder and when RTA first becomes aware of the request.
 - i. The FOIA Coordinator shall review the spam and/or junk mail folders for public record requests at reasonably frequent intervals, but in any event not less frequently than once every month.
- b. Response within Five Business Days; Extension. Unless otherwise agreed to in writing by the requester, RTA shall respond to the request within five (5) business days after receipt. However, RTA may issue a notice extending the time to respond for not more than ten (10) business days, which shall include the reason for the extension and the date by which RTA will respond. RTA shall not issue more than one (1) notice of extension for a particular request.

VII. FORM OF RESPONSE

- a. Within five (5) business days after the Public Body receives a request, the FOIA Coordinator shall respond to the request by:
 - i. Granting the request;
 - ii. Issuing a written notice denying the request;
 - iii. Granting the request in part and issuing a written notice denying the request

in part; or

- iv. Issuing a notice extending the time to respond by ten (10) business days.
- b. Failure to respond to a request shall only constitute a final determination to deny the request if:
 - i. Failure was willful and intentional; OR
 - ii. Written request included language requesting information within first 250 words of body of request or the envelope or subject line of the email, letter, or included the following words, characters or abbreviations, or recognizable misspellings: “Freedom of Information”, “Information”, “FOIA”, “Copy”.
- c. Denial of Request. To the extent a request, or any portion thereof, is denied, the written response shall be signed by the FOIA Coordinator and shall contain all of the following:
 - i. An explanation of the basis for denial under FOIA or another statute, if that is the reason for denying the request;
 - ii. A certificate that the public record does not exist under the name given or by another name reasonably known, if that is the reason or denying the request;
 - iii. A description of a public record or information on a public record that is separated or deleted, if such separation or deletion is so made;
 - iv. A full explanation of the requestor’s right to appeal to RTA’s Executive Director or to seek judicial review of the denial; and
 - v. Notice of the right to receive attorney’s fees and damages if the court determines RTA has not complied.

VIII. EXEMPTIONS and PROTECTION OF CONFIDENTIAL INFORMATION

- a. Exempt Material Policy. In order to protect individuals from an invasion of privacy, to ensure there is no interference with the safety of the public, and to ensure the safe and efficient operations of RTA, it is the policy of RTA to exempt from disclosure all information that may be exempted in accordance with FOIA.
- b. Mandatory Exemptions. RTA must exempt information that, if released, would prevent RTA from complying with the Family Educational Rights and Privacy Act of 1974, 20 USC 1232g.

IX. COSTS

It shall be the policy of RTA to recover all costs associated with responding to FOIA requests to the extent permitted by FOIA. RTA hereby establishes the following fee schedule and rules relating to the collection of fees in connection with the processing and fulfillment of FOIA requests:

- a. Cost Components Associated With Requests Resulting In Unreasonably High Costs. The FOIA Coordinator may only charge a fee for the costs involved with searching for, locating and examining a public record, and the deletion and separation of exempt from non-exempt information when it results in unreasonably high costs to RTA. In determining what is an unreasonably high cost to RTA the FOIA Coordinator shall consider each request on a case-by-case basis to determine how the nature of the particular request differs from the usual request received by RTA. If the request would result in a cost that is unreasonably high relative to the requests RTA usually receives, RTA may charge for completing the request. *See Bloch v Davison Community Schools*, 2011 WL 1564645 (Mich Ct App). The FOIA Coordinator shall also consider the following factors to determine whether the cost is unreasonably high:
 1. Volume of public records requested;
 2. The estimated hours of labor required to complete the request;
 3. The complexity of searching for, examining, and reviewing, a public record, and the deletion and separation of exempt from non- exempt information;
 4. The need to search for, examine, and review public records from different departments, task forces, or committees for RTA;
 5. The available staffing for responding to the request; and
 6. Any other similar factors designated by the FOIA Coordinator.
- i. Labor Costs – Search, Location, and Examination of Records. The labor costs of searching for, locating, and examining public records.
 1. This cost shall not exceed the hourly wage plus a fringe benefit multiplier of 50% of the hourly wage (but not to exceed the actual fringe benefit costs) of the lowest-paid employee capable of performing these tasks, regardless of whether that employee is available or who actually performs these tasks.
 2. This fee shall be charged in increments of 15 minutes or more. All partial time increments must be rounded down.
- ii. Labor Costs – Redacting Records. The labor costs directly associated with separating and deleting exempt information from non-exempt information.
 1. Performed by RTA Employee. If this tasks is performed by an employee, the cost shall not exceed the hourly wage plus a fringe benefit multiplier of 50% of the hourly wage (but not to exceed the actual fringe benefit costs) of the lowest-paid employee capable of performing these tasks in the particular instance, regardless of whether that person is available or who actually performs the tasks.

2. Contracted Labor. If RTA does not employ a person capable of separating and deleting exempt from non-exempt information in the particular instance as determined by the FOIA Coordinator on a case-by-case basis, it may treat necessary contracted labor costs in the same manner as employee labor costs, if it clearly notes the name of the contracted person or firm on the Fee Itemization Form. The total labor costs under this subsection for contracted labor shall not exceed an amount equal to six (6) times the state minimum hourly wage.
 3. Labor costs shall be estimated and charged in increments of 15 minutes or more. All partial time increments must be rounded down.
 4. RTA shall not charge for the costs of redaction if it knows or has reason to know that it previously redacted the public record and the redacted version is still in the RTA's possession.
- b. Cost Components Applicable to All FOIA Requests. RTA will charge for the actual cost of processing and fulfilling a FOIA request. The fee charged by RTA shall not exceed the sum of the following components:
- i. Non-paper Physical Media.
 1. Non-paper physical media may be used in lieu of paper copies, and the requester may stipulate that the public records be provided on non-paper physical media, electronically mailed, or otherwise electronically provided in lieu of paper copies.
 2. If RTA provides the public records on non-paper physical media, RTA shall charge the actual and most reasonably economical cost of the computer discs, computer tapes, or other digital or similar media.
 3. If RTA does not have the technological capability necessary to provide the requested record on non-paper physical media, this subsection does not apply.
 4. In order to ensure the integrity and security of the RTA's technological infrastructure, RTA will procure any requested non-paper physical media.
 - ii. Paper Copies. The actual total incremental cost of necessary duplication or publication, not including labor.
 1. The total cost per sheet of paper and the number of sheets used shall be itemized.
 2. The fee shall not exceed \$0.10 per sheet of paper for copies made on 8 ½ by 11-inch paper or 8 ½ by 14 inch paper.
 3. The fee for other sized paper shall be charged at the actual total incremental cost.

4. RTA shall utilize the most economical means available for making copies of public records, including using double-sided printing, if cost saving and available.
- iii. Labor Costs – Duplication or Publication of Public records. The cost of labor associated with duplication or publication of the public records, including making paper copies, making digital copies, or transferring digital public records to be given to the requestor on non-paper physical media through the internet or other electronic means as stipulated by the requestor.
 1. This cost shall not exceed the hourly wage plus a fringe benefit multiplier of 50% of the hourly wage (but not to exceed the actual fringe benefit costs) of the lowest-paid employee capable of performing these tasks, regardless of whether that person is available or who actually performs these tasks.
 2. This fee shall be charged in increments of 1 (one) minute. All partial time increments must be rounded down.
 - iv. Mailing. The actual cost of mailing the public records in a reasonably economical and justifiable manner.
 1. Expedited shipping or insurance costs shall not be included unless specifically stipulated by the requester.
 2. RTA may charge for the least expensive form of postal delivery confirmation.
 - c. Public Records May Be Provided Without Charge or at Reduced Cost. A search for public records may be conducted or copies of public records may be furnished without charge or at a reduced charge if the FOIA Coordinator determines that a waiver or reduction of the fee is in the public interest because searching for or furnishing copies of the public records can be considered as primarily benefiting the general public.
 - d. Fee Waiver. A public record search shall be made and a copy of the public record shall be furnished without charge for the first \$20.00 of the fee for each request made that satisfies either of the following:
 - i. Indigence.
 1. An individual who is entitled to information under FOIA and who submits an affidavit stating the individual is not requesting the information in conjunction with any outside parties who are offering the individual payment or other compensation for making the request, and:
 - A. Certifying the individual is indigent and receiving public assistance; OR
 - B. Stating facts showing inability to pay the cost because of indigency.

2. If the requestor is eligible for this discount, it shall be noted on the Fee Itemization Form.
 3. If the requestor is ineligible for the discount, RTA shall inform the requester specifically of the reason for ineligibility in RTA's written response. A requester is ineligible if the individual has previously received discounted copies of public records based on indigency from RTA twice during that calendar year.
- ii. Non-Profit Organization. A nonprofit organization formally designated by the state to carry out activities under Subtitle C of the Developmental Disabilities Assistance and Bill of Rights Act of 2000, Public Law 106-402, and the Protection and Advocacy for Individuals with Mental Illness Act, Public Law 99-319, or their successors, if the request:
1. Is made directly on behalf of the organization or its clients;
 2. Is made for a reason wholly consistent with the mission and provisions of the above referenced statutes; AND
 3. Is accompanied by documentation of its designation by the State.
 4. If the requestor is eligible for this discount, it shall be noted on the Fee Itemization Form.
- e. Fee Reduction for Untimely Responses. For each day RTA exceeds the five business day response requirement, RTA will reduce the labor costs charged by 5% per day up to a maximum 50% reduction, if:
- i. The late response was willful and intentional; OR
 - ii. Written request included language requesting information within first 250 words of body of request or the envelope or subject line of the email or letter included the following words, characters or abbreviations, or recognizable misspellings: "Freedom of Information", "Information", "FOIA", "Copy".
- f. Statutorily Determined Cost of Records. If a statute expressly provides for the sale of or fee for providing the requested public records the statute shall govern the cost and in such case the fees and costs provided herein, to the extent they conflict with the statute, shall not apply.

X. DEPOSIT

- a. Good Faith Deposit. If the FOIA Coordinator estimates that the costs associated with responding to a specific FOIA request will exceed \$50.00, the FOIA Coordinator may request a good faith deposit, not to exceed fifty-percent (50%) of the total cost, prior to compiling the public records.
- i. The response requesting the deposit must include a non-binding best efforts estimate regarding the time it will take to comply with the request, and a detailed estimate of cost for complying with the request using the Fee Itemization Form.

- b. Deposit Due to Unpaid Balance. If a requester has not paid in full for a previously completed request, the FOIA Coordinator may take the following actions:
 - i. Require a deposit of up to 100% of the estimated fee before it begins a full search for an subsequent request from the requester if:
 - 1. The final fee for the prior request was not more than 105% of the estimated fee;
 - 2. Records made available contained the information being sought in the prior written request and are still in public body's possession;
 - 3. Public records were made available to the requester subject to payment within the time frame estimate;
 - 4. 90 days have passed since notifying the requester the records were available;
 - 5. Requester is unable to show proof of prior payment to RTA; AND
 - 6. RTA provides a detailed itemization calculating the cost of the current request.
 - ii. The FOIA Coordinator shall no longer require a deposit under this subsection if:
 - 1. Individual can show proof of prior payment in full;
 - 2. RTA is subsequently paid in full; or
 - 3. Three hundred sixty-five (365) days have passed since the written request for which full payment was not remitted.
- c. Best Efforts Time Estimate. All responses requiring a deposit shall also include a best efforts estimate of the time it will take to comply with the request. This estimate is not binding, but shall be provided in good faith.

XI. FEE ITEMIZATION FORM

- a. Itemization. All fees, charges, fee waivers, fee reductions, and deposit requests must be individually itemized using the attached Fee Itemization Form.

XII. PUBLIC RECORDS AVAILABLE ON WEBSITE

- a. Written Requests for Public Records Available on Website. There will be no charge for records which are available on the RTA's website if the FOIA Coordinator knows or has reason to know they are available on the website. Instead, the FOIA Coordinator will notify the requester in writing that all or a portion of the requested public records are available on the website. This notification will also provide the specific webpage address, to the degree practicable, of these public records and will include a detailed itemization of the estimated cost (using the Fee Itemization Form) to the requester if that person chooses to have the documents provided in another format, such as paper format or non-paper physical media.

- i. If, after receiving the above referenced written notification and itemization, the requester requests the documents to be provided in another format, the requester shall be charged for the cost of providing these documents, which cost shall include the actual cost of fringe benefits of the lowest paid employee capable of providing the requested public records and shall not be subject to the 50% multiplier limitation.
- b. Verbal Requests for Information Available on Website. Any verbal request for information that the RTA employee knows or has reason to know is available on the website shall be responded to where practicable by informing the requester about the website address.

XIII. APPEALS

a. Appealing a Denial of Public Records.

- i. If the RTA makes a final determination to deny all or a portion of a request, the requester may:
 1. Submit a written appeal to Ben Stupka, RTA's Executive Director, specifically stating the word "appeal" and the reasons for reversal; OR
 2. File a civil action in circuit court to compel disclosure. This action must be filed within 180 days after the RTA's final determination to deny the request.
- ii. If the requester appeals to RTA's Executive Director, within ten (10) business days after receiving a written appeal, RTA's Executive Director, shall do one of the following:
 1. Reverse the denial;
 2. Issue a written notice to the requester upholding the disclosure denial;
 3. Reverse the denial in part and issue a written notice to the requester upholding the denial in part; OR
 4. If either of the following apply, issue a notice extending for up to 10 business days, the period during which Ben Stupka, RTA's Executive Director shall respond to the written appeal:
 - A. The need to search for, collect, or appropriately examine or review a voluminous amount of separate and distinct public records pursuant to a single request; or
 - B. The need to collect the requested public records from numerous field offices, facilities, or other establishments which are located apart from the particular office receiving or processing the request.
- iii. Within 180 days after receiving a final determination from RTA's Executive Director, the requester may commence a civil action.

b. Appealing an Excessive Fee.

- i. If the RTA requires a fee that exceeds the amount permitted, the requester may:
 1. Submit to RTA's Executive Director, a written appeal for a fee reduction that specifically states the word "appeal" and identifies how the fee exceeds the amount permitted; OR
 2. Commence civil action. This action must be filed within 45 days after notice of the fee is received, or determination of an appeal to RTA's Executive Director, is received. If a civil action is commenced, RTA will not complete the request until the action is resolved. Such action shall not be filed unless:
 - A. RTA does not provide for appeals to RTA's Executive Director,
 - B. RTA's Executive Director, failed to respond to the written appeal; OR
 - C. RTA's Executive Director, issued a determination to a written appeal.
- ii. If the requester submits an appeal to RTA's Executive Director, within ten (10) business days of receiving the written appeal, the public body shall do one of the following:
 1. Waive the fee;
 2. Reduce the fee and issue a written determination indicating the specific basis supporting the remaining fee, with a certification from RTA's Executive Director, that the statements are accurate and the fee amount complies with these publicly available procedures and guidelines;
 3. Uphold the fee and issue a written determination indicating the specific basis that supports the fee with a certification from RTA's Executive Director, that the statements are accurate and the fee amount complies with publicly available procedures and guidelines; OR
 4. Issue notice extending for up to ten (10) days the period during which RTA's Executive Director, must respond to the written appeal. The notice must detail why the extension is necessary, and RTA may only issue one (1) notice of extension.
- iii. Within 45 days after receiving a final determination from RTA's Executive Director, the requester may commence a civil action.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN (RTA) WRITTEN PUBLIC SUMMARY OF FOIA PROCEDURES AND GUIDELINES

Consistent with Public Act 563 of 2014 amending the Michigan Freedom of Information Act (FOIA), the following is the Written Public Summary of the RTA's FOIA Procedures and Guidelines.

This is only a summary of RTA's FOIA Procedures and Guidelines. For more details and information, copies of RTA's FOIA Procedures and Guidelines are available at no charge at the RTA office and on RTA's website: www.rtamichigan.org.

1. How do I submit a FOIA request to the RTA?

- Requests to inspect or obtain copies of public records prepared, owned, used, possessed or retained by the RTA must be submitted in writing.
- A request must sufficiently describe a public record so as to enable the RTA to find it.
- No specific form to submit a written request is required. However, a FOIA Request form for your use and convenience is available on the RTA's website at www.rtamichigan.org
- Written requests can be made in person by delivery to any RTA office in person or by email.
- A request may also be submitted by e-mail. To ensure a prompt response, e-mail requests should contain the term "FOIA" or "FOIA Request" in the subject line and be sent to foiacordinator@rtamichigan.org.
- An individual serving a sentence of imprisonment in a local, state, county or federal correctional facility does not have a right to inspect, copy or receive copies of a requested public record. The FOIA Coordinator will deny all such requests.

2. What kind of responses can I expect to my request?

- i. Within 5 business days of receipt of a FOIA request, the RTA will issue a response. If a request is received by e-mail or other electronic method, the request is deemed to have been received on the following business day. If a written request is sent by electronic mail and delivered to RTA's spam or junk-mail folder, the request is considered received one (1) day after the RTA first becomes aware of the request. The FOIA Coordinator reviews RTA's spam and/or junk mail folders for public record requests at reasonably frequent intervals, but no less frequently than once every month.
- The RTA will respond to your request in one of the following ways:
 - Grant the request.
 - Issue a written notice denying the request.
 - Grant the request in part and issue a written notice denying in part the request.
 - Issue a notice indicating that due to the nature of the request the RTA needs an additional 10 business days to respond.
 - Issue a written notice indicating that the public record requested is available at no

charge on the RTA's website.

- If the request is granted, or granted in part, the RTA will ask that payment be made for the allowable fees associated with responding to the request before the public record is made available. If the cost of processing the request is expected to exceed \$50, or if you have not paid for a previously granted request, the RTA will require a deposit before processing the payment.

3. What are the RTA's fee deposit requirements?

- If the RTA has made a good faith calculation that the total fee for processing the request exceeds \$50.00, the RTA will require that you provide a deposit in the amount of 50% of the total estimated fee. When the RTA requests the deposit it will provide you a non-binding best efforts estimate of how long it will take to process the request following receipt by the RTA of your deposit.
- If the RTA receives a request from a person who has not paid the RTA for copies of public records made in fulfillment of a previously granted written request, the RTA will require a deposit of 100% of the estimated processing fee before it begins to search for the public record for any subsequent written request when all of the following conditions exist:
 - the final fee for the prior written request is not more than 105% of the estimated fee;
 - the public records made available contained the information sought in the prior written request and remain in the RTA's possession;
 - the public records were made available to the individual, subject to payment, within the time frame estimated by the RTA to provide the records;
 - 90 days have passed since the RTA notified the individual in writing that the public records were available for pickup or mailing;
 - the individual is unable to show proof of prior payment to the RTA; and
 - the RTA has calculated an estimated detailed itemization that is the basis for the current written request's increased fee deposit.
- The RTA will not require the 100% estimated fee deposit if any of the following apply:
 - the person making the request is able to show proof of prior payment in full to the RTA;
 - the RTA is subsequently paid in full for all applicable prior written requests; or
 - 365 days have passed since the person made the request for which full payment was not remitted to the RTA.

4. How does the RTA calculate FOIA processing fees?

- A fee will not be charged for the cost of search, examination, review and the deletion and separation of exempt from nonexempt information unless failure to charge a fee would result in unreasonably high costs to the RTA because of the nature of the request in the particular instance, and the RTA specifically identifies the nature of the unreasonably high

costs.

- The Michigan FOIA statute permits the RTA to assess and collect a fee for six designated processing components. The RTA may charge for the following costs associated with processing a request:
 - Labor costs associated with searching for, locating and examining a requested public record.
 - Labor costs associated with a review of a record to separate and delete information exempt from disclosure of information which is disclosed.
 - The cost of computer discs, computer tapes or other digital or similar media when the requester asks for records on non-paper physical media.
 - The cost of duplication or publication, not including labor, of paper copies of public records.
 - Labor costs associated with duplication or publication, which includes making paper copies, making digital copies, or transferring digital public records to non-paper physical media or through the Internet.
 - The cost to mail or send a public record to a requestor.

- Labor Costs
 - All labor costs will be estimated and charged in 15 minute increments with all partial time increments rounded down.
 - Labor costs will be charged at the hourly wage of the lowest-paid RTA employee capable of doing the work in the specific fee category, regardless of who actually performs work.
 - Labor costs will also include a charge to cover or partially cover the cost of fringe benefits.

- Non-Paper Physical Media
 - The cost for records provided on non-paper physical media, such as computer discs, computer tapes or other digital or similar media will be at the actual and most reasonably economical cost for the non-paper media.
 - This cost will only be assessed if the RTA has the technological capability necessary to provide the public record in the requested non-paper physical media format.

- Paper Copies
 - Paper copies of public records made on standard letter (8 ½ x 11) or legal (8 ½ x 14) sized paper will not exceed \$.10 per sheet of paper. Copies for non-standard sized sheets of paper will reflect the actual cost of reproduction.
 - The RTA may provide records using double-sided printing, if cost-saving and available.

- Mailing Costs
 - The cost to mail public records will use a reasonably economical and justified means.
 - The RTA may charge for the least expensive form of postal delivery confirmation.

- No cost will be made for expedited shipping or insurance unless requested.\

5. How do I qualify for a reduction of the processing fees?

- The RTA may waive or reduce the fee associated with a request when RTA determines that to do so is in the public interest because release of the information is considered as primarily benefitting the general public.
- The RTA will waive the first \$20.00 of the processing fee for a request if you submit an affidavit stating that you are:
 - indigent and receiving specific public assistance; or
 - if not receiving public assistance, stating facts demonstrating an inability to pay because of indigency.
- You are not eligible to receive the \$20.00 waiver if you:
 - have previously received discounted copies of public records from the RTA twice during the calendar year; or
 - are requesting information on behalf of other persons who are offering or providing payment to you to make the request.
- An affidavit is a sworn statement. For your convenience, the RTA has provided an Affidavit of Indigency form for the waiver of FOIA fees on its website.
- The RTA will waive the fee for a nonprofit organization which meets all of the following conditions:
 - the organization is designated by the State under federal law to carry out activities under the Developmental Disabilities Assistance and Bill of Rights Act of 2000 and the Protection and Advocacy for Individuals with Mental Illness Act;
 - the request is made directly on behalf of the organization or its clients;
 - the request is made for a reason wholly consistent with the provisions of federal law under Section 931 of the Mental Health Code; and
 - the request is accompanied by documentation of the organization's designation by the State.

6. How may I challenge the denial of a public record or an excessive fee?

- Appeal of a Denial of a Public Record
If you believe that all or a portion of a public record has not been disclosed or has been improperly exempted from disclosure, you may file an appeal of the denial with the RTA Board. The appeal must be in writing, specifically state the word "appeal" and identify the reason or reasons you are seeking a reversal of the denial. The RTA Board will not be considered to have received a written appeal of a denial until its first regularly scheduled meeting following the submission of the appeal.

Within 10 business days of receiving the appeal, the RTA Board will respond in writing by:

- reversing the disclosure denial;
- upholding the disclosure denial; or
- reverse the disclosure denial in part and uphold the disclosure denial in part.

Whether or not you submitted an appeal of a denial to the RTA Board, you may file a civil action in Wayne County Circuit Court, or in the circuit court in the county in which the public record or RTA office is located, within 180 days after the RTA's final determination to deny your request. Should you prevail in the civil action, the court will award you reasonable attorneys' fees, costs and disbursements. If the court determines that the RTA acted arbitrarily and capriciously in refusing to disclose or provide a public record, the court shall award you damages in the amount of \$1,000.00.

- Appeal of an Excessive FOIA Processing Fee

If you believe that the fee charged by the RTA to process your FOIA request exceeds the amount permitted by state law, you must first submit a written appeal for a fee reduction to the RTA Board. The appeal must be in writing, specifically state the word "appeal" and identify how the requested fee exceeds the amount permitted. The RTA Board will not be considered to have received a written appeal of a fee amount until its first regularly scheduled meeting following the submission of the appeal.

Within 10 business days after receiving the appeal, the RTA Board will respond in writing by:

- waiving the fee;
- reducing the fee and issue a written determination indicating the specific basis that supports the remaining fee;
- upholding the fee and issue a written determination indicating the specific basis that supports the required fee; or
- issuing a notice detailing the reason or reasons for extending for not more than 10 business days the period during which the RTA will respond to the written appeal.

Within 45 days after receiving notice of the RTA Board's determination of the processing fee appeal, you may commence a civil action in Wayne County Circuit Court, or in the circuit court in the county in which the public record or RTA office is located, for a fee reduction. If you prevail in the civil action by receiving a reduction of 50% or more of the total fee, the court may award all or an appropriate amount of reasonably attorneys' fees, costs and disbursements. If the court determines that the RTA acted arbitrarily and capriciously by charging an excessive fee, the court may also award you punitive damages in the amount of \$500.00.

Need more details or information?

This is only a summary of the RTA's FOIA Procedures and Guidelines. For more details and information, copies of the RTA's FOIA Procedures and Guidelines are available at no charge at the RTA office and on the RTA's website, www.rtamichigan.org.



BOARD OF DIRECTORS MEMORANDUM

TO: RTA Board of Directors

FROM: Melanie Piana, Program Director

SUBJECT: Planning Consulting Services

DATE: March 15, 2024

REQUESTED ACTION: Requesting Board of Directors Approval

Approval Request:

Motion to approve the recommendation to award four competitive task order contracts for a maximum of \$1,000,000 each for a two-year period with the possibility of three one-year extensions for Planning Consulting Services to four vendors including AECOM, OHM Advisors, Sam Schwartz, and WSP.

Background:

In 2019, the RTA board of directors approved contracts for on-call planning services with HNTB and WSP. Those contracts expire on March 30, 2024. In January 2024, the team launched a new Planning Consulting Services RFP procurement with the solicitation period ending February 12th. Four agencies submitted proposals; the team evaluated and scored each and invited the four vendors for interviews.

Information:

For Planning and Innovation services, the team prioritizes staff augmentation and flexibility to align RTA's planning needs with specific vendor strengths and expertise. As a result, the team recommends creating a vendor bench to draw on a range of services, as needed, such as transit planning, grant writing and consulting, regulatory compliance, data analysis, and community engagement.

The RTA team will manage these competitive task order contracts where each vendor is not guaranteed a specific amount of work. Each vendor will propose their organizational approach, hours by role, and schedule timing on task order requests to deliver specific Planning and Innovation activities. The team believes this will produce the best product at the best price for ongoing planning needs.

March __, 2024

To the Board of Directors
Regional Transit Authority of Southeast Michigan

In planning and performing our audit of the financial statements of the Regional Transit Authority of Southeast Michigan (“RTA”) as of, and for the year ended, September 30, 2023 in accordance with auditing standards generally accepted in the United States of America, we considered RTA’s internal control over financial reporting (“internal control”) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RTA’s internal control. Accordingly, we do not express an opinion on the effectiveness of RTA’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of RTA’s financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors, and others within RTA and is not intended to be, and should not be, used by anyone other than these specified parties.

Detroit, Michigan

AUDIT WRAP UP



REGIONAL TRANSIT AUTHORITY
OF SOUTHEAST MICHIGAN

September 30, 2023

GJC

CPAs | ADVISORS

DISCUSSION OUTLINE

Status of Audit	2
Key Audit Areas	4
Required Communications	5
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This presentation was prepared as part of our audit, has consequential limitations, is restricted to those charged with governance and, if appropriate, management, and is not intended, and should not be used, by anyone other than those specified parties.

STATUS OF AUDIT

Services Performed	Discussion Point
<ul style="list-style-type: none">■ Audit of Financial Statements	<ul style="list-style-type: none">■ We have substantially completed our audit of the financial statements of the Regional Transit Authority of Southeast Michigan (“RTA”) as of, and for the year ended, September 30, 2023. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America.■ We expect to issue unmodified opinions on the financial statements.■ The objective of our audit was to obtain reasonable — not absolute — assurance about whether the financial statements are free from material misstatements. The scope of the work performed was substantially the same as that described in our engagement letter and the Audit Plan Summary earlier provided to management.■ All records and information that we requested were freely available for our inspection.■ Management and other personnel provided full cooperation.

STATUS OF AUDIT (CONTINUED)

Services Performed	Discussion Point
<ul style="list-style-type: none">■ Audit Procedures under <i>Government Auditing Standards</i> and the Uniform Guidance	<ul style="list-style-type: none">■ We have substantially completed our audit procedures of RTA’s internal control and compliance, as required under <i>Government Auditing Standards</i> and the audit requirements of Title 2 U.S. <i>Code of Federal Regulations</i> Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (the “Uniform Guidance”).■ We considered RTA’s internal control over financial reporting in order to determine our auditing procedures so that we could express our opinion on the financial statements, but not to provide assurance on internal control over financial reporting.■ We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program so that we could express our opinion on compliance and so that we could test and report on internal control over compliance in accordance with the Uniform Guidance.

KEY AUDIT AREAS

Discussion Point

Our audit emphasized testing those processes, accounts, and transactions with the highest potential for risk of material misstatement, whether due to error or fraud. The primary areas of focus in our overall audit effort included the following:

- Revenue and accounts receivable
- Expenses and accounts payable
- Payroll
- Federal awards

REQUIRED COMMUNICATIONS

Matters Required to Be Discussed with Those Charged with Governance	
<ul style="list-style-type: none"> Various professional guidance requires independent auditors to communicate with those charged with governance certain matters in relation to an audit of financial statements. Following is a summary of those required items, along with specific discussion points as they pertain to RTA: 	
Requirement	Discussion Points
<ul style="list-style-type: none"> Significant accounting policies and practices 	<ul style="list-style-type: none"> The significant accounting policies and practices used by RTA are described in Note A to the financial statements.
<ul style="list-style-type: none"> Sensitive accounting estimates 	<ul style="list-style-type: none"> There were no estimates that we considered to be significantly sensitive that affect RTA's financial statements.
<ul style="list-style-type: none"> Sensitive accounting disclosures 	<ul style="list-style-type: none"> There were no disclosures that we considered to be significantly sensitive that affect RTA's financial statements.
<ul style="list-style-type: none"> Adoption of a change in accounting principle 	<ul style="list-style-type: none"> There were no situations involving the adoption of, or a change in, accounting principles where the application of alternative generally accepted accounting principles, including alternative methods of applying an accounting principle, would have a material effect on RTA's financial statements.
<ul style="list-style-type: none"> Material, corrected misstatements brought to the attention of management by the auditor 	<ul style="list-style-type: none"> There were no material, corrected misstatements that we brought to the attention of management.
<ul style="list-style-type: none"> Unrecorded misstatements, other than those the auditor believes to be trivial 	<ul style="list-style-type: none"> There were no unrecorded misstatements.
<ul style="list-style-type: none"> Disagreements with management 	<ul style="list-style-type: none"> There were no disagreements with management on financial and/or reporting matters and auditing procedures that, if not satisfactorily resolved, would cause a modification of our auditor's report.

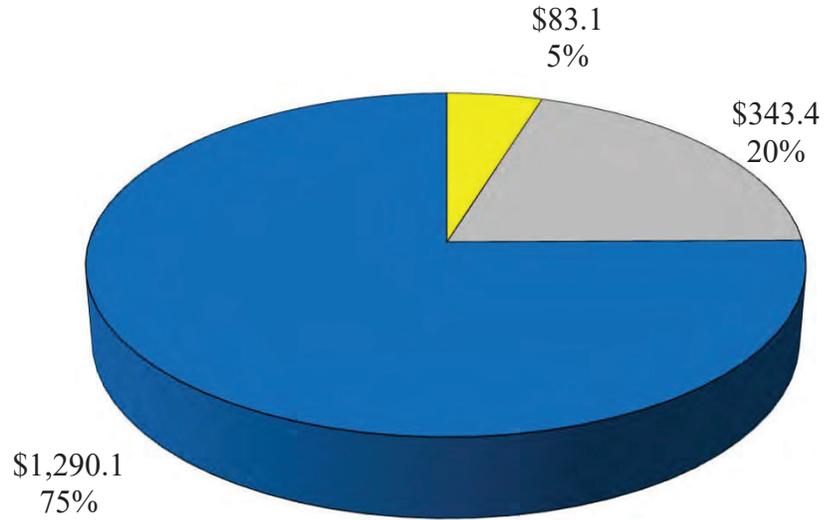
REQUIRED COMMUNICATIONS (CONTINUED)

Matters Required to Be Discussed with Those Charged with Governance (continued)	
Requirement	Discussion Points
<ul style="list-style-type: none"> ■ Consultations with other accountants 	<ul style="list-style-type: none"> ■ We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Also, we are not aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
<ul style="list-style-type: none"> ■ Major issues discussed with management prior to retention 	<ul style="list-style-type: none"> ■ Prior to our being retained as the auditor for the current fiscal year, there were no major accounting or other issues of concern that we discussed with management.
<ul style="list-style-type: none"> ■ Significant issues discussed with management 	<ul style="list-style-type: none"> ■ There were no significant issues that we discussed with management.
<ul style="list-style-type: none"> ■ Significant difficulties encountered during the audit 	<ul style="list-style-type: none"> ■ There were no significant difficulties encountered during the audit.
<ul style="list-style-type: none"> ■ Representations requested from management 	<ul style="list-style-type: none"> ■ We will request certain required representations from management before issuing our auditor’s report.
<ul style="list-style-type: none"> ■ Material alternative accounting treatments discussed with management 	<ul style="list-style-type: none"> ■ There was no discussion with management concerning alternative accounting treatments.

SUMMARY OF ASSETS

(in thousands of dollars)

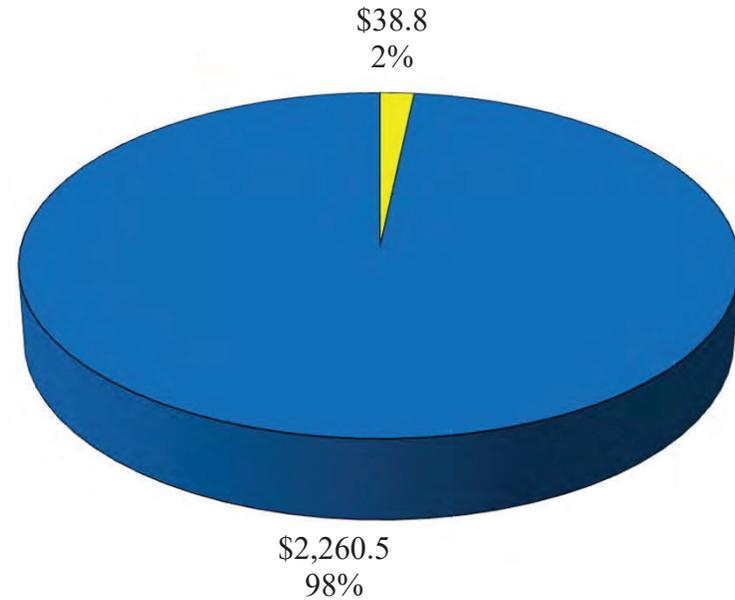
2023



- Cash and other assets
- Capital assets
- Accounts and grants receivable

Total = \$1,716.6

2022



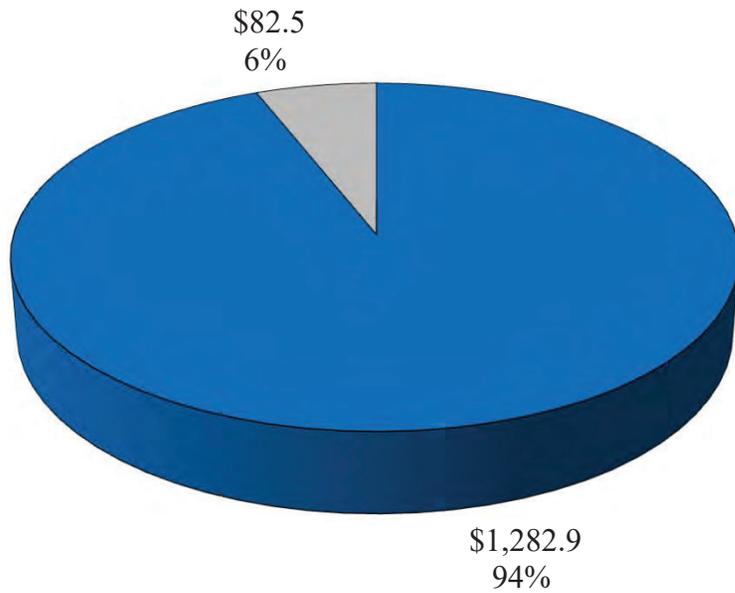
- Cash and other assets
- Accounts and grants receivable

Total = \$2,299.3

SUMMARY OF LIABILITIES

(in thousands of dollars)

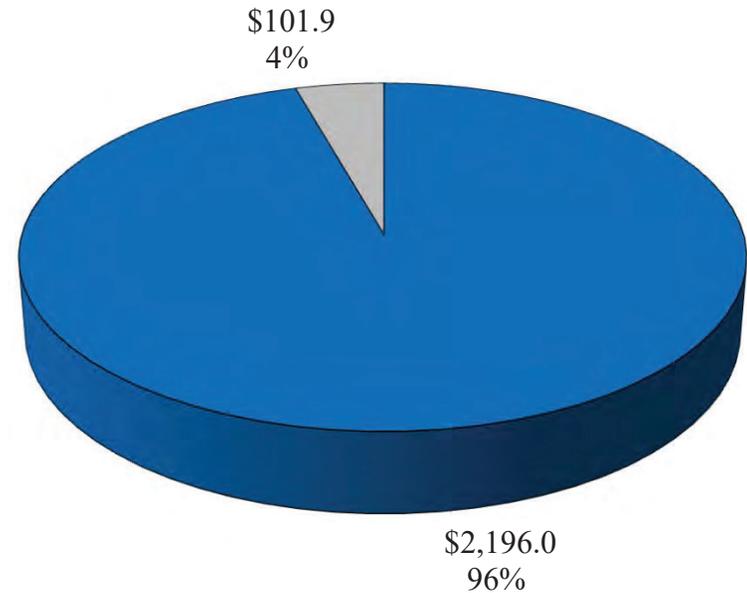
2023



■ Accounts payable and accrued expenses
■ Refundable advances

Total = \$1,365.4

2022

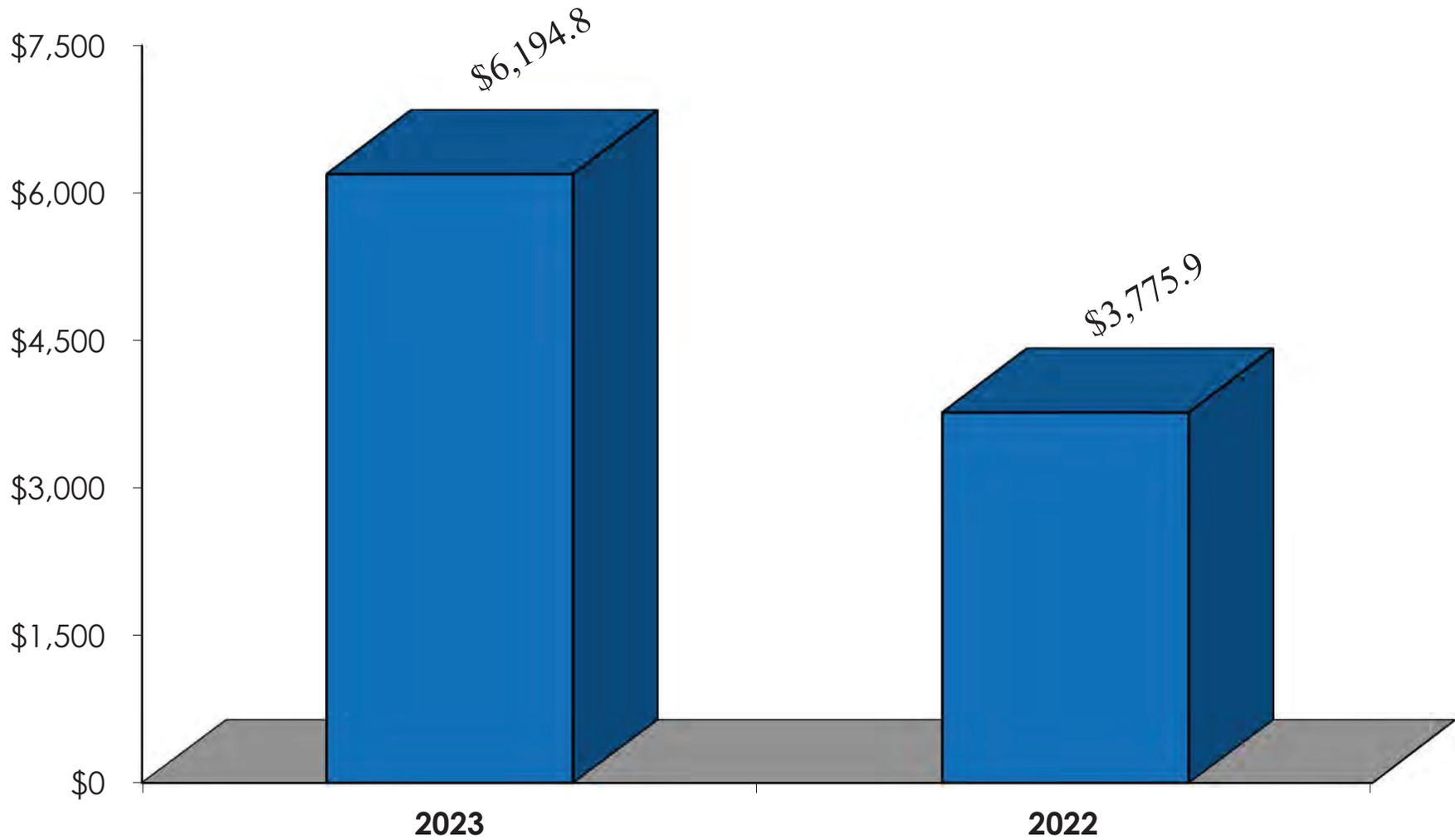


■ Accounts payable and accrued expenses
■ Refundable advances

Total = \$2,297.9

SUMMARY OF REVENUE

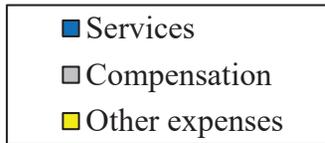
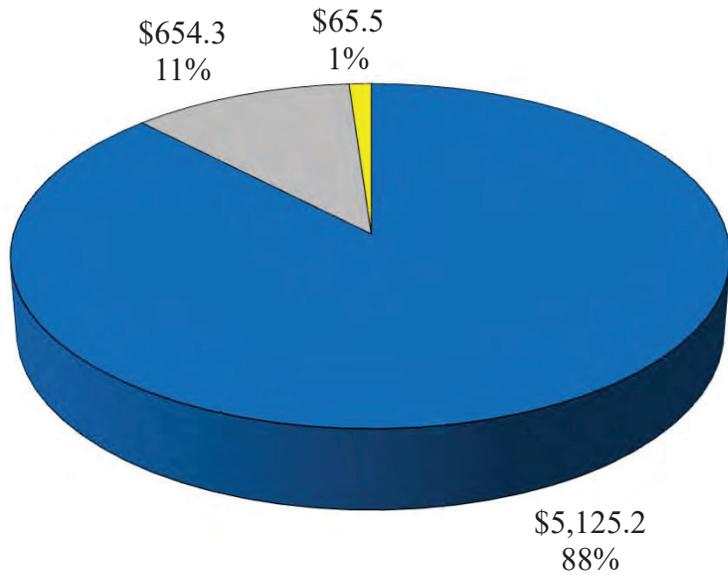
(in thousands of dollars)



SUMMARY OF EXPENSES

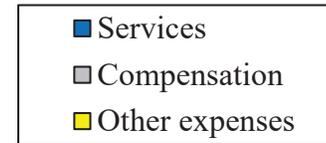
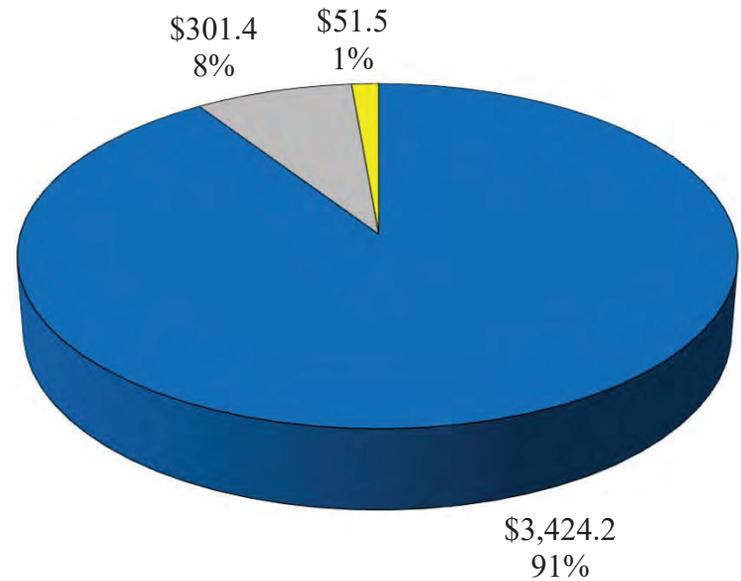
(in thousands of dollars)

2023



Total = \$5,845.0

2022



Total = \$3,777.1

INTERNAL CONTROL OVER FINANCIAL REPORTING

Discussion Point

- In conjunction with our audit of the financial statements of RTA, we considered RTA’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RTA’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of RTA’s internal control over financial reporting. However, we are required to communicate, in writing, to those charged with corporate governance all material weaknesses and significant deficiencies that have been identified during our audit. The definitions of material weakness, significant deficiencies, and control deficiencies follow.

Category	Definition
■ Material weakness	■ A material weakness is a control deficiency, or a combination of control deficiencies, that results in a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis.
■ Significant deficiency	■ A significant deficiency is a control deficiency, or a combination of control deficiencies, that is less severe than a material weakness, yet is important enough to merit attention by those charged with governance.
■ Control deficiency	■ A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

FINANCIAL STATEMENTS
(With Required Supplementary Information)

September 30, 2023 and 2022

The preparation of this document was financed in part through cooperation with the Federal Transit Administration and the Michigan Department of Transportation. This document was prepared in March 2024 for the Regional Transit Authority of Southeast Michigan.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

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INDEPENDENT AUDITOR’S REPORT

March __, 2024

To the Board of Directors
Regional Transit Authority of Southeast Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Regional Transit Authority of Southeast Michigan (“RTA”) as of, and for the years ended, September 30, 2023 and 2022, as well as the related notes to the financial statements, which collectively comprise RTA’s basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of RTA as of September 30, 2023 and 2022, and the respective changes in financial position thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (“U.S. GAAS”) and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are required to be independent of RTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

RTA’s management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RTA’s ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. *Reasonable assurance* is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with U.S. GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS and *Government Auditing Standards*:

- We exercise professional judgment and maintain professional skepticism throughout the audit.
- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and we design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RTA’s internal control. Accordingly, no such opinion is expressed.
- We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and we evaluate the overall presentation of the financial statements.
- We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RTA’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

Report on the Audit of the Financial Statements (continued)

Required Supplementary Information

U.S. GAAP requires that the management’s discussion and analysis on pages 4 through 8 and budgetary comparison on pages 22 through 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated March __, 2024, on our consideration of RTA’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RTA’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RTA’s internal control over financial reporting and compliance.

Detroit, Michigan

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**September 30, 2023 and 2022**

This section of the annual report of the Regional Transit Authority of Southeast Michigan (“RTA”) presents management’s discussion and analysis of RTA’s financial performance during the fiscal years that ended on September 30, 2023 and 2022. Please read it in conjunction with RTA’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

During the fiscal year ended September 30, 2023, RTA continued to fund, plan, and promote projects and programs that are designed to achieve its overarching mission, which is to *manage and secure transportation resources that significantly enhance mobility options, to improve the quality of life for the residents, and to increase economic viability for the four-county RTA region.*

RTA continued to build partnerships with mobility providers and other stakeholders during the fiscal year ended September 30, 2023 as it sought to achieve its mission, including the completion of an update to its Regional Master Transit Plan. The RTA Program completed several studies and continued the execution of the Detroit to Ann Arbor Express (“D2A2”) pilot during 2023. RTA received \$1.25 million from the Michigan Department of Transportation (“MDOT”) for the Mobility Wallet Challenge Program, \$2 million from the Carbon Reduction Program, \$500,000 from MDOT for the Downtown to Airport Express pilot program, and \$783,110 from the Federal Transit Administration for the MyRide2 project and ongoing administration and planning for the region’s Coordinated Human Services Transportation Plan program. RTA also hired four new staff members during 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report contains two types of financial statements. The statements of net position and statements of activities (which are presented on pages 9 and 10) are considered government-wide financial statements. The balance sheets and statements of revenue, expenditures, and changes in fund balances for governmental funds (which are presented on pages 11 and 13) are considered fund financial statements. A further discussion of each type of statement follows.

Government-Wide Financial Statements

The government-wide financial statements report information about RTA as a whole, using accounting methods similar to those used by private-sector companies and non-profit organizations. The statements of net position include all of RTA’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year’s revenue and expenses are accounted for in the statements of activities, regardless of when cash is received or paid.

September 30, 2023 and 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Financial Statements (continued)

The two government-wide financial statements report RTA's net position and how they have changed. Net position represents the difference between RTA's total of assets and deferred outflows of resources and its total of liabilities and deferred inflows of resources, and it represents one way to measure RTA's financial health or position. Over time, increases or decreases in RTA's net position are an indicator of whether its financial health is improving or deteriorating.

Fund Financial Statements

The fund financial statements provide more detailed information about RTA's funds, not RTA as a whole. Funds are accounting devices that RTA uses to keep track of specific sources of funding and spending for particular purposes.

Most of RTA's activities are included in governmental funds, which focus on how cash, and other financial assets that can be readily converted to cash, flow in and out, and show the balances left at the end of the year that are available for spending. As such, the fund financial statements provide a detailed short-term view that shows whether there are more or fewer financial resources that can be spent in the near future to finance RTA's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, additional information is provided on pages 12 and 14 that explains the relationship between the fund financial statements and the government-wide financial statements.

The notes to the financial statements, which begin on page 15, explain some of the information in the financial statements and provide more detailed data. A comparison of RTA's general fund revenue and expenditures to its budget is provided on page 22.

September 30, 2023 and 2022

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE

Table 1 reflects a condensed summary of RTA's assets, liabilities, and net position as of September 30, 2023, 2022, and 2021:

Table 1
Statements of Net Position
September 30, 2023, 2022, and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assets:			
Cash	\$ 81,806	\$ 38,728	\$ 57,193
Accounts and grants receivable	1,290,076	2,260,522	1,204,950
Capital assets	343,365	-0-	-0-
Prepaid expenses and other assets	1,360	50	3,438
Total Assets	<u>1,716,607</u>	<u>2,299,300</u>	<u>1,265,581</u>
Liabilities:			
Accounts payable	1,236,999	2,169,280	816,002
Accrued payroll and related liabilities	45,945	26,752	17,665
Refundable advances	82,486	101,853	429,293
Total Liabilities	<u>1,365,430</u>	<u>2,297,885</u>	<u>1,262,960</u>
Net Position:			
Net investment in capital assets	343,365	-0-	-0-
Unrestricted	7,812	1,415	2,621
Total Net Position	<u>\$ 351,177</u>	<u>\$ 1,415</u>	<u>\$ 2,621</u>

The net position of \$351,177 is due to capitalization of a software purchase contract amounting to \$343,365 from Remix Technologies LLC ("Remix"), with the remaining amount due to small amounts of recorded revenue that were not related to RTA's ongoing projects.

September 30, 2023 and 2022

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE (CONTINUED)

Table 2 reflects a condensed summary of RTA's revenue, expenses, and changes in net position for the years ended September 30, 2023, 2022, and 2021:

Table 2
Statements of Activities
For the Years Ended September 30, 2023, 2022, and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenue:			
Program revenue	\$ 6,190,022	\$ 3,775,896	\$ 1,847,355
General revenue	4,763	21	15
Total Revenue	6,194,785	3,775,917	1,847,370
Expenses:			
Regional transit	5,845,023	3,777,123	1,847,355
Change in Net Position	349,762	(1,206)	15
Net Position, Beginning of Year	1,415	2,621	2,606
Net Position, End of Year	<u>\$ 351,177</u>	<u>\$ 1,415</u>	<u>\$ 2,621</u>

The increase in net position of \$349,762 is due to capitalization of a software purchase contract amounting to \$343,365 from Remix, with the remaining amount due to small amounts of recorded revenue that were not related to RTA's ongoing projects.

ECONOMIC FACTORS

RTA has secured administrative funds through the year ending September 30, 2025, if managed in accordance with the draft Business Plan. It is within RTA's legal authority, as the designated recipient of state and federal funds, to secure existing state and federal formula funding for RTA's planning and administrative operations. RTA has not yet exercised that authority to secure a long-term funding source.

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

September 30, 2023 and 2022

FINANCIAL CONTACT

This financial report is designed to present its users with a general overview of RTA’s finances and to demonstrate RTA’s accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Regional Transit Authority of Southeast Michigan, 1001 Woodward Avenue, Suite 1400, Detroit, Michigan 48226.

STATEMENTS OF NET POSITION

September 30, 2023 and 2022

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Assets:		
Cash (Note B)	\$ 81,806	\$ 38,728
Accounts and grants receivable (no allowance considered necessary)	1,290,076	2,260,522
Prepaid expenses and other assets	1,360	50
Capital assets (Note C):		
Depreciable capital assets, net	343,365	-0-
Total Assets	<u>1,716,607</u>	<u>2,299,300</u>
Liabilities:		
Accounts payable	1,236,999	2,169,280
Accrued payroll and related liabilities	45,945	26,752
Refundable advances	82,486	101,853
Total Liabilities	<u>1,365,430</u>	<u>2,297,885</u>
Net Position:		
Net investment in capital assets	343,365	-0-
Unrestricted	7,812	1,415
Total Net Position	<u>\$ 351,177</u>	<u>\$ 1,415</u>

See notes to financial statements.

STATEMENTS OF ACTIVITIES

For the Years Ended September 30, 2023 and 2022

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Expenses:		
Regional transit program:		
Salaries and wages	\$ 424,559	\$ 183,679
Employee benefits	229,751	117,755
Services	5,125,159	3,424,204
Materials and supplies	5,116	13,358
Utilities	15,262	11,313
Insurance	13,573	13,328
Travel	18,473	4,571
Other expenses	13,130	8,915
	<u>5,845,023</u>	<u>3,777,123</u>
Program Revenue:		
Regional transit program:		
Grants	6,190,022	3,775,896
	<u>6,190,022</u>	<u>3,775,896</u>
Net Program Revenue (Expense)	344,999	(1,227)
General Revenue:		
Other revenue	4,763	21
	<u>4,763</u>	<u>21</u>
Change in Net Position	349,762	(1,206)
Net Position, Beginning of Year	1,415	2,621
	<u>1,415</u>	<u>2,621</u>
Net Position, End of Year	\$ 351,177	\$ 1,415
	<u>\$ 351,177</u>	<u>\$ 1,415</u>

See notes to financial statements.

BALANCE SHEETS — GOVERNMENTAL FUNDS

September 30, 2023 and 2022

	<u>General Fund</u>	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash (Note B)	\$ 81,806	\$ 38,728
Accounts and grants receivable (no allowance considered necessary)	1,290,076	2,260,522
Prepaid expenditures and other assets	1,360	50
Total Assets	<u>\$ 1,373,242</u>	<u>\$ 2,299,300</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 1,236,999	\$ 2,169,280
Accrued payroll and related liabilities	45,945	26,752
Refundable advances	82,486	101,853
Total Liabilities	<u>1,365,430</u>	<u>2,297,885</u>
Fund Balances:		
Nonspendable	1,360	50
Unassigned	6,452	1,365
Total Fund Balances	<u>7,812</u>	<u>1,415</u>
Total Liabilities and Fund Balances	<u>\$ 1,373,242</u>	<u>\$ 2,299,300</u>

See notes to financial statements.

RECONCILIATIONS OF GOVERNMENTAL FUND BALANCE SHEETS TO STATEMENTS OF NET POSITION

September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Total Fund Balances, Governmental Funds	\$ 7,812	\$ 1,415
<p>Amounts reported for governmental activities in the statements of net position differ from amounts reported in the governmental funds balance sheets due to the following:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of the following:</p> <p>Depreciable capital assets:</p> <p style="padding-left: 20px;">Cost</p>		
	<u>343,365</u>	<u>-0-</u>
Total Net Position, Governmental Activities	<u><u>\$ 351,177</u></u>	<u><u>\$ 1,415</u></u>

See notes to financial statements.

**STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
BALANCES — GOVERNMENTAL FUNDS**

For the Years Ended September 30, 2023 and 2022

	<u>General Fund</u>	
	<u>2023</u>	<u>2022</u>
Revenue:		
Grants	\$ 6,190,022	\$ 3,775,896
Other revenue	4,763	21
Total Revenue	<u>6,194,785</u>	<u>3,775,917</u>
Expenditures:		
Current:		
Salaries and wages	424,559	183,679
Employee benefits	229,751	117,755
Services	5,125,159	3,424,204
Materials and supplies	5,116	13,358
Utilities	15,262	11,313
Insurance	13,573	13,328
Travel	18,473	4,571
Other expenses	13,130	8,915
Capital outlay (Note C)	343,365	-0-
Total Expenditures	<u>6,188,388</u>	<u>3,777,123</u>
Change in Fund Balances	6,397	(1,206)
Fund Balances, Beginning of Year	<u>1,415</u>	<u>2,621</u>
Fund Balances, End of Year	<u>\$ 7,812</u>	<u>\$ 1,415</u>

See notes to financial statements.

RECONCILIATIONS OF GOVERNMENTAL FUNDS STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENTS OF ACTIVITIES

For the Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Change in Fund Balances, Governmental Funds	\$ 6,397	\$ (1,206)
<p>Amounts reported for governmental activities in the statements of activities differ from amounts reported in the governmental funds statements of revenue, expenditures, and changes in fund balances due to the following:</p>		
<p>Capital outlays are reported as expenditures in governmental funds. However, in the statements of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. During the years presented, these amounts are as follows:</p>		
Capital outlay	<u>343,365</u>	<u>-0-</u>
Change in Net Position, Governmental Activities	<u>\$ 349,762</u>	<u>\$ (1,206)</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**September 30, 2023 and 2022**

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Nature of Activities and Purpose**

The Regional Transit Authority of Southeast Michigan (“RTA”) was created by the Michigan Legislature through Public Act No. 387 of 2012 and is governed by 10-member board that is appointed for three-year terms by the county executives of Wayne, Oakland, and Macomb counties, the chair of the Washtenaw County Board of Commissioners, the Mayor of Detroit, and the Governor of Michigan. The Governor’s appointee serves as RTA’s chair, without a vote.

The purpose of RTA is to plan for and coordinate public transportation in the four-county region of southeast Michigan, including the City of Detroit, and to deliver rapid transit in a region where none exists. RTA is the entity through which transit providers must apply for state and federal funds, and through which those funds are allocated to providers. RTA is also responsible for developing a Regional Master Transit Plan to guide present and future service and is empowered to put funding questions on the ballot for public vote.

For financial reporting purposes, RTA is not a component unit of any other governmental entity. There are no fiduciary funds or component units included in the accompanying financial statements.

Basis of Presentation

The financial statements of RTA consist of government-wide financial statements, which include the statements of net position and statements of activities, and fund financial statements, which include the balance sheets and statements of revenue, expenditures, and changes in fund balances for governmental funds.

Government-Wide Financial Statements

The government-wide financial statements report information about all of RTA’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenue, and expenses. Deferred outflows of resources represent the consumption of net assets by RTA that is applicable to a future reporting period, while deferred inflows of resources represent the acquisition of net assets by RTA that is applicable to a future reporting period, and net position is the residual of all other elements presented in the statements of net position.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023 and 2022

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Basis of Presentation (continued)****Fund Financial Statements**

For purposes of the fund financial statements, the accounts of RTA are organized on the basis of governmental funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. The various funds are summarized by type in the fund financial statements. The following fund is used by RTA:

General Fund

The general fund is the general operating fund of RTA. It is used to account for all financial resources other than those required to be accounted for in another fund.

RTA's fund balances are classified as follows, based on the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable

These fund balances consist of amounts that are not in a spendable form (such as inventory or prepaid expenditures) or that are required to be maintained intact.

Restricted

These fund balances consist of amounts that are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed

These fund balances consist of amounts that are constrained to specific purposes by RTA itself, using its highest level of decision-making authority, which is the Board of Directors. To be reported as committed, such amounts cannot be used for any other purpose unless the Board of Directors takes action to remove or change the constraint. The Board of Directors typically establishes (and modifies or rescinds) fund balance commitments by passage of a resolution, or through adoption and amendment of the budget.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)September 30, 2023 and 2022

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Basis of Presentation (continued)****Fund Financial Statements (continued)****Assigned**

These fund balances consist of amounts that RTA intends to use for a specific purpose. Such intent can be expressed by the governing body, which is the Board of Directors, or by an official or body to which the Board of Directors delegates the authority, such as RTA's duly authorized agents. Assigned fund balances are typically established through adoption or amendment of the budget.

Unassigned

These fund balances consist of amounts that are available for any purpose. Only the general fund has a positive unassigned fund balance.

Basis of Accounting**Government-Wide Financial Statements**

The government-wide financial statements are prepared on the accrual basis of accounting using the economic resources measurement focus. Accordingly, revenue is recorded when earned and expenses are recorded when incurred. Grants and other revenue intended for use in specific projects are classified as program revenue. All other revenue is classified as general revenue.

Fund Financial Statements

The fund financial statements are prepared on the modified accrual basis of accounting using the flow of current financial resources as a measurement focus. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual, which is when it is both measurable and available. "Available" means collectible within the current period or soon enough thereafter (within 12 months for grants from governmental agencies) to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred, if measurable. In applying the susceptible-to-accrual concept to intergovernmental revenue, the legal and contractual requirements of the numerous individual programs are used as guidance.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023 and 2022

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Basis of Accounting (continued)****Fund Financial Statements (continued)**

Monies virtually unrestricted as to purpose of expenditure and revocable only for failure to comply with prescribed compliance requirements are reflected as revenue at the time of receipt, or earlier if the susceptible-to-accrual criteria are met.

Expenditures that are incurred for purposes for which both restricted and unrestricted fund balances are available are applied first to available restricted fund balances, then to unrestricted fund balances. Expenditures that are incurred for purposes for which committed, assigned, and unassigned fund balances are available are applied first to available committed fund balances, then to available assigned fund balances, and finally to unassigned fund balances.

Capital Assets

Capital assets are recorded at historical cost. RTA capitalizes all expenditures for tangible, personal property that has a useful life of more than one year and an acquisition cost in excess of \$2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to ten years.

Concentration of Credit Risk

During the years ended September 30, 2023 and 2022, RTA utilized two and three vendors respectively, for total purchases of \$4,355,433 and \$2,105,011, respectively, or 73 and 73 percent of total purchases, respectively, each year. The total amounts due to these vendors was \$596,373 and \$1,938,978 as of September 30, 2023 and 2022, respectively.

NOTE B — CASH DEPOSITS

State of Michigan (the “State”) statutes require that certificates of deposit, savings accounts, deposit accounts, and depository receipts be made with banks doing business, and having a place of business in the State that are also members of a federal or national insurance corporation.

Custodial credit risk is the risk that in the event of a bank failure, RTA’s deposits may not be returned to RTA. RTA does not have a deposit policy for custodial credit risk.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023 and 2022

NOTE B — CASH DEPOSITS (CONTINUED)

As of September 30, 2023 and 2022, RTA's carrying amount of deposits and bank balances, and the bank balances that are not covered by federal depository insurance or another type of insurance, are as follows:

	<u>2023</u>	<u>2022</u>
Carrying amount of deposits	<u>\$ 81,806</u>	<u>\$ 38,728</u>
Total bank balances	<u>\$ 81,806</u>	<u>\$ 38,700</u>

All of RTA's bank balances are covered by federal depository insurance as of September 30, 2023 and 2022.

NOTE C — CAPITAL ASSETS

Depreciable capital asset activity for the years ended September 30, 2023 and 2022 is as follows:

	<u>Software</u>
Cost:	
Balance, October 1, 2021	<u>\$ -0-</u>
Balance, September 30, 2022	-0-
Acquisitions	<u>343,365</u>
Balance, September 30, 2023	<u>\$ 343,365</u>
Accumulated Depreciation:	
Balance, October 1, 2021	<u>\$ -0-</u>
Balance, September 30, 2022	-0-
Balance, September 30, 2023	<u>\$ -0-</u>
Net Depreciable Capital Assets:	
Balance, September 30, 2022	<u>\$ -0-</u>
Balance, September 30, 2023	<u>\$ 343,365</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023 and 2022

NOTE D — RISK MANAGEMENT

Given the normal activities of RTA and the relatively low rate of claims and lawsuits experienced by RTA, the risk involved in RTA's operations is minimal and, in management's opinion, is sufficiently covered by insurance policies.

NOTE E — STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and State law for the general fund. All annual appropriations lapse at the end of the fiscal year.

Under the State's Uniform Budgeting and Accounting Act, actual expenditures for any budgeted expenditure category are not to exceed the amounts budgeted for that category. The Uniform Budgeting and Accounting Act permits governmental entities to amend their budgets during the year, and requires amended budgets to be approved by the governing body prior to expending funds in excess of the amount budgeted for that category.

During the year ended September 30, 2023, RTA incurred expenditures in excess of the amounts budgeted as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Services	\$ 4,763,611	\$ 5,125,159	\$ (361,548)
Travel	5,000	18,473	(13,473)

Revenue was sufficient to cover the excess expenditures.

NOTE F — RELATED-PARTY TRANSACTIONS

RTA has entered into an agreement with WSP Michigan, Inc. ("WSP") for the provision of grant support and project management services. A supervising planner at WSP has been appointed RTA's Program Manager, while continuing employment at WSP. RTA paid total fees of \$296,147 and \$354,016 to WSP during the years ended September 30, 2023 and 2022, respectively. The balance payable to WSP was \$67,177 and \$180,408 as of September 30, 2023 and 2022, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

SCHEDULES OF REVENUE AND EXPENDITURES — BUDGET AND ACTUAL — GENERAL FUND (UNAUDITED)

For the Years Ended September 30, 2023 and 2022

	2023				2022			
	Original Budget	Final Budget	Actual	Positive (Negative) Variance with Final Budget	Original Budget	Final Budget	Actual	Positive (Negative) Variance with Final Budget
Revenue:								
Grants	\$ 11,091,116	\$ 11,091,116	\$ 6,190,022	\$ (4,901,094)	\$ 12,986,850	\$ 12,986,850	\$ 3,775,896	\$ (9,210,954)
Other revenue			4,763	4,763			21	21
Total Revenue	11,091,116	11,091,116	6,194,785	(4,896,331)	12,986,850	12,986,850	3,775,917	(9,210,933)
Expenditures:								
Current:								
Salaries and wages	604,467	604,467	424,559	179,908	166,050	166,050	183,679	(17,629)
Employee benefits	230,438	230,438	229,751	687	95,025	95,025	117,755	(22,730)
Services	4,763,611	4,763,611	5,125,159	(361,548)	4,633,449	4,633,449	3,424,204	1,209,245
Materials and supplies	35,000	35,000	5,116	29,884	35,000	35,000	13,358	21,642
Utilities	65,000	65,000	15,262	49,738	7,500	7,500	11,313	(3,813)
Insurance	14,703	14,703	13,573	1,130	14,947	14,947	13,328	1,619
Travel	5,000	5,000	18,473	(13,473)	5,000	5,000	4,571	429
Other expenses	20,500	20,500	13,130	7,370	20,500	20,500	8,915	11,585
Capital outlay			343,365	(343,365)				-0-
Total Expenditures	5,738,719	5,738,719	6,188,388	(449,669)	4,977,471	4,977,471	3,777,123	1,200,348
Change in Fund Balance	\$ 5,352,397	\$ 5,352,397	\$ 6,397	\$ (5,346,000)	\$ 8,009,379	\$ 8,009,379	\$ (1,206)	\$ (8,010,585)

See note to schedules of revenue and expenditures — budget and actual (general fund).

NOTE TO SCHEDULES OF REVENUE AND EXPENDITURES —
BUDGET AND ACTUAL — GENERAL FUND (UNAUDITED)

For the Years Ended September 30, 2023 and 2022

NOTE A — BUDGETS AND BUDGETARY ACCOUNTING

The Regional Transit Authority of Southeast Michigan (“RTA”) establishes a budget that is reflected in the financial statements for the general fund. The budget is presented on the modified accrual basis of accounting.

Budgeted amounts are as presented and approved by RTA’s Board of Directors. Appropriations are authorized by RTA’s management.

BOARD OF DIRECTORS MEMORANDUM

TO: RTA Board of Directors

FROM: Julia Roberts, Planning & Innovation Director

SUBJECT: State of Michigan Funding Application

DATE: March 21, 2024

REQUESTED ACTION: Requesting Board of Directors Approval

Approval Request:

Motion to approve the RTA Fiscal Year (FY) 2025 Resolution of Intent and the Michigan Department of Transportation (MDOT) State Applications for Southeast Michigan

Background:

The purpose of this memo is to present the Fiscal Year 2025 state funding applications for the region to the RTA Board for approval. The attachments show the amount of state funding for operating assistance and capital match requested by each provider along with a resolution of intent for RTA.

In accordance with Public Act 387 of 2012, the RTA is responsible for the distribution of funds awarded by MDOT to support transit provider operations and match to federal capital grants. MDOT conducts an annual call for projects for these funds with applications due February 1 of the preceding fiscal year (e.g., February 1, 2024 applications are for Fiscal Year 2025 funds). The purpose of early applications is for MDOT to project the amount of funding needed for transit operations and capital match to inform its budget proposal for the next fiscal year.

Depending on the approved state budget, application amounts, and projects are subject to slight changes. MDOT generally reviews the applications in March/April of each year and responds to the providers with any questions and comments so that applications can be finalized by May/June for budget development.

Information:

MDOT provides state operating assistance to transit providers throughout the state annually under the Local Bus Operating (LBO) program. LBO is housed within MDOT's Comprehensive Transportation Fund (CTF) and the amount of funding that is apportioned to LBO within the CTF is subject to annual budget appropriations. In Fiscal Year 2024, the state assigned \$262 million to LBO statewide. This included a one-time \$45 million increase, which brought the reimbursement rate up to 33.8%. Table 1.0 shows the relationship between the amount of submitted eligible expenses and the 33.8% reimbursement rate in Fiscal Year 2024.

Table 1.0: Eligible Expenses and LBO Reimbursement by Provider (FY 2024) (millions \$)

Provider	Expenses	LBO
AAATA	\$54.3	\$18.4
DDOT	\$145.8	\$49.4
DTC	\$15.1	\$5.1
SMART	\$159.7	\$54.1
	\$374.9	\$127.0

MDOT provided guidance to use a 33.9% reimbursement rate for FY2025. After that guidance was released, the Fiscal Year 2025 Governor’s Budget was released with \$221 million in LBO, which would bring the reimbursement rate down to 26.3%. Table 2.0 shows the relationship between the amount of submitted expenses and an assumed 33.9% reimbursement rate compared to the 26.3% in Fiscal Year 2025. The impact is a \$31.2 million reduction in state funding for the region in Fiscal Year 2025. RTA updated the expense totals to match the amounts in the MDOT applications.

This is likely not the final LBO appropriation amount and will be updated accordingly as we increase our overall requests. Other changes for FY2025 included RTA funding for QLINE and other services and increased AAATA and SMART expenses from recent millage increases.

Table 2.0: Eligible Expenses and LBO Reimbursement by Provider (FY 2025) (millions \$)

Provider	Expenses	LBO (33.9%)	LBO (26.3%)
AAATA	\$60.8	\$20.6	\$16.0
DDOT	\$158.8	\$53.8	\$41.8
DTC	\$14.5	\$4.9	\$3.8
RTA	\$16.3	\$5.6	\$4.3
SMART	\$160.2	\$54.3	\$42.1
	\$410.6	\$139.2	\$108.0

The bulk of the funding in the LBO program is for Urban Operating Assistance. State operating requests do include small amounts of funding for other small providers through Specialized Services and other programs. These amounts are a continuation of existing pass-through agreements with small providers and non-profits in each provider’s service area.

MDOT provides matching funds to support capital projects funded by the standard federal formula programs (e.g. 5307, 5310, 5339, and 5337). The attachments show the amounts requested by providers and the projects that they anticipate funding. The applications included herein are in anticipation of federal Fiscal Year 2022 funding. The FTA does not generally release the actual amounts available in the formula programs until February/March of the given fiscal year (e.g. February/March 2025 for Fiscal Year 2025), and federal applications for those funds are not generally due to the FTA until June of that fiscal year (e.g. June 2025 for Fiscal Year 2025).



Given the appropriations funding timeline, it is important to emphasize that these projects are funding placeholders for MDOT's budgeting purposes. Actual projects will be included in the federal applications, subject to RTA Board review and approval in May/June 2025.

Attachments

Provider state applications and RTA FY 2025 resolution of intent.

Summary by Funding Source	Federal	State	Total
Local Bus Operating - Urban	\$	\$ 20,599,387	\$ 20,599,387
Local Bus Operating - Non-Urban	\$	\$ 1,227,281	\$ 1,227,281
Specialized Services	\$	\$ 300,221	\$ 300,221
TOTAL (Operations)	\$ -	\$ 22,126,889	\$ 22,126,889
Section 5307	\$ 15,877,946	\$ 2,997,789	\$ 18,875,735
Section 5307 (CMAQ)	\$ 1,428,536	\$ 357,134	\$ 1,785,670
Section 5307 (STBG)	\$ 221,600	\$ 55,400	\$ 277,000
Section 5311	\$ 429,694	\$ -	\$ 429,694
Section 5339	\$ 949,710	\$ 237,427	\$ 1,187,137
Congressionally Directed (CPF)	\$ 7,300,000	\$ 1,750,000	\$ 9,050,000
TOTAL (Capital)	\$ 26,207,486	\$ 5,397,750	\$ 31,605,236

Projects by Funding Source	Federal	State	Total
Section 5307			
<i>Large Bus Replacement</i>	\$ 4,351,824	\$ 1,087,956	\$ 5,439,780
<i>Small Bus Replacement</i>	\$ 494,400	\$ 123,600	\$ 618,000
<i>Support Vehicle Replacement</i>	\$ 107,120	\$ 26,780	\$ 133,900
<i>Facilities Improvements & Rehabilitation</i>	\$ 2,634,632	\$ 658,658	\$ 3,293,290
<i>Architecture & Engineering</i>	\$ 1,372,480	\$ 343,120	\$ 1,715,600
<i>Furniture Replacement</i>	\$ 32,000	\$ 8,000	\$ 40,000
<i>IT Hardware and Software Replacements</i>	\$ 2,163,920	\$ 540,980	\$ 2,704,900
<i>Maintenance Equipment</i>	\$ 186,780	\$ 46,695	\$ 233,475
<i>Capital Cost of Contracting</i>	\$ 608,000	\$ 152,000	\$ 760,000
<i>Preventive Maintenance</i>	\$ 40,000	\$ 10,000	\$ 50,000
<i>Operating Assistance</i>	\$ 3,886,790	\$ -	\$ 3,886,790
Section 5307 (CMAQ)			
<i>Large Bus Replacement</i>	\$ 1,428,536	\$ 357,134	\$ 1,785,670
Section 5307 (STBG)			
<i>Bus Stop Improvements</i>	\$ 221,600	\$ 55,400	\$ 277,000
Section 5311			
<i>Non-Urban Operating Assistance-People's Express</i>	\$ 255,754	\$ -	\$ 255,754
<i>Non-Urban Operating Assistance-WAVE</i>	\$ 173,940	\$ -	\$ 173,940
Section 5339			
<i>Facilities Rehabilitation</i>	\$ 949,710	\$ 237,427	\$ 1,187,137
Congressionally Directed			
<i>Ypsilanti Transit Center</i>	\$ 7,300,000	\$ 1,750,000	\$ 9,050,000
TOTAL	\$ 26,207,486	\$ 5,397,750	\$ 31,605,236

Summary by Funding Source	Federal	State	Total Estimated
Local Bus Operating - Urban	n/a	\$ 53,820,120	\$ 53,820,120
Local Bus Operating - Non-Urban	n/a	n/a	n/a
Specialized Services	n/a	\$ -	\$ -
TOTAL (Operations)	\$ -	\$ 53,820,120	\$ 53,820,120
Section 5307	\$ 34,717,494	\$ 8,679,373	\$ 43,396,867
Section 5307 (CMAQ)	\$ 5,120,257	\$ 1,280,064	\$ 6,400,321
Section 5310	\$ 1,022,013	\$ 255,503	\$ 1,277,516
Section 5337		n/a	n/a
Section 5339	\$ 3,542,331	\$ 885,583	\$ 4,826,350
TOTAL (Capital)	\$ 44,402,094	\$ 11,100,524	\$ 55,901,054

Capital Projects by Funding Source	Federal	State	Total
Section 5307			
<i>Preventative Maintenance - (Labor and Parts and Materials) Estimated Amount</i>	13,600,000.00	3,400,000.00	17,000,000.00
<i>Bus Replacement Low / No Emissions Upgrade Programs</i>	11,680,000.00	2,920,000.00	14,600,000.00
<i>Bus Stop Shelters Phase 3 - Replacement Project</i>	3,250,000.00	812,500.00	4,062,500.00
<i>Corridor Improvements Enhanced Corridor Project</i>	2,500,000.00	625,000.00	3,125,000.00
<i>Mobility and Transit Hubs / Connection Corners - Replacement Project</i>	1,150,000.00	287,500.00	1,437,500.00
New Non-Revenue Support Vehicles	437,080.00	109,270.00	546,350.00
Bus Signage	8,534.40	2,133.60	10,668.00
Computer Software ADP	155,760.80	38,940.20	194,701.00
Shoemaker Facility Improvements	250,000.00	62,500.00	312,500.00
Operator Training Center / Simulator Projects	150,000.00	37,500.00	187,500.00
Rosa Parks Facility Improvements - Renovation Projects	1,008,118.40	252,029.60	1,260,148.00
<i>Gilbert Maintenance Improvements</i>	88,000.00	22,000.00	110,000.00
<i>Bus Stop Seating - Replacement Project</i>	376,000.00	94,000.00	470,000.00
<i>Bus Shelters Regular Business</i>	64,000.00	16,000.00	80,000.00
Section 5307 (CMAQ)			
Fixed Route Vehicle Replacement	5,120,256.80	1,280,064.20	\$ 6,400,321

Section 5310

*Newly Proposed: Paratransit Team: IVR
Implementation*

104,176.00 26,044.00 \$ 130,220

*Newly Proposed: Same Day Paratransit
Service*

917,836.80 229,459.20 \$ 1,147,296

Section 5337

n/a

\$ - \$ -

Section 5339 (estimated)

Fixed Route Vehicle Replacement

3,861,080.00 965,270.00 \$ 4,826,350

TOTAL 44,720,843.20 11,180,210.80 \$ 55,901,054

Summary by Funding Source	Federal	State	Total
Local Bus Operating - Urban	\$ -	\$ 4,925,373	\$ 4,925,373
TOTAL (Operations)	\$ -	\$ 4,925,373	\$ 4,925,373
Section 5307	\$ 518,041.00	\$ 129,510.00	\$ 647,551.00
Section 5337	\$ 1,394,894.00	\$ 348,723.00	\$ 1,743,617.00
SDNT	\$ 80,000.00	\$ 270,000.00	\$ 350,000.00
TOTAL (Capital)	\$ 1,912,935.00	\$ 478,233.00	\$ 2,391,168.00

Capital Projects by Funding Source	Federal	State	Total
Section 5307			
<i>Renovate/Rehab People Mover</i>	\$ 518,041	\$ 129,510	\$ 647,551
Section 5337			
<i>Renovate/Rehab People Mover</i>	\$ 1,394,894	\$ 348,723	\$ 1,743,617
TOTAL	\$ 1,912,935	\$ 478,233	\$ 2,391,168

Summary by Funding Source	Federal	State	Total
Local Bus Operating - Urban	\$ -	\$5,535,020	\$5,535,020
TOTAL (Operations)	\$ -	\$5,535,020	\$5,535,020
Section 5307	\$ 500,000	\$ 125,000	\$ 625,000
Section 5337	\$ 600,000	\$ 150,000	\$ 750,000
Section 5304	\$ -	\$ 626,000	\$ 626,000
CMAQ - Detroit to Ann Arbor (D2A2)	\$ 325,000	\$ 81,250	\$ 406,250
CRP - Detroit Air Xpress (DAX)	\$1,000,000	\$ 250,000	\$1,250,000
Service Initiatives	\$ -	\$3,558,000	\$3,558,000
TOTAL (Capital)	\$2,425,000	\$4,790,250	\$7,215,250

Projects with Capital Funding	Federal	State	Total
Section 5307 <i>Preventive Maintenance</i>	\$ 500,000	\$ 125,000	\$ 625,000
Section 5337 <i>Preventive Maintenance</i>	\$ 600,000	\$ 150,000	\$ 750,000
Section 5304 <i>Planning</i>	\$ -	\$ 626,000	\$ 626,000
Congestion Mitigation and Air Quality (CMAQ) <i>Detroit to Ann Arbor (D2A2)</i>	\$ 325,000	\$ 81,250	\$ 406,250
Carbon Reduction Program (CRP) <i>Detroit Air Xpress (DAX)</i>	\$1,000,000	\$ 250,000	\$1,250,000
Service Initiatives <i>Access to Transit Program</i>	\$ -	\$2,730,000	\$2,730,000
<i>Transit App</i>	\$ -	\$ 828,000	\$ 828,000
TOTAL	\$2,425,000	\$4,790,250	\$7,215,250

Summary by Funding Source	Federal	State	Total
Local Bus Operating - Urban*	N/A	\$ 54,347,266	\$ 54,347,266
Local Bus Operating - Non-Urban	N/A	\$ 414,548	\$ 414,548
Specialized Services	N/A	\$ 1,312,040	\$ 1,312,040
TOTAL (Operations)	\$ -	\$ 56,073,890	\$ 56,073,890
Section 5311^	\$ 1,313,437	\$ 1,313,437	\$ 2,626,874
Section 5307 Governor's Apportionment^	\$ 1,837,546	\$ 328,768	\$ 2,166,314
Section 5307 TARTA (MI Portion of Toledo UZA)	\$ 503,007	\$ 125,753	\$ 628,760
Section 5307	\$ 33,025,155	\$ 8,256,289	\$ 41,281,444
Section 5307 (CMAQ)	\$ 2,410,205	\$ 602,551	\$ 3,012,756
Section 5307 (CRP)	\$ 400,000	\$ 100,000	\$ 500,000
Section 5310	\$ 2,669,196	\$ 424,304	\$ 3,093,500
Section 5310 Non-Urban^	\$ 478,133	N/A	\$ 478,133
Section 5339 Governor's Apportionment^	\$ 166,773	\$ 41,693	\$ 208,466
Section 5339 TARTA (MI Portion of Toledo UZA)	\$ 56,036	\$ 14,009	\$ 70,045
Section 5339	\$ 3,649,661	\$ 912,415	\$ 4,562,076
TOTAL (Capital)	\$ 46,509,149	\$ 12,119,219	\$ 58,628,368

Capital Projects by Funding Source	Federal	State	Total
Section 5307			
<i>Preventive Maintenance</i>	\$ 8,000,000	\$ 2,000,000	\$ 10,000,000
<i>Bus Stop Enhancements</i>	\$ 960,000	\$ 240,000	\$ 1,200,000
<i>Bus Replacement-23ft</i>	\$ 1,149,795	\$ 287,449	\$ 1,437,244
<i>Bus Replacement-40ft</i>	\$ 16,555,360	\$ 4,138,840	\$ 20,694,200
<i>Bus Expansion-23ft</i>	\$ 2,856,000	\$ 714,000	\$ 3,570,000
<i>Van Expansion</i>	\$ 304,000	\$ 76,000	\$ 380,000
<i>Support Vehicle Expansion</i>	\$ 240,000	\$ 60,000	\$ 300,000
<i>Planning Consultant</i>	\$ 800,000	\$ 200,000	\$ 1,000,000
<i>Computer Hardware & Software</i>	\$ 800,000	\$ 200,000	\$ 1,000,000
<i>Facility Renovation</i>	\$ 1,360,000	\$ 340,000	\$ 1,700,000
Section 5307 Governor's Apportionment^			
<i>Facility Renovation</i>	\$ 436,399	\$ 109,100	\$ 545,499
<i>AVL System Replacement</i>	\$ 592,049	\$ 148,012	\$ 740,061
<i>Van Replacement</i>	\$ 132,728	\$ 33,182	\$ 165,910
<i>Bus Replacement</i>	\$ 153,898	\$ 38,474	\$ 192,372
<i>Operating Assistance</i>	\$ 522,472	N/A	\$ 1,044,944

Section 5307 TARTA (MI Portion of Toledo UZA)

<i>Bus Replacement</i>	\$ 294,082	\$ 73,521	\$ 367,603
<i>Preventive Maintenance</i>	\$ 196,079	\$ 49,020	\$ 245,099
<i>Bus Spare Parts</i>	\$ 10,246	\$ 2,562	\$ 12,808
<i>Transit Security Upgrades</i>	\$ 2,600	\$ 650	\$ 3,250

Section 5307 (CMAQ)

<i>Bus Replacement 23ft-SMART</i>	\$ 1,890,205	\$ 472,551	\$ 2,362,756
<i>EV Charging Infrastructure-LETC</i>	\$ 520,000	\$ 130,000	\$ 650,000

Section 5307 (CRP)

<i>Expansion Electric Support Vehicle-LETC</i>	\$ 120,000	\$ 30,000	\$ 150,000
<i>EV Charging Infrastructure-LETC</i>	\$ 280,000	\$ 70,000	\$ 350,000

Section 5310

<i>Replacement Paratransit Vehicles</i>	\$ 1,248,499	\$ 312,125	\$ 1,560,624
<i>Mobility Management</i>	\$ 448,715	\$ 112,179	\$ 560,894
<i>Operating Assistance</i>	\$ 971,982	N/A	\$ 971,982

Section 5310 Non-Urban^

<i>Operating Assistance</i>	\$ 478,133	N/A	\$ 956,266
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Section 5311^

<i>Operating Assistance-NOTA</i>	\$ 526,261	\$ 526,261	\$ 1,052,522
<i>Operating Assistance-WOTA</i>	\$ 517,608	\$ 517,608	\$ 1,035,216
<i>Operating Assistance-LETC</i>	\$ 269,568	\$ 269,568	\$ 539,136

Section 5339 Governor's Apportionment^

<i>Facility Renovation</i>	\$ 133,973	\$ 33,493	\$ 167,466
<i>Shop Equipment</i>	\$ 4,800	\$ 1,200	\$ 6,000
<i>Bus Shelters</i>	\$ 28,000	\$ 7,000	\$ 35,000

Section 5339 TARTA (MI Portion of Toledo UZA)

<i>Facility Renovation</i>	\$ 56,036	\$ 14,009	\$ 70,045
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Section 5339

<i>Bus Replacement-40ft</i>	\$ 3,649,661	\$ 912,415	\$ 4,562,076
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TOTAL	\$ 46,509,149	\$ 12,119,219	\$ 59,628,973
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*LBO Urban numbers are an estimated total for SMART Urban Metro, Monroe Urban Small, and Bedford

^State pass-through of federal funds for NOTA ,WOTA, LETC, and Bedford

FY 2025 RESOLUTION OF INTENT

Michigan Department
Of Transportation
3078

The approved resolution of intent to apply for state formula operating assistance for fiscal year 2025 under Act 51 of the Public Acts of 1951, as amended.

WHEREAS, pursuant to Act 51 of the Public Acts of 1951, as amended (Act 51), it is necessary for the [Regional Transit Authority of Southeast Michigan] (hereby known as THE APPLICANT) established under Act [387] to provide a local transportation program for the state fiscal year of 2025 and, therefore, apply for state financial assistance under provisions of Act 51; and

WHEREAS, it is necessary for the governing body, to name an official representative for all public transportation matters, who is authorized to provide such information as deemed necessary by the State Transportation Commission or department for its administration of Act 51; and

WHEREAS, it is necessary to certify that no changes in eligibility documentation have occurred during the past state fiscal year; and

WHEREAS, the performance indicators have been reviewed and approved by the governing body.

WHEREAS, THE APPLICATION , has reviewed and approved the proposed balance (surplus) budget, and funding sources of estimated federal funds \$ [6,339,030] estimated state funds \$ [6,141,270] estimated local funds \$ [6,900,000] with total estimated expenses of \$ [19,380,300]

(Note: Local funds include fare box and any other local revenue)

NOW THEREFORE, be it resolved that THE APPLICANT hereby makes its intentions known to provide public transportation services and to apply for state financial assistance with this annual plan, in accordance with Act 51; and

HEREBY, appoints [Ben Stupka] as the Transportation Coordinator, for all public transportation matters, who is authorized to provide such information as deemed necessary by the State Transportation Commission or department for its administration of Act 51 for 2025

I, [Freman Hendrix] (Name) [Secretary]

(Secretary/Clerk) of THE Applicant , having custody of the records and proceedings of THE APPLICANT, does hereby certify that I have compared this resolution adopted by THE APPLICANT at the meeting of [March] [21] , 20[24] with the original minutes now on file and of record in the office and that this resolution is true and correct.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed seal of said [] , this [21] day of [March] A.D 20 [24]

SIGNATURE



BOARD OF DIRECTORS MEMORANDUM

TO: RTA Board of Directors

FROM: Ben Stupka, Executive Director

SUBJECT: Intent to Receive the Transfer of M1 Rail Assets

DATE: March 21, 2024

REQUESTED ACTION: Requesting Board of Directors Approval

Approval Request:

Motion to approve Resolution 55.

Background:

Since December 2023, the RTA has been engaged in a process of vetting the transfer of M-1 RAIL assets to the RTA. The RTA staff has reached a point in the process where it requires a resolution of intent from the RTA Board of Directors. The purpose of this resolution is to confer the RTA Board of Director's dedication to a smooth transition and allow staff to move forward with deploying the resources needed to develop a detailed transaction and formal transition plan. The resolution also provides clarity to the transition team on the priority issues and needs to be included in those documents.

Pending approval of this resolution, RTA staff will work towards delivering a full transaction and transition plan for final approval in summer 2024.

Attachment:

Resolution 55

Regional Transit Authority of Southeast Michigan
Resolution No. 55
Declaring Intent to Receive Transfer of Assets of a Nonprofit
Street Railway Corporation to the Authority

RTA Resolution No. 55, a resolution that the Board of Directors (the “Board”) of the Regional Transit Authority of Southeast Michigan (the “RTA”) declares its intent to receive a transfer of assets to the RTA by M-1 RAIL, a Michigan nonprofit corporation organized to operate a street railway.

WHEREAS, M-1 RAIL is a Michigan nonprofit corporation originally organized as a street railway (a “Street Railway”) as defined under former Public Act 35 of 1867, which was repealed and recodified in 2018 as Chapter 5 of the Recodified Tax Increment Financing Act, Public Act 57 of 2018, as amended, MCL 125.4503 to 125.4527, (“Act 57”).

WHEREAS, under Section 6(22) of the Regional Transit Authority Act, Public Act 387 of 2012, as amended, (the “RTA Act”), the Board may enter into an agreement with a Street Railway to secure federal money for the RTA or its activities under the RTA Act.

WHEREAS, the RTA has determined that a transfer of the assets of M-1 RAIL to the RTA is in the public interest for reasons including, but not limited to, improving public transportation, integration of regional transit in the area, and ensuring continuity of service.

WHEREAS, such a transfer aligns with the RTA’s strategic goals of supporting improved public transit options to advance equity, integrating mobility needs of Southeast Michigan communities and promoting livable, healthy, and sustainable growth.

WHEREAS, under Section 7(1)(e) of the RTA Act, the RTA generally may make and enter into contracts, agreements, or instruments necessary, incidental, or convenient to the performance of the RTA’s duties and execution of the RTA’s powers, duties, functions, and responsibilities under the RTA Act with any federal, state, local, or intergovernmental governmental agency or with any other person or entity, public or private, upon terms and conditions acceptable to the RTA.

WHEREAS, under Section 7(1)(p) of the RTA Act, the RTA generally may acquire property or rights and interests in property by gift, devise, transfer, exchange, purchase, lease, or otherwise on terms and conditions and in a manner the RTA considers proper.

WHEREAS, Section 6(3)(a)(v) of the RTA Act permits the RTA, beginning on July 1, 2024, to approve an agreement for the transfer to the RTA of assets of a Street Railway (a “Transfer Agreement”).

WHEREAS, under section 513 of Act 57, M-1 RAIL may transfer a “street railway system” as defined in section 507(h) of Act 57 (a “Street Railway System”) to a public entity operating a public transportation system, including the RTA, with the consent of the public entity, if the transfer is authorized by a law enacted after January 12, 2009.

WHEREAS, the transfer of the assets of M-1 RAIL’s Street Railway System by M-1 RAIL is authorized by Section 6 of Public Act 246 of 2014, Section 261(1)(g) of Public Act 557 of 2014, and Section 513(4)(f) of Public Act 57 of 2018.

WHEREAS, M-1 RAIL wants to transfer to the RTA assets of its Street Railway System and related administrative and operational functions, including the assignment of M-1 RAIL's rights and licenses relating to the operation of the Street Railway System (the "System Transfer"), generally consistent with the framework described at Exhibit A to this resolution (the "Transaction Framework").

WHEREAS, the board of directors of M-1 RAIL has approved the System Transfer.

WHEREAS, the Board wants to declare its intent to proceed consistent with the Transaction Framework, subject to the completion of necessary due diligence, and to authorize RTA staff and counsel to proceed with conducting such due diligence and developing, negotiating, and drafting all agreements and other documents necessary to effectuate the System Transfer, with the final agreements and documents requiring approval by the Board consistent with the RTA Act.

WHEREAS, M-1 RAIL has stated that funding sources are in place and sufficient to cover, in full, the operating budget for M-1 RAIL's Street Railway System, without any incremental cost to the taxpayers of the public transit region served by the RTA.

WHEREAS, M-1 RAIL and the RTA acknowledge that if a future shortfall in funding for operating the Street Railway System were to occur, consistent with the policy under Section 6(23) of the RTA Act, any shortfall would be addressed using federal or state funding otherwise allocated to the member jurisdiction located within the qualified county in which the Street Railway System is located.

WHEREAS, the RTA has received a memorandum from the City of Detroit Chief of Police that describes the deployment plan for the City of Detroit Police Department to provide ongoing safety and security services for the Street Railway System, and the RTA is reliant on the provision of those services from the City of Detroit Police Department to efficiently and effectively manage the Street Railway System.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby declares its intent to proceed with the System Transfer in accordance with the Transaction Framework, subject to the completion of such due diligence activities as shall be deemed necessary and appropriate by RTA staff and counsel ("Due Diligence") and the advice of RTA staff and counsel as to the satisfactory provision of all items and resolution of all issues identified by RTA staff and counsel during Due Diligence.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Board hereby authorizes RTA staff and counsel to proceed with Due Diligence and with developing, negotiating, and drafting a Transfer Agreement and all agreements and other documents, and conduct all other activities necessary to effectuate the System Transfer in a manner consistent with the Transaction Framework.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Board anticipates that the operational transition of the Street Railway System will be carried out in accordance with the "M-1 RAIL to RTA QLine Transition Plan" developed by HNTB Corporation in accordance with the requirements of the Michigan Department of Transportation as the Rail Safety and Security Oversight Agency for the State of Michigan.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that if a future shortfall in funding for operating the Street Railway System arises after the operational transition of the Street Railway System, the RTA will address that shortfall consistent with the policy under Section 6(23) of the RTA Act.

AND NOW, THEREFORE, BE IT FINALLY RESOLVED, that a Transfer Agreement and all agreements and other documents effectuating the transfer of the assets of M-1 RAIL's Street Railway System, and related rights and functions, to the RTA require approval by the Board consistent with the RTA Act.

Authorizing signature _____ (Freman Hendrix, Secretary to the Board)

Date: March 21, 2024

EXHIBIT A

Transaction Framework for the Transfer M-1 RAIL's Street Railway System Assets and Related Functions and Responsibilities to the Regional Transit Authority for Southeast Michigan

Parties

Transferor: M-1 RAIL, a Michigan nonprofit corporation

Transferee: Regional Transit Authority of Southeast Michigan, a Michigan municipal public body corporate and metropolitan authority (the "RTA").

The table below describes certain primary issues and actions related to the transfer of the Street Railway System from M-1 Rail to the RTA. It is not intended to be a comprehensive or binding statement of terms, conditions or agreements by either party. The information in the table is intended as an initial general guide for the parties, is subject to change and does not purport to contain all issues or actions that may be associated with the transfer of the Street Railway System

Issue	Action
1. Transfer of Street Railway System Assets; Representations and Warranties	M-1 RAIL ¹ to convey all of M-1 RAIL's Street Railway System assets to the RTA, including, but not necessarily limited to: (a) streetcars; (b) the operations and maintenance complex commonly known as the Penske Tech Center (including title to the real property); (c) 20 streetcar stations; (d) rail tracks and switchgear, (e) electrical infrastructure, including overhead catenary systems and traction power substations; (f) all vehicles, furniture, fixtures and equipment owned by M-1 RAIL (or if leased, assigned for the term of the lease); (g) all technology, hardware, and software used in the operations of the Street Railway System; (h) all transferable warranties; (i) all intellectual property (such as trademarks / servicemarks, operating procedures, technical manuals, etc.); and (j) any other real and personal property constituting the Street Railway System. M-1 RAIL to provide customary representations and warranties regarding title and asset condition.
2. Assignment of Operating Rights and Responsibilities	M-1 RAIL to assign to the RTA, consistent with Section 21.0 ("Transfer/Assignment of the Streetcar System") of the Construction, Operations, and Maintenance Agreement between M-1 RAIL and the City of Detroit (the "COMA"), and the parallel provisions of the Operating License Agreement (the "OLA"), the licenses granted to M-1 RAIL to construct, operate, and maintain the Street Railway System. Certain terms of the COMA and OLA applicable to a private, nonprofit street railway corporation under Act 57 would not apply to the RTA as the public

¹ Assets to be transferred will include street railway system assets currently held by M-2 RAIL, a Michigan nonprofit corporation.

	operator of a public transportation system pursuant to the RTA Act and state law. The parties intend in connection with the transfer to secure confirmation from the City of Detroit Law Department indicating that those provisions of the COMA no longer apply to the operation by a public body of the Street Railway System under the RTA Act. M-1 will also work in good faith to assist the RTA in establishing operation and maintenance standards and practices where previously applicable requirements no longer apply.
3. Plan of Financing	An agreement for the transfer of street railway assets will identify the plan for financing the operations and maintenance of the transferred Street Railway System, by exhibit or otherwise, including documentation (if requested by the RTA) affirming the continued availability of the annual subsidy from the State Convention Facility Development Fund, and any other funding source that is negotiated by M1 Rail during the transfer period, upon the transfer of the street railway system to the RTA. This documentation must include resolution of any projected expenditure reductions to the satisfaction of the RTA staff.
4. Assignment of Receivables and Assets	In addition to the transfer and street railway system assets, and the assignment of the COMA and the OLA, an agreement between the parties will assign to the RTA cash-on-hand and rights to receivables due and owing to M-1 RAIL, all contracts of M-1 RAIL, and M-1 RAIL's rights to monetize the system through naming, sponsorship, and marketing rights. The assignment of such rights shall be subject to the remaining term of existing sponsorships. M-1 RAIL must provide the RTA will all current sponsorship agreements.
5. Assignment of Obligations, and Liabilities	M-1 Rail to assign to the RTA and the RTA to assume from M-1 RAIL all of M-RAILS's obligations and liabilities, including payable sand other monetary obligations, any pending claims or suits, and all obligations and liabilities under M-1 RAIL contracts.
6. Transfer of Personnel; Labor Relations Issues	<p>M-1 RAIL and RTA intend for current employees of M-1 RAIL to become RTA employees, consistent with the established annual personnel budget for M-1 RAIL.</p> <p>The parties may evaluate a contractual alternative whereby the RTA retains another entity and its personnel as an operator.</p> <p>Final agreements will include any terms, conditions, or certifications required for compliance with 49 USC §5333(b) (commonly known as "Section 13(c)").</p>
7. Governmental Approvals	<p>The obligation to close will be subject to customary conditions and applicable governmental approvals, including:</p> <ul style="list-style-type: none"> • M-2 RAIL and M-1 RAIL terminating the lease-sublease arrangement with the Michigan Department of Transportation ("MDOT") (under which MDOT leases the streetcar system from M-2 RAIL and subleases it to M-1 RAIL).

	<ul style="list-style-type: none"> • M-1 RAIL, MDOT, and the RTA securing any necessary approvals from the Federal Transit Administration (FTA). • M-1 RAIL and the RTA securing any necessary approvals from the City of Detroit.
8. RTA Operations	As an operator of the Street Railway System, the RTA will be subject to FTA regulatory and state rail safety oversight, as well as any applicable provisions of the COMA and OLA as the RTA and City of Detroit agree remain in force and effect. Absent such a regulatory requirement, the RTA will reserve the right to establish operating policies, including hours of operation, service standards, fare policy, towing policy and practice, and related operational and security matters.
9. Due Diligence	<p>The RTA will conduct reasonable due diligence on the street railway system’s operating costs, revenues (including all public and private revenues), liabilities, asset conditions, and all other factors material to the transfer of the street railway system.</p> <p>M-1 Rail will make available to the RTA all items requested by RTA staff and counsel, including but not limited to audited financial statements to substantiate M-1 RAIL’s annual operating budget as well as financial information for personnel and all relevant budgetary categories.</p>
10. Documentation	Counsel for M-RAIL and RTA will negotiate and prepare an agreement for the transfer of street railway system assets from M-1 RAIL to the RTA and other agreements and documents necessary to effectuate the transaction consistent with this term sheet.
11. Effective Date	M-1 RAIL and the RTA intend that the transfer of the street railway system will become effective (with the RTA assuming actual ownership and operational responsibility and control) on or after July 1, 2024.
12. Operational Transition	The operational transition of the Street Railway System will be carried out in accordance with the “M-1 Rail to RTA QLine Transition Plan” developed by HNTB Corporation in accordance with the requirements of the Michigan Department of Transportation as the Rail Safety and Security Oversight Agency for the State of Michigan.