



TO: Kalamazoo Area Transportation Study Policy Committee

FROM: Jonathan Start, Executive Director

DATE: January 16, 2014

SUBJECT: **POLICY COMMITTEE MEETING
WEDNESDAY, JANUARY 22, 2014 - 9:00 A.M.
KALAMAZOO METRO TRANSIT
530 NORTH ROSE STREET**

The Kalamazoo Area Transportation Study Policy Committee will be meeting on Wednesday, January 22 at 9:00 a.m. at Kalamazoo Metro Transit, 530 North Rose Street.

The following materials are included in your meeting packet:

1. Agenda for the January 22, 2014 meeting (reverse side)
2. Information Memorandum for January 22, 2014
3. Minutes of the December 4, 2013 meeting
4. Treasurer's Report
5. FY 2013 Auditor's Report
6. Transportation Alternatives Program Projects
7. Congestion Mitigation Air Quality Program FY 2018 And 2019 Projects
8. Transportation Improvement Program Amendments
9. FY 2014 Unified Work Program Amendments

If you have any questions or additional agenda items, please let us know.

POLICY COMMITTEE MEETING

JANUARY 22, 2014

AGENDA

1. CALL TO ORDER
2. INTRODUCTIONS
3. ROLL CALL (Sign-in Sheet To Be Distributed)
4. MINUTES FROM THE DECEMBER 4, 2013 MEETING (Enclosure) (**ACTION**)
5. CHANGES OR ADDITIONS TO THE AGENDA
6. APPROVAL OF THE AGENDA (**ACTION**)
7. TREASURER'S REPORT (Enclosure) (**ACTION**)
8. TECHNICAL COMMITTEE REPORT (January 9, 2014)
9. CITIZENS' COMMENTS (Non-agenda items only. Comments on agenda items should be made during discussion of those items).
10. EDUCATION OPPORTUNITY
11. FY 2013 AUDITOR'S REPORT PRESENTATION AND ACTION (Enclosure) (**ACTION**)
12. TRANSPORTATION ALTERNATIVES PROGRAM PROJECTS (Enclosure) (**ACTION**)
13. CONGESTION MITIGATION AIR QUALITY PROGRAM FY 2018 AND 2019 PROJECTS (Enclosure) (**ACTION**)
14. TRANSPORTATION IMPROVEMENT PROGRAM AMENDMENTS (Enclosure) (**ACTION**)
15. FY 2014 UNIFIED PLANNING WORK PROGRAM AMENDMENTS (Enclosure) (**ACTION**)
16. 2014 HEALTH REIMBURSEMENT ACCOUNT DEPOSIT (**ACTION**)
17. REGIONAL PROSPERITY INITIATIVE COMMITTEE REPRESENTATIVE (**ACTION**)
18. PUBLIC TRANSPORTATION MONTHLY REPORT AND UPDATES
19. BYLAWS
20. NEW BUSINESS
21. ADJOURNMENT

Next Meeting: Wednesday, February 26, 2014 - 9:00 a.m.



TO: Kalamazoo Area Transportation Study Policy Committee
FROM: Jonathan R. Start, Executive Director
DATE: January 16, 2014
SUBJECT: Information on the Policy Committee Agenda for January 22, 2014 Meeting

Here is information on Policy Committee agenda items for your information.

7. Treasurer's Report (Enclosure) (ACTION)

The Treasurer will report to the Policy Committee on KATS financial activities for the Month of December 2013.

8. Technical Committee Report

The Technical Committee met on January 9, 2014. Action items on the agenda included the following:

- Transportation Alternatives Program - The Technical Committee discussed the projects recommended by the Transportation Alternatives Program subcommittee for approval as FY 2015 - 2017 funded projects using the KATS available funding. Those projects not funded were encouraged to be submitted to the statewide Transportation Alternatives Program. The Technical Committee recommended that the Policy Committee approve these projects for funding. Discussion will be under item 11 of the Policy Committee agenda.
- Amendments to the FY 2014 - 2017 Transportation Improvement Programs. Action to recommend that the Policy Committee approve the amendments. This will be discussed under item 13 on the Policy Committee agenda.
- There was a call for projects for the FY 2018 and 2019 years of the Congestion Management Air Quality program. Projects were submitted and reviewed. The Technical Committee accepted the recommended projects and recommends that the Policy Committee approve them as well. This will be discussed under item 12 of the Policy Committee agenda.

The Technical Committee heard a presentation from Dr. Oh of Western Michigan University on the recently funded Transportation Research Center for Livable Communities.

Updates were provided on Public Transportation, road projects, land use and planning, and the traffic data collection contract.

- **Kalamazoo County Road Commission:** Bidding opened January 10 for the N Avenue from 26th-29th Street project. The East Michigan Avenue Bridge Project is in the final planning stages and preparations are being made to start bidding. The Road Commission reported it

was also working on safety projects for 12th Street and Sprinkle Road from E. Michigan to E. Main.

- **MDOT:** US - 131 and Stadium Drive interchange reconstruction and the intersection at Drake and Stadium is slated to begin construction in April and continue through the beginning of November. During construction, two lanes will be maintained in each direction. Loop ramps will be closed for the entire season and detours will be located at Drake, W. Main, and 9th Street.
- **City of Kalamazoo:** Grade inspection is set for the Howard Street resurface project from Kendall to Michigan Avenue. May letting is anticipated.
- **City of Portage:** A preconstruction meeting is scheduled regarding the Portage Road & Centre Avenue traffic signal interconnection project. Grade inspection is set for two FY 2014 projects with anticipated May or June letting.
- **Oshemo Township:** Costco is slated to begin construction in June with a November opening. A question was raised as to whether there would be a traffic signal. It was reported that there will be signal installed on Drake Road opposite a relocated drive at the top of the hill.
- **City of Kalamazoo Planning:** Planning continues for Seely Automotive to construct a facility downtown and a Hampton Inn by the airport. The WMU Medical Center is set for completion in June.

10. Educational Opportunity

Staff is planning on holding education sessions about KATS, the Policy Committee's role, and transportation funding. Rather than having one large session, we are planning on holding smaller sessions for as many times as there is interest. A sign-up sheet will be available at the Policy Committee Meeting that lists days staff is available. Please sign up for the session(s) you would like to attend. You should feel free to invite others from your agency as well.

11. FY 2013 Auditor's Report Presentation (Enclosure) (ACTION)

Aaron Stevens of Abraham & Gaffney, the KATS auditing firm, will make a presentation of their FY 2013 audit for the Kalamazoo Area Transportation Study. Staff and Mr. Stevens will answer questions on the audit and his report recommendations. The Policy Committee will be asked to accept the FY 2013 KATS audit report.

12. Transportation Alternatives Program Projects (Enclosure) (ACTION)

As a Transportation Management Area, KATS has \$243,000 annually in Transportation Alternative Program funds available to program on projects. Agencies responded to a call for projects submitting a total of 19 projects from 4 agencies. These were evaluated by the Transportation Alternatives Program Subcommittee. The subcommittee recommended that a total of 5 projects be programmed with KATS Transportation Alternatives Program funds in FY 2015 through 2017. Some of the other submitted projects were of a size that the statewide funding would be the appropriate source of funds. Agencies with large projects were encouraged to apply directly to the state.

The projects that the Technical Committee is recommending the Policy Committee approve for Transportation Alternatives Program funds are:

- FY 2015: City of Portage south-central bikeway project which will connect from the existing trail system near Centre Street toward the south Portage City Limit costing \$320,000 total (\$243,000 in federal funds).
- FY 2016: City of Kalamazoo project to add non-motorized facilities along Kilgore Road from the Kilgore Service Road to Sprinkle Road costing \$182,000 total (\$121,500 in federal funds), and a Village of Mattawan Kucinich Trail project costing a total of \$173,919 (\$121,500 in federal funds).
- FY 2017: Two City of Kalamazoo projects. One is on Burdick Street from Cork Street to Lovell Street which will change the number of lanes and add bike lanes south of Crosstown Parkway. North of Crosstown, “Sharrows” will be installed. The total cost is \$87,000 (\$60,000 in federal funds). The other project is on Vine Street between Davis and Oak Streets which will add curb bump outs, markings, and some curb work as part of a joint City of Kalamazoo, WMU, MDOT, Vine Neighborhood, and Kalamazoo Public Schools Safe Routes to School larger project. The total cost is \$272,000 (\$183,000 in federal funds).

The project summary sheet is included in your packet showing all submitted projects. The Technical Committee and staff recommend that the Policy Committee approve these projects for Transportation Alternatives Program funding as listed.

13. Congestion Mitigation Air Quality Program FY 2018 and 2019 Projects (Enclosure) (ACTION)

There was a call for FY 2018 and 2019 Congestion Mitigation Air Quality projects. During the process of reviewing project proposals, KATS learned that the dollars available to KATS under this program increased slightly over what we had programmed earlier for FY 2015 – 2017 projects. The Congestion Mitigation Air Quality Subcommittee evaluated the existing program to recommend where the increased federal funds should be placed as well as evaluating the submitted project proposals and recommend the FY 2018 and 2019 projects for funding. The criteria that is used to evaluate projects includes the emission estimated to be reduced with the project as well as the cost per kilogram of emissions reduced. The table that was included in your packet shows the projects that the Policy Committee has already approved for FY 2015 – 2017 with the change in federal funds indicated in bold type. The new FY 2018 and 2019 projects are also listed.

For FY 2018, two projects are recommended for federal funding. One is signal modernization and interconnection project on West Michigan and Howard corridors. The total cost is \$1,175,000 (\$927,428 in Federal funds). Twelve signalized intersections will be modernized and interconnected; including MDOT, Kalamazoo County Road Commission, and City of Kalamazoo signals. The second project is funding \$48,457 for the marketing of the area ridesharing program at Kalamazoo Metro Transit.

There are three recommended projects in FY 2019 using Congestion Mitigation Air Quality funds. One is a corridor traffic signal modernization and interconnection upgrade project on Westnedge and Shaver from Centre to Meijer Drive in the City of Portage. Seven signalized locations in that corridor will be upgraded. The total project cost is \$950,000 (\$825,974 in federal funds). There is a project for the Van Buren County Road Commission to fund the purchase of a clean diesel truck to replace an older truck from their fleet. The total cost is \$259,999 with \$100,000 in federal funds to be used toward the purchase of the cab and chassis only. The third FY 2019 project is a continuation of the ridesharing marketing program at \$49,911 in federal funds.

The Congestion Mitigation Air Quality Subcommittee, the Technical Committee, and staff recommend that the Policy Committee approve these Congestion Mitigation Air Quality projects for FY 2018 and 2019. The changes in federal funds in FY 2015 – 2017 are within the limits that allow for administrative modifications.

14. Transportation Improvement Program Amendments (Enclosure) (ACTION)

Included in your packet are recommended amendments to the FY 2014 – 2017 Transportation Improvement Program. The projects include four new projects that were announced recently by our state legislators. These include two projects in the City of Portage, a \$540,000 mill and resurface project on Portage Road from Milham to Byrd and a \$270,000 mill and resurface project on Oakland Drive from I-94 to Kilgore Road. Also included is a Village of Mattawan \$341,000 mill and resurface project on Main Street from Culver Creek to Front Street. The fourth project is an MDOT \$250,000 project to replace bridge joints on the Ravine Road Bridge over US-131. All four of these projects are scheduled to be constructed in 2014 and are shown to be funded with Michigan M funds at 100 percent. Details are limited and may change as time goes on but staff and the Technical Committee wanted to get them into the Transportation Improvement Program as quickly as possible so they are not delayed at our end.

There are also three other MDOT projects included in these amendments. One is the addition of a \$40,000 project for early preliminary engineering work on the US-131 bridge over KL Avenue and the Amtrak Railroad for a project anticipated in FY 2015. There is also an additional project to perform early preliminary engineering work to evaluate and scope US-131 in St. Joseph and Kalamazoo Counties to identify future projects. The last project in the amendments is a cost adjustment for the FY 2014 project to replace the bridge on Stadium Drive over US-131.

For the Policy Committee's information, three projects have had administrative modifications made to them that adjust costs within the dollar limits of our policy.

The Technical Committee and staff recommend that the Policy Committee approve these amendments to the FY 2014 – 2017 Transportation Improvement Program.

15. FY 2014 Unified Planning Work Program Amendment (Enclosure) (ACTION)

The KATS FY 2014 Unified Planning Work Program is the budget for KATS and includes areas of emphasis for staff and local agencies in the planning work anticipated in 2014. It also includes the agreements for third party contributed services that provides the required match for the federal planning funds that pays for the operation of KATS. Amendments to the current work program are recommended to do two things: add a study for the Oshtemo Downtown Development Area and move some budgeted amounts between indirect and fringe line items to better reflect the costs that have been experienced so far this year.

The changes do not alter the third party contributions needed for match, nor do they exceed the federal and state planning funding available to KATS for its operations and its contract work with the Southcentral Michigan Planning Council. Staff will be happy to address questions that the Policy Committee may have on the amendments. Staff recommends that the Policy Committee approve the recommended amendments as contained in the pages of the document that are changed by the action.

16. Health Reimbursement Account Deposit (ACTION)

After the State adopted legislation that limited the amount that a public employee could receive in health insurance benefits, the Policy Committee changed the policy provided to KATS employees to a Health Reimbursement Account with high deductibles. The Policy Committee chose to use the hard dollar cap rather than the 80% limit for KATS employees. The difference between the legislative dollar cap and the

cost of the policy provided is used to fund the Health Reimbursement Account. For 2014, that amount is \$6,351.72. This amount is higher than the Executive Director can authorize. Staff requests and recommends that the Policy Committee authorize the Executive Director to write a check to deposit \$6,351.72 into the KATS Health Reimbursement Account. The funds in that account are administered by Burnham and Flowers but remain KATS funds.

17. Regional Prosperity Initiative Committee Representative (ACTION)

The Governor's Regional Prosperity Initiative is moving forward with the collaboration of the entities in the seven county area covered by the Southcentral Michigan Planning Council and the Southwest Michigan Planning Commission. A grant was awarded to the seven county area to collaborate with economic development, planning, education, and work force development to develop a 5 year economic development plan. Since the grant was awarded, a steering committee or council is being assembled to provide coordination and direction as the economic plan is developed. As a Metropolitan Planning Organization within the seven county area and an identified eligible grant recipient, KATS, as well as the Battle Creek Area Transportation Study, have seats on the council. This council will meet at least twice a month on average for the next 8 months working on the project.

KATS needs to identify a representative for this council. It could be one of the Policy Committee members or staff. Staff offers the Executive Director as the representative for KATS. He has been involved from the beginning in this initiative. Staff asks that the Policy Committee name their representative on this working committee.

18. Public Transportation Monthly Report and Updates

Monthly Report

The Administrative Work Group for the transition of public transportation met twice since the last Policy Committee meeting. The items discussed focused on proposed governance of the new combined public transportation entity, transitional issues with governance, and the joint executive services agreement between the City of Kalamazoo and the Kalamazoo County Transportation Authority. Additional Municipalities have endorsed the transition timeline. The Transition Leadership Team is going to meet in mid-February.

Updates

Members of the Kalamazoo County Transportation Authority Board, the Kalamazoo Transit Authority Board, Van Buren Transportation, and/or staff will provide additional updates to the Policy Committee as appropriate.

19. Bylaws

Staff and the Bylaws committee have been focusing on two related issues: how to formalize the amount of third party contributed services that a member will be asked to provide toward the required local match for KATS operations and how to divide up the cost of the annual audit which is required but is not reimbursed by federal dollars. The method for contributed services used to date has evolved and basically relies more on the larger entities who benefit the most directly from federal funds programmed through KATS for the bulk of the match while including others at a lesser level. The audit costs have been divided equally between the City of Kalamazoo, the City of Portage, the Kalamazoo County Road Commission, and Kalamazoo Metro Transit. Audit costs have been less than \$8,000 annually. With the new area and new members, the need to have a formula or structure for determining contribution and audit support needs to be answered.

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Most Metropolitan Planning Organizations use population as the basis for determining membership dues. Some treat road commissions separately based on a flat cost per eligible mile. Some add flat fees for members who have universities on their boards. The Bylaws Subcommittee considered a population based method but was concerned that the dollar levels asked of smaller entities might be so high that it discouraged their continued participation. They suggested a tiered approach where larger agencies paid a rate at the top tier, smaller Act 51 agencies paid a lower amount at a second tier, townships paid a lower level at a third tier. Staff will present a table on how this tiered approach might work. Staff intends to take the input from the Policy Committee and meet again with the Bylaws Subcommittee to develop a final recommendation for the Policy Committee at their February meeting.



KALAMAZOO AREA TRANSPORTATION STUDY POLICY COMMITTEE MINUTES MEETING OF DECEMBER 4, 2013

The December meeting of the Kalamazoo Area Transportation Study Policy Committee was called to order at 9:00 a.m. at Kalamazoo Metro Transit.

Members Present

Bill Adams	Village of Vicksburg
David Anderson	City of Kalamazoo <i>Chair</i>
David Cornish	Village of Lawton
Carol Fricke	Transit Authority Board
Beth Griffin	Van Buren County Board of Commissioners
Darrell Harden	Michigan Department of Transportation – Southwest Region
Rob Heasley	City of Parchment
Libby Heiny-Cogswell	Oshtemo Township
Linda Kerr	Texas Township
John Lanum	Michigan Department of Transportation-Lansing
Jeff Maddox	Kalamazoo County Road Commission
Don Martin	Kalamazoo Township
Jack Mekemson	Kalamazoo County Transportation Authority
Larry Nielson	Village of Paw Paw
Greg Rosine	Western Michigan University
Randy Smith	Brady Township
Jeff Sorensen	Cooper Township
Richard Spulick	Village of Mattawan
Alain Svilpe	Van Buren County Road Commission
Greg Thomas	Pavilion Township
Rachel Tupica	Federal Highway Association
Don Ulsh	Schoolcraft Township
Terry Urban	City of Portage

Members Absent

Jeff Bither	Ross Township
Alan Bussema	Richland Township
Lou Conti	Alamo Township
Dan DeVries	Village of Schoolcraft
Carl Newton	City of Galesburg
Ann Nieuwenhuis	Comstock Township
Bob Prentice	Village of Richland
Don Schultz	Climax Township
Tom Swiat, Jr.	Prairie Ronde Township
John Zull	Kalamazoo County Board of Commissioners

Others Present

Dennis Durham, Rick Fowler, Lawrence Hummel, Matt Johnson, Fred Nagler, Bill Schomisch, Kathy Schultz, Jon Start, Steve Stepek, Taylor Raupp, and Monica Zehner.

INTRODUCTIONS

Jon Start introduced new KATS staff members, Taylor Raupp and Monica Zehner. Fred Nagler introduced his future replacement at the City of Kalamazoo, Matt Johnson.

MINUTES OF OCTOBER 30, 2013 MEETING

MOTION by Griffin, SUPPORT by Maddox , ***“to approve the minutes of the October 30, 2013 Policy Committee meeting.”*** Motion approved.

CHANGES OR ADDITIONS TO THE AGENDA

Jon Start asked for volunteers to serve on a Non-motorized Transportation Subcommittee under Other New Business.

APPROVAL OF THE AGENDA

MOTION by Heasley, SUPPORT by Griffin, ***“to approve the agenda for the December 4, 2013 Policy Committee meeting with the change noted.”*** Motion approved.

TREASURER’S REPORT

A copy of the October Treasurer’s Report was provided to the committee for review. The beginning balance on October 1, 2013 was \$195,431.15 and the ending balance as of October 31, 2013 was \$142,809.58.

MOTION by Maddox, SUPPORT by Mekemson, ***“to approve the October 2013 Treasurer’s Report as presented.”*** Motion approved.

TECHNICAL COMMITTEE REPORT

Jon Start reported that the Technical Committee met on November 7, 2013. The Policy Committee was provided with a list of the Technical Committee action items discussed. The committee discussed and approved amendments to the FY 2011-2014 and to the FY 2014-2017 Transportation Improvement Programs. The Congestion Management Process was reviewed for presentation to the Policy Committee for approval. Elections were held for Technical Committee officers. Tom Hohm was elected as Chairperson, and Sean McBride was elected as Vice-Chairperson. Terms will end January, 2015. Most projects for FY 2013 have been completed and work has begun on FY 2014 projects. The next meeting will be held on January 9, 2014.

CITIZEN’S COMMENTS – None

FINANCE AND PERSONNEL COMMITTEE

Larry Nielson reported that the Finance and Personnel Committee met to review staff compensation and the Executive Director's performance evaluations. The Finance and Personnel Committee had three recommendations for the Policy Committee.

1. The Finance and Personnel Committee recommended that KATS positions under review be given a 2% salary increase effective October 1, 2013.

MOTION by Adams, SUPPORT by Smith ***“to approve the 2% pay increase for Jon Start, Kathy Schultz, and Steve Stepek.”*** Motion approved.

2. Larry Nielson reported the Finance and Personnel Committee investigated the use of longevity pay as an employee benefit. The Finance and Personnel Committee recommended for approval, rejection or amendment that the longevity pay for KATS staff be eliminated and a partial payment totaling \$3,000 be made to eligible employees to close the benefit (Start, Stepek and Schultz). Expected longevity pay would have totaled over \$10,000 for the 2014 fiscal year.

Concerns were raised regarding the reduction in employee compensation. Larry Nielson reported this was a consideration when recommending the 2% salary increases. Terry Urban expressed concerns with the timeline and asked that the committee consider deferring elimination until FY 2015. Larry Nielson and Jon Start shared that employees were aware of the Finance and Personnel Committee's review and possible elimination of the benefit.

MOTION by Heiny-Cogswell, SUPPORT by Maddox, ***“to eliminate KATS longevity pay and to close out the benefit with a partial payment totaling \$3,000 to eligible employees.”*** Motion approved.

3. The Finance and Personnel Committee recommended that they continue to investigate and establish pay ranges for KATS positions that were in-line with the industry. Concerns were expressed that Jon Start as Executive Director had no defined contract.

MOTION by Kerr, SUPPORT by Spulik, ***“to have the Finance and Personnel Committee investigate the need for an Executive Director Contract and draft, if needed and to investigate current employee salary/benefit ratio, and to recommend pay ranges for KATS positions.”*** Motion approved.

CONGESTION MANAGEMENT PROCESS

A copy of the Congestion Management Process was provided to the Committee for review. Steve Stepek reported that most recommended changes were to verbiage. Public comments received were positive but more relevant to the Metropolitan Transportation Plan. The Congestion Management Process is required to be adopted by January of 2015 as part of the new designation of KATS as a Transportation Management Area based upon latest census data.

MOTION by Heiny-Cogswell, SUPPORT by Sorensen, ***“to approve the Congestion Management Process as presented.”*** Motion approved.

TRANSPORTATION IMPROVEMENT PROGRAM

FY 2011 - 2014 Transportation Improvement Program amendments were presented to the committee for approval. Jon Start recommended that the amendment to purchase the small tractor for snow removal by public transit be considered separately.

Fiscal Year	Responsible Agency	Project Name	Project Description	Federal Cost (\$1000s)	Federal Fund Source	State Cost (\$1000s)	State Fund Source	Local Cost (\$1000s)	Local Fund Source	Total Phase Cost (\$1000s)	MDOT Job No.
2014	MDOT	I-94	Road reconstruction and widening and reconstruction and widening of 2 railroad bridges and a large culvert	41	HPSL	8	M	1	City	50	105886
east of Portage Road to west of Sprinkle Road in the City of Kalamazoo, Kalamazoo County; 1.20 miles; ROW Phase; Addition of Project 12/4/13											
2014	MDOT	I-94	Road reconstruction and widening and reconstruction and widening of 2 railroad bridges and a large culvert	82	HPSL	16	M	2	City	100	105886
east of Portage Road to west of Sprinkle Road in the City of Kalamazoo, Kalamazoo County; 1.20 miles; SUB Phase; Addition of Project 12/4/13											
2014	MDOT	Kilgore / W I-94 Ramp	Roadway reconstruction and widening and interchange reconstruction	41	HPSL	8	M	1	City	50	105885
east of Lovers Lane to east of Portage Road in the cities of Kalamazoo and Portage, Kalamazoo County; 1.16 miles; ROW Phase; Addition of Project 12/4/13											
2014	MDOT	Kilgore / W I-94 Ramp	Roadway reconstruction and widening and interchange reconstruction	82	HPSL	16	M	2	City	100	105885
east of Lovers Lane to east of Portage Road in the cities of Kalamazoo and Portage, Kalamazoo County; 1.16 miles; SUB Phase; Addition of Project 12/4/13											

Fiscal Year	Responsible Agency	Project Name	Project Description	Federal Cost (\$1000s)	Federal Fund Source	State Cost (\$1000s)	State Fund Source	Local Cost (\$1000s)	Local Fund Source	Total Phase Cost (\$1000s)	MDOT Job No.
2014	MDOT	M-40	Pavement reconstruction after railroad crossing removed by railroad forces.	3	STR	0	M			4	120798
Amtrak spur crossing in Lawton; 0.02 miles; PE Phase; Addition of Project 12/4/13											
2014	MDOT	M-40	Pavement reconstruction after railroad crossing removed by railroad forces.	73	STR	8	M			81	120798
Amtrak spur crossing in Lawton; 0.02 miles; CON Phase; Addition of Project 12/4/13											
2014	MDOT	M-40	Railroad crossing removal	21	STR	2	M			23	120799
Amtrak spur (G01) crossing in Lawton; CON Phase; Addition of Project 12/4/13											
2014	MDOT	S Avenue	Install flashing-light signals and gates	225	STR	25	M			250	117041
At Grand Trunk Western Railroad, Pavilion Township; CON Phase; Addition of Project 12/4/13											
2016	MDOT	Various	Freeway sign upgrade	1,200	IMG					1,200	115839
Kalamazoo County; 25.16 Miles; CON Phase; Addition of Project 12/4/13											
2014	MDOT	US-131	Bridge Replacement	8,963	NH	1,357	M			10,320	102963
I-94 BL(Stadium Drive) Over US-131; 0.04 miles; CON Phase; Total Phase Cost from \$7,202,705; Decrease Total Project Cost from \$7,809,193 11/28/12; Increase Federal Cost from \$5,676,275; Increase State Cost from \$1,258,698; Increase Total Project Cost from \$7,541,464 3/27/13; Increase Federal Cost from \$7,277,038; Increase State Cost from \$1,613,662; Increase Total Project Cost from \$9,497,188 6/26/13; Increased Federal Cost from \$8,446,920; Increase State Cost from \$1,873,080 12/4/13											

Fiscal Year	Responsible Agency	Project Name	Project Description	Federal Cost (\$1000s)	Federal Fund Source	State Cost (\$1000s)	State Fund Source	Local Cost (\$1000s)	Local Fund Source	Total Phase Cost (\$1000s)	MDOT Job No.
2015	MDOT	I-94	Bridge removal and replacement, approaches, and road work on Cork Street and I-94	261	BRI	29	M			290	110581
under Cork Street in Kalamazoo; 0.06 miles; CON Phase; Addition of project phase 10/13/10; Increase Total Project Cost from \$4,549,611 2/23/11; Decrease Total Project Cost from \$4,565,658 4/27/11; Decrease Federal Cost from \$3,610,520; Decrease State Cost from \$401,169; Decrease Total Project Cost from \$4,375,658 6/26/13; Decrease Total Project Cost from \$340,000 12/4/13											
2014	MDOT	I-94	Mill and One Course HMA Overlay	689	IM	77	M			765	118991
West City Limits Mattawan to Kalamazoo County Line; 1.61 miles; CON Phase; Addition of Project 5/29/13; Adjust Length from 2.002 12/4/13											

MOTION by Nielsen, SUPPORT by Ulsh, ***“to approve highway amendments to the FY 2014 – 2017 Transportation Improvement Program.”*** Motion approved.

Fiscal Year	Responsible Agency	Project Name	Project Description	Federal Cost (\$1000s)	Federal Fund Source	State Cost (\$1000s)	State Fund Source	Local Cost (\$1000s)	Local Fund Source	Total Phase Cost (\$1000s)	MDOT Job No.
2014	Public Transit	Vehicle Purchase	Small Tractor for snow removal	24	5307	6	CTF			30	
Small Tractor; T-CAP Phase; Decrease Federal Cost from \$26,400; Add State Cost of \$6,000; Increase Total Phase Cost from \$26,400; Increase Total Project Cost from \$26,400 2/29/12; Change Limits from Staff Vehicle; Change Project Description from Staff Car - Sedan (previously identified in FY 2013) (Grant MI-90-X677) 12/4/13											

MOTION by Harden, SUPPORT by Nielsen, ***“to approve the public transit amendment to the FY 2014 – 2017 Transportation Improvement Program.”*** Motion approved.

A copy of the proposed General Program Accounts-MDOT Policy was provided to the committee for review. Jon Start explained that the use of the General Program Accounts would allow for grouping of projects. Project details would be in a publically available listing. This would allow for balance between public information shared and streamline the amendment process for the Transportation Improvement Program. The draft was submitted to MDOT for feedback. Darrell Harden shared that projects to be considered for inclusion in the General Program Accounts would be submitted using the same process. Libby Heiny-Cogswell asked if there were established requirements for a General Program Accounts Policy. Rachel Tupica replied that there were standards and the Michigan Department of Transportation was looking for consistency with other Metropolitan Planning Organization’s policies. When questioned

as to whether KATS proposed policy was consistent, she responded that KATS would be the first MPO in Michigan to implement a General Program Accounts Policy.

MOTION by Urban, SUPPORT by Heiny-Cogswell, ***“to approve the General Program Accounts – MDOT Policy as presented.”*** Motion approved.

ELECTION OF 2014 OFFICERS

Don Ulsh reported that the nominating committee recommended that the slate for the 2014 officers remain the same as the current officers: David Anderson, Chairperson; Don Ulsh, Vice-chairperson; and Jeff Sorensen, Treasurer. The floor was opened to accept additional nominations.

MOTION by Adams, SUPPORT by Kerr, ***“to elect the slate of Policy Committee officers as presented.”*** Point of order called to close nominations.

MOTION by Smith, Support by Kerry, ***“to close nominations and elect the 2014 Policy Committee officers as presented.”*** Motion approved.

PUBLIC TRANSPORTATION

Carol Fricke reminded everyone of the retirement party to be held for Bill Schomisch. Ridership is still up by over 4%. The next Transit Authority Meeting will be held on December 20, 2013 at 8:15AM. Jack Mekemson shared that the Executive Services Agreement between the City of Kalamazoo and the Kalamazoo County Transportation Authority has been approved.

UPDATES

The Bylaws Committee met regarding how other Metropolitan Planning Organizations set levels of contributions. Start reported that one method investigated was to use a percent of population. The committee wanted to look at a simpler method. A tiered method is being looked at but this does not address entities such as Western Michigan University. The subcommittee is considering a combination of third party contributions and set “dues” for the 2015 Fiscal Year.

OTHER NEW BUSINESS

Steve Stepek asked for volunteers from the Policy Committee to serve on a Non-motorized Transportation Subcommittee. Terry Urban, Bill Adams, Ron Reid, Libby Heiny-Cogswell, and Linda Kerr volunteered to serve.

KATS will be holding an open house at the new office on December 19 from 8:00am to 12:00pm. The office is at 5220 Lovers Lane, Suite 110 in Portage.

Jon Start reported that there would be a Regional Rural Task Force Meeting in January.

It was noted that both Bill Schomisch and Fred Nagler will be retiring from the City of Kalamazoo. The committee thanked them for their years of service to the Kalamazoo Area Transportation Study.

ADJOURNMENT

There being no further business, Chairperson Anderson adjourned the meeting at 10:10 a.m. The next meeting of the Policy Committee will be held January 22, 2014 at 9:00 a.m.

KALAMAZOO AREA TRANSPORTATION STUDY

TREASURERS REPORT

Policy Committee Meeting January 22, 2014

Beginning Balance as of December 1 st 2013	\$153,890.10
There were 18 checks cashed totaling	\$(17,024.86)
There were 7 withdraws/debits totaling	\$(33,272.18)
There was 2 deposit(s) / credits	\$6,508.42
Ending Balance as of December 31 st , 2013	\$110,101.48

If there is any questions regarding any of the checks or withdraws, please feel free to contact me at your convenience, and I will be happy to review the 5/3 checking statement with you.

Respectfully submitted,

Jeffrey R. Sorensen
Treasurer, Kalamazoo Area Transportation Study

Principals

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To the Policy Committee
Kalamazoo Area Transportation Study
Kalamazoo, Michigan

We have audited the financial statements of the Kalamazoo Area Transportation Study (the Study) for the years ended September 30, 2013 and 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audits. We have communicated such information in our letter to you dated August 12, 2013. Professional standards also require that we communicate to you the following information related to our audits.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Study are described in Note A to the financial statements. As described in Note J to the financial statements, the Study adopted Governmental Accounting Standards Board Statement (GASB Statement) No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the fiscal year ended September 30, 2013. Accordingly, the effect of the accounting changes are reported in the applicable financial statements. We noted no transactions entered into by the Study during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's calculation of the percentages for current and noncurrent compensated absences liability amounts is based on an estimate of the percentage of employees' use of compensated absences.

Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets.

Management distributes operating costs to various work elements using a cost allocation plan based on actual time reporting. The cost allocation plan has been approved by the U.S. Department of Transportation as part of the Unified Planning Work Program (UPWP) and associated administrative requirements for the Kalamazoo urbanized area.

We have evaluated the key factors and assumptions used to develop the above estimations in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Misstatements were not detected as a result of our auditing procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 13, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Study's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Study's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Policy Committee and management of the Kalamazoo Area Transportation Study and is not intended to be, and should not be, used by anyone other than these specified parties.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

January 13, 2014

**Kalamazoo Area Transportation Study
Kalamazoo, Michigan**

FINANCIAL STATEMENTS

September 30, 2013 and 2012

Kalamazoo Area Transportation Study

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INDEPENDENT AUDITOR'S REPORT

To the Policy Committee
Kalamazoo Area Transportation Study
Kalamazoo, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the Kalamazoo Area Transportation Study (the Study) as of and for the years ended September 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Study's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Kalamazoo Area Transportation Study, as of September 30, 2013 and 2012, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As discussed in Note J, the Study implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year. As a result of this implementation, the financial statements have been changed to reflect the new presentation under GASB Statements No. 63 and No. 65, as applicable. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who 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 auditing standards generally accepted in the United States of America, 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 audit 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Study's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2014, on our consideration of the Study's internal control over financial reporting and on our tests of its compliance with certain provision 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 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 the Study's internal control over financial reporting and compliance.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

January 13, 2014

Kalamazoo Area Transportation Study

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2013 and 2012

The intent of the management's discussion and analysis is to provide highlights of the Study's financial activities for the fiscal years ended September 30, 2013 and 2012. Readers are encouraged to read this section in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

- The net position of the Study exceeded its liabilities at the close of the most recent fiscal year by \$147,544, or approximately 24% of total expenses. This is an increase from \$147,442, which was approximately 25% of last year's total expenses.
- Revenues increased by \$18,410, or approximately 3 percent, from the prior year. The Study implemented a traffic count consulting project in FY 2013 with these revenues being reimbursed by the local agencies based on the collection of traffic counts within their jurisdiction.
- Expenses increased by \$18,558, or approximately 3 percent, from the prior year. The traffic count consulting project implemented by the Study during FY 2013 increased expenses in conjunction with revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report includes this management discussion and analysis report, the independent auditor's report and the basic financial statement of the Study, which include notes that explain in more detail some of the information in the financial statements.

As a Metropolitan Planning Organization (MPO), the Study prepares transportation plans and improvement programs and assigns federal surface transportation program funds to various eligible road and public transportation projects within Kalamazoo County. Funding for the Study is provided for on a reimbursement basis of expenses incurred on its programs. Other local agencies match a certain amount to complete the program by contributing in-kind efforts. The Study is governed by a policy committee that consists of several representatives from local governmental agencies.

REQUIRED FINANCIAL STATEMENTS

The financial statements report information of the Study using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of the Study's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Study creditors (liabilities). It also provides the basis for evaluating the capital structure of the Study and assessing the liquidity and financial flexibility of the Study.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Fund Net Position. This statement measures the success of the Study's operations over the past year.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the report period.

Kalamazoo Area Transportation Study

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2013 and 2012

FINANCIAL ANALYSIS OF KALAMAZOO AREA TRANSPORTATION STUDY

The Statement of Net Position and the Statement of Activities provide the information to determine how the Study did financially during the fiscal years ended September 30, 2013 and 2012. The net position, or the difference between assets and liabilities, and the changes in them can indicate whether financial health is improving or deteriorating over time. However, other non-financial factors such as changes in economic conditions, service area and new or changed government legislation also need to be considered in determining the Study's financial health.

NET POSITION

The Study's Comparative Condensed Statements of Net Position and Revenue, Expenses and Changes in Fund Net Position are presented in the following Tables.

CONDENSED STATEMENT OF NET POSITION

	Fiscal Year 2012-2013	Fiscal Year 2011-2012	Fiscal Year 2010-2011
Current Assets	\$ 296,129	\$ 258,452	\$ 233,294
Capital Assets, net	4,200	5,938	7,675
Total Assets	300,329	264,390	240,969
Current Liabilities	101,444	81,427	66,345
Noncurrent Liabilities	51,341	35,521	27,432
Total Liabilities	152,785	116,948	93,777
Investment in Capital Assets	4,200	5,938	7,675
Unrestricted	143,344	141,504	139,517
Total Net Position	\$ 147,544	\$ 147,442	\$ 147,192

CONDENSED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION

	Fiscal Year 2012-2013	Fiscal Year 2011-2012	Fiscal Year 2010-2011
Revenues			
Grant Revenues	\$ 371,320	\$ 353,524	\$ 323,345
In-kind Revenues	223,709	237,251	236,002
Interest Earnings	100	250	632
Other	21,306	7,000	6,800
Total Revenues	616,435	598,025	566,779
Expenses	616,333	597,775	566,146
Change in Net Position	\$ 102	\$ 250	\$ 633

Kalamazoo Area Transportation Study

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2013 and 2012

While the Statement of Net Position shows the change in financial position of net position, the Statement of Revenues, Expenses, and Changes in Fund Net Position shows the total revenues and expenses that factor in the Change in Net Position. Due to the nature of the Study, expenses are largely based on the grants available through the Local, State, and Federal funding.

The Study's operating revenues increased by approximately 3% over the prior year. Expenses increased by approximately 3% over the prior year, as the Study implemented a traffic count consulting project during FY 2013.

CAPITAL ASSETS

The following is a summary of capital assets and the associated accumulated depreciation:

	<u>Fiscal Year 2012-2013</u>	<u>Fiscal Year 2011-2012</u>	<u>Fiscal Year 2010-2011</u>
Furniture and equipment	\$ 17,775	\$ 17,775	\$ 17,775
Less: Accumulated depreciation	<u>(13,575)</u>	<u>(11,837)</u>	<u>(10,100)</u>
Net capital assets	<u>\$ 4,200</u>	<u>\$ 5,938</u>	<u>\$ 7,675</u>

The capital assets of the Study consist exclusively of office furniture and equipment. The Study has implemented a capitalization policy consistent with MDOT and federal funding that require all items purchased having a useful life in excess of one year and an individual cost of more than \$5,000 be capitalized and depreciated. There were no additions to capital assets purchased in the current fiscal year. Note E to the financial statements provides additional information regarding capital assets.

DEBT ADMINISTRATION

The Study currently carries no long-term debt as all expenses have been secured by state or federal projects. This allows the Study to avoid any debt other than current liabilities in the normal operation of the system and compensated absences which have been divided into a current and noncurrent portion on the Statement of Net Position. Note F to the financial statements provides additional details regarding compensated absences.

ECONOMIC FACTORS

In the past, the Study had the ability to be reimbursed through Federal programs for all allowable costs incurred with administering its grants and programs. In the current year and going forward, management does not believe that total program costs will exceed the threshold that would allow for audit fees to be a Federal program reimbursable item. An agreement has been reached to split the nonreimbursable audit costs of the Study among the local benefiting agencies.

CONTACT INFORMATION

This financial report is designed to provide our customers and creditors with a general overview of the Study's finances and to demonstrate its accountability for the funds it receives. Anyone having questions regarding this report or desiring additional information may contact the Study at 5220 Lovers Lane, Suite 110, Portage, MI 49002 or by phone at (269) 343-0766.

BASIC FINANCIAL STATEMENTS

Kalamazoo Area Transportation Study

STATEMENT OF NET POSITION

September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets		
Cash	\$ 189,421	\$ -
Due from Kalamazoo County Road Commission	-	100,899
Due from other governmental units - local	14,153	-
Due from grantors	76,876	135,839
Prepaid expenses	<u>15,679</u>	<u>21,714</u>
Total current assets	296,129	258,452
Noncurrent assets		
Capital assets	17,775	17,775
Less: accumulated depreciation	<u>(13,575)</u>	<u>(11,837)</u>
Total noncurrent assets	<u>4,200</u>	<u>5,938</u>
TOTAL ASSETS	300,329	264,390
LIABILITIES		
Current liabilities		
Accounts payable	10,128	12,446
Accrued liabilities	7,274	4,023
Due to grantors	56,802	26,839
Due to local agencies - MTF	8,535	7,047
Current portion of compensated absences	<u>18,705</u>	<u>31,072</u>
Total current liabilities	101,444	81,427
Noncurrent liabilities		
Noncurrent portion of compensated absences	<u>51,341</u>	<u>35,521</u>
TOTAL LIABILITIES	<u>152,785</u>	<u>116,948</u>
NET POSITION		
Investment in capital assets	4,200	5,938
Unrestricted	<u>143,344</u>	<u>141,504</u>
TOTAL NET POSITION	<u>\$ 147,544</u>	<u>\$ 147,442</u>

See accompanying notes to financial statements.

Kalamazoo Area Transportation Study

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
REVENUES		
Federal grants	\$ 295,832	\$ 302,373
State grants	75,488	51,151
Local unit contributions (in-kind)	223,709	237,251
Interest earnings	100	250
Other	<u>21,306</u>	<u>7,000</u>
TOTAL REVENUES	616,435	598,025
EXPENSES		
Program development, management, and coordination	134,358	83,979
System surveillance and monitoring	242,877	260,613
Transportation system management and operations	64,173	82,796
Long range planning	111,520	163,387
Other	<u>63,405</u>	<u>7,000</u>
TOTAL EXPENSES	<u>616,333</u>	<u>597,775</u>
CHANGE IN NET POSITION	102	250
Net position, beginning of year	<u>147,442</u>	<u>147,192</u>
Net position, end of year	<u>\$ 147,544</u>	<u>\$ 147,442</u>

See accompanying notes to financial statements.

Kalamazoo Area Transportation Study

STATEMENT OF CASH FLOWS

Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net position	\$ 102	\$ 250
Adjustments to reconcile change in net position to net cash provided by operating activities		
Depreciation	1,738	1,737
(Increase) decrease in:		
Accounts receivable	-	1,700
Interest receivable	-	156
Due from other governmental units - local	(14,153)	-
Due from grantors	58,963	17,410
Prepaid expenses	6,035	(12,432)
Increase (decrease) in:		
Accounts payable	(2,318)	10,279
Accrued liabilities	3,251	-
Due to grantors	29,963	-
Due to local agencies - MTF	1,488	3,818
Compensated absences	3,453	9,074
	<u>88,522</u>	<u>31,992</u>
NET INCREASE IN CASH (DUE FROM KALAMAZOO COUNTY ROAD COMMISSION)		
	88,522	31,992
Cash (due from Kalamazoo County Road Commission), beginning of year	<u>100,899</u>	<u>68,907</u>
Cash (due from Kalamazoo County Road Commission), end of year	<u>\$ 189,421</u>	<u>\$ 100,899</u>

See accompanying notes to financial statements.

Kalamazoo Area Transportation Study

NOTES TO FINANCIAL STATEMENTS

September 30, 2013 and 2012

NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Kalamazoo Area Transportation Study (the Study) is an Inter-municipality Committee established under Act 200 of 1957 of the Public Acts of Michigan. The Study was established to provide coordinated leadership and direction for the development and conduct of a continuing, cooperative, and comprehensive transportation planning process for the purposes of complying with the intent of the applicable sections of the Federal Highway Act of 1964, as amended. The Study is the Metropolitan Planning Organization (MPO) for Kalamazoo County and is governed by a board of directors primarily designated by each of the member units.

As the MPO for Kalamazoo County, the Study is required by federal legislation to provide coordinated transportation planning for urban populations over 200,000. The MPO designation is made through Federal legislation, 23 CFR Section 450. This legislation outlines the definition of a MPO and its responsibilities. More information on 23 CFR Section 450 can be obtained at the Federal Highway Administration Web site. The Study considers the entire area of Kalamazoo County, as well as a portion of Van Buren County, as the Metropolitan Planning Boundary, including all local governmental jurisdictions in transportation planning. The Study receives Federal and State financial assistance in the form of operating and capital grant funding to support its operations.

The accounting policies of the Study conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

1. Reporting Entity

The accompanying financial statements are exclusive presentations of the financial condition and results of operations of the Study. The Study operates as an autonomous agency completely separate from Kalamazoo County or any of the other member units, and is not financially accountable to any other unit.

The criteria established by GASB Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statements No. 39 and No. 61); and Michigan Committee on Governmental Accounting and Auditing Statement No. 4 for determining the various governmental organizations to be included in the reporting entity's financial statements are based primarily on the concept of financial accountability. On this basis, accordingly, the financial statements of the Study will not be included in the financial statements of any other organizations. The Study is considered a special purpose governmental unit operating business-type activities and account for those activities in a single enterprise fund.

2. Basis of Presentation

The accounts of the Study are organized on the basis of a fund, which is considered a separate accounting entity. The operation of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses. The Study's resources are allocated to and accounted for in the individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund in the financial statements in this report is described as follows:

PROPRIETARY FUND

Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and operating grants.

Kalamazoo Area Transportation Study

NOTES TO FINANCIAL STATEMENTS

September 30, 2013 and 2012

NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED

3. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. Fund equity (i.e., net total position) is segregated into invested in capital (net of related debt) and unrestricted components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The proprietary fund is accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and the expenses are recognized when they are incurred, regardless of the timing of related cash flows.

If/when both restricted and unrestricted resources are available for use, it is the Study's policy to use restricted resources first, then unrestricted resources as they are needed.

5. Cash

Cash consists of the Study's checking account.

6. Due from Kalamazoo County Road Commission

The balance shown as due from Kalamazoo County Road Commission (the KCRC) as of September 30 2012, consisted of deposits held with the KCRC. The balances held with the KCRC are available to meet current operating requirements. The KCRC was responsible for investing deposits in excess of current requirements in various interest bearing accounts. For the purposes of the presentation of the Statement of Cash Flows the balance due from the KCRC as of September 30, 2012, is considered to be equivalent to cash.

During the year ended September 30, 2013, the KCRC ceased to perform as the Study's fiduciary agent. Cash reported on the Statement of Cash Flows for the year ended September 30, 2013, consists solely of the Study's checking account.

7. Receivables

Receivables consist of amounts due from governmental units for various grant programs and accounts receivable for charges for services from clients and other organizations.

8. Prepaid Expenses

Certain payments to vendors for services that will benefit future periods are record as prepaid expenses.

9. Capital Assets

Capital assets are recorded (net of accumulated depreciation, if applicable) and are those assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

Kalamazoo Area Transportation Study

NOTES TO FINANCIAL STATEMENTS

September 30, 2013 and 2012

NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED

9. Capital Assets - continued

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Furniture and equipment	5-7 years
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10. Compensated Absences

Employees are granted paid vacation and sick leave in varying amounts. In the event of termination, an employee is paid for all accumulated vacation up to thirty (30) days and fifty (50) percent of sick leave. This amount includes related payroll taxes and has been divided between a current and noncurrent portion in the Statement of Net Position.

11. Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

12. Cost Allocations

The Study's policy for allocating costs between common task items (program management and development) is to allocate certain costs (fringe benefits and indirect costs) to the programs based on labor costs. All agencies report labor and/or direct costs to the Study. Only the Study is allowed to charge fringe benefits and indirect costs.

13. Comparative Data

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the financial position and operations of the Study.

NOTE B: CASH

In accordance with Michigan Compiled Laws, the Study is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145n and 21.146 of the Michigan Compiled Laws.

Kalamazoo Area Transportation Study
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2013 and 2012

NOTE B: CASH - CONTINUED

3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
4. The United States government or Federal agency obligations repurchase agreements.
5. Bankers acceptances of United States banks.
6. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Deposits

There is a custodial risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Study's deposits may not be returned to it. As of September 30, 2013, the carrying amounts and bank balances for the accounts were as follows:

<u>Account Type</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking	<u>\$ 189,421</u>	<u>\$ 195,431</u>

Deposits of the Study are at a federally insured bank located in the State of Michigan with an account maintained in the name of the Study. The bank balance as of September 30, 2013, was fully insured by the FDIC.

Credit risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of September 30, 2013, the Study did not have any investments that would be subject to rating.

Interest rate risk

The Study has not adopted a policy that addresses interest rate risk, which is the risk that the market value of securities in the portfolio will fail due to changes in market interest rates.

Concentration of credit risk

The Study has not adopted a policy that addresses concentration of credit risk, which is the risk of loss attributed to the magnitude of the Study's investment in a single issuer.

Custodial credit risk

The Study has not adopted a policy that indicates how the Study will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer by diversifying its investments by security type and institution to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Kalamazoo Area Transportation Study

NOTES TO FINANCIAL STATEMENTS

September 30, 2013 and 2012

NOTE C: DUE FROM/TO GRANTORS

Due from/to grantors at September 30, by grant type and year, are as follows:

	2013		2012	
	Due From	Due To	Due From	Due To
Federal				
FHWA Section 112	\$ -	\$ 44,229	\$ 50,180	\$ 14,266
FTA Section 8	20,155	10,186	30,660	10,186
State				
MTF	34,744	2,387	54,999	2,387
Region 3 - MTF	20,299	-	-	-
Region 3 - SPR	1,678	-	-	-
	<u>\$ 76,876</u>	<u>\$ 56,802</u>	<u>\$ 135,839</u>	<u>\$ 26,839</u>

NOTE D: FUNCTIONAL ALLOCATION OF COSTS

The costs of providing the various programs have been summarized on a functional basis. The following schedule presents total expenses provided by the Study and other agencies.

	2013			2012		
	Grant Costs Submitted	Additional Project Effort	Total	Grant Costs Submitted	Additional Project Effort	Total
Kalamazoo Area						
Transportation Study	\$ 392,674	\$ -	\$ 392,674	\$ 360,524	\$ -	\$ 360,524
Kalamazoo County						
Road Commission	5,155	7,310	12,465	18,796	31,568	50,364
City of Kalamazoo	19,862	101,492	121,354	28,026	102,074	130,100
City of Portage	8,892	12,002	20,894	10,779	16,299	27,078
County of Kalamazoo and other agencies	34,028	34,918	68,946	14,098	15,611	29,709
	<u>\$ 460,611</u>	<u>\$ 155,722</u>	<u>\$ 616,333</u>	<u>\$ 432,223</u>	<u>\$ 165,552</u>	<u>\$ 597,775</u>

NOTE E: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013, was as follows:

	Balance	Additions	Disposals	Balance
	Oct. 1, 2012			Sept. 30, 2013
Capital assets being depreciated				
Furniture and equipment	\$ 17,775	\$ -	\$ -	\$ 17,775
Less accumulated depreciation for:				
Furniture and equipment	(11,837)	(1,738)	-	(13,575)
Net capital assets	<u>\$ 5,938</u>	<u>\$ (1,738)</u>	<u>\$ -0-</u>	<u>\$ 4,200</u>

Kalamazoo Area Transportation Study
NOTES TO FINANCIAL STATEMENTS
September 30, 2013 and 2012

NOTE E: CAPITAL ASSETS - CONTINUED

Capital asset activity for the year ended September 30, 2012, was as follows:

	<u>Balance</u> <u>Oct. 1, 2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>Sept. 30, 2012</u>
Capital assets being depreciated				
Furniture and equipment	\$ 17,775	\$ -	\$ -	\$ 17,775
Less accumulated depreciation for:				
Furniture and equipment	<u>(10,100)</u>	<u>(1,737)</u>	<u>-</u>	<u>(11,837)</u>
Net capital assets	<u>\$ 7,675</u>	<u>\$ (1,737)</u>	<u>\$ -0-</u>	<u>\$ 5,938</u>

NOTE F: LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the Study for the year ended September 30, 2013:

	<u>Balance</u> <u>Oct. 1, 2012</u>	<u>Earned</u>	<u>Used</u>	<u>Balance</u> <u>Sept. 30, 2013</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Compensated absences	<u>\$ 66,593</u>	<u>\$ 21,236</u>	<u>\$ (17,783)</u>	<u>\$ 70,046</u>	<u>\$ 18,705</u>

The following is a summary of changes in long-term obligations (including current portion) of the Study for the year ended September 30, 2012:

	<u>Balance</u> <u>Oct. 1, 2011</u>	<u>Earned</u>	<u>Used</u>	<u>Balance</u> <u>Sept. 30, 2012</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Compensated absences	<u>\$ 57,519</u>	<u>\$ 29,322</u>	<u>\$ (20,248)</u>	<u>\$ 66,593</u>	<u>\$ 31,072</u>

Vacation and sick leave are earned in varying amounts depending on the number of years of service of an employee and is made available on the anniversary date of the employee.

Upon termination, an employee receives payment for the balance of up to thirty (30) days of unused vacation leave and fifty (50) percent of sick leave, which was credited to an employee each pay period. Therefore, compensated absences at September 30, 2013, are divided between a current and noncurrent portion, and the total amount recorded as a liability in the Statement of Net Position is \$70,046.

NOTE G: RETIREMENT PLANS

Defined Contribution Retirement Plan

During fiscal year 2013, the Study began offering a defined contribution retirement plan administered by ICMA Retirement Corporation and is available to all of the Study's full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the Study's board, the Study contributes 6 percent of full-time employees' base earnings. In accordance with these requirements, the Study contributed \$8,697 during the current year.

Kalamazoo Area Transportation Study

NOTES TO FINANCIAL STATEMENTS

September 30, 2013 and 2012

NOTE G: RETIREMENT PLANS - CONTINUED

Defined Benefit Retirement Plan

Plan Description

For the year ended September 30, 2012, the Study participated in the Kalamazoo County Employees Retirement System, a Public Employee Retirement System which is an agent multiple-employer plan administered by the Kalamazoo County Employees Retirement System. When the Kalamazoo County Road Commission (the KCRC) ceased to perform as the Study's fiscal agent, the Study began offering a defined contribution retirement plan administered by ICMA Retirement Corporation. The Study will no longer participate in the defined benefit retirement plan. The Kalamazoo County Board of Commissioners establishes and amends the benefit provisions of the participants in the plan. The defined benefit pension plan covers all eligible (i.e., salary) employees. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Kalamazoo County Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Kalamazoo County Employees Retirement System at 201 West Kalamazoo Avenue, Kalamazoo, Michigan 49007.

Funding Policy

For the year ended September 30, 2012, the Study was required to contribute an actuarially determine rate of the annual salaries of covered employees to fund the plan. The current rate of contribution is zero (0) percent. Covered employees are currently not required to contribute to the plan. The contribution requirements are established by the Kalamazoo County Employees Retirement System. The contribution requirements of plan members, if any, are established and may be amended by the Study depending on the plan's contribution program.

Annual Pension Cost

For the year ended September 30, 2012, the Study's annual pension cost and required and actual contributions were \$0. The annual required contributions were determined as part of actuarial valuations at December 31, 2011, 2010, and 2009, using the entry actual age cost method. Significant actuarial assumptions used include (a) a 7.75 percent investment rate of return (b) projected salary increases of 4.5 percent per year compounded annually, attributable to inflation (c) additional salary increases depending on age, seniority and merit, and (d) assumption benefits will not increase after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a five (5) year period. The unfunded actuarial liability is being amortized as a level percentage of payroll, on a closed basis over a period of thirty (30) years.

	Year Ended December 31,		
	2009	2010	2011
Actuarial value of assets	\$ 18,277,106	\$ 18,347,379	\$ 17,852,065
Actuarial accrued liability (AAL) (entry age)	13,398,414	13,253,098	13,574,391
(Overfunded) AAL (OAAL)	(4,878,692)	(5,094,281)	(4,277,674)
Funded ratio	136%	138%	132%
Covered payroll	\$ 2,842,241	\$ 2,747,330	\$ 2,699,115
(OAAL) as a percentage of covered payroll	-172%	-185%	-158%

	Year Ended September 30,		
	2010	2011	2012
Annual pension cost (APC)	\$ -	\$ -	\$ -
Percentage of APC contributed	100%	100%	100%
Net pension obligation	\$ -	\$ -	\$ -

Kalamazoo Area Transportation Study

NOTES TO FINANCIAL STATEMENTS

September 30, 2013 and 2012

NOTE H: RISK MANAGEMENT

The Study is exposed to various risks of loss for workers' compensation for which they carry commercial insurance.

The Study also participates in a pool, the Michigan Township Participating Plan, with other municipalities for auto, property, general liability, public officials liability, boiler and machinery, crime, and inland marine losses. The pool is organized under Public Act 138 of 1982, as amended as a governmental group property and casualty self insurance pool. In the event the pool's claims and expenses for a policy year exceed the total normal annual premium for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The Study has not been informed of any special assessments being required.

NOTE I: CONTINGENT LIABILITIES

Under the terms of various Federal and State grants, periodic compliance audits are required and certain costs may be questioned, allowed, or disallowed, which could result in funds being returned and/or received from grantor agencies.

NOTE J: CHANGES IN ACCOUNTING PRINCIPLES

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This Statement also provides a new format to certain financial statements to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources.

OTHER SUPPLEMENTARY INFORMATION

Kalamazoo Area Transportation Study

SCHEDULE OF EXPENSES BY FUNDING SOURCE - BUDGET AND ACTUAL

Year Ended September 30, 2013

All Grants Combined

	<u>KATS</u>	<u>Local Match</u>	<u>Project Effort</u>	<u>Supplemental Local Project Effort</u>	<u>Total Effort</u>	<u>Budget</u>
Program development, management, and coordination						
Program management	\$ 38,160	\$ -	\$ 38,160	\$ -	\$ 38,160	\$ 42,500
Short range planning	71,725	11,249	82,974	13,224	96,198	109,679
System surveillance and monitoring						
System surveillance and monitoring	51,901	30,217	82,118	35,523	117,641	96,583
Transit data collection	11,752	7,558	19,310	71,212	90,522	33,662
Asset management	33,437	1,277	34,714	-	34,714	58,264
Transportation system management and operations	47,588	7,623	55,211	8,962	64,173	31,103
Long range planning						
Long range planning	67,658	8,190	75,848	9,629	85,477	58,903
Transit planning	6,691	1,823	8,514	17,172	25,686	150,000
Consultant	357	-	357	-	357	16,500
Subtotals	<u>329,269</u>	<u>67,937</u>	<u>397,206</u>	<u>155,722</u>	<u>552,928</u>	<u>597,194</u>
Other program costs						
Region 3	42,052	-	42,052	-	42,052	53,000
Cash match						
Audit cost	7,200	-	7,200	-	7,200	-
Traffic count	14,153	-	14,153	-	14,153	-
TOTAL EXPENSES	<u>\$ 392,674</u>	<u>\$ 67,937</u>	<u>\$ 460,611</u>	<u>\$ 155,722</u>	<u>\$ 616,333</u>	<u>\$ 650,194</u>

Kalamazoo Area Transportation Study

SCHEDULE OF EXPENSES BY FUNDING SOURCE - BUDGET AND ACTUAL

Year Ended September 30, 2013

**Grant - FHWA Section 112
(81.85% / 18.15%)**

	<u>KATS</u>	<u>Local Match</u>	<u>Project Effort</u>	<u>Supplemental Local Project Effort</u>	<u>Total Effort</u>	<u>Budget</u>
Program development, management, and coordination						
Program management	\$ 19,080	\$ -	\$ 19,080	\$ -	\$ 19,080	\$ 21,250
Short range planning	71,725	11,249	82,974	13,224	96,198	109,679
System surveillance and monitoring						
System surveillance and monitoring	51,901	30,217	82,118	35,523	117,641	96,583
Transportation system management and operations	47,588	7,623	55,211	8,962	64,173	31,103
Long range planning						
Long range planning	67,658	8,190	75,848	9,629	85,477	58,903
Consultant	357	-	357	-	357	16,500
TOTAL EXPENSES	<u><u>\$ 258,309</u></u>	<u><u>\$ 57,279</u></u>	<u><u>\$ 315,588</u></u>	<u><u>\$ 67,338</u></u>	<u><u>\$ 382,926</u></u>	<u><u>\$ 334,018</u></u>

Kalamazoo Area Transportation Study

SCHEDULE OF EXPENSES BY FUNDING SOURCE - BUDGET AND ACTUAL

Year Ended September 30, 2013

**Grant - FTA Section 8
(80% / 20%)**

	<u>KATS</u>	<u>Local Match</u>	<u>Project Effort</u>	<u>Supplemental Local Project Effort</u>	<u>Total Effort</u>	<u>Budget</u>
Program development, management, and coordination Program management	\$ 19,080	\$ -	\$ 19,080	\$ -	\$ 19,080	\$ 21,250
System surveillance and monitoring Transit data collection	11,752	7,558	19,310	71,212	90,522	33,662
Long range planning Transit planning	<u>6,691</u>	<u>1,823</u>	<u>8,514</u>	<u>17,172</u>	<u>25,686</u>	<u>150,000</u>
TOTAL EXPENSES	<u><u>\$ 37,523</u></u>	<u><u>\$ 9,381</u></u>	<u><u>\$ 46,904</u></u>	<u><u>\$ 88,384</u></u>	<u><u>\$ 135,288</u></u>	<u><u>\$ 204,912</u></u>

Kalamazoo Area Transportation Study

SCHEDULE OF EXPENSES BY FUNDING SOURCE - BUDGET AND ACTUAL

Year Ended September 30, 2013

Grant - MTF FY13 Asset Management

	<u>KATS</u>	<u>Local Reimbursable Match</u>	<u>Project Effort</u>	<u>Supplemental Local Project Effort</u>	<u>Total Effort</u>	<u>Budget</u>
System surveillance and monitoring Asset management	<u>\$ 33,437</u>	<u>\$ 1,277</u>	<u>\$ 34,714</u>	<u>\$ -0-</u>	<u>\$ 34,714</u>	<u>\$ 58,264</u>

Kalamazoo Area Transportation Study

SCHEDULE OF EXPENSES BY FUNDING SOURCE - BUDGET AND ACTUAL

Year Ended September 30, 2013

Grant - Region 3 - MTF

	<u>KATS</u>	<u>Budget</u>
Program management	\$ 13,483	\$ 7,612
Technical assistance to MDOT	4,893	7,705
Technical assistance to member agencies	5,810	6,474
Access management	-	2,429
Heritage route implementation	245	2,599
Non-motorized mapping and investment plan	489	2,217
Rural safety planning	-	2,595
Indirect	-	2,369
	<u>\$ 24,920</u>	<u>\$ 34,000</u>

Grant - Region 3 - SPR

	<u>KATS</u>	<u>Budget</u>
Management of rural task force process	\$ 15,915	\$ 10,137
Public involvement and consultation process for non-metropolitan areas	-	5,717
Public involvement for air quality conformity	-	1,450
Indirect	1,217	1,696
	<u>\$ 17,132</u>	<u>\$ 19,000</u>

Kalamazoo Area Transportation Study

SCHEDULE OF EXPENSES BY FUNDING SOURCE - BUDGET AND ACTUAL

Year Ended September 30, 2013

Costs	Budget	Percent	Actual	Percent
Direct salaries	\$ 213,407	100.00%	\$ 195,390	100.00%
Fringe benefits				
Annual leave	17,529		13,289	
Sick leave	13,543		4,494	
Emergency leave	818		-	
Holiday leave	8,177		-	
Social security/Medicare	16,325		16,843	
Health insurance	33,681		38,807	
Dental insurance	3,138		-	
Optical insurance	728		-	
Unemployment insurance	-		837	
HRA account	7,318		15,000	
Short Term Disability	1,708		-	
Long Term Disability	1,273		-	
Life insurance	1,612		3,808	
Retirement	26,676		15,173	
Workers' compensation	919		1,549	
Subtotals	133,445	62.53%	109,800	56.20%
Indirect cost allocation base	346,852	100.00%	305,190	100.00%
Indirect costs				
Office space	20,000		12,096	
Equipment	6,000		8,194	
Accounting services	7,000		5,895	
Legal services	1,000		1,199	
Legal notices	500		-	
Payroll services	10,000		994	
Internet services/website	2,000		2,036	
Postage	500		252	
Copy cost	1,600		795	
Supplies	2,000		2,882	
Telephone	1,300		626	
Equipment maintenance and repair	500		-	
Insurances (equipment)	2,000		1,896	
Computer software	5,000		4,568	
Memberships	200		165	
Subscriptions	500		719	
Interest	-		86	
Conferences	10,000		12,509	
Depreciation	-		1,738	
Subtotals	70,100	20.21%	56,650	18.56%
Direct costs	219,499		23,634	
Total allowable and allocable costs	636,451		385,474	
Cash match				
Audit cost	7,200		7,200	
TOTAL COSTS	\$ 643,651		\$ 392,674	

Note: This schedule presents only those costs incurred by the Study and does not include the costs of any other local agency.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Policy Committee
Kalamazoo Area Transportation Study
Kalamazoo, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Kalamazoo Area Transportation Study (the Study) as of and for the years ended September 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Study's basic financial statements, and have issued our report thereon dated January 13, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Study's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Study's internal control. Accordingly, we do not express an opinion on the effectiveness of the Study'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 the Study's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these 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. We did identify certain deficiencies in internal control, described below, that we consider to be significant deficiencies.

2013-1 COST DISTRIBUTIONS

Condition: During our testing of the cost distribution process, we noted that multiple agencies were missing documentation of supervisory review (i.e., signature or initials) noting the accuracy of hours and/or rates reported to the Study in each of the four (4) months examined. A similar issue was noted and reported in our prior audit comments.

Criteria: The Study should obtain accurate and completed documentation to support in-kind contributions in accordance with the agreements with grantors.

2013-1 COST DISTRIBUTIONS - CONTINUED

Cause: Unknown.

Effect: We evaluated each instance individually and in the aggregate, noting that the effect was not material to grant compliance or to the financial statements taken as a whole.

Recommendation: We recommend that the Study ensure documentation supporting cost distributions be accurate and complete prior to submission of reports to funding sources.

Response: Management is aware that the agencies do not always sign their time sheets and is working towards implementing new procedures for FY 2014 to ensure the collection of signatures.

2013-2 DISBURSEMENT PROCESS

Condition: During our testing of internal controls over the disbursement process, we noted ten (10) out of fifteen (15) invoices were not stamped "paid" when they were processed.

Criteria: The Study's procedures require invoices to be stamped "paid" when they are processed.

Cause: Procedures are not currently in place to provide the appropriate level of internal control to prevent, or detect and correct, the above noted instance from occurring.

Effect: The disbursements noted above appear to not have been processed correctly.

Recommendation: We recommend the Study evaluate procedures related to disbursements to assure invoices are processed correctly.

Response: Management has reviewed the documentation identified during the audit process noting that all identified invoices were appropriately disbursed in compliance with grant agreements and internal procedures.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Study's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Kalamazoo Area Transportation Study's Response to Findings

The Study's responses to the findings identified in our audit are described above. The Study's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Study's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Study's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

January 13, 2014

Kalamazoo Area Transportation Study
FY 2015 - 2017 Transportation Alternatives Program Projects

BOLD / ITALICS = Recommendation for Approval

FY 2015

AGENCY	NAME	FED COST	OTHER COST	TOTAL COST	MATCH %
Portage	<i>South Central Portage Bikeway</i>	<i>\$243,000</i>	<i>\$77,100</i>	<i>\$320,100</i>	<i>24.09%</i>
KCRC	N 10th Street Sidewalk	\$515,188	\$128,797	\$643,985	20.00%
KCRC	H Ave Sidewalk	\$105,760	\$26,440	\$132,200	20.00%
KCRC	Quail Run Drive	\$288,480	\$72,120	\$360,600	20.00%
KCRC	KL Ave Sidewalk (Copper Beech to Drake)	\$714,560	\$178,640	\$893,200	20.00%
KCRC	S. 9th St Sidewalk (N Ave to Atlantic Ave)	\$195,300	\$83,700	\$279,000	30.00%
Kalamazoo	Miller Road non-motorized	\$76,650	\$38,350	\$115,000	33.35%
Kalamazoo	Mills Street non-motorized	\$51,000	\$24,000	\$75,000	32.00%
Kalamazoo	Mayors Park-Vine Connector	\$484,000	\$150,000	\$634,000	23.66%
	Total	\$2,673,938	\$779,147	\$3,453,085	

FY 2016

AGENCY	NAME	FED COST	OTHER COST	TOTAL COST	MATCH %
KCRC	East Main Street Safety Sidewalk	\$82,520	\$41,105	\$123,625	33.25%
KCRC	9th Street Sidewalk (Atlantic to W. Main)	\$952,840	\$238,210	\$1,191,050	20.00%
KCRC	N 9th St Sidewalk (W. Main to H Ave)	\$686,400	\$171,600	\$858,000	20.00%
Kalamazoo	North Drake Non-motorized (W Main to Grand Prairie)	\$265,916	\$66,479	\$332,395	20.00%
Kalamazoo	<i>Kilgore Road non-motorized</i>	<i>\$121,500*</i>	<i>\$60,500</i>	<i>\$182,000</i>	<i>33.24%</i>
Kalamazoo	Vine St.- Stockbridge Connector	\$219,000	\$50,000	\$269,000	18.59%
Mattawan	<i>Kucinich Trail</i>	<i>\$121,500*</i>	<i>\$52,419</i>	<i>\$173,919</i>	<i>30.14%</i>
	Total	\$2,206,676	\$627,894	\$3,129,989	

FY 2017

AGENCY	NAME	FED COST	OTHER COST	TOTAL COST	MATCH %
Kalamazoo	Portage Creek Connector	\$747,000	\$250,000	\$997,000	25.08%
Kalamazoo	<i>Burdick St Non-motorized</i>	<i>\$60,000</i>	<i>\$27,000</i>	<i>\$87,000</i>	<i>31.03%</i>
Kalamazoo	<i>Vine Street non-motorized improvements</i>	<i>\$183,000**</i>	<i>\$89,000</i>	<i>\$272,000</i>	<i>32.72%</i>
	Total	\$1,014,200	\$417,800	\$1,615,000	
			Grand Total	\$11,350,120	

Grey Shading = Other Projects Considered

*Funded at reduced amount

**Funded at an increased amount

**Kalamazoo Area Transportation Study
Congestion Mitigation Air Quality Projects: 2015 - 2019
1/8/2014**

Fiscal Year	Project Title	City or Township	Location	Proposed Improvement	Federal Cost	Non-Federal Cost	Total Cost	VOC kg/day	NOx kg/day	CO kg/day	PM kg/day	VOC Costs	Knox Costs	CO Costs	PM2.5 Costs	Additional Information
2015	Lovers Lane	City of Portage	Kilgore Road from Woodmont Dr/Burdick St. To Lovers Lane, Lovers land to East Centre Ave	Signal interconnect and signal modernization in order to utilize coordinated signal timings (5 Locations)	\$352,850		\$352,850	-5.353	-3.396			\$8.24	\$12.99			Intersections of Kilgore Road @ Woodmont Dr./Burdick St. and Lovers Lane and Lovers Lane at E. Milham Ave., Romence Road and E. Centre Ave. will be upgraded for traffic signal hardware, fiber optic interconnect and traffic signal timing optimization to coordinate for optimal traffic flow.
2015	Crosstown Parkway	Kalamazoo	Vine to Howard	Signal interconnect and signal modernization in order to utilize coordinated signal timings, 4 intersections, 2015 Crosstown CMAQ - Crosstown/Vine - Crosstown/Burdick - Crosstown/Rose - Crosstown/Howard - Anticipated cooperation and coordination to MDOT intersections of Westnedge/Crosstown and Park/Crosstown. (These were not included in worksheets as no major work to be performed at these locations)	\$149,520	\$66,274	\$215,794	19.012	13.448			\$3.34	\$4.72			Signal interconnect, intersection vehicle detection, and some minor signal modernization are proposed to in order to utilize coordinated signal timings
2015	Rideshare	Kalamazoo Metro Transit		Community Rideshare program marketing	\$43,915	\$0	\$43,915	-0.127	-0.119			\$1,418.16	\$1,509.89			Request is for 100% funding for the Community Rideshare provide staff support for shared rides, and van pooling; promotional materials, site visits to firms, employees, etc.

**Kalamazoo Area Transportation Study
Congestion Mitigation Air Quality Projects: 2015 - 2019
1/8/2014**

Fiscal Year	Project Title	City or Township	Location	Proposed Improvement	Federal Cost	Non-Federal Cost	Total Cost	VOC kg/day	NOx kg/day	CO kg/day	PM kg/day	VOC Costs	Knox Costs	CO Costs	PM2.5 Costs	Additional Information
2016	Portage St	Kalamazoo	Kilgore to Pitcher	Signal interconnect and signal modernization in order to utilize traffic responsive signal timings, 10 signals, - - Portage/Pitcher - Portage/Walnut - Portage/Crosstown - Portage/Vine - Portage/Lake - Portage/Washington - Portage/Stockbridge - Portage/Reed - Portage/Alcott - Portage/Miller - Portage/Lovers Lane - Portage/Cork - Portage/Lakeway - Portage/Kilgore - Cork/Lovers Lane	\$931,092	\$132,060	\$1,063,152	83.547	53.659			\$3.29	\$5.12			Signal interconnect, midblock and intersection vehicle detection, and some minor signal modernization are proposed to in order to utilize traffic responsive signal timings
2016	Rideshare	Kalamazoo Metro Transit		Community Rideshare program marketing	\$44,793	\$0	\$44,793	-0.127	-0.119			\$1,471.85	\$1,567.06			Request is for 100% funding for the Community Rideshare provide staff support for shared rides, and van pooling; promotional materials, site visits to firms, employees, etc.
2017	Burdick Street	Kalamazoo	Alcott to South	Signal interconnect and signal modernization in order to utilize coordinated signal timings, 8 locations, - Burdick/Alcott - Burdick/Reed - Burdick/Crosstown - Burdick/Stockbridge - Burdick/Vine - Burdick/Walnut - Burdick/Lovell - Burdick/South	\$433,887	\$70,000	\$503,887	30.186	20.847			\$4.74	\$6.86			Signal interconnect, intersection vehicle detection, and some signal modernization are proposed to in order to utilize coordinated signal timings

**Kalamazoo Area Transportation Study
Congestion Mitigation Air Quality Projects: 2015 - 2019
1/8/2014**

Fiscal Year	Project Title	City or Township	Location	Proposed Improvement	Federal Cost	Non-Federal Cost	Total Cost	VOC kg/day	NOx kg/day	CO kg/day	PM kg/day	VOC Costs	Knox Costs	CO Costs	PM2.5 Costs	Additional Information
2017	Drake Road	Kalamazoo/ Kalamazoo Twp.	Croyden to Grand Prairie	Signal modernization and intersection vehicle detection are proposed to in order to utilize coordinated signal timings, 3 locations, 2017 Drake Road CMAQ - Drake/Grand Prairie - Drake/Beech - Drake/Croyden	\$496,300	\$0	\$496,300	6.708	1.452			\$21.76	\$100.53			Signal modernization and intersection vehicle detection are proposed to in order to utilize coordinated signal timings. A joint project between City of Kalamazoo and Kalamazoo County Road Commission to partner with joint roadway improvements in 2014
2017	Rideshare	Kalamazoo Metro Transit		Community Rideshare program marketing	\$45,689	\$0	\$44,793	-0.127	-0.119			\$1,501.30	\$1,598.40			Request is for 100% funding for the Community Rideshare provide staff support for shared rides, and van pooling; promotional materials, site visits to firms, employees, etc.
2018	West Michigan and Howard	Kalamazoo	11th to Drake; Crosstown to Valley	Signal modernization and intersection vehicle detection are proposed to in order to utilize coordinated signal timings, 12 locations - West Michigan and 11th - West Michigan and Dobbin - West Michigan and Eldridge - West Michigan and Emajean - West Michigan and Greenwood - West Michigan and Howard - West Michigan and Drake - Howard and Crosstown - Howard and Oakland - Howard and Stadium (coordination with MDOT) - Howard and Valley	\$927,428	\$247,572	\$1,175,000	-2.315	-1.478	-29.603	-0.433	\$149.28	\$233.82	11.67	798.13	Signal interconnect, midblock and intersection vehicle detection, and some minor signal modernization are proposed to in order to utilize traffic responsive signal timings
2018	Rideshare	Kalamazoo Metro Transit		Community Rideshare program marketing	\$48,457	\$0	\$48,457	-0.127	-0.119	0.000	0.000	\$1,592.25	\$1,695.24	0	0	Request is for 100% funding for the Community Rideshare provide staff support for shared rides, and van pooling; promotional materials, site visits to firms, employees, etc.

**Kalamazoo Area Transportation Study
Congestion Mitigation Air Quality Projects: 2015 - 2019
1/8/2014**

Fiscal Year	Project Title	City or Township	Location	Proposed Improvement	Federal Cost	Non-Federal Cost	Total Cost	VOC kg/day	NOx kg/day	CO kg/day	PM kg/day	VOC Costs	Knox Costs	CO Costs	PM2.5 Costs	Additional Information
2019	S. Westnedge Avenue and Shaver Rd.	City of Portage	Romence to Shaver; Centre to Meijer Drive	Signal modernization and intersection vehicle detection are proposed to in order to utilize coordinated signal timings, 7 locations, - S. Westnedge at Romence, Garden Lane, Schuring Rd, and Shaver Road - Shaver Road at W. Centre Ave, Melody, and Meijer's Dr.	\$825,974	\$124,026	\$950,000	-1.274	-1.773	-10.002	-0.020	\$219.32	\$157.59	27.94	1397.06	Signal interconnect, midblock and intersection vehicle detection, and some minor signal modernization are proposed to in order to utilize traffic responsive signal timings
2019	Plow Truck Cab and Chassis	Van Buren		Purchase of new clean diesel plow truck, CMAQ applied to cab and chassis only.	\$100,000	\$159,999	\$259,999									
2019	Rideshare	Kalamazoo Metro Transit		Community Rideshare program marketing	\$49,911	\$0	\$49,911	-0.127	-0.119	0.000	0.000	1640.03	1746.11	0	0	Request is for 100% funding for the Community Rideshare provide staff support for shared rides, and van pooling; promotional materials, site visits to firms, employees, etc.

Kalamazoo Area Transportation Study FY 2014 - 2017 Transportation Improvement Program

6/26/2013 (01/22/14)

Required Fields																							
Fiscal Year	County	Responsible Agency	Project Name	Limits	Length	Primary Work Type	Project Description	Phase	Advance Construct	Federal Cost (\$1000s)	Federal Fund Source	State Cost (\$1000s)	State Fund Source	Local Cost (\$1000s)	Local Fund Source	Total Phase Cost (\$1000s)	MDOT Job No.	Local ID No.	MPO/Rural Action Date	Amendment Type	Air Quality	Comments	Total Project Cost (\$1000s)
2014	Kalamazoo	Portage	Portage Rd	E Milham Rd to Byrd Rd	0.72	Resurface	Resurface	CON				540	M			540			01/22/14	Add	E	Addition of Project 1/22/14	540
2014	Kalamazoo	Portage	Oakland Dr	I-94 to Kilgore Rd	0.45	Resurface	Resurface	CON				270	M			270			01/22/14	Add	E	Addition of Project 1/22/14	270
2014	Kalamazoo	MDOT	Ravine Rd	Bridge over US-131	0.00	Bridge restore & rehabilitate	Joint Replacement	CON				250	M			250			01/22/14	Add	E	Addition of Project 1/22/14	250
2014	Van Buren	Mattawan	Main St	Culver Creek to Front Ave	0.22	Resurface	Resurface	CON				341	M			341			01/22/14	Add	E	Addition of Project 1/22/14	341
2014	Kalamazoo	MDOT	US-131	US-131 NB & SB over Amtrak & KL Avenue, 3.0 Miles north of I-94, Oshemo Township, Kalamazoo County.	0.00	Trunkline Preconstruction GPA	Bridge Scoping; Starting with obligation date in FY 2014 and ending September 30, 2015.	EPE		33	NH	7	M			40	122664		01/22/14	Add	E	Addition of Project 01/22/14	40
2014	Kalamazoo	MDOT	US-131	from M-216 (Marcellus Road) to Canadian National Railroad south of Eliza Road in St Joseph and Kalamazoo Counties, SW Region.	2.66	Trunkline Preconstruction GPA	Consultant Road Scoping; Starting with obligation date in FY 2014 and ending September 30, 2015.	EPE		39	NH	9	M			47	122542		01/22/14	Add	E	Total project length 5.627 miles; 47.25% KATS (remainder rural); total project cost \$81,850 federal NH, \$18,150 state M, \$100,000 total; Addition of Project (General Program Account) 01/22/14	100
2014	Kalamazoo	MDOT	US-131	I-94 BL (Stadium Drive) Over US-131	0.04	Bridge replacement	Bridge Replacement	CON		8,963	NH	1,357	M			10,320	102963		01/22/14	Cost	E	Identified as Illustrative by MDOT 6/30/10; Moved to Project list to FY 2014; Decrease Federal Cost from \$5,895,414; Decrease State Cost from \$1,307,291; Decrease Total Phase Cost from \$7,202,705; Decrease Total Project Cost from \$7,809,193 11/28/12; Increase Federal Cost from \$5,676,275; Increase State Cost from \$1,258,698; Increase Total Project Cost from \$7,541,464 3/27/13; Increase Federal Cost from \$7,277,038; Increase State Cost from \$1,613,662; Increase Total Project Cost from \$9,497,188 6/26/13; Increased Federal Cost from \$8,446,920; Increase State Cost from \$1,873,080 12/4/13; Increase Total Project Cost from \$10,970,237 01/22/14	11,035

Kalamazoo Area Transportation Study FY 2014 - 2017 Transportation Improvement Program

6/26/2013 (01/22/14)

Required Fields																							
Fiscal Year	County	Responsible Agency	Project Name	Limits	Length	Primary Work Type	Project Description	Phase	Advance Construct	Federal Cost (\$1000s)	Federal Fund Source	State Cost (\$1000s)	State Fund Source	Local Cost (\$1000s)	Local Fund Source	Total Phase Cost (\$1000s)	MDOT Job No.	Local ID No.	MPO/Rural Action Date	Amendment Type	Air Quality	Comments	Total Project Cost (\$1000s)
Administrative Adjustments																							
2015	Kalamazoo	Portage	Lovers Lane	Kilgore Rd from Woodmont to Lovers; Lover to east		Traffic ops/safety	Signal interconnect	CON		353	CMG					353	119152		01/22/14	Cost	E	Increase Federal Cost from \$300,000; Increase Total Phase Cost from \$300,000; Increase Total Project Cost from \$300,000 (Administrative Adjustment) 1/22/14	353
2016	Kalamazoo	Kalamazoo	Portage St	Kilgore Rd to Pitcher St		Traffic ops/safety	Signal interconnect	CON		931	CM			132	CITY	1,063	119199		01/22/14	Cost	E	City of Kalamazoo: Increase Federal Cost from \$878,242; Increase Total Phase Cost from \$1,010,302; Increase Total Project Cost from \$1,010,302 (Administrative Adjustment) 01/22/14	1,063
2017	Kalamazoo	Kalamazoo	Burdick St	Alcott St to South St	1.37	Traffic ops/safety	Signal interconnect	CON		434	CM			70	CITY	504	119218		01/22/14	Cost	E	City of Kalamazoo: Increase Federal Cost from \$381,037; Decrease Local Cost from \$105,080; Increase Total Phase Cost from \$486,117; Increase Total Project Cost from \$486,117 (Administrative Adjustment) 01/22/14	504

**Kalamazoo Area Transportation Study
FY 2014 Unified Planning Program Budget
Adopted July 26, 2013 (Amended September 25, 2013; Amended January 22, 2014)**

		Program Budget	FHWA Planning	FTA 5303	MI Transportation Funds	State Planning & Research	MDOT Asset ***	Contributions			Total Contributions	Hours
								FHWA PL *	FTA 5303 *	Cash Match		
Total Budget		\$1,036,487	\$480,698	\$237,459	\$34,000	\$19,000	\$73,000	\$125,300	\$45,900	\$21,130	\$192,330	12,168
KATS Budget	100 Program Management **	\$42,146	\$21,073	\$21,073								417
	200 Short Range Planning	\$84,532	\$65,480					\$19,052			\$19,052	1,390
	300 System Surveillance & Monitoring *****	\$158,691	\$110,497					\$48,194			\$48,194	3,189
	301 Transit Data Collection	\$36,098		\$24,000					\$12,098		\$12,098	1,395
	302 Asset Management ****	\$20,000					\$20,000					410
	400 Transportation System Management & Operations *****	\$46,666	\$28,648					\$18,018			\$18,018	643
	500 Long Range Planning	\$149,303	\$115,000	\$20,000				\$10,036	\$4,267		\$14,303	797
	501 Transit Planning	\$31,921		\$22,386					\$9,535		\$9,535	243
	502 2040 Transportation Plan Consultant	\$250,000	\$120,000	\$80,000				\$30,000	\$20,000		\$50,000	2,213
	503 ADA Bus Stop Study Consultant	\$87,500		\$70,000						\$17,500	\$17,500	
504 Oshtemo Township Circulation Study*****	\$23,630	\$20,000							\$3,630	\$3,630		
SMPC Contract	Region 3 Michigan Transportation Funds *****	\$87,000			\$34,000		\$53,000					1,168
	Region 3 State Planning and Research Program (SPR) *****	\$19,000				\$19,000						303

* Third Party In-Kind Contributions by Local Agencies. This will not reflect 18.15% or 20% of program but the effort anticipated by local agencies. Additional detail provided in the Appendices.

** Third Party In-Kind Contributions not required to match 100 Program Management.

*** Includes agency time for Asset Management activities. Not considered Third Party In-Kind Contribution. \$53,000 is for work in Barry, Branch, Calhoun, and St. Joseph counties.

**** Amended September 25, 2013 to include \$53,000 in MTF funds for PASER data collection in Barry, Branch, and St. Joseph counties. To be completed by KATS staff.

***** Amended September 25, 2013 to include \$53,000 in Michigan Transportation Funds and \$19,000 in State Planning and Research Program funds for Region 3 Southcentral Michigan Planning Council Contract with KATS (See Appendix O).

***** Contributed services in Work Elements 300 and 400 are a combination of third-party in-kind contributions and cash as a result of the Traffic Data Consultant Contract for FY 2014.

***** Amended January 22, 2014 to add funding for circulation study for Oshtemo Township with cash match provided from Oshtemo Township.

**FY 2014 UNIFIED WORK PROGRAM
FRINGE BENEFITS - Amended 1/22/14**

	Adopted	Amended Total	Change
Annual Salaries	\$245,859	\$317,088	
Health	\$55,752.00	\$54,308.28	-\$1,443.72
Insurance (Dental, Vision)	\$5,501.00	\$5,503	\$2.08
Insurance (Life, Short Term, Long Term)	\$3,814	\$4,814	\$1,000.00
Workers Compensation	\$1,018	\$1,018	\$0.00
Social Security (FICA)	\$15,243	\$19,349	\$4,106.46
Medicare	\$3,565	\$4,525	\$960.28
Retirement	\$24,586	\$25,177	\$590.80
HRA Account	\$2,207.00	\$6,351.72	\$4,144.72
<i>Benefit Subtotal</i>	<i>\$111,686</i>	<i>\$121,047</i>	<i>\$9,360.62</i>
Annual Leave	\$19,478	\$19,772	\$294.15
Sick Leave	\$7,874	\$8,169	\$294.62
Emergency Leave	\$942	\$965	\$22.63
Holiday Leave	\$9,420	\$9,646	\$226.28
<i>Leave Cost Subtotal</i>	<i>\$37,714</i>	<i>\$38,552</i>	<i>\$837.68</i>
Total Program Fringe Benefits	\$149,401	\$159,598	\$10,197.30
Annual Non Fringe Salary	\$245,859	\$312,088	\$66,229.03
FRINGE RATE for COST RECOVERY	60.77%	51.14%	
PROVISIONAL FRINGE BENEFIT RATE*	60.77%	51.14%	
*NOT BILLABLE FRINGE RATE			

**Kalamazoo Area Transportation Study
INDIRECT COSTS - Amended January 22, 2014**

	Adopted	Amended	Change
SERVICES AND EQUIPMENT	\$32,620	\$37,320	\$4,700
Office Space and Utilities	\$20,295	\$20,295	\$0
Equipment	\$4,000	\$8,000	\$4,000
Accounting Services	\$6,125	\$6,125	\$0
Legal Services	\$1,000	\$1,000	\$0
Payroll Services	\$700	\$900	\$200
Audit Cost *	\$7,600	\$7,600	\$0
OPERATING COST	\$25,540	\$34,800	\$9,260
Postage	\$400	\$800	\$400
Copy Cost	\$1,200	\$1,200	\$0
Supplies	\$4,000	\$8,000	\$4,000
Telephone / Internet	\$2,040	\$2,800	\$760
Equipment Maintenance and Repair	\$500	\$500	\$0
Insurances	\$2,200	\$2,200	\$0
Computer Software	\$2,000	\$4,000	\$2,000
Memberships	\$200	\$800	\$600
Subscriptions	\$500	\$500	\$0
Professional Development and Travel	\$12,500	\$14,000	\$1,500

SALARIES AND BENEFITS

No indirect salaries are included in the FY 2014 UPWP
All KATS staff time is charged to work program elements.

			<i>Change</i>
TOTAL INDIRECT COST	\$58,160	\$72,120	\$13,960
Annual Salaries	\$245,859	\$317,088	
Program Fringe	\$149,401	\$159,598	
Direct Salary + Fringe	\$395,260	\$476,686	
PROVISIONAL INDIRECT COST RATE	14.71%	15.13%	