



TOLEDO AREA REGIONAL TRANSIT AUTHORITY

FINANCE COMMITTEE MEETING MINUTES  
MARCH 16, 2021

PRESENT: Jim Caldwell – chairperson, Kelsie Hoagland, Mary Morrison, Marc Thompson, Lou Thomson, David Robinson, and Kimberly Dunham.

Mr. Caldwell called the meeting to order at 4:00 p.m.

Mr. Robinson reviewed the 2021 TARTA Budget presented in three sections – operating budget, capital budget and reserves.

Operating Budget

- Operating Revenues
  - Fare collection was suspended in 2020 and is expected to return in the fourth quarter of the year.
  - Two major sources of contract revenue include Toledo Public Schools, ending in June 2021 and University of Toledo. The University of Toledo revenue estimate includes the contract amendment impacting the 2021 revenue.
- Operating Expenses
  - The budget has been updated to include permanent mid-level and senior management staff.
  - Additional expenses are being incurred due to COVID. Front line pay is projected to end June 30, 2021.
  - Going forward, employee expenses will be budgeted per person and include base salary, incentive pay, and applicable certifications. Health insurance is also budgeted by person and by department.
  - Expenses for 2021 were based on historical trends from 2019. Significant consideration was given to operational expenses related to changes to move the agency forward.
- Non-Operating Revenue
  - Property taxes as certified by the County Auditor
  - Restricted federal funds – examples are ADA Paratransit and Preventative Maintenance
  - Unrestricted federal funds – stimulus funds, which TARTA will use for general operations
  - State funding – fuel tax credit and the balance of state grant monies

These three categories balance the budget for 2021.

Discussion ensued regarding the category of Operating Expense – Administrative – Outside Professional Services. Mr. Robinson explained that these are one-time as well as continuing expenses to help with current and future programming and operations.

Mr. Thompson asked what percentage of the \$28 million in revenue is certain each year and what percentage is uncertain.

Mr. Robinson replied that of the \$28 million, \$9.4 million is from stimulus funds that are uncertain for future years. However, the federal funds are typically consistent. Additional funding sources are being considered to help the agency move forward.

Ms. Dunham clarified that the only guaranteed funding TARTA has is property tax revenue of \$13.5 million.

Discussion ensued regarding the progress being made to clear up back payments to vendors.

### Capital Budget

- Planned opportunities once funding becomes available include –
  - Review of fixed line routes
  - Comprehensive Operational Assessment
  - Facility improvements – bathroom renovations
  - IT equipment

FTA grants are cost reimbursed grants. Once a project is complete TARTA then submits for reimbursement. Some federal funds are reimbursed at 100% while others only 80% requiring a 20% local match.

### Reserve

TARTA received just over \$15 million in the third round of stimulus funds, of which a large portion will be set aside for fiscal responsibility aspects including reserves and a future operational budget.

Discussion ensued on the reserves and how those funds may be used.

Mr. Caldwell commended and thanked Ms. Dunham and Mr. Robinson for their work on the budget.

Mr. Caldwell requested a motion to accept the budget in principle based on the income and expenses on the operating and capital side with the caveat that any adjustments going forward will be brought back to the Finance Committee for approval and be presented again to the Board.

Ms. Morrison made a motion to accept the 2021 Budget as presented with the caveats as stated. Mr. Thomson seconded the motion. The motion passed unanimously.

The 2021 Budget will be presented to the Board at the next regularly scheduled meeting on Thursday, March 18, 2021.

The Committee appreciated the narrative presentation and would like to see this going forward.

Ms. Dunham added that the detailed structure including actual expenses year to date as well as variants from budget year to date would be more beneficial for the monthly report to the Board.

Mr. Caldwell said TARTA has much work ahead in the coming months regarding a sales tax option versus the possible additional millage option.

Ms. Hoagland asked if the Finance Committee will likely have future discussions on this topic.

Ms. Dunham replied that they will know by April 1<sup>st</sup> if they were successful changing the legislative language from unanimous consent to majority consent. The Board will then need to decide whether to proceed with the sales tax option. An update on the legislative outreach will be provided at Thursday's Board meeting. If they are unsuccessful in the legislature the Board will be asked to convene in the first week of April to have this discussion. Various millage scenarios will be recommended along with the revenue received for each scenario.

With no other business to discuss Mr. Caldwell asked for a motion to adjourn.

Mr. Thomson made a motion to adjourn. Ms. Morrison seconded the motion. The motion passed unanimously, and the meeting adjourned at 4:45 p.m.