

Minutes

RTA External & Stakeholder Relations & Advocacy Committee Meeting

9:00 a.m., April 16, 2019

Committee: McCall (Chair), Lucas (Vice Chair), Byrne, Welo

Other Board members: Clough, Joyce, Moss, Serrano

Not present: Bibb

Also Present: Anderson, Astolfi, Auref, Becker, Benford, Bitto, Bobich, Brooks-Williams, Caver, Ciesla, Dangelo, Davis (C), Davis (J), Diaz, Dietrich, Faith, Feliciano, Ferraro, Fields, Folbes, Freilich, Garofoli, Gautam, Gibbons, Gillan-Shafron, Gray, Halvorsen, Harris, , Hershman, Jaszczak, Jones, Kerg, Keshtkaran, Kirkland, Lewis, Loh, Longs, Manning, Manus, Metcalf, Ortega, Penning, Pickett, Pinkney-Butts, Ponder, Pugh, Ross, Rowe, Schipper, Scott, Shaffer, Shariff, Shildwachter, Smith, Stocking, Stover, Sutula, Tarka, Thomas, Togher, Vukmanic, Waldc, Weil, Wiehe, Wilson, Winn, Young, Zeller.

Chief McCall called the meeting to order at 9:00 a.m. The secretary called the roll and reported that four (4) committee members were present. Public comment on both presentations will be taken at the end of the meeting.

Fare Policy Study

Joel Freilich, Acting Deputy General Manager of Operations and Rick Halvorsen of LTK gave the presentation. This is an interim report. There will be two rounds of public meetings in May and later in the year. The study will continue through the end of the year. Just as the rail car study is strategic in nature and will not recommend which car to purchase, this study is a strategic plan for the next decade. It will not recommend a final fare price list. Fare charges are determined by the Board and is depended on the budget. This study ask broad questions about handling how passengers transfer and the relationship between monthly passes, 7-day passes and fares and addressing the needs of low-income riders, etc.

Full fare riders have three levels of fare; general, Park-N-Ride and out of county. Two levels for reduced fares are for students and seniors/disabled. Ten years ago the Board set fare policy goals. One important step is to keep in mind how well the current fare structure matches the goals. The goals include how the fare relate to value provided to the customer, the cost to provide service, prepayment of fares, rider's ability to pay, promoting fare payment, communication, maximizing ridership and revenue and several other items.

RTA's fare collection system is complex. There are several different ways customers can acquire fare. There is a great distribution of daily passes. Other products like the 5-day passes are not available everywhere. The RTA mobile app is increasingly being used, but it can't be used by users who don't have smart phones and credit or debit card. Once fare charges are made, the FTA requires a report to show how riders use the system and what fare products they use. A survey was administered last fall. It generated 3,700 responses, which is a good representation of ridership. FTA also requires the behavior and fare price used by minority

riders (MR) compared to non-minority riders (NMR). The same with low-income (LIR) compared to non-low-income riders (NLIR). Minority respondents comprised 74% of the trips. Low income respondents comprised 50% of the trips.

NMR and NLIR riders were taking single vehicle trips. These groups tend to use the service if they can accomplish their trips with a single ride. Riders mainly use the service to take round trips. About 10% of riders take one-way trips. Others take multiple one-way trips. A majority of riders use the service five days a week. Minority and low income riders are more than likely to use the service six or seven days a week. A little over half the riders use weekly and monthly passes. But there were a lot of people paying cash for All-Day passes or 5-trip passes. This group is larger than expected. The low income and minority groups are heavier users of the weekly pass. This will be important when talking about potential future fare changes and the impact of changes on different groups of riders. Round trip riders with transfers make up 8% of trips. Less frequent heavy users who travel a few days a week and don't travel enough to have a pass have heavy use during single days. They use cash and All-Day passes the most. Round trip riders who aren't making transfers make up 12% of trips. One-way transfer riders make up 3% of the trips. Less frequent one-way riders make up 11% of the trips.

They looked at the fare structure of peer agencies with similar service, similar size of operation and similar climate as RTA. For single ride fares, RTA's minimum fares are above peer agencies. Denver RTD just raised fares to above RTA for a 3-hour pass. Several peer agencies provide transfers, but they are often only available with Smart Cards. There is a desire for agencies to do what RTA has done with eliminating paper transfers. Several of the agencies have higher maximum fares. Denver RTD's surcharge fare is for regional service to the airport. In contrast to the fact that cash fares are high, the revenue boarding is at the low end due to substantial discounts for students and seniors and people with disabilities. A very large percentage of riders transfer. The fare box recovery ratio is on the bottom end compared to peers. This is a policy issue as far as how much of the riders should be supporting the cost of the transit agency versus tax payers. Some of the peer agencies get substantial local or state support. Monthly pass prices look at price and the number of trips needed to make the price worth while. RTA's monthly pass price is higher than average. RTA is above average as far as the price of a day pass and lower than average as far as comparing the price with peers.

Key issues they will look at include that half the trips taken by riders are best served by monthly and weekly passes. But half of those actually use these passes. The network design requires half of all riders to transfer. But if you are making a one-way trip with a transfer and you are paying cash, you are paying an extra \$2.50 compared to a 5-day trip card. If you use a daily pass, you will pay an extra \$.50 compared to using the 5-trip card. The fares are on the upper end of the peer range, but the average revenue per boarding is at the low end, driven by transfers and discounts. Next steps will be to get comments from the public and the Board. They will then finalize the fare structure objectives, looking at different fare structures, assessing the impacts of the other Pillar Studies. There will be an additional round of public input, which will lead to the staff recommendations.

Mayor Welo asked if a surcharge is used for a certain area. Joel said the current surcharge system is for Park-N-Ride express service for \$.25. This was to be increased \$.50 with the fare increase. The other is for people who use the Park-N-Ride from Medina County during the morning and evening rush hour. Most of those riders live outside of the county. Service that goes outside of Cuyahoga County to Lake County is not charged a surcharge. It is used by Lake County residents to come to Cleveland and Cuyahoga County residents to go to Lake

County seven days and seven evenings. Under CTA, there was a series of zone fares, which were abolished when RTA was created. The Board considered restoring the zone fares in the 90's. Studies were done to inform the Board of the consequences. The study showed that the longest distance trips to the farthest suburbs were being taken by residents of the core so that it would not have the theoretical impact. Charges for traveling beyond the core, showed the surcharges falling disproportionately on low income residents. As a result, the Board decided not to restore the zone fares. Chief McCall suggested this history be presented at a later meeting. She asked for more information at a later meeting on how peer systems charge their fares. (i.e.: MARTA card, on-demand payment like ride share companies.)

Rail Car Study

Dave Diaz of LTK gave the presentation. This is one of the Pillar Studies. LTK was contracted last July to estimate the remaining useful life of each rail car fleet. Then make recommendations for replacement, critical elements and upgrade plans for the next 10 years. RTA has a Light Rail Vehicle fleet (LRV) and Heavy Rail Vehicle fleet (HRV). The HRV fleet was manufactured by Tokyo Car. Sixty cars were delivered in 1984 (35 years ago). Forty cars remain. They have a 30 year useful life. The service needs have diminished. That's why the number of cars in service are less than the total cars delivered. It has been a necessary part of the operations because of the age of the cars and the obsolescence. RTA has been fortunate to take parts off unused cars and use them for cars that are in service operation. The LRV fleet was manufactured by Breda, which has been purchased by Hitachi. Forty-eight cars were delivered in 1981 (38 years ago). Thirty-four cars remain in service. They have a 30-year useful life. They went through a structural overhaul in 2007, but the structure is only one part of a car.

The HRV inspection showed the cars to be in poor condition. The work orders have increased significantly over the last decade. The cost of maintenance has more than doubled. If corrosion is not handled, it will take a toll on a vehicle. RTA has done a great job of keeping the cars safe and in service. Typically you can get over a year between maintenance on brakes. RTA is getting seven months. The propulsion system can go over a year until maintenance. RTA is getting 2.5 months between work orders. The cab signal system goes 2.5 months between work orders. They determined the vehicles having a useful life of five years or less.

The LRV inspection found the cars to be in fair condition. The cost of maintenance has increased 90% over the last decade. The cab equipment is worn to the point where it is unreadable. The articulated structure, which is subject to forces, has developed corrosion and cracks. The procurement of parts is becoming critical and the reliability of parts is an issue. There are 3.5 months between work orders for the cab signal, 18 months for brakes and two months for the propulsion system. This is higher than normal, but for a vehicles at this age, it's normal. Most agencies don't have vehicles this old in service. The overhaul addressed corrosion issues. These cars have 10 years of useful life. They are on the list to have a procurement, but are not as much a priority as the HRV.

They performed a HRV peer review. Peer agencies were defined as having similar operating characteristics, or operations or fleets that were similarity designed. They compared RTA's fleet to fleets in Maryland DOT, Miami DADE, WMATA and MARTA. RTA spends more to maintain their cars than their peers. The other agencies have initiated new car procurements. Three options were developed for the HRV cost estimates. Option 1 is to procure new cars that will arrive before the five year window of useful life closes. The procurement would begin later

this year or next year. Fifteen years from that when the vehicles are at their midlife, they will go through a vehicle overhaul. The cost is \$398 million. Option 2 is to overhaul the current fleet within the same five year window and then procure a new fleet at the end of that useful life of overhaul. The cost is \$410 million. Option 3 is to overhaul the fleet twice within the five year window and then again once the overhaul has run its life cycle.

They performed a LRV peer review. RTA has the 2nd oldest LRV fleet in the country behind SEPTA. SEPTA has begun the planning process to procure a new fleet. Annual maintenance cost are 18% lower than the peer average, but still among the top 10 among peer agencies which include CATS, Metro Transit, MTA Maryland, Valley Metro, NJT, HRT, PAT, NFTA and SEPTA. Three options were developed for the LRV cost estimates. Consistent with the 10-year useful life horizon for the LRV fleet, Option 1 is to procure new vehicles in 2025. A midlife overhaul at a 15 year window beyond 2025 for a cost of \$317 million. Option 2 would be to overhaul before the 10 year window closes and procure new vehicles at the end. The cost is \$339 million. Option 3 would be to overhaul the fleet twice. This cost is \$413 million. In terms of peer agencies, RTA is at the top in terms of fleet age.

As vehicles get older, in-service failures increase, customer service degrades, service reliability and on-time performance suffers, parts obsolescence increases and parts have to be reengineered, maintenance costs and frequency increases and the gap widens between current standards and as-built standards. Based on the results of the vehicle inspections and life cycle cost analysis, LTK recommends the following: Do not invest major capital into the existing fleets; begin the procurement process for new HRV's in the near future; begin the process of procuring new LRV's in the next five years; hire a firm to assist with new HRV procurement including specification, procurement, quality assurance and facility upgrades. They recommend the procurement of two different fleets (HRV and LRV) rather than a single, common car to serve both high and low platforms. A single, common car fleet would require significant infrastructure work at rail stations. A single, common car fleet eliminates the ability to phase in vehicle purchase and delivery

Ms. Moss asked why did Chicago purchase old cars and refit them for their Metra service. The Metra fleet is 56 years old. Dan said these are gallery cars with a push-pull operation. They operate with a locomotive on one end of the train. They don't have propulsion equipment. A self-propelled car has more complicated operating systems. They have the operator cab with the controls, breaking, wiring, trucks with motors and equipment. The gallery cars are unique. Metra likes this design. They bought new gallery cars that look exactly like the original cars. The original gallery cars were designed with corten steel that has the same corrosion problems as RTA's fleet. They have taken these cars out of service. They only operate the gallery cars with the stainless steel car bodies. The CTA cars are more similar to RTA's fleet. They bought new 5000 series cars. They have overhauled the 3200 series cars. Chief McCall believes that Option 1 is best. She said to look at technology and what the options will be. Dr. Caver added that a RFP will be written to hire a consultant to look at the specs and approval of the HRV car. It will come back to the Board this summer. The Board approved putting \$6 million into the rail car replacement fund.

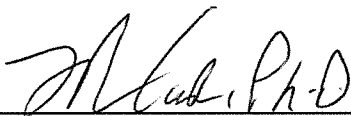
Public Comments (2 minutes)

1. Rev. Pamela Pinkney-Butts – The presentations relate to 2019-42. She asked that the word minority not be used in the report. She is concerned about fair fares. She'd like passes to be

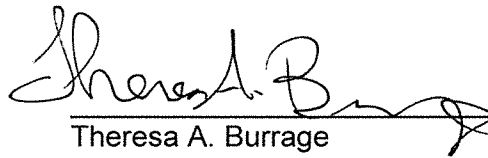
provided to people released from jail or the hospital. She asked what happened to the State money. The 7-day and All-Day passes are not what they claim to be.

2. Chris Stocking – Cleveland, OH – He thanked the Board for the studies. He suggested the Board consider fare capping. Portland has a similar program. If you spend a certain amount on an All-Day Passes over a week, it caps to the price of a 7-day pass. Single trips over a 30-day period will cap so you don't pay over the cost of a monthly pass. Tri-Met in Portland uses a technology that is open source so that other transit systems can use it. HealthLine ridership is low because equipment is not working properly.
3. Loh – Cleveland, OH – Purchasing fares on the phone has drawbacks. Cleveland's weather may cause cell phones not to work. RTA needs vending machines with attendants.
4. George Zeller – Cleveland, OH – There is a chance that financing will not be available for new rail cars.

Chief McCall adjourned the meeting at 10:01 a.m.



Floun'say R. Caver, Ph.D., Interim CEO
General Manager/Secretary/Treasurer



Theresa A. Burrage
Executive Secretary