

Business Plan & Budget FY 2024-2025

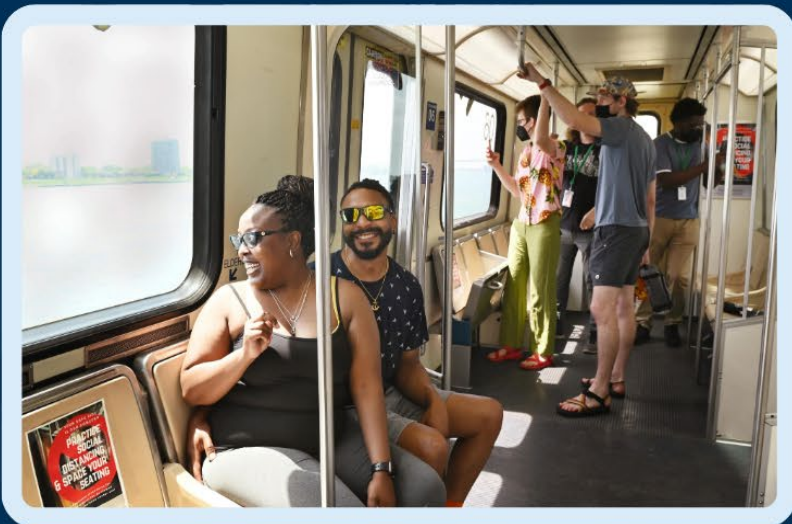


Table of Contents

- Table of Contents 1
- Message from the Executive Director 2
- Agency Purpose, Vision & Mission 4
- RTA Regional Leadership 5
- Business Plan Purpose & Need 6
- Strategic Priorities 8
 - 1. Strengthening Core Business Functions 8
 - 2. Improving Regional Transit 8
 - 3. Building More Opportunities for Transit Funding 9
- Organizational Structure 10
- Annual Budget Cycle 11
- Administrative Revenues 12
- Administrative Expenses 13
- Administrative Budget - Detail 14
- QLINE Revenues 15
- QLINE Expenses 16
- QLINE Budget - Detail 17
- 2025 Key Activities 18

Message from the Executive Director

Agency in Growth & Transition

RTA Board of Directors,

I'm glad to submit the annual Business Plan and Budget for Fiscal Year 2024-2025. Our latest budget reflects the growth and evolution of our agency, and it presents an ambitious, responsible vision for the future of the RTA. This budget is the first to map out the transitional steps with the incorporation of QLINE and all its assets and operations into our agency. As the Board is aware, the integration of the QLINE unlocks new opportunities for the agency and the regional system. Moreover, this budget brings full cycle the realization of pilot projects the RTA has planned and executed strategically and recognizes the agency's advancing role.

The RTA is an agency in growth and transition. The RTA is the central planning, funding, and coordination agency at the heart of Southeast Michigan's diverse transit system—a role that has netted the region new investment and steered us in a clear, uniform direction. With the integration of the QLINE and the development of federal- and state-funded pilot programs, the RTA has accelerated into the service delivery role. This is a bold next step for our agency, which follows a model set forth by peers and unlocks new chambers of funding streams for the agency and region. These changes align with the RTA's mission and will ultimately improve experiences for riders.

Recognizing the criticality of QLINE operations to residents, the Board undertook a thorough review of assets and approved a resolution to transfer them in July 2024. This budget fleshes out a transition period and delineates funding streams separately for the RTA and QLINE. The transition plan contains no interruption of service.

Whereas the QLINE may be the newest item included in RTA budgets, it is far from the only sign of growth coming to the agency. Last year, the agency launched the Detroit Air Xpress (DAX)—a direct coach service between downtown Detroit and DTW Airport that has beaten ridership expectations. D2A2, the sister service of DAX, has seen ridership climb approximately 50% year over year on its route from Detroit to Ann Arbor. We continue to work on Mobility Wallet and Access to Transit programs. In 2024, the RTA delivered an updated Regional Transit Master Plan (RTMP) and has begun work on its Mobility 4 All Program to ensure that transit is accessible to seniors, individuals with disabilities, and low-income people. These advancements come at a time when the State of Michigan has emphasized a need for better transit to retain our population and attract young people to work and live in our state.

To facilitate such progress, talent and expertise is needed. The Board signaled its intentions to augment the RTA team in 2023 and 2024 when it built out new staff positions and a team of

directors. As the agency transitions almost 50 new staff from the QLINE, the team must manage a larger HR portfolio and comply with state and federal regulations that apply to larger organizations. The Board has directed staff to pursue competitive grants, engage state leaders, and coordinate with regional stakeholders. Our team has seen success in these arenas. Managing the fruits of this work—grant awards, legislative progress, and new projects and programs—requires people power in the fields of external affairs, program, and planning. Included in this budget is the talent required to manage these wins.

The RTA is faced with dual funding realities—the existence and infusion of one-time funds on the one hand and the absence of a dedicated long-term funding stream for administrative functions on the other. The Board and team continue to navigate revenue uncertainties while conservatively managing a combination of short-term revenue, state appropriations, and one-time grants, including American Rescue Plan funds. The presented budget acknowledges these uncertainties while laying the groundwork for a long-term vision that includes sustainable, dedicated funding.

In this budget, there is much to look forward to—the first year of operating the QLINE with a steady approach to integration, the advancement of long-term strategic priorities, and the successful delivery of transit services and amenities to Southeast Michigan residents. At a crucial inflection point for regional transit, and indeed the region’s vitality, the RTA maintains and extends its commitment to serving the public interest, advancing regional transit priorities, and delivering reliable regional transit.

Thank you for your guidance, leadership, and continued support.

A handwritten signature in black ink, appearing to read 'Ben Stupka', with a stylized flourish at the end.

Ben Stupka
Executive Director

Agency Purpose, Vision & Mission

Agency Purpose

The Regional Transit Authority of Southeast Michigan (RTA) was established by Public Act 387 of 2012. The RTA is responsible for developing a regional master transit plan, coordinating regional transit projects and programs, and distributing federal and state transit formula funds in the four-county region, including Macomb, Oakland, Washtenaw, and Wayne Counties.

Vision

RTA envisions a region with sufficient and stable funding to support improved public transit options that will advance equity by increasing accessibility; satisfy the integrated mobility needs of Southeast Michigan communities; and promote livable, healthy and sustainable growth.

Mission

Our mission is to manage and secure transportation resources that significantly enhance mobility options, to improve quality of life for the residents and to increase economic viability for the region.

The RTA's impact on the region can be seen in the expansion of services, the level of mobility innovation, and the increased dialogue on future funding. The RTA represents a vision of what transit can and should be in the region, and it takes steps, big and small, to secure and manage that vision.

RTA Core Business Functions

The Michigan RTA Public Act 387 stipulates the agency's statutory responsibilities to plan, fund, and coordinate strategic transit planning services. The agency also accelerates transit projects, deploying proof-of-concept transit services (e.g., DAX/D2A2) to fulfill unmet ridership demand and regional needs.



PLAN transit services, programs, and visions, and steward the Regional Master Transit Plan (RMTP).



FUND transit providers and service, serving as the region's administrator of grants and formula funding.



COORDINATE with providers and stakeholders to lead regional collaboration and present stronger plans and requests for funding.



ACCELERATE major projects that fill in long-standing gaps in service and respond to demands.

As the agency evolves taking on the QLINE streetcar service and formalizing regional pilots, the RTA will be increasingly focused on developing its ability to deliver and sustain services and programs that advance the region's vision for transit. Future actions and the upcoming transition will involve and elevate all parts of the RTA core business functions, increasing the regional relevance and importance of the RTA's role in these strategic areas.

RTA Regional Leadership

Board of Directors

Dedicated public servants with years of corporate, nonprofit, and government experience make up the RTA's Board of Directors. Passionate about responsible governance, forward-thinking solutions, and regional collaboration, the Board is committed to advancing transit service, technology, and infrastructure that contribute to a more equitable experience for current and future transit riders.

The RTA's 10-member board 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 chair without a vote.



Business Plan Purpose & Need

Delivering Results

Responding to ongoing and emerging needs, the RTA's Business Plan meets the region's current and anticipated needs in concert with transit providers. Throughout the year, the RTA leads ongoing collaborative planning and extensive cross-sector engagement, including community engagement with the Transit Providers Advisory Committee, Citizens Advisory Committee, government leaders, corporate and nonprofit partners, and consistent public engagement. This critical engagement informs the RTMP and RTA's strategic priorities.

FY 2025 will be unique. The RTA's roles and responsibilities have evolved with the agency's incorporation of QLINE and growth as regional transit coordinator. The elevated role of the RTA places our transit system on a growth path previously charted by peer agencies. This maturation is necessary to generate efficiencies and maximize the value and potential of investment.

Regional Transit Master Plan

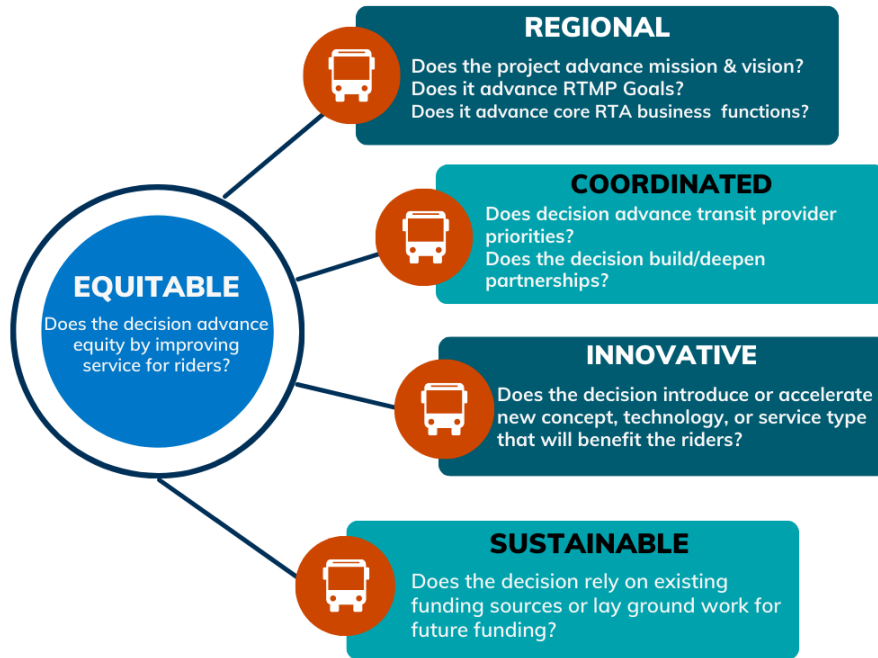
The RTMP is the strategic vehicle for identifying the region's overall goals and priorities for improving the regional transit system. The RTA has set up the RTMP to maximize its strategic value for accelerating services and programs under differential funding realities. The RTA and its partners have found success in this framework by connecting priorities to available funding and making incremental improvements to the region's transit system. All of the RTA's activities and the activities of the transit providers can be tied back to priorities identified in the RTMP.

RTMP Top Ten Priorities



The RTMP reflects the RTA’s Guiding Principles that the team applies to ensure projects selected for funding support equitable outcomes for transit service, infrastructure, and technology.

RTA Guiding Principles



Fiscal Year Budget Expectations

The FY2025 budget reflects the first year of RTA and QLINE integration. Both budgets allocate the necessary resources to deliver work plans, continue service operations, and advance strategic initiatives.

On day one of the newly combined agency (October 1, 2024), the RTA anticipates a transition pathway to learn more about QLINE operations that may lead to future integration and continuous improvement opportunities.

Strategic Priorities

The FY2025 Strategic Priorities blend the regional transit improvements identified in the RTMP with the realities of the QLINE transition and realistic budget expectations. Three main strategies lead RTA's acceleration of core programs, projects, and services that are integrated into the work plan and aligned with projected budget revenues and expenditures.

1. Strengthening Core Business Functions

Expanding Team : 50+ RTA & QLINE Employees

- Incorporating QLINE team 40+ employees
- Projecting four new RTA hires
 - Planning Manager, Web and Communications Associate, and Planning and Policy Associates
- Exploring new RTA office space

Modifying & Updating Administrative Policies

- Updating Federal and State compliance policies
 - Title VI
 - Disadvantaged Business Enterprise (DBE),
 - Equal Employment Opportunity (EEO)
 - American Disabilities Act (ADA)
 - Procurement
- Updating internal policies (e.g., Human Resources, DEI Plan, Accounting Procedures)
- Updating Board policies (e.g., Safety, Operational KPIs, Fund Programming)

Building on Planning and Grants

- Updating focused and investable RTMP
- Pursuing discretionary grants in partnership with regional and state partners
- Broadening agency External Affairs & Communications voice and impact to broadcast RTA message
- Delivering agency rebrand, new website, updated media strategy, expanded services marketing
- Expanding community engagement efforts through planning grants

2. Improving Regional Transit

Delivering Funded Planning Projects and Grants

- Continuing QLINE service & successes
- Continuing D2A2 and DAX express bus services
- Completing updated Coordinated Human Services Transit Plan and 5310 Call for Projects under the newly branded Mobility 4 All Program
- Launching the Access to Transit Program (ATP)
- Completing the Regional Transit Technology Strategic Plan

- Completing the Mobility Wallet Pilot

Leading Fund Development for Capital Projects

- Pursuing partnerships and funding for major corridor projects
- Advancing Regional Capital Planning Program

3. Building More Opportunities for Transit Funding

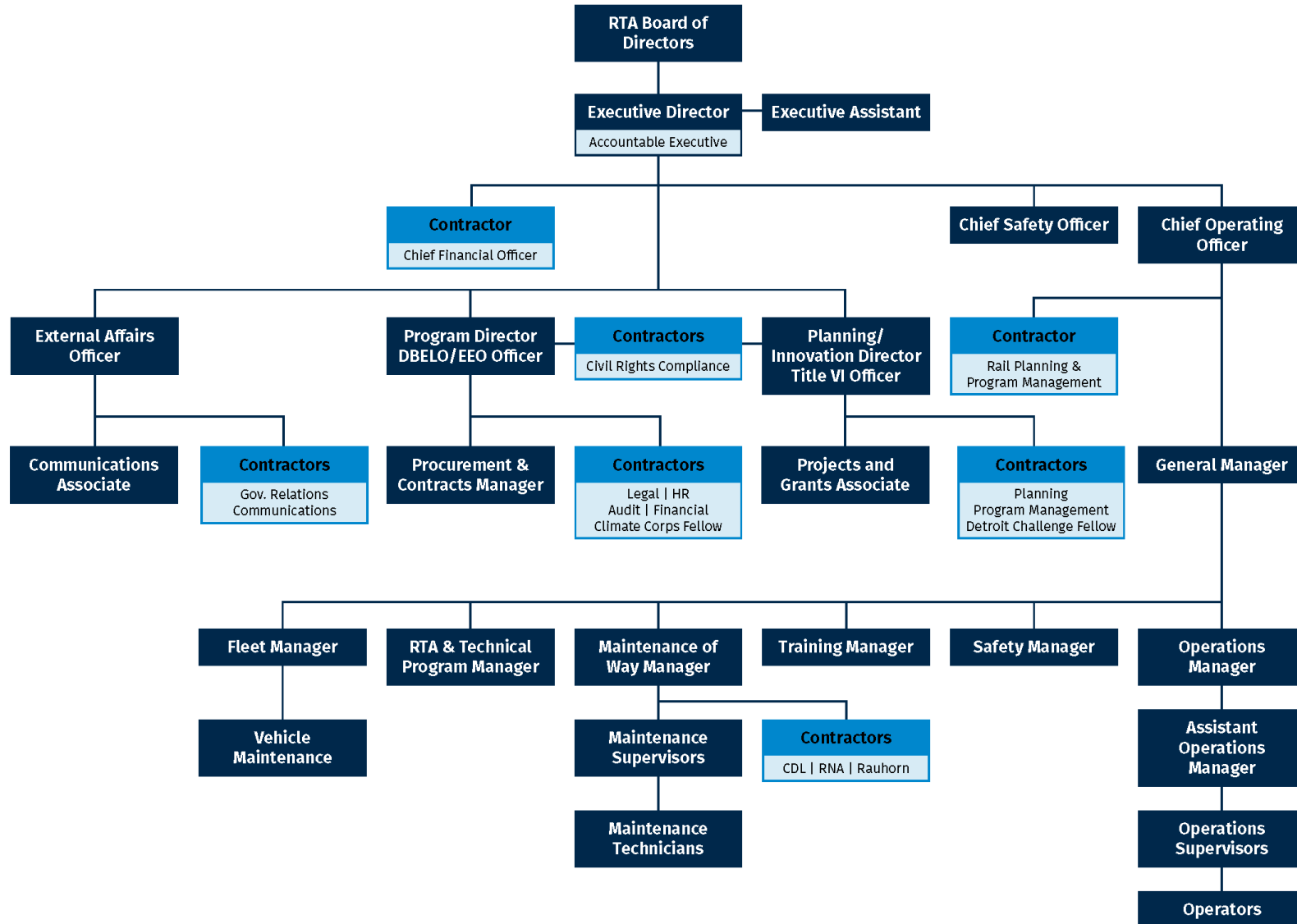
Legislative and Local Partnership Initiatives

- Expanding efforts in Lansing and DC to advocate for increased transit funding
- Competing for more state and federal discretionary grants
- Leading and supporting local funding efforts

Organizational Structure

RTA & QLINE Transition

The year-one transition period reflects similar internal structures at the RTA and QLINE under the responsibility of the Executive Director. This structure supports commitment to ongoing QLINE service operations and FTA grant and safety compliance. As a new organization with 50+ employees, FTA requires designated roles for Equal Employment Opportunity (EEO), Chief Safety Officer (CSO), Chief Operating Officer (COO), Disadvantaged Business Enterprise (DBE), and Title IV Compliance Officer.

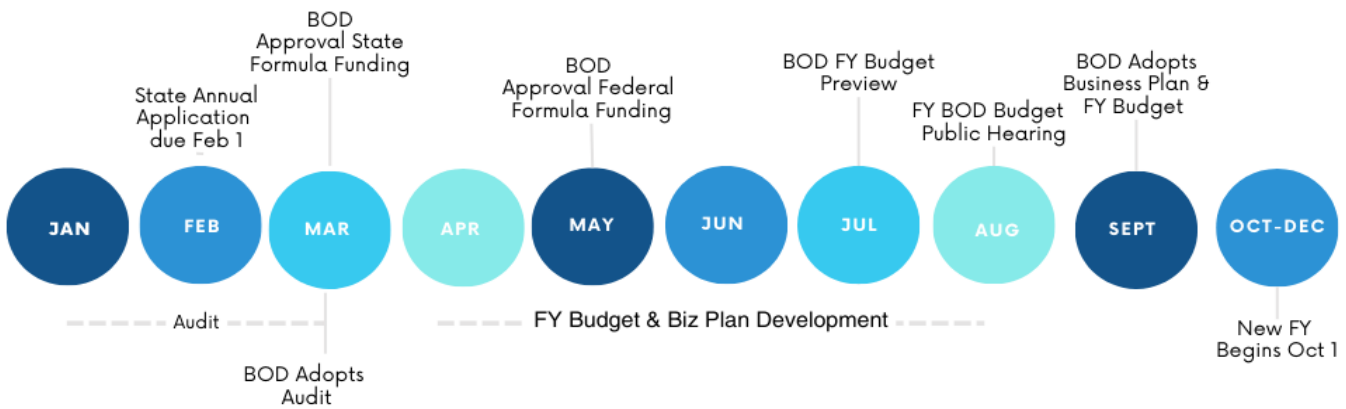


Annual Budget Cycle

Fiscal Obligations

RTA publishes a fiscally responsible, five-year budget with five-year revenue projections that reflect organizational priorities, meet the RTA’s statutory responsibilities, and deliver programs and projects.

In early 2024, the RTA stretched the budget planning cycle forward three months to begin in January to better incorporate the Michigan Department of Transportation Office of Passenger Transportation (OPT) annual state application. By February 1, Michigan transit agencies must submit operational budget requests to obtain state and federal funds for public transit and intercity bus services. The QLINE fiscal year begins October 1, integrating seamlessly into the RTA’s annual budget cycle.



New Budget Integration Expectations

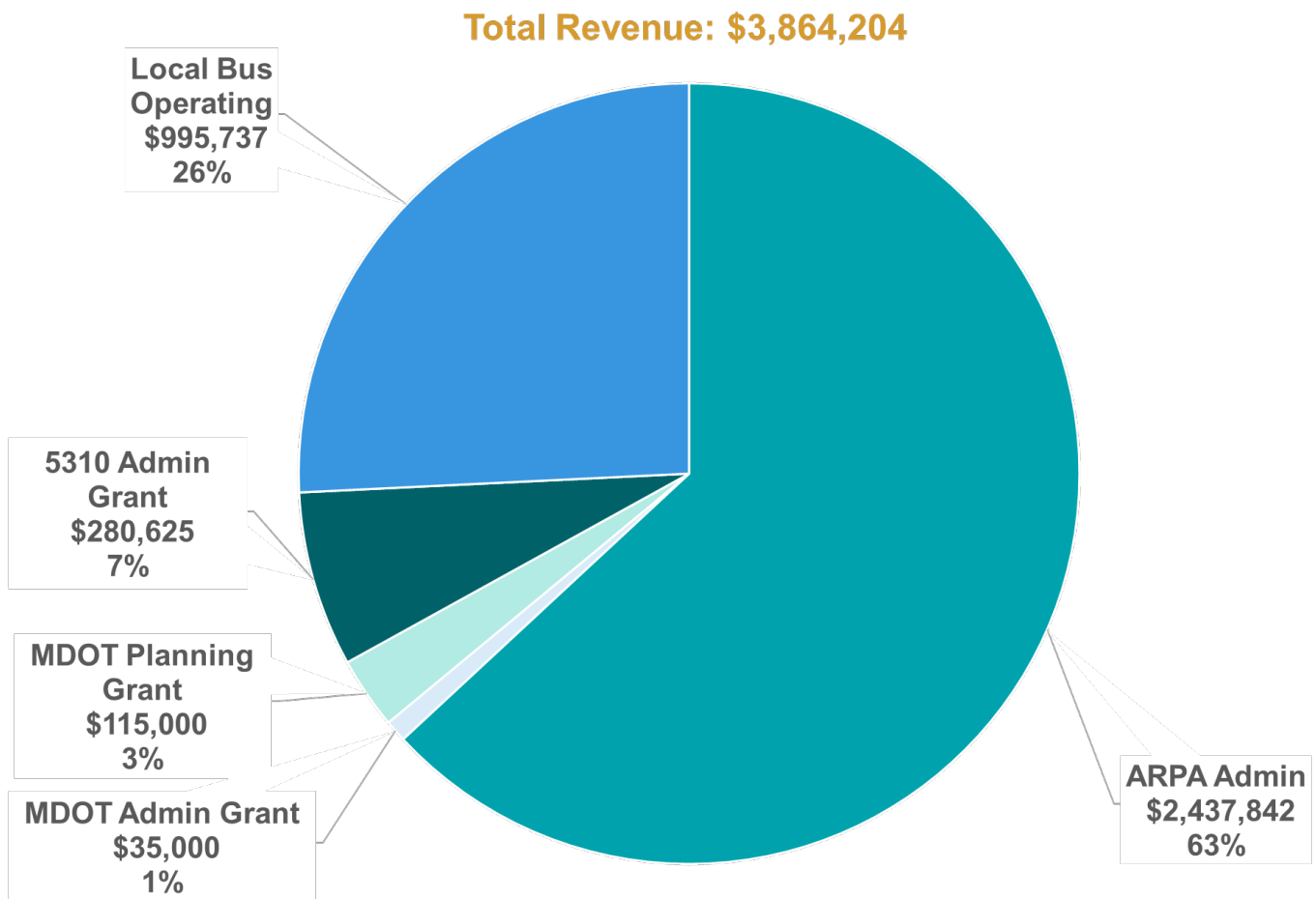
RTA’s budget reflects growing expenses to ensure financial and personnel integrity due to the transition, including finance management, human resources, financial management and audit services, legal counsel, insurance, and IT services.

Both agencies present separate budgets and budget tables with the RTA reflecting merged administrative expenses for initial cost effectiveness and business efficiencies. QLINE maintains its own budget table and narrative with commitment to ongoing service and safety.

Administrative Revenues

Revenue Sources

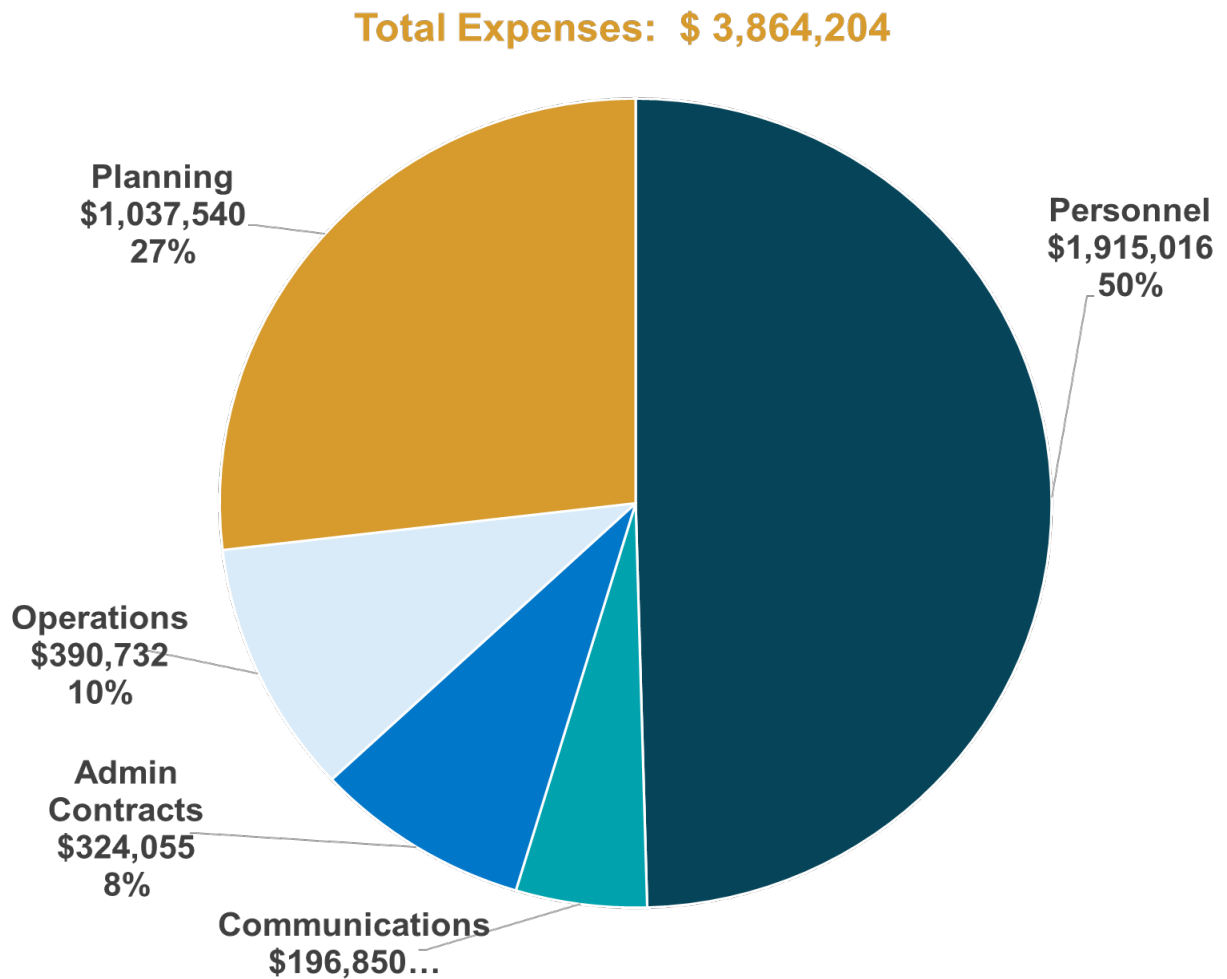
The RTA's revenue continues to rely on short-term revenue, one-time grants, and state appropriations. Integrating RTA and QLINE entities unlocks new State of Michigan revenue streams, including Local Bus Operating (LBO). The RTA will allocate LBO to cover portions of administrative expenses, with American Rescue Plan funds covering most critical administrative functions. The RTA will also use a combination of small grants to fund specific planning projects like the Coordinated Human Services Transportation Plan and the Regional Transit Technology Strategic Plan.



Administrative Expenses

Growing Capacity

This budget includes the personnel needed to manage a growing workload and accelerate the delivery of programs and projects. Specifically, it calls for up to four additional positions across all facets of the agency. It also includes adding federal government relations to the RTA state relations portfolio, increasing the External Affairs program budget to expand the strategic communications and media relations program, and continued stability for the agency's ongoing planning and program portfolio. In addition, it includes expanded funding to integrate and improve the IT functions of both the RTA and QLINE and funding for a potential change in RTA office space.



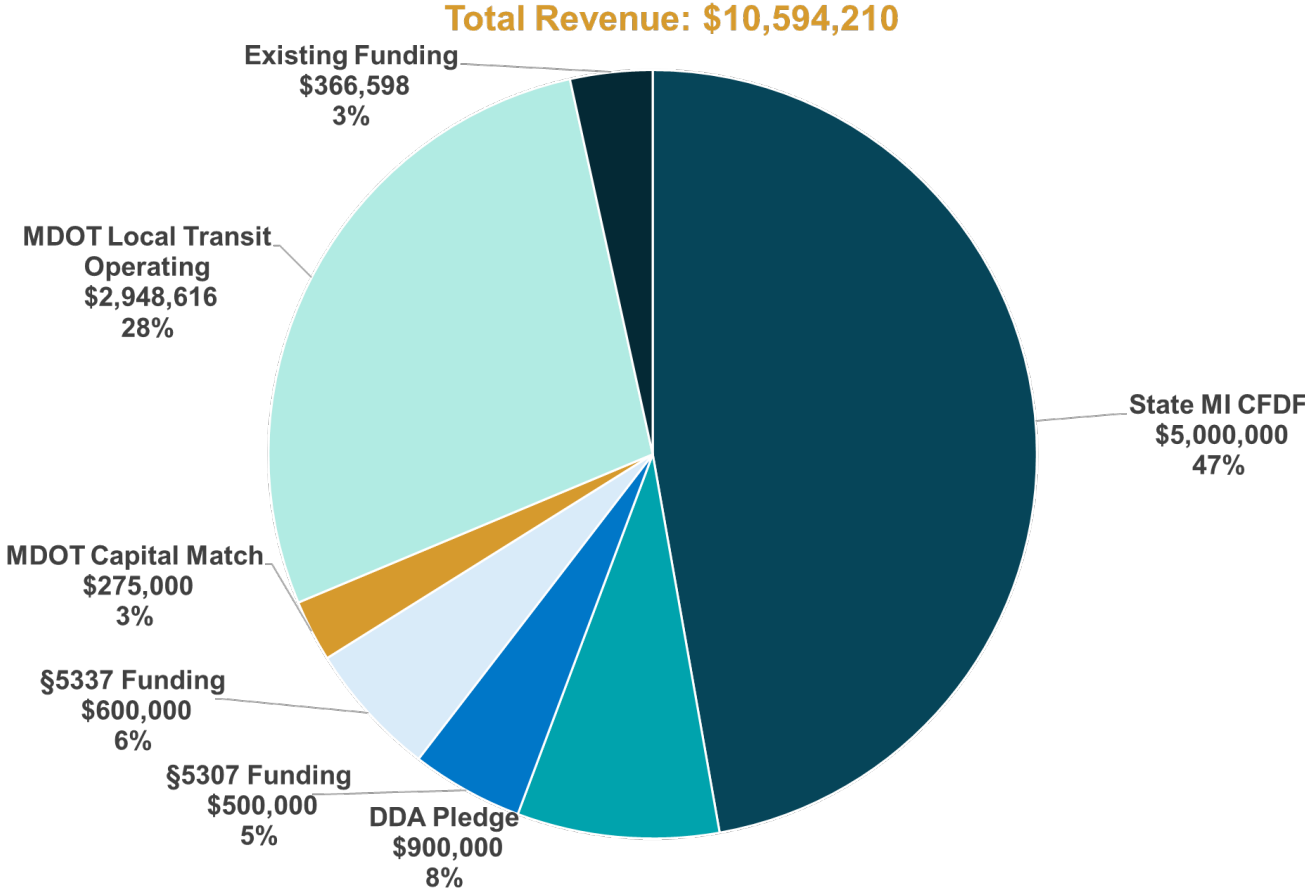
Administrative Budget - Detail

	Budget	Projected			
	FY2025	FY2026	FY2027	FY2028	FY2029
Administrative Program Budget					
Revenues					
American Rescue Plan Act (5307) - Admin	\$ 2,437,842	\$ 1,684,420			
American Rescue Plan Act (5307) - Regional		\$ 1,150,496	\$ 3,032,071	\$ 3,048,858	\$ 3,217,702
Local Bus Operating	\$ 995,737	\$ 1,157,923	\$ 1,238,452	\$ 1,245,308	\$ 1,314,273
MDOT Appropriation (FY2023)	\$ 35,000				
5310 Administrative Funding	\$ 280,625	\$ 280,625	\$ 300,000	\$ 300,000	\$ 300,000
MDOT SDNT Grant (Reg Tech Plan)	\$ 115,000				
Total Revenue	\$ 3,864,204	\$ 4,273,464	\$ 4,570,523	\$ 4,594,166	\$ 4,831,975
Expenses					
Personnel /Salary	\$ 1,410,207	\$ 1,508,921	\$ 1,554,189	\$ 1,600,815	\$ 1,648,839
Fringe & Benefits	\$ 504,809	\$ 539,545	\$ 555,731	\$ 572,403	\$ 589,575
Conferences, Events, Training	\$ 112,628	\$ 115,422	\$ 118,300	\$ 121,265	\$ 124,318
Board & Public Mtg Management	\$ 15,600	\$ 15,600	\$ 15,600	\$ 15,600	\$ 15,600
Finance, Legal, Government Relations	\$ 324,055	\$ 347,067	\$ 357,820	\$ 369,321	\$ 380,576
Rent and Utilities	\$ 127,800	\$ 102,248	\$ 103,365	\$ 104,516	\$ 105,702
Insurance	\$ 16,770	\$ 16,785	\$ 16,785	\$ 16,785	\$ 16,785
Telephone and Internet	\$ 8,430	\$ 9,430	\$ 9,430	\$ 9,430	\$ 9,430
IT Services & Computer Equipment	\$ 107,015	\$ 83,771	\$ 90,000	\$ 90,000	\$ 90,000
Supplies	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Operating SubTotal	\$ 2,629,814	\$ 2,741,290	\$ 2,823,721	\$ 2,902,634	\$ 2,983,325
Planning Expenses					
Planning Services	\$ 562,540	\$ 586,729	\$ 611,959	\$ 638,273	\$ 665,719
Specialized Planning Services	\$ 125,000	\$ 567,795	\$ 570,710	\$ 573,751	\$ 576,922
CHSTP	\$ 150,000	\$ -	\$ 162,900	\$ -	\$ 176,909
Community Engagement	\$ 200,000	\$ 208,600	\$ 217,570	\$ 226,925	\$ 236,683
Planning SubTotal	\$ 1,037,540	\$ 1,363,124	\$ 1,563,139	\$ 1,438,949	\$ 1,656,233
External Affairs Expenses					
Branding	\$ 10,000	\$ 10,000	\$ 20,000	\$ 35,000	\$ 20,000
External Communications	\$ 125,000	\$ 128,600	\$ 132,308	\$ 136,127	\$ 140,061
Social Media Management	\$ 7,800	\$ 7,800	\$ 7,800	\$ 7,800	\$ 7,800
Website	\$ 35,000	\$ 5,000	\$ 5,000	\$ 55,000	\$ 5,000
Graphics/Photography	\$ 10,150	\$ 10,150	\$ 10,155	\$ 10,155	\$ 10,155
Promotional Items	\$ 8,900	\$ 7,500	\$ 8,400	\$ 8,500	\$ 9,400
External Affairs SubTotal	\$ 196,850	\$ 169,050	\$ 183,663	\$ 252,582	\$ 192,416
Total Expenses	\$ 3,864,204	\$ 4,273,464	\$ 4,570,523	\$ 4,594,166	\$ 4,831,974

QLINE Revenues

Fully Funded Streetcar Service

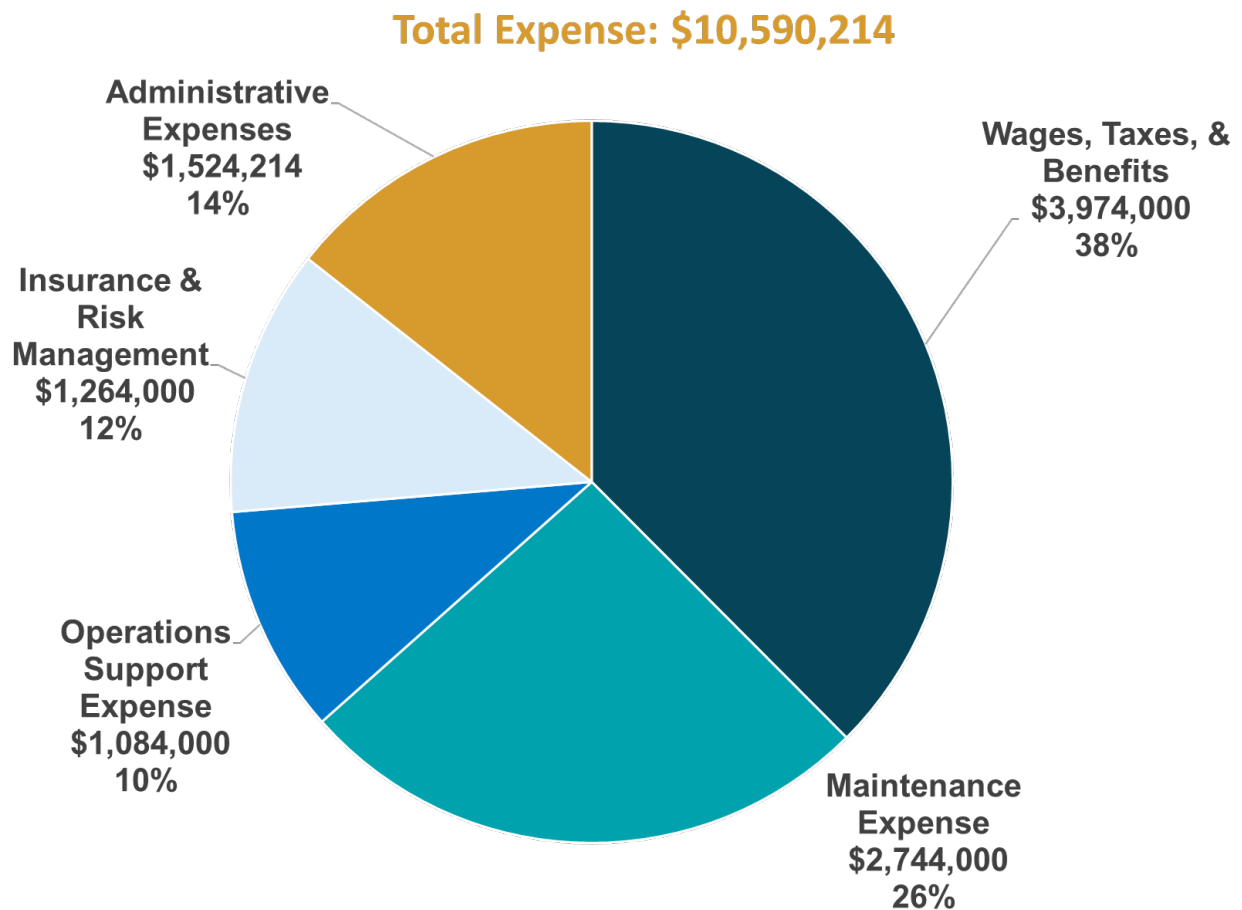
The M1-Rail Board of Directors transferred a fully funded QLINE streetcar operation to the RTA. Existing funding sources include the State of Michigan Convention Facility Development Fund (CFDF) and the City of Detroit Downtown Development Authority. Through RTA ownership, the QLINE service is also now eligible for transit operating funding from the state and maintenance funding through the federal government.



QLINE Expenses

Ongoing Service Delivery

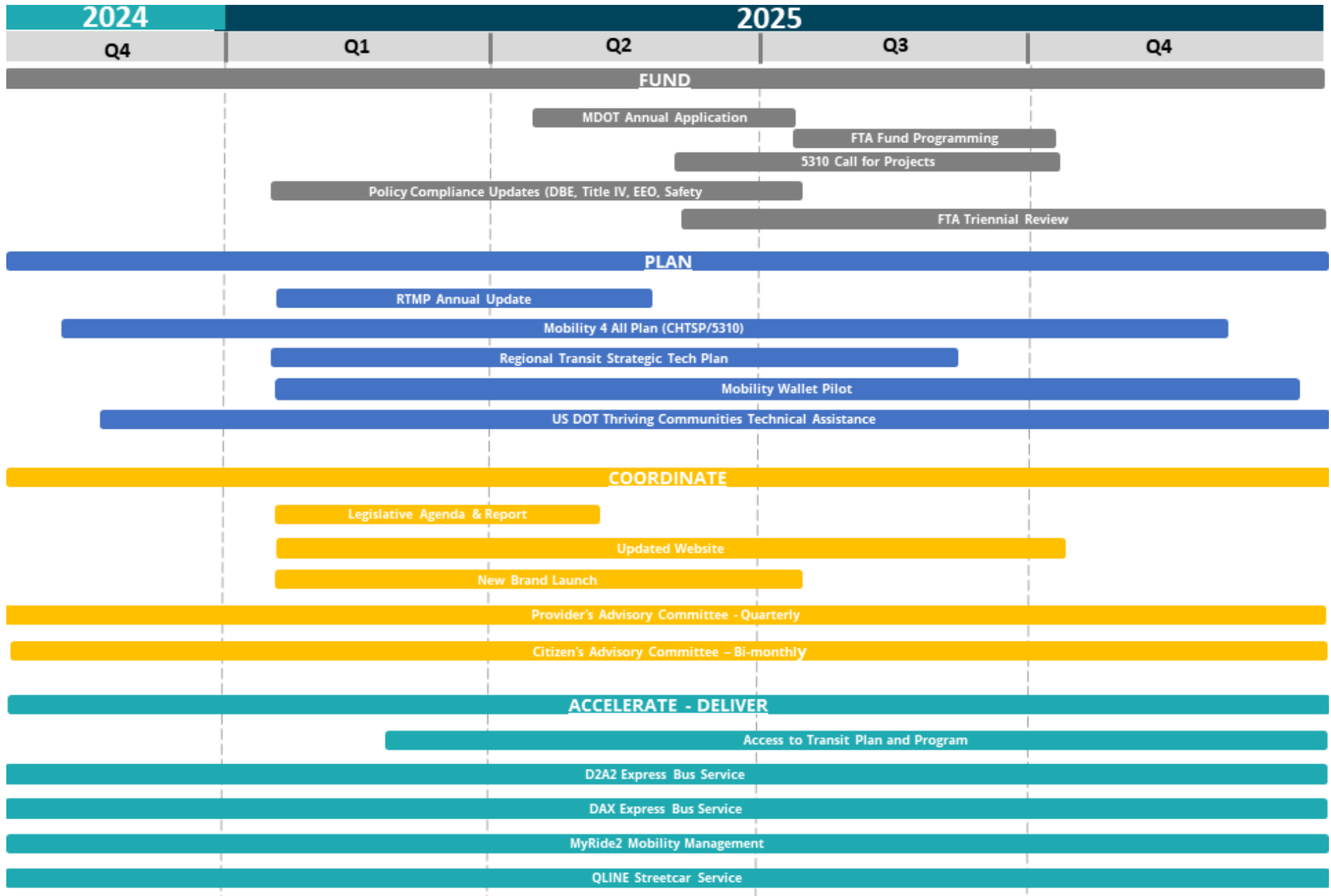
QLINE's expenses ensure that streetcar service performance remains reliable and safe during the transition period. Ridership continues to grow annually due to a strategic focus on building stronger connections with businesses, institutions, and people along the corridor. Personnel costs reflect operators' and maintenance team members' need to provide ongoing service and maintain well-functioning streetcar vehicles; parts supply remains a significant budget expense.



QLINE Budget - Detail

	Budget	Projected			
	FY2025	FY2026	FY2027	FY2028	FY2029
QLINE					
Revenues					
State of Michigan CFDF	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Advertsing/Sponsorships	\$ -	\$ -	\$ -	\$ 200,000	\$ 250,000
DDA Pledge	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
§5307 Funding	\$ 500,000	\$ 510,000	\$ 520,200	\$ 530,600	\$ 541,200
§5337 Funding	\$ 600,000	\$ 612,000	\$ 624,240	\$ 636,725	\$ 649,459
MDOT Capital Match	\$ 275,000	\$ 280,500	\$ 286,100	\$ 291,825	\$ 297,675
MDOT Local Transit Operating	\$ 2,948,616	\$ 2,948,616	\$ 2,948,616	\$ 2,948,616	\$ 2,948,616
Total Revenue	\$10,223,616	\$10,251,116	\$10,279,156	\$10,507,766	\$10,586,950
Expenses					
Wages, Taxes, & Benefits	\$ 3,974,000	\$ 4,278,530	\$ 4,461,526	\$ 4,652,834	\$ 4,852,873
Maintenance Expense	\$ 2,744,000	\$ 1,857,029	\$ 1,930,354	\$ 1,764,739	\$ 1,869,745
Safety & Security Expense	\$ 129,000	\$ 19,747	\$ 20,249	\$ 21,055	\$ 21,900
Utilities Expense	\$ 479,000	\$ 510,000	\$ 544,700	\$ 562,000	\$ 580,200
Operations Support Expense	\$ 1,084,000	\$ 987,571	\$ 984,472	\$ 1,003,019	\$ 1,022,000
Insurance & Risk Management	\$ 1,264,000	\$ 1,347,000	\$ 1,437,700	\$ 1,537,400	\$ 1,646,700
Legal	\$ 228,214	\$ 234,907	\$ 249,541	\$ 256,373	\$ 266,791
Communications	\$ 158,000	\$ 102,000	\$ 102,000	\$ 102,000	\$ 102,000
Finance & Accounting	\$ 240,000	\$ 240,099	\$ 240,003	\$ 240,003	\$ 240,003
Human Resources	\$ 133,000	\$ 86,870	\$ 89,580	\$ 92,686	\$ 95,912
Other Support Expense	\$ 157,000	\$ 172,454	\$ 178,370	\$ 185,624	\$ 192,731
Total Expenses	\$10,590,214	\$9,836,207	\$10,238,495	\$10,417,733	\$10,890,855
Annual Surplus/Deficit	(\$366,598)	\$414,909	\$40,661	\$90,033	(\$303,904)
Beginning Cash Balance	\$1,227,000				
Cummulative Over/(Under)	\$860,402	\$1,275,311	\$1,315,972	\$1,406,005	\$1,102,101

2025 Key Activities



RTA Project & Service Priorities

Project Expenses

A maturing and developing agency, the RTA leads pilot programs that have closed critical gaps in the regional landscape identified by the Regional Transit Master Plan. As part of the agency’s evolution, pilot programs like D2A2 have operated successfully, reached their intended goals, and proven their value. The RTA intends to establish successful pilots as permanent services. In addition, several grant programs administered by the RTA will facilitate important growth for the region in technology, service, and infrastructure. Establishing these programs will improve regional transit and open windows for growth.

Federal and state grants fully fund all projects. This will include using Regional ARPA funding to support D2A2 and DAX services.

Project or Service	Budget Allocation
D2A2 D2A2 is a direct coach service connecting Detroit and Ann Arbor. Ridership has climbed by 50% year over year and a 2024 ridership survey suggests that more than a quarter of riders would not travel without D2A2. The RTA suggests extending funding to continue this service past its pilot phase.	\$3,000,000
Detroit Air Xpress Detroit Air Xpress (DAX) is a direct coach service connecting downtown Detroit and DTW Airport. The service has exceeded initial ridership goals and has proven to be a valuable option for visitors, residents, airport workers, and conference attendees. This budget plans for extending the service beyond its pilot phase.	\$1,600,000
Mobility Wallet The RTA is one of three organizations selected to carry out a Mobility Wallet pilot program through the State of Michigan’s Mobility Wallet Challenge. The pilot program will provide foundational knowledge and experience in establishing a technology platform allowing users to pay for public transportation trips through a single shared system. The RTA intends to measure the success of state pilots and evaluate opportunities for region-wide expansion. The amount here is the remainder of the budget for the pilot project in FY2025.	\$600,000
Access To Transit Program The RTA received a 2024 Federal Transit Administration grant award with state match, and an additional MDOT grant award, to implement the Access to Transit Program. This program will improve accessibility, safety, and first- and last-mile connections at transit stops throughout the	\$3,363,395

region. It will also complement existing efforts from transit providers to create better, safer transit stop infrastructure. The RTA intends for this program to grow with the agency.

MyRide2

This budget line is intended to cover the continuation of the Regional Mobility Management Program through September 2025. This program currently provides funding for the MyRide2 One Click/One Call service that offers transit navigation assistance for all residents, especially designed to assist Section 5310 communities. RTA funding is needed to support this project in the future.

**\$500,000
annually**



www.rtamichigan.org

1001 Woodward Ave., #1400 | Detroit, Michigan, 48226