

## Minutes

### RTA Operational Planning & Infrastructure Committee

9:50 a.m. December 3, 2019

**Committee:** Welo (Chair), Lucas (Vice Chair), Byrne, Joyce, Moss

**Other Board members:** Bibb, McCall

**Not present:** Clough, Serrano

**Also Present:** Anderson, Astolfi, Becker, Beveridge, Birdsong, Bitto, Brooks-Williams, Burney, Caver, Cottrell, Cranford, Dangelo, Davidson, Davis, Feliciano, Fields, Freilich, Garofoli, Gautam, Gibbons, Halverson, Jones, Kirkland, Laule, Lewis, Lincoln, Loh, Martin, McGervey, Ponder, Schipper, Schnear, Scott, Shareef, Shariff, Singh, Stocking, Sutula, Tarka, Togher, Ulrich, Vukmanic, Wiehe, Wilson, Winn, Woodford, Young, Zeller

Mayor Welo called the meeting to order at 9:50 a.m. The secretary called the roll and reported that five (5) committee members were present.

#### RFP Procurement for Engineering Services for the Trunk Line Signal Conceptual Design

Kathleen McGervey, resident engineer and Jennifer Martin, contract administrator, made the presentation. This contract will provide Engineering services to perform 30% conceptual signal design for the trunk line, including recommending the signal layout, configuration, and equipment for a new signal system with red, yellow, and green wayside signals. The trunk line includes stations from E. 79<sup>th</sup> interlocking through Shaker Square Station. The existing trunk line signal system dates back to the 1920's. They will be replaced in a construction project coming after this contract is completed. The work of this contract includes site investigation, preliminary report with recommendations, 30% design, including drawings, specifications, and cost estimate.

The RFP was issued September 26, 2019. It was accessed on the GCRTA web site by thirty-seven (37) interested parties. Three (3) firms proposed and three (3) firms were interviewed. The evaluation panel members included various departments using evaluation criteria. This procurement has to follow the Brooks Act for construction and engineering projects. FTA sets the criteria for these projects. The recommended vendor is Rio Grande Pacific Technology (RioTech), Louisville, KY. They have a 4% DBE Goal that will be met by utilizing Clark Transportation Consulting & Services. The firm's experience includes work with GCRTA, Houston Metro, Central Puget Sound Regional Transportation Authority, and the St. Louis Metrolink, among others. They have worked with RTA on the Opportunity Corridor Project at Quincy and 105<sup>th</sup> Street. They have an experienced and qualified staff.

Staff requests that the Operational Planning & Infrastructure Committee recommend award to RioTech for Engineering Services for the Trunk Line Signal System Conceptual Design. The contract is not to exceed \$268,412.13. Mayor Welo speaks to Mike Schipper about the projects regularly.

It was moved by Ms. Moss, seconded by Mr. Joyce to move this to the full board.

FY 2020 Appropriation and change to 2019 Budget

Kay Sutula, director of the Office of Management & Budget, made the presentation. This committee met on this topic Nov. 12 and held the 1<sup>st</sup> public hearing. The 2<sup>nd</sup> public hearing will be held today. On Dec. 17, The Board will be asked to approve the 2020 Budget and amended 2019 Budget. The three largest sources of revenue is sales and use tax (74.6%), passenger fares (15.2%) and reimbursed expenditures (7.8%). The 2019 amended budget has total revenues estimated at \$280.8 MI. The 2019 3<sup>rd</sup> quarter projected revenues are \$283.1 MI. Sales and use tax receipts are projected at \$211.2 MI. Receipts through October are 1.3% better than budget. Passenger fares are projected at \$43.2 MI. Ridership has fallen about 4% from 2018. This does not include the summer months with the Red Line Shutdown and S-Curve reconstruction. Reimbursed expenditures are being maintained for preventative maintenance at \$20 MI. General fund expenditures are projected at \$285 MI. The three largest categories within the Operating Budget are salaries and overtime (48%), payroll taxes and fringe benefits (18.2%) and service, materials and supplies (5.8%).

The 2019 Operating expenditures are budgeted at \$254.5 MI. The 3<sup>rd</sup> quarter estimate for the Operating Budget is \$243.9 MI. This is staying in line with 2018 actuals. The Price Risk Management Program, including the Fuel Hedging Program has helped to keep fuel prices and utility cost steady. With the beginning balance of \$39 MI and total projected revenues of \$283.1 MI. Projected resources are totaling \$322.1 MI. Total Operating expenditures are projected at \$243.9 MI. Transfers to Other Funds provide funding for specific set asides. These include the insurance fund, pension fund, bond retirement fund, capital improvement fund and reserve fund. They propose to increase the transfer to the reserve fund by \$5 MI for the rail car replacement. This will bring total transfer to the rail car replacement to \$11 MI. The total transfer to the reserve fund for 2019 to \$13 MI.

For 2020, inflation rates and interest rates are in line with the Federal Reserve Bank's estimates and coincide with estimates from Standard's & Poors. We will maintain preventative maintenance reimbursement at \$20 MI and \$11.6 MI OTP2 fund as awarded by Ohio or which \$6 MI will be used for PM. This will free up formula funds to be used by the rail trunk line project. The General Fund revenue for 2020 includes a 2% increase in sales and use tax. This is based upon current trends through October this year. A 4% decrease in passenger fare revenue is based upon current receipts through September. Total revenue is estimated at \$283.7 MI. With an estimated beginning balance of \$37.1 MI, total resources are budgeted at \$320.8 MI. The 2020 budget estimates operating expenditures at \$262.2 MI. (\$143.7 MI for salaries and overtime and \$53.4 MI is for payroll taxes and fringe benefits). A 2.5% wage increase is budgeted for all employees. A 27<sup>th</sup> pay is budgeted for all salaried employees. \$9.4 MI is budgeted for fuel. Other expenditures at \$55.7 MI includes inventory, service contracts, other utilities and purchased transportation for ADA paratransit services. Transfers to other funds are budgeted at \$29.9 MI and includes the transfers for set asides. A transfer from the reserve fund is budget at \$1.5 MI for the 27<sup>th</sup> pay for salaried employees.

Total expenditures for 2020 are budgeted at \$295.8 MI. With an estimate beginning balance of \$37.1 MI in 2020, it is beginning strong. Total proposed GF expenditures of \$295.8 MI against total resources of \$320.8 MI leaves an ending balance of \$25 MI for 2020 or 1.1 month reserve. They propose to amend the 2019 amended budget and increasing the budget appropriation by \$5 MI to increase the transfers to the reserve funds for the rail car replacements. The original budget in 2018 didn't include this transfer. In March, they amended the budget and included a transfer of \$6 MI for rail cars. They propose to amend it again with an increase of \$5 MI for railcars with a total of \$11 MI in 2019. At the end of 2019, there will be a rolling balance of \$28.9 MI specifically for rail cars. For 2020-2022, an additional \$5 MI will be transferred for rail cars each year.

Mr. Bibb asked about the \$10 MI loss in resources from 2020-2021. Kay said this is due to the ending 2019 balance estimation at \$37.1 MI, which is a 1.8 month reserve. For 2020, the additional expense

of the 27<sup>th</sup> pay and the 2.5% increase for all employees. So the ending balance goes down to \$25 MI. Mr. Bibb ask if there are cost efficiencies that can be projected based on the GCP recommendations. It would be good for the Board to see these. Mr. Gautam said they are engaged in the GCP findings about administrative cost. They will continue to look at these cost to see what needs to be done to bring in line with peer agencies. Rev. Lucas asked what happens to the old rail cars. Dr. Caver said they are junk cars. Some parts have been sold for a small amount, but there is not a market for it. Some vendors want to be paid to take the trains away. They will need to be removed when the new cars are purchased. There is not much revenue there.

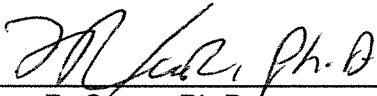
10:10 a.m. - Mayor Welo suspended this meeting to go into the public hearing.

10:27 a.m. - The meeting was reconvened.

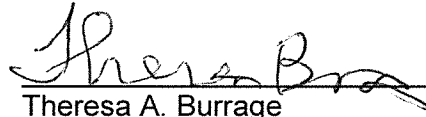
Staff requests that the Operational Planning & Infrastructure Committee recommend the proposed 2019 Amended Budget and 2020 Budget to the full Board for approval.

It was moved by Ms. Moss, seconded by Rev. Lucas and approved to go to the Board.

Mayor Welo adjourned the meeting at 10:27 a.m.



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



Theresa A. Burrage  
Executive Secretary