

Minutes

RTA Board of Trustees
9:02 a.m., January 16, 2018

Present: Clough (Vice Chair), Elkins, Lucas, McCall, Moss, Nardi, Serrano, Welo

Not present: Dixon, Norton

Also Present: Aaron, Anderson, Barnett, Bell, Bender, Benford, Bitto, Bober, Brasler, Brown, Burney, Burns, Calabrese, Caver, Cowan, Dangelo, Enty, Escott, Feliciano, Fields, First, Garofoli, Gautam, Gay, Hampton, Howard, James, Jaszczak, Jedlicka, Johnson, Jones, King, Kirk, Krecic, Lamb, Laule, Leach, Lou, Masek, McCarthy, Morgan, Motley, Muti, Nix, Opett, Pickett, Pierce, Pinkney, Poole, Raguz, Randalson, Ruther, Schipper, Scott, Sims, Tarka, Thompson, Tucker, Turner, Vukmanic, Wiehe, Young, Zanders, Zeller

Mayor Clough called the meeting to order at 9:02 a.m. The secretary called the roll and reported that seven (7) Board members were present. Rev. Lucas arrived after the roll call.

The Secretary advised that notice of this meeting has been posted more than twenty-four hours in advance of the meeting, that the usual notification has been given the news media and other interested persons, and that all requirements of the Ohio Revised Code and Rules and Bylaws of this Board regarding notice of meeting have been complied with.

Mayor Clough stated that the minutes from the November 21, 2017 Board meeting and December 19, 2017 Board meeting had been previously distributed and reviewed and asked whether there were any additions and/or corrections. Several Board members asked to abstain from voting on the Nov. 21 minutes since they were not in attendance. There were five (5) ayes and three (3) abstentions. The Nov. minutes were not approved. The roll was called for the December 19, 2017 minutes. There were six (6) ayes and two (2) abstention. The Dec. minutes were approved

Invitation for public comment on agenda matters – (3 minutes)

1. Dan McCarthy – Cleveland, Ohio – He is a student. He would like to see the changes on the March service change. He asked if there were public meetings. Joe said the changes that go into effect March 11 don't necessitate public hearings. There will be a list of changes today or tomorrow in the paper. Things had to happen quickly to address the \$20 MI loss. He asked staff to have the schedules on the website as soon as possible before the printed copies come out. These routes were selected because staff believed they could do without the need of public hearings. In March, when a new resolution is brought to the Board, some of those changes will require public hearings. They will be in April-May. Dan urged that the All-Day pass be lowered to \$5.

Committee reports

There were no reports.

Introduction of New Employees/Promotions

Rajan Gautam was promoted to Deputy General Manager of Finance and Administration. Melinda Dangelo was promoted to Procurement Director. New hires include Wayne Motley, the new security engineer. He has over 20 years of experience in IT. Jason Leach, the new application analyst has experience is in virtualization and IT security. Other promotions include Phillippa Morgan, promoted to rail traffic supervisor. Belinda James was promoted to rail supervisor. Sheldon Zanders was promoted to supervisor I. Patrick First was promoted to Central Communication Specialist. Joe introduced newly elected ATU president William Nix. Mr. Nix introduced Wayne Bender, financial secretary. This is Jerry Masek's last Board Meeting. He will be retiring at the end of the month. There was a group of employees

that worked 24 hours after the water main break last week that staled service from Tower City to E. 55th. The team from Power & Way includes Billy Burns and Teresa Muti.

Citizens' Advisory Board

Leo Serrano gave the update. The CAB has shifted to meeting quarterly so they didn't meet this month. They are looking at reconstituting various members terms who have expired. They are also recruiting new members. He asked the Board to identify people they'd like to serve.

Introduction of resolutions

- A. 2018-1 – Expressing congratulations to the employees of the Greater Cleveland Regional Transit Authority who retired during the fourth quarter of 2017, the adoption of which was moved by Mayor Welo, seconded by Mr. Nardi and approved by unanimous vote.

There were 31 retirees last quarter. William Brown, Jr., Bennie Cowan, Perry Escott, Jr., David Jedlicka and Loretta Kirk were in attendance.

- B. 2018-2 – Authorizing Contract No. 2017-102 with Kapsch TrafficCom USA, Inc. for the purchase of Scada Replacement Services in an amount not to exceed \$1,300,045.29 (RTA Development Fund, Engineering & Project Development Department budget), the adoption of which was moved by Mr. Serrano, seconded by Chief McCall and approved by unanimous vote.
- C. 2018-3 – Authorizing Contract No. 2017-145 with Panzica Construction Company for Project 24R – E. 116th Street Station reconstruction in an amount not to exceed \$4,975,000.00 (RTA Development Fund, Engineering & Project Development Department budget), the adoption of which was moved by Mayor Welo, seconded by Mr. Serrano and approved by unanimous vote.
- D. 2018-4 – Authorizing Contract No. 2017-146 with Infinity Paving Company for Project 17.00 – West Blvd. Rapid Transit Station concrete bus roadway, at a total amount of \$265,164.00 (RTA Capital Fund, Engineering & Project Development Department budget), the adoption of which was moved by Mr. Serrano, seconded by Mayor Elkins and approved by unanimous vote.
- E. 2018-5 – Authorizing Contract No. 2017-149 with Kirk's Automotive Inc., for the furnishing of an alternator test bench, as specified, for a total price of \$132,500.00 (RTA Development Fund, Fleet Management Department budget), the adoption of which was moved by Mayor Welo, seconded by Mr. Serrano and approved by unanimous vote.

Ms. Moss asked if there were concerns that there was only one bid, if that raised any concerns and if the bid met budget expectations. Joe said this is a specialized product. This vendor goes back to 1994.

- F. 2018-6 – Authorizing Contract No. 2017-152 with Ohio Machinery Co. dba Ohio CAT for the purchase of seven (7) new Caterpillar ("CAT") C-9 diesel engines, as specified and as required, in an amount not to exceed \$126,000.00 (RTA Development Fund, Fleet Management Department budget), the adoption of which was moved by Mr. Nardi, seconded by Mr. Serrano and approved by unanimous vote.

Ms. Moss asked the same question about there being one bid and if the price was fair. Joe said that only caterpillar sells these engines so there was no place else to go to get the product.

- G. 2018-7 – Authorizing Contract No. 2017-167 with Ultramain Systems, Inc. to provide software maintenance for the Authority's CITME Maintenance and Materials Management System for a period of one year in an amount not to exceed \$336,509.24 with two annual renewals in amounts not to exceed \$348,287.06 and \$360,477.11, respectively, for a total contract amount not to exceed \$1,045,273.41 (General Fund, Information Technology Department budget), the adoption of which was moved by Mr. Serrano, seconded by Mayor Welo and approved by unanimous vote.
- H. 2018-8 – Authorizing Contract No. 2017-173 with Trapeze Software Group, Inc. to provide TransitMaster software upgrade implementation and training services in an amount not to exceed \$154,800.00 (General Fund, Intelligent Transportation Systems Department budget), the adoption of which was moved by Mr. Serrano, seconded by Chief McCall and approved by unanimous vote.
- I. 2018-9 – Authorizing a Memorandum of Understanding with Neighborhood Progress, Inc. to accept grant funds in the amount of three hundred fifty thousand dollars (\$350,000.00) for construction improvements to the E.116th St. Station Project, the adoption of which was moved by Mayor Welo, seconded by Mr. Nardi and approved by unanimous vote.

Mayor Welo expressed approval of the presentation that was made on this issue at the last meeting. It's good that RTA has partners while RTA is dealing with budget cuts.

General Manager/Secretary-Treasurer's Report

Sales tax for January is down 2.78% from budget, 12.3% from last year. Ridership was down on the bus and rail, but up on the HealthLine. There was a fire at the Brookpark substation a few months ago. Work continues on the newer of the two substations. It should be running by the end of the month. The 2nd transformer needs to be replaced with a Board resolution this year. Work on E. 34th Street Station and E. 105th Street Station continues. A copy of the Cuyahoga County Public Advisory Committee report was provided to the Board. Letters were sent out last week to a few hundred elected officials and civic leaders to discuss the final results of the MCO sales tax issue. The Mayors & Managers asked to meet at RTA Feb. 22. RTA applied for money out of the State Capital Infrastructure Program to finish the paving at the Brookpark Station. A list of 2017 highlights was presented to the Board. It was a good year in a number of areas.

Staff worked hard last year to finish to the good of budget by \$26 MI. He thanked the staff, and Clevelanders for Public Transit who fought for a MCO sales tax fix. Most of the NE Ohio delegation supported RTA through the budget process. Some supplemental money was received from the State, but no permanent funding plan was put in place. RTA spends \$800,000 a day to keep operations running. Based on the cut, \$55,000 a day needs to be cut. If there is not a fare increase this August, \$60,000 a day will be needed to reduce cost. Joel Freilich will give a presentation today on the March 11 service changes, which happens three times a year. The staff in anticipation of saving some money has been working on a plan. They presented the plan to Joe for March 11 implementation. It will save \$4 MI a year. This cuts \$11,000 a day out of the expenses. Staff is working on a revised budget to be presented in March to discuss the plan to the remaining cuts.

Highlights of March 11th service change to begin to address loss of MCO sales tax revenue

Joel Freilich made the presentation. The March 11 adjustments save \$4 MI annually. There is no route being discontinued or have a reduced number of business hours. RTA's transit network will still be the strongest in the state with 52 bus and rail routes of which 39 run every day and 11 operate 24/7. All routes will have sufficient capacity for riders. The purpose is to make the one-time State payments last longer, hopefully until some type of permanent funding is found. The alternative to less frequent service is discontinuing use which results in loss access to jobs, etc. Adjusting frequency now means fewer routes will need to be modified in the future. A list of the 15 routes that will change and their service frequency change is included in the PowerPoint.

Other adjustments, the #39 Park N Ride trips will go through Bratenahl to save some duplication. The #5 Chagrin will be realigned to serve Ahuja Hospital & new Pinecrest Development. The #15 will be streamlined near Tri-C east because of the change to the #5. The #19 will be realigned to better serve the new Amazon distribution facility at Randall. The #14 and #15 will be realigned downtown for reliability. Instead of going down Prospect near 9th Street which gets congested during special events, it will be rerouted on Superior and through CSU before going out to Tri-C and beyond. Stop consolidations and safety continue on the #48, #48A and #86 will get new signs and safety improvements.

Joe added that the staff sized the service level to the current ridership base. The impact on the customers varies. This saves \$11,000 a day. Mr. Nardi asked how frequency determines what is saved. Joel explains that with the cuts in frequency, less operators are needed to run the route. It takes six operators to run every 20 minutes, four drivers to run every 30 minutes, and eight operators to run every 15 minutes. Frequency is a big cost driver. Mr. Nardi asked if operators would be laid off as a result. Joe said there will be less operators and mechanics, but staff is trying not to fill positions so this can be handled through attrition and cutting overtime. Chief McCall commended the staff for thinking outside the box to save money. She mentioned that this item should be on the new Stakeholders Relations committee. This needs to stay before the public. Joe added that staff understands the need for service, but this plan would inflict the least amount of inconvenience on customers.

Questions or comments from the audience (3 minutes)

1. Joshua Jones – Cleveland, OH – He is a millennial, lives downtown and sold his car so he depends on RTA. He is alarmed about the cuts and fare hikes. He asked for solutions from RTA, the city, county and state. The HealthLine fare collection process is causing 2-10 minute delays. He asked why spot checks by unarmed fare enforcers have not been tested. He is interested in the CAB, via Marjorie Sutton. He submitted an application. Joe said the on-time performance of the HL is being tracked and has improved, pushing 90%. They City of Cleveland appealed the judge's decision that caused the fare enforcement process to change.
2. Gloria Aaron – Cleveland, OH – She is a member of Northern Ohio Ohioans for Budget Legislation Equality. Transportation is one of their main issues. They have spoken against state cuts to RTA to legislators and at state budget hearings. She rides the #22 and #55, which are highly used. They oppose any fare increases. Most riders are on fixed incomes or are low income. She cited a Plain Dealer article where Joe was quoted saying people need to look at their budgets. Joe explained that he meant RTA needs to look at how it needs to control its budget, not the customers. This was in response to him being asked why the cuts are going forward now versus down the line after the funding ends. She said to consider workers who may lose their jobs. She suggested they look at other sources of revenues like taxes restricted to transit. She doesn't believe the last round of public hearings were publicized. Mayor Clough said that all options are on the table.

3. Diane Howard – Cleveland, OH – She is a senior that lives in Lakeview Towers. She thanked staff that there were not many cuts and for the #81, but they need the #81 on the weekends. She asked if anyone on the CAB rides the bus and if seniors are on the CAB. She asked if they are involved in the rate increases. Joe added that the Board held meetings in 2016. Eleven hundred people attended. The discussion was should the fare go up by .25 cents or .50 cents or .25 cents in 2016 and .25 cents in 2018. The public was given those three options. Not raising the fare meant more service would have to be cut. The Board approved the .25 cent increase in 2016 and the same in 2018. The Board will be reviewing it. If the fares don't increase this year, another \$5,000 a day has to be cut in running the system. Joe added that if there are changes impacting Lakeview Terrace, they will schedule a meeting there.
4. Rev. Pamela Pinkney-Butts – Cleveland, OH – She's attended meetings for 15 years. She asked how RTA is benefiting from the new SCADA system. She asked what work is being done at E. 34th Street Station and E. 55th Street Station. Cuts will affect the poor, middle class, women and people of color.
5. She did not state her name. She has attended meetings for 15 years and have been writing Joe letters, but said she doesn't get a response. She ask that RTA employees give back. Joe offered his email to her.
6. James Lamb – Cleveland, OH – He fought for the service on the #81 for five years. He wants weekend service back. He uses the bus when he can't get Paratransit.
7. William Tacke – Broadview Hts, OH – He asked that the way the region thinks of public transit is evaluated as far as health and human services and economic development. He asked if RTA was included in the conversation with the county on their Health & Human Service levies and five year Strategic Plan. Joe added that RTA has met with the county. The meetings have revolved around federal money to subsidize assisting county social service programs that can go to transportation. Is there an entity that could subsidize, and reduce the fares for lower income customers? In other cities, that is an entity, someone other than the public transit system. The County committee discussed the possibility to raise revenue through a number of sources, which the Board will be discussing. The new Board Advocacy committee will be discussing this. But this will take time. Over 200 letters was sent out to elected officials, civic leaders, and economic development partners. The Board has steered the CAB in the direction of advocacy.
8. Marvin Randalson – Lakewood, OH – He represents Clevelanders for Public Transit. He asked how much money has been raised from the 2016 fare increase versus the plan. What is the threshold for service changes to trigger public meetings? How many jobs will be cut this year? Would it be best practice to get feedback from the public and stakeholders before cuts are made? Changes in frequency make it harder for riders. They miss connections and have to wait longer. It's hard for him to advocate for public transit when RTA makes decisions in this manner. It's hard for riders to support additional funding for transit if RTA doesn't give them a seat at the table. He asked when cuts to administrative and executive staff could be expected since ridership is at a record low. Leadership needs to recognize that the people own RTA and not the other way around. Joe added that Joel Freilich could explain the FTA requirements for holding public meetings regarding service and that staff cuts have been made and will continue.
9. Larry Brasler – Cleveland, OH - He is a member of Northern Ohioans for Budget Legislation Equality. Back in 1975, he supported the campaign for CTS to become RTA, which lowered

the fares to .25 cents. Fares have risen dramatically and is being increased again at a time when Cleveland is a poor city. Ohio has the lowest support for public transportation than any state in the country. There needs to be more of an aggressive public outcry for the State to provide more support. If support from the State is not received, It's critical that another source of funding is found; increase in sales tax or increase in property tax. Many county legislatures are ready to support this. Joe added that from 2003-2018 the State support of public transit has gone from \$43.5 MI to \$6.5 MI without any reference to inflation. The sales tax is what RTA has always had going for it. The \$20 MI cut is a cut to the local sales tax.

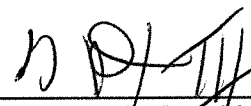
10. George Zeller – Cleveland, OH – The sales tax adjusted for inflation is down almost 4% this month. That is a loss of \$14.5 MI over the year. This is the 4th month in a row it's gone down. The state of Ohio has gone 60 months in a row below the national average in job growth. Now combined with the elimination with the loss of the MCO is contributing to RTA's plunge in revenue. There will be more route cuts later in the year despite today's public comments because of lack of funding. There is not support in the state of Ohio government for RTA or Akron Metro. The public should quit blaming RTA for the problem.
11. Loh – She complained about her name tag not being spelled correctly. She complained of how hard it is to get on the HealthLine to pay fare with bags, groceries, etc. Ridership is low. She asked that the riders be recognized. She understands that fares don't cover a large part of operational cost. She ask if RTA has truly addressed the state legislatures. People are leaving the county. Seniors are a large and growing populations. RTA is creating a negative image. They need to know that RTA is working for the people.

Mayor Clough said these will not be easy decisions to make. Mayor Elkins added that this is a political issue that boils down to gerrymandering. The state districts are so rurally oriented that the urban centers in the state are ignored. When that happens, transportation gets ignored. The long term solution is to stop letting elected officials draw their districts and balance the needs of the rural and suburban communities with urban centers. The urban centers drive the economy in the state. Our legislature is geared/drawn for rural communities that don't rely heavily on public transportation. He asked the public to think about that when they vote and who is available to have a non-partisan board draw the districts opposed to the current structure.

Mayor Welo urged the public to attend the candidate forums throughout the state and to ask questions and get answers. It's coming to a point that it's "fend for yourself" localism. Every time a ballot comes up, there are more ballot issues to raise local dollars and at the county level than there are candidates. She will make it a point to attend forums. It's going to take a revolution to change Columbus. She agreed with Mayor Elkins about there not being fair representation. The Board sees and cares about what is happening.

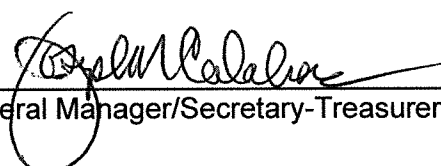
The next regular Board meeting is scheduled for Tuesday, February 20, 2018, in the George F. Dixon, III Board Room of the Authority, Root-McBride Building, 1240 West Sixth Street, Cleveland, Ohio 44113.

This meeting was adjourned at 10:37 a.m.



President

Attest:



CEO, General Manager/Secretary-Treasurer