

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

QUARTERLY MANAGEMENT REPORT

SECOND QUARTER 2018



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From the CEO



The second quarter of 2018 brought about some exciting endeavors for RTA. First, GCRTA entered into a partnership with Lyft to provide Paratransit customers with a new transportation option. By supplementing our service with Lyft, we are able to drive down the average cost of service from \$40 per trip to \$8.49. From April 4th to June 30th, 1,676 total rides with a savings of \$52,810.76.

Second, we broke ground on the E. 116th – St. Luke’s Rapid Station. The newly designed Blue/Green Line station will feature enhanced security features and ADA accessibility, such as the ramps at the E. 34th and Buckeye-Woodhill stations. Construction is expected to be completed in May of 2019.

Third, RTA stimulated ridership during the second quarter by bringing back last year’s successful “Kids Ride Free” summer fun program, which allowed up to three children 12 and under to ride any GCRTA bus or train free with the purchase of an adult fare. Running from June 3 to August 11, the program sought to encourage families to explore the sites and local destinations Cleveland has to offer by offering affordable, convenient transportation. Just in the month of June, 31,000 “kids under 12” enjoyed trips on our system, and this is a 55% increase from 2017.

Additionally RTA launched “See Something, Text Something”. By simply texting 216-575-EYES (3937), riders can discretely send messages, pictures, and even video to transit police to report suspicious activity or potentially problematic situations. The messages go directly to dispatchers who “LiveChat” with the customer to gather more information for responding officers. This program allows riders to communicate with law enforcement without drawing unwanted attention to themselves, and it is yet another way that RTA is using technology to increase customer safety.

In May, John Togher was named the Director of Accounting, filling the vacancy left by the promotion of Rajan Gautam to Deputy General Manager of Finance at the end of 2017. The hiring of John demonstrates the benefit of a focus on succession planning, one of our Vital Few Objectives Initiatives.

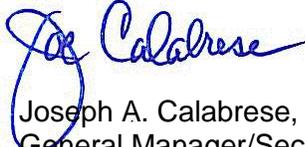
As always, RTA and its employees strive for excellence, and the Authority was honored several times during the second quarter. We received the APTA Gold Award for Bus Safety, which is an improvement over the Certificate of Merit received in 2017. The Ohio Bureau of Worker’s Compensation awarded RTA the Group Award for Safety for their 2017 Safety Campaign. RTA was once again recognized as Best in Class for Workforce Diversity by the Greater Cleveland Partnership. Because this is the third time RTA has been awarded this honor, we will be placed in the *Hall of Fame*. Lastly, was named Government Fleet of the Year by FleetOwner.com for maintaining an aging fleet to control costs.

Also during the second quarter, RTA held its annual Employee Recognition Banquet. A total of seventy-two employees were honored for their exceptional service to the organization. Although all the honorees are exemplary, only one made GCRTA history. Hayden Operator Godwin McNeal achieved 40 years of safe operation. He has logged over 1.2 million miles and has never been involved in a preventable accident.

The enclosed report details the activity and operating results of RTA through the second quarter of 2018. The eight TEAM performance measures continue to be at the core of our operating philosophy. Additional quarterly updates are included for DBE participation, Affirmative Action, Succession Planning, and a status update on our Engineering and Construction activities.

The intent of the Quarterly Management Report is to provide information to assist you in carrying out your oversight role and statutory responsibilities as the Governing Board of the Authority.

Sincerely,

A handwritten signature in blue ink that reads "Joe Calabrese". The signature is written in a cursive style with a large, stylized initial "J".

Joseph A. Calabrese, CEO
General Manager/Secretary-Treasurer

Financial Analysis

Financial Vision

In the 2016-2018 Strategic Planning cycle, the 5-Year Strategy and 10-Year Vision were updated and framed in a Balanced Scorecard (BSC) with Financial Vision being a BSC Focus Area. One Vital Few Objective (VFO) within this category, Fiscal Responsibility, yields two Initiatives: to Increase Revenue and Reduce Expenses, and to Enhance Fiscal Responsibility. The core drivers of Fiscal Responsibility are outlined in Figure 1.

| Initiative: Increase Revenue, Reduce Expenses | Performance Target | 2nd Quarter Performance |
|---|------------------------|-------------------------|
| General Fund Revenue | ≥ 1% Growth | -1.8% |
| Passenger Fare Ratio | ≥ 20% | 18.3% |
| General Fund Expenses | ≤ General Fund Revenue | -7.9% |
| Personnel Costs vs. Budget | ≤ Budget | -1.5% |

Figure 1: 2016- 18 Strategic Plan, Financial Vision Balanced Scorecard Focus

General Fund Revenues

The Authority’s top 4 sources of Revenues are Sales & Use Tax, Passenger Fares, Advertising & Concessions, and Reimbursed Expenditures. Other nominal contributors are the Investment Income and periodic one-time reimbursements from the Northeast Ohio Areawide Coordinating Agency (NOACA), the State of Ohio, or the Federal Transit Administration.

Sales & Use Tax receipts are the largest source of revenue for the Authority, representing 66.5 percent of total revenues in the Second Quarter. The State removed the Medicaid Managed Care Organizations from the tax base as of July 1, 2017. With a 3-month lag, the loss of sales tax receipts was realized in October 2017. The State provided \$20 million of assistance due to the loss of sales tax funding, \$10 million was received in 2017 and another \$10 million was received in January 2018. The Authority received an additional \$5.1 million of assistance from the State in January 2018. An additional \$3.1 million is expected by September 2018, which was originally budgeted in 2019 as the timing was unknown. Sales & Use Tax receipts received in the Second Quarter 2018 totaled \$98.9 million and were 1.5 percent (nearly \$1.5 million) higher than budget, and 8.5 percent (\$9.1 million) lower than Second Quarter 2017. This is primarily due to the loss of the Medicaid receipts. Year-end receipts are projected to total \$198.8 million, slightly above the budgeted level.

Passenger Fares, the second largest source of revenue, totaled \$20.5 million, 6.9 percent higher than budget, and 0.2 percent below 2017 levels. Ridership had been falling over the past several years nationally, as gas prices remain low. This fare increase was indefinitely postponed. Passenger Fares are projected to end the year at \$44.4 million, about \$1.1 million, or 2.3 percent, below 2017 levels. Since the implementation of the RTA-CLE App, the Authority has seen an increase in customers using the app to purchase fares. The Passenger Fare Ratio is a measurement calculating the amount of Operating Expenses covered by Passenger Fare Revenue. The goal is to have 20 percent of Passenger Fares cover Operating Expenses. At the end of the Second Quarter, Passenger Fares covered 18.3 percent of Operating Expenses. Reaching the goal will become more difficult if ridership continues to drop and fares remain stable.

Reimbursed Expenditures totaled 8.6 percent of total revenues in the Second Quarter, or \$12.8 million. The difference compared to budget is due to timing of grant awards received and drawdowns. Preventive Maintenance reimbursements are budgeted at \$20.0 million, maintaining the Authority’s goal of at or under \$20 million. Other Reimbursed Expenditures includes reimbursements for force account labor, fuel tax refunds, and other federal and state reimbursements. By Year-End, Total Reimbursed Expenditures are expected to be at budgeted levels. Trolley sponsorship is budgeted at \$640,000. No payments have been received through the Second Quarter.

The other revenue sources, which include Advertising and Concessions, Investment Income, and other miscellaneous revenues, represent 1.0 percent of total revenues received in the Second Quarter, or \$1.5 million. Advertising & Concessions is expected to end the year at \$2.1 million, at the budgeted level. Investment Income is projected to end the year at \$829,566, higher than budgeted levels as the Authority is receiving a higher percentage of interest. Other Revenues are projected to end the year at \$1.6 million, slightly above the budgeted level.

| General Fund Revenue Item | Second Quarter Revenues | Percentage of Total Revenue | Percentage Change Compared to Budget |
|--|-------------------------|-----------------------------|--------------------------------------|
| Sales & Use Tax | \$98,906,085 | 66.5% | 1.5% |
| Passenger Fares | \$20,477,976 | 13.8% | 6.9% |
| Advertising & Concessions, Investment Income and Other Revenue | \$1,506,960 | 1.0% | 23.8% |
| State Aid for MCO Loss | \$15,182,262 | 10.2% | 0.0% |
| Reimbursements and Operating Assistance | \$12,770,055 | 8.6% | -31.2% |

Figure 2: General Fund Revenue Highlights

General Fund Expenses

The original 2018 General Fund Budget includes the Operating Budget, \$259.7 million, and transfers to other Funds, \$40.5 million, for a total General Fund Budget of \$300.1 million. The Operating Budget was 5.1 percent over 2017 estimated expenses. In March, the Board of Trustees approved a reduction to the 2018 General Fund Budget. Due to the removal of the Medicaid from the sales tax base and reduction in passenger fares estimate, the Operating Budget was reduced by \$5.7 million and transfers were reduced by \$7.0 million, for a total General Fund reduction of \$12.7 million. Operator Labor and Overtime was reduced based upon adjusted service levels, union increase retro payments were added, and non-personnel costs were reduced to align with prior year actual expenses. The Operating Budget will be amended again in August 2018 to add and new position (Senior Advisor for Special Projects and Strategic Innovation) and representative funding as approved by the Board of Trustees in July 2018. The information following compares actual expenses to the 2018 Amended General Fund Budget.

Total General Fund Expenses ended the Second Quarter at \$137.0 million, 6.5 percent under budget. Through the Second Quarter, Total Expenditures are \$11.8 million, or 7.9 percent, under Total Revenues. Salaries and Overtime are 49.8 percent of total expenses and ended the Second Quarter 1.1 percent under budget. Fringe Benefits are 19.0 percent of total expenses and ended the Quarter 2.6 percent under budgeted levels due to a PERS payment being made in early July rather than in June. Hospitalization expenses are projected to end the year about \$2.0 million above budgeted levels. Expected savings in prescription, dental, vision, and other fringe benefits will help to keep total Fringe Benefit near budgeted levels.

Fuel, including diesel and natural gas, are managed by the Energy Manager through the Energy Price Risk Management Program. Fuel represents 2.5 percent of total expenses. Through the Second Quarter, fuel costs were nearly \$300,000, or -8.0 percent, under budgeted levels. Fuel costs are projected to end the year slightly under budgeted levels.

Other Expenses includes services, inventory, other utilities, such as telephone and electricity costs, liabilities and damages, and other expenses, which are driven by the Operations division. As a whole, this category totaled \$26.6 million or, 19.4 percent of the total expenses and 8.5 percent below budgeted levels. This category is projected to end the year at \$51.1 million, 7.9 percent under the 2018 Amended Budget.

Services and service contracts represent 4.8 percent of the total expenses and ended the Quarter 12.3 percent below budget. Materials and Supplies includes the Inventory category, which covers preventive and corrective maintenance parts for buses, trains, facilities, and equipment; as well as kits for the predictive maintenance program. Materials and Supplies and Inventory ended the Quarter at \$8.4 million, 5.2 percent under budget.

Other Fuel and Utilities expenses includes gasoline, propane fuel, propulsion power, water, sewer, electricity, telephone, and taxes. Utilities ended the Second Quarter at \$3.9 million, 2.8 percent of total expenses and 10.1 percent under the 2018 Amended Budgeted level. Liability claims and insurance premiums ended the quarter at \$1.9 million, 12.4 percent under budgeted level. By year-end, Liabilities and Claims are projected to be 4.5 percent under the 2018 Amended Budget.

Purchased Transportation includes ADA Contracts, the vanpool, and Medina/Brunswick Pass-Thru. Purchased Transportation costs through the Second Quarter totaled \$5.2 million, 3.8 percent of total expenses, and 1.9 percent over the 2018 Amended Budgeted Level. By year-end, Purchased Transportation is projected to total \$7.6 million, near the budgeted level. A pilot program, partnering with Lyft, began in April, as a way to explore ways to supplement the current service and reduce costs. This pilot program is scheduled to run through the end of the year. Currently 70 Paratransit customers have agreed to participate in this program.

Transfers to Other funds includes transfers to the Reserve Fund, Pension Fund, Capital Funds, Bond Retirement Fund, and Insurance Fund. A \$30 million debt service was budgeted for 2017 but was deferred to the beginning of 2018. This debt schedule has been deferred again until the beginning of 2019. The 2018 Amended Budget includes a \$2.0 million reduction in the transfer to Capital and a \$5.0 million reduction in the transfer to the Reserve Fund. Capital transfers are projected to end the year about \$1.5 million under the 2018 Amended Budgeted level.

| Operating Expense Item | 2 nd Quarter Expenses | Share of Total Projected Operating Expenses | Percentage Compared to 2018 Budget |
|-----------------------------|----------------------------------|---|------------------------------------|
| Salaries | \$68,294,168 | 49.8% | -1.1% |
| Fringe Benefits | \$26,041,319 | 19.0% | -2.6% |
| Fuel (Diesel & Natural Gas) | \$3,423,340 | 2.5% | -8.0% |
| Services and Contracts | \$6,584,518 | 4.8% | -12.3% |
| Inventory | \$6,524,419 | 4.8% | -5.0% |
| Purchased Transportation | \$5,184,940 | 3.8% | 1.9% |
| Other Fuel and Utilities | \$3,862,464 | 2.8% | -10.1% |
| Liabilities & Damages | \$1,948,182 | 1.4% | -12.4% |
| Materials & Supplies | \$1,836,177 | 1.3% | -6.0% |
| Other | \$633,606 | 0.5% | -42.8% |
| Transfers to Other Funds | \$12,687,609 | 9.3% | -27.2% |

Figure 3: Key General Fund Expense Highlights

Personnel Expenses vs. Budget

An important focus of managing expenses includes reviewing personnel costs compared to the budget. Key factors that impact this ratio include employee vacancy rates, absenteeism, vacations, special service delivery levels, health care costs, as well as special projects. The goal is for personnel costs are to be at or 2% below budgeted levels. At the end of the Second Quarter, Total Personnel Expenses (Salaries and Fringe Benefits) was 1.5 percent under budgeted levels. Figure 4 summarizes the Authority-wide 2018 expenditures by the workforce segments.

| Workforce Segment | 2 nd Quarter Labor Expense | 2 nd Quarter Budgeted Labor | % Expense vs. Budget |
|-----------------------|---------------------------------------|--|----------------------|
| Salaries | \$68,294,169 | \$69,059,696 | -1.1% |
| Fringe Benefits | \$26,041,319 | \$26,742,803 | -2.6% |
| Total | \$94,335,488 | \$95,802,499 | -1.5% |
| Operator Salaries | \$27,343,447 | \$26,479,084 | 3.3% |
| Non-Operator Salaries | \$40,950,721 | \$42,580,612 | -3.8% |

Figure 4: Salaries and Fringe Benefits Performance Highlights.

Financial Goals

Additional measures of budget performance include six financial policy goals as approved by the Board of Trustees. The goals are listed in Figure 6.

Operating Efficiency

The policy goal is to maintain an **Operating Ratio** of at least 25 percent. The year-end projection for the Second Quarter is an Operating Ratio of 19.2 percent, above the 17.8 percent in the 2018 Amended Budget and better than the 18.7 percent in the First Quarter, and closer to the 19.5% from 2017. Key influencers of this indicator are the 3 percent service adjustment executed in March 2018 and increasing use of the RTA-CLE App by customers to purchase fares. Total Passenger Fares are projected to increase by 3.5 percent by year-end compared to the budget. Operating Expenses are being maintained at the 2017 levels.

The target of the **Cost per Hour of Service** measure is to be maintained at or below the budgeted rate of inflation, which is 2 percent. Factors that impact this indicator include the change of Total Operating Expenses relative to the prior year, annual service levels, and the rate of inflation as calculated by the Federal Reserve. The year-end projection for Cost per Hour of Service is \$132.4, equal to 2017, as expenses are being maintained at 2017 levels.

Operating Reserve is targeted for a period of 30 Days or 1 Month (1.0), meaning the available cash equivalent of one month's operating expenses, with a stretch goal of 45 Days (1.5 months). Key factors that influence this indicator are Operating Revenues and Expenses, and General Fund Transfers to the other Funds of the Authority. With an ending balance projected at \$44.5 million, the projected Operating Reserve estimate for the Second Quarter is 2.2-months, an increase from the 1.9-months at the end of the First Quarter, mainly due to an increase in Passenger Fares and receiving the additional \$3.1 million assistance from the State originally budgeted in 2019.

Capital Efficiency

The **Debt Service Coverage** ratio goal is 1.5 or above and compares total operating resources, (net of operating costs and transfers to the Insurance, Capital, and Pension Funds), with the Authority's debt service needs. At the end of the Second Quarter, the Debt Service Coverage is 3.79, higher than the budgeted amount of 2.69 due to maintaining Operating Expenses at 2017 levels and the rescheduling of the debt issuance.

The **Sales Tax Contribution to Capital** includes direct support for capital projects, transfers to fund the Authority's bond retirement payments, and has a Board policy goal of at least 10 percent. This indicator is projected at 12.5 percent, within the policy goal, for the Second Quarter.

At 100 percent, the **Capital Maintenance Outlay to Capital Expansion Outlay** ratio remains outside of the 75-90 percent range outlined in the Board Policy goal and over the FY 2017 level of 97.3 percent. This measure continues to show the Authority's focus remains first on the maintenance or State of Good Repair (SOGR) of its current assets rather than on the expansion of service levels. Given the financial constraints of recent years, this continues to remain the best course available as the Authority continues on its five-year bus replacement program, equipment upgrades and infrastructure improvements.

In summary, four of the six financial goals meet the Board Policy Goals and a fifth goal is projected better than budget. Once again, the hard work put forth has helped to maintain a strong financial position for the Authority. Sustaining this strong position over the next several years will be the challenge.

| 2018 2nd Quarter | | | | | | | |
|------------------------|-----------------------------------|--|-------------|-------------|--------------|---------------------|---------------|
| Financial Policy Goals | | | | | | | |
| | | Goal | 2015 Actual | 2016 Actual | 2017 Actual | 2018 Amended Budget | 2018 Estimate |
| Operating Efficiency | Operating Ratio | ≥ 25% | 19.9% | 20.1% | 19.5% | 17.8% | 19.2% |
| | Cost/Hour of Service | | \$140.0 | \$135.1 | \$132.4 | \$139.3 | \$132.4 |
| | Growth per Year | ≤ Rate of Inflation [2%] | 13.1% | -3.5% | -2.0% | 5.2% | 0.0% |
| | Operating Reserve (Months) | ≥ 1 month | 0.8 | 1.6 | 1.7 | 1.4 | 2.2 |
| Capital Efficiency | Debt Service Coverage | ≥ 1.5 | 1.78 | 2.50 | 4.11 | 2.69 | 3.79 |
| | Sales Tax Contribution to Capital | ≥10% | 18.5% | 14.3% | 12.2% | 13.5% | 12.5% |
| | Capital Maintenance to Expansion | 75% - 90% | 98.9% | 96.3% | 97.3% | 94.3% | 100.0% |
| Reserved Fund | Fuel Reserve Fund | Fuel Budget less Actual Expenditures | \$0 | \$0 | \$2,454,922 | \$0 | \$0 |
| | Compensated Absences Reserve Fund | ≤ 25% of Accrued Liability | \$0 | \$0 | \$1,900,000 | \$944,484 | \$944,484 |
| | Hospitalization Reserve Fund | ≤ 10% of Annual Hospitalization Costs | \$0 | \$0 | \$1,800,000 | \$729,330 | \$729,330 |
| | 27th Payroll Expense Reserve Fund | Equal to about 1/12 of 27th Pay Period | \$0 | \$0 | \$1,400,000 | \$694,848 | \$694,848 |
| | Rolling Stock Replacement Fund | ≥ \$5,000,000 / yr | \$0 | \$0 | \$10,000,000 | \$0 | \$0 |

Note: Sale proceeds from Harvard and Brooklyn were deposited directly in the rolling stock replacement for approximately \$4.4 million

Figure 5: GCRTA Financial Policy Goals, Performance – Second Quarter 2018

General Fund Balance Analysis

| | 2015 Actual | 2016 Actual | 2017 Actual | Amended 2018 Budget | 2018 Estimate | Variance |
|---|--------------------|--------------------|--------------------|------------------------|--------------------|--------------------|
| Beginning Balance | 27,116,140 | 16,822,906 | 33,324,814 | 34,869,398 | 34,869,398 | 0 |
| Revenue | | | | | | |
| Passenger Fares | 48,419,211 | 46,279,344 | 45,436,326 | 42,855,419 | 44,382,881 | 1,527,462 |
| Advertising & Concessions | 1,442,677 | 2,860,267 | 2,389,856 | 2,095,000 | 2,095,000 | 0 |
| Sales & Use Tax | 205,843,321 | 218,749,851 | 213,718,145 | 197,793,912 | 198,844,640 | 1,050,728 |
| State Aid for MCO Loss | 0 | 0 | 10,034,083 | 15,134,083 | 18,282,262 | 3,148,179 |
| CMAQ Reimbursement for 2012 Trolleys | 533,478 | 0 | 0 | 0 | 0 | 0 |
| Operating Assistance - Paratransit Operations | 3,125,000 | 0 | 0 | 0 | 0 | 0 |
| Trolley Sponsorship | 0 | 0 | 0 | 640,000 | 640,000 | 0 |
| Access to Jobs Program | 920,570 | 0 | 0 | 0 | 0 | 0 |
| Investment Income | 153,534 | 42,156 | 260,016 | 110,000 | 829,566 | 719,566 |
| Other Revenue | 1,254,771 | 1,888,060 | 1,990,027 | 1,550,000 | 1,580,000 | 30,000 |
| Reimbursed Expenditures | 19,720,588 | 24,560,024 | 22,782,104 | 22,685,000 | 22,685,000 | 0 |
| Total Revenue | 281,413,150 | 294,379,702 | 296,610,557 | 282,863,414 | 289,339,349 | 6,475,935 |
| Total Resources | 308,529,289 | 311,202,608 | 329,935,371 | 317,732,812 | 324,208,747 | 6,475,935 |
| Operating Expenditures | | | | | | |
| Salaries and Overtime | 134,377,598 | 134,370,484 | 135,514,105 | 138,059,596 | 136,965,211 | (1,094,385) |
| Fringe Benefits | 52,231,192 | 48,074,083 | 51,553,465 | 53,549,663 | 53,165,294 | (384,369) |
| Diesel Fuel | 10,804,133 | 8,627,383 | 6,535,532 | 4,966,000 | 4,601,508 | (364,492) |
| Natural Gas | 1,124,699 | 1,246,088 | 1,874,683 | 1,871,000 | 1,891,147 | 20,147 |
| Other Expenditures | 53,443,532 | 53,600,135 | 52,241,152 | 55,519,748 | 51,145,386 | (4,374,362) |
| Total Operating Expenditures | 251,981,154 | 245,918,172 | 247,718,937 | 253,966,007 | 247,768,546 | (6,197,461) |
| Transfer to the Insurance Fund | 1,500,000 | 500,000 | 2,400,000 | 2,250,000 | 2,250,000 | 0 |
| Transfer to the Pension Fund | 100,000 | 100,000 | 75,000 | 60,000 | 60,000 | 0 |
| Transfers to Capital | | | | | | |
| Bond Retirement Fund | 22,615,956 | 21,887,562 | 17,045,783 | 18,865,474 | 17,292,285 | (1,573,189) |
| Capital Improvement Fund | 15,509,273 | 9,472,060 | 10,271,331 | 9,933,343 | 9,933,343 | 0 |
| Total Transfers to Capital | 38,125,229 | 31,359,622 | 27,317,114 | 28,798,817 | 27,225,628 | (1,573,189) |
| Transfer to Reserve Fund | 0 | 0 | 17,554,922 | 2,368,662 | 2,368,662 | 0 |
| Total Expenditures | 291,706,383 | 277,877,794 | 295,065,973 | 287,443,486 | 279,672,836 | (7,770,650) |
| Ending Balance | 16,822,906 | 33,324,814 | 34,869,398 | 30,289,326 | 44,535,911 | 14,246,585 |
| Reserved Funds | 0 | 8,776,432 | 0 | 0 | 0 | 0 |
| Available Ending Balance | 16,822,906 | 24,548,382 | 34,869,398 | 30,289,326 | 44,535,911 | 14,246,585 |

Figure 6: GCRTA General Fund Balance Analysis

Capital Commitments and Expenditures

Capital Revenues

Under the Federal Grant Program there are 29 grant awards, 14 of the grants are within the Formula grant award category with the other 15 being highly competitive or discretionary grants.

Among those that are most applicable to GCRTA under the Formula awards are the 5370-Urbanize Area Formula Grant, 5337-State of Good Repair, and 5339 Bus & Bus Facilities. Some of the major competitive grants that have been received in prior years and identified for FY2018 are UTP, OTP3, CMAQ, NOACA 5310 and DERG awards at variable amounts.

The Strategic Plan initiative for Capital revenue is to receive at least \$20 million of competitive awards each year, enabling the Authority to focus on the state of good repair (SOGR) projects. Competitive awards total \$35.24 million, of which a combined \$10.3 million have been appropriated for Red Line Track Rehabilitation projects at W.30th – W.98th and W.117th – Westpark. Other projects to receiving competitive funds for FY2018 include \$9.5 for the purchase of 33 40FT CNG buses and \$1.3 million for 9 motor coaches. The other continuing projects are Career Pathways Training Program, Little Italy University Station and Senior Transportation Connection. These projects, and other Capital projects are explained in further detail in the Capital Commitment section Categories.

| Funding Source | Appropriated Funds | Funds Committed | Funds Available | Percentage of Funds Remaining |
|--------------------|----------------------|----------------------|---------------------|-------------------------------|
| Formula Funds | \$118,627,037 | \$84,902,571 | \$33,724,465 | 58.46% |
| Local Funds | \$76,093,545 | \$56,423,490 | \$19,670,054 | 34.09% |
| Competitive Funds | \$35,240,067 | \$31,853,793 | \$3,386,274 | 5.87% |
| State Funds | \$0 | \$0 | \$0 | 0.00% |
| Other Funds | \$2,327,369 | \$1,415,692 | \$911,677 | 1.58% |
| Grand Total | \$232,288,019 | \$174,595,547 | \$57,692,471 | 100.00% |

Commitments by Capital Category

Due to the multi-year nature of many capital projects, the budget for the Authority's capital program is multi-year or Inception-to-Date (ITD) based. The current combined capital budget appropriation within the Authority's 2018 capital program of \$296.66 million includes the approved Fiscal Year (FY) 2018 Capital Budget of \$112.19 million and \$184.47 million of carryover capital budget appropriations from prior years.

Projects within the capital program are placed within one of the eight categories included in the chart below. The chart presents the categories of the Authority's capital program including their total commitments (expenditures plus current encumbrances) at the end of the second quarter and compares year-end projected commitments to current category budgets.

At the end of the second quarter, combined capital project commitments total \$174.46 million. This include \$120.46 million of ITD expenditures and \$53.99 million of current encumbrances. This results in a positive variance of \$122.21 million, or 41.2%, relative to the combined capital budgets at the end of second quarter. Activities on capital projects during the first half of the year

generated a combined \$30.45 million of expenditures with majority of the expense occurring within two categories, \$12.57 million occurring within Rail Projects and secondly \$11.29 million in Preventive Maintenance/Operating Reimbursement. The remaining capital expenditures were spread among the other six categories, with continuation of prior year projects, to prepare or planned FY2018 construction schedule and equipment/vehicle acquisitions that will continue to focus on the condition or State of Good Repair (SOGR) of the Authority’s capital assets.

Projected activities within the RTA Capital and RTA Development Funds during the remainder of 2018 will result in estimated total commitments of \$259.47 million and a positive year-end variance of \$37.19 million, or 12.5% versus the combined budgets of the RTA Capital and RTA Development Funds. The projected positive variance within the Authority’s capital programs is due to a number of factors that include the Federal Transit Administration (FTA) delays in full execution of grant awards that have delayed the project timelines as well as the expected closeout of remaining budget appropriation in projects that are completed under budget.

These capital projects will be discussed in greater detail within the various category explanations.

2018 PROJECTED YEAR-END CAPITAL COMMITMENTS BY CATEGORY

| Category | Current Budget | Current Commitments | Projected Year-End | Proj. Variance vs. Current Budget | |
|------------------------------------|----------------------|----------------------|----------------------|-----------------------------------|--------------|
| Bus Garages | \$8,685,756 | \$6,172,692 | \$8,624,026 | \$61,729 | 0.7% |
| Bus Improvement Program | \$64,817,897 | \$42,678,257 | \$62,254,426 | \$2,563,471 | 4.0% |
| Equipment and Vehicles | \$32,890,431 | \$10,993,520 | \$29,194,041 | \$3,696,390 | 11.2% |
| Facilities Improvements | \$18,540,716 | \$14,633,541 | \$17,445,863 | \$1,094,853 | 5.9% |
| Other Projects | \$6,759,775 | \$2,516,747 | \$3,503,851 | \$3,255,924 | 48.2% |
| Preventive Maint./Operating Reimb. | \$22,612,215 | \$13,162,288 | \$22,750,386 | -\$138,171 | -0.6% |
| Rail Projects | \$141,398,327 | \$83,856,159 | \$115,015,812 | \$26,382,515 | 18.7% |
| Transit Centers | \$966,170 | \$446,343 | \$686,344 | \$279,826 | 29.0% |
| Grand Total | \$296,671,287 | \$174,459,547 | \$259,474,749 | \$37,196,537 | 12.5% |

Current Year Expenditures by Capital Category

The chart below lists year-to-date (YTD) category expenditures and their related percentage of total capital expenditures for the current year through the end of the year and compares them with the prior years at the same point in time.

Majority of second quarter capital expenditures are in the Rail Projects and Preventive Maintenance Operating Reimbursement Budget, categories that generated a combined \$23.86 million, or 78.6% of capital expenditures with the balance of expenditures in much smaller amounts in the remaining categories.

During the remainder of the year programmed capital activities that will impact end of year expenditures, include delivery of 33 40Ft CNG buses, replacement of W. 65th Substation, architect and design work at E. 79th St Red Line Station, reconstruction of E. 116th Street Station, ADA upgrades to Farnsleigh Blue Line Light Rail Station, potential completion of E.34th Street LR/HR Station, and communication upgrades of the SCADA System.

Individual Capital projects with significant expenditures will be covered in the following discussion on the individual capital categories.

CAPITAL EXPENDITURES BY CATEGORY THROUGH FIRST QUARTER

| Category | 2018 | % | 2017 | % | 2016 | % |
|-----------------------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| Bus Garages | \$45,165 | 0.1% | \$837,584 | 2.0% | \$1,470,964 | 3.2% |
| Bus Improvement Program | \$2,402,574 | 7.9% | \$7,816,742 | 19.1% | \$6,959,401 | 15.2% |
| Equipment and Vehicles | \$1,438,935 | 4.7% | \$1,603,858 | 3.9% | \$1,550,972 | 3.4% |
| Facilities Improvements | \$2,114,973 | 7.0% | \$2,701,839 | 6.6% | \$2,971,561 | 6.5% |
| Other Projects | \$418,252 | 1.4% | \$558,388 | 1.4% | \$208,714 | 0.5% |
| Preventive Maint/Op. Reimb. | \$11,294,072 | 37.2% | \$20,107,037 | 49.0% | \$21,103,564 | 46.0% |
| Rail Projects | \$12,576,272 | 41.4% | \$7,379,925 | 18.0% | \$10,514,643 | 22.9% |
| Transit Centers | \$54,832 | 0.2% | \$16,509 | 0.0% | \$1,067,187 | 2.3% |
| Grand Total | \$30,345,073 | 100.0% | \$41,021,883 | 100.0% | \$45,847,005 | 100.0% |

The following is a brief explanation of each capital category included in the capital commitments and capital expenditure tables on previous pages.

Bus Garages

The main focus for the programmed capital projects within this category is to perform needed facilities upgrades. There are currently three projects within this project category including the soon to be completed Hayden/CBM CNG Building Compliance, CBM Lift & Fall Protection, and Triskett CNG Building upgrades that will house and maintain newly purchased CNG vehicles

At the end of second quarter, \$6.17 million of the current \$8.69 million category budget was committed leaving a positive variance of \$2.51 million or 28.9%. Total category commitments include \$5.95 million of ITD expenditures and \$222,919 of current encumbrances. During the second quarter, there were minimal expenses generated within this category, \$45,164 of expenditures reflect the initial phase of programmed rehabilitation of Triskett Building Compliance upgrades.

The added projected commitments of \$2.45 million for the remainder of the year will be for upgrades at Triskett Garage and installation of CBM Lift and Fall Protection equipment. The positive projected variance of \$61,729 or .7% at the end of the year in this category is due to project savings and expected closeout of remaining within completed projects.

Bus Improvement Program

The Authority's capital program in FY 2018 includes the fifth year of a funded five-year bus and Paratransit bus replacement program. Through the end of June, category commitments total a combined \$42.68 million out of a total budget appropriation of \$64.82 million leaving a positive variance of \$22.14 million, or 34.2 percent.

The category expenditures of \$2.4 million include purchases of 16 Paratransit vehicles and various bus spare parts purchased to help maintain the Authority existing bus fleet.

The projected commitment of \$19.57 million through the remainder of the year includes the bus purchase order for 9 motor coaches and the delayed 27 40ft CNG bus order CMAQ grant funds

that will be re-allocated to the Bus Garages category to host the Triskett Building Compliance that will house newer CNG buses.

The positive projected variance of \$2.56 million, or 4.0%, is due to the timing of grant awards and commitments within the two budgeted bus spare parts projects.

Equipment & Vehicles

At the end of the second quarter, total commitments of \$10.99 million within this category included \$4.85 million of ITD expenditures and \$6.14 million of current encumbrances resulting in a positive variance of \$21.89 million, or 66.6%. The majority of the current encumbrances, \$4.08 million or nearly 91%, remain within the on-going Fare Collection Equipment project. There has been minimal progress towards completion of outstanding items left on the contract, but completion of this project remains an open-ended issue. Remaining encumbrances within this category are concentrated within SOGR equipment, software & vehicle upgrade projects throughout the Authority.

Expenditures within this category totaled \$1.44 million for various projects throughout the Authority; \$655,642 was expensed within the RTA Capital Fund for various information technology projects, non-revenue vehicle replacements, and equipment pools. The other \$783,292 were expensed within the RTA Development Fund for communication and data center upgrades.

The projected year-end positive variance of \$3.69 million, or 11.2%, mainly as a result of delays in IT projects, pending grant appropriation and commitments for Radio CAD/AVL communication upgrades and projected savings in on-going projects nearing completion.

Facilities Improvements

At the end of the second quarter, combined commitments of \$14.63 million in this category included \$9.44 million of ITD expenditures and \$5.19 million of current encumbrances resulting in a positive variance of \$3.90 million, or 21.1%, versus the current category budget of \$18.54 million. During the second quarter, \$2.11 million was expended within the current year for various facility improvements and track bridge rehabilitation.

Projected commitments of \$2.81 million during the remainder of FY 2018 continue to focus on various SOGR projects throughout the Authority's maintenance pool, facilities and bridges. The commitments during the remainder of the year include \$1.27 million for additional Asset Maintenance projects throughout the Authority, a combined \$1.54 million for architect and design of Viaduct Bridge Phase I, restoration and signage at various rail stations.

The projected positive year-end variance of \$1.09 million, or 5.9%, for this category is primarily attributable to the planned closeout of prior year's budget authority remaining within completed projects, construction delays with Demolition of the WB Access Road due to pending approval of demolition plans by Norfolk Southern

Other Projects

The Other Projects category includes capital projects for pass-thru grants to other entities and other miscellaneous capital projects that don't fit into the seven remaining capital categories. At the close of the second quarter, this category has combined project commitments of \$2.52 million out of the category budget of \$6.76 million resulting in a positive variance of \$4.24 million or 62.8%.

During the second quarter of the year, a combined \$418,251 of expenditures was generated by projects within this category with \$130,916 for TSA Canine Security Team, \$100,351 Pull In–Pull Out Process Improvement, \$128,492 Anti-Terrorism Team, \$33,492 Senior Transportation Connection Pass-Thru, and \$25,000 for Greater Cleveland Civic Connections.

Projected commitments of \$987,105 during the remainder of the year include \$150,000 for the Career Pathways Training Program, \$745,104 TSA Security Programs and remaining projected expenditures are generated in smaller amounts throughout other projects within this category.

Preventive Maintenance/Operating Expense Reimbursements

This category includes formula and non-formula grant funded reimbursements to the General Fund for various eligible activities. These include formula grant funded preventive maintenance activities within the General Fund, and non-formula grant funded reimbursements for the delivery of ADA services.

Total commitments through the end of second quarter within this category were of \$13.16 million, includes \$11.22 of Preventive Maintenance reimbursements and \$1.94 million for the multi-year project for ADA Supplemental Trips and Travel Trainer Services. The year-end total projected commitment of \$22.75 million against a category budget of \$22.61 million will create negative variance of (\$138,171), or 0.6% percent due to the added commitment to draw Medina lapsing funds over programmed budget.

The projected commitment of \$9.58 million during the remainder of the year includes additional draws for Preventive Maintenance, ADA Supplemental Trips, and Travel Training Services. The projected negative variance is due to the multi-year budgeted project for the New Freedom & Travel Trainer program that cannot be drawn before the grant dead line and additional lapsing funds accepted and drawn for Medina County Public Transit.

Rail Projects

At the end of June, \$83.86 million of the \$141.40 million budget for the Rail Projects category was committed creating a positive variance of \$57.54 million or 40.7%. Total commitments within this category consisted of \$58.47 million of ITD expenditures along with \$25.38 million of current encumbrances.

During the first half of the year, \$12.57 million was expended on various Rail system projects, \$5.14 million of the expenses was derived from rehabilitation of track reconstruction at W.30th – West 98th Red Line Track, \$2.73 million project reconstruction at E.34th Street Station, an \$758,162 ongoing construction at Brookpark Station, \$688,221 architect and design work to complete Tower City Track 10 & 13. The remainder of the expenditures during the quarter occurred in smaller amounts in other budgeted projects within this category.

The focus of nearly all of the capital projects within this category is on achieving a SOGR throughout the Rail System. Projected commitments of \$31.16 million during the remainder of the year include a combine \$5.31 million to start construction work for three substation, at Puritas, Warrensville/Van Aken and W.30th Transformer Rectifier; a combined \$16.38 million track rehabilitation of Red Line West Program at W. 117th-Westpark, Tower City Track 10 & 13, \$7.0 million to upgrade the Fiber Optic Communication Systems.

The projected positive variance of \$26.38 million, or 18.7%, versus the current category budget at the end of the second quarter is primarily due to FTA Federal Transit delays in full execution of

grant awards that have delayed the project timelines as well as projected savings in on-going projects nearing completion. The delays with grant awards will likely push programmed budgeted commitment into 2019, impacting annual draws for project activities during the year.

Transit Centers

Project commitments total \$446,343 out of the approved current budget of \$966,170 resulting in a positive variance of \$519,826, or 53.8% at the end of second quarter.

In the first half of the year, \$54,832 was expended on capital projects within this category with 92% of the cost expended towards the outstanding items at Cleveland Museum of Art, with the remaining expended on the outstanding invoices to complete the Clifton Blvd. Enhancement project which opened in FY 2014.

Projected commitments of \$240,000 for the remainder of the year; include anticipated ADA Access enhancements to be expensed on various formula projects throughout the authority.

The projected positive variance of \$279,826, or 29.0%, at the end of the year is primarily due the remaining \$255,937 of pass-thru grant funds for Cleveland Museum of Art (CMA) that remain to be drawn and remaining enhancement funds which at present time have not been identify for appropriate use.

Performance Measures

| PERFORMANCE MEASURE | | 2018 Target | Q 1 | Q 2 | Q 3 | Q 4 | Year to Date |
|--|-------------|-------------|--------|--------|-----|-----|--------------|
| Passengers per bus/train hour: | | | | | | | |
| | Bus | 21 | 21 | 22 | | | 21 |
| | Rail | 62 | 62 | 68 | | | 65 |
| | Total | 24 | 24 | 26 | | | 25 |
| *Ridership reporting methods were changed effective January 1, 2018. | | | | | | | |
| Revenue Vehicle Cost Per Mile (Maintenance & Fuel) | | \$2.50 | \$2.51 | \$2.59 | | | \$2.55 |
| % Of Scheduled Maintenance Completed (Revenue Vehicles) | Bus | 100% | 92% | 91% | | | 92% |
| | Rail | 100% | 95% | 92% | | | 93% |
| | Paratransit | 100% | 100% | 100% | | | 100% |

Critical Success Factors

| | |
|--|--|
| <p>Passenger Fare Revenue</p> | <p>The Passenger Fare Revenue performance measure is discussed in detail in the Financial Analysis Section of the report.</p> |
| <p>Preventable Accidents</p> | <p>The GCRTA <u>Preventable Collision Rate (PCR)</u> TEAM goal for 2018 is 1.40. The 2018 YTD 2nd Quarter PCR is 1.27, which is 9.3% lower than the TEAM goal and 5.9% lower than the 1.35 PCR for the same period in 2017. Total preventable collisions decreased 9.3% to 147 from 162. Mileage decreased 3.5%</p> |
| <p>Total Collision Rate</p> | <p>The GCRTA <u>Total Collision Rate (TCR)</u> for the 2018 YTD 2nd Quarter is 3.41, which is 4.7% lower than the 3.58 TCR for the same period in 2017. Total collisions decreased 8.2% to from 429 to 394.</p> |
| <p>On the Job Injury Rate</p> | <p>The GCRTA 2018 TEAM Injury Rate Goal is 9.5. The 2018 YTD 2nd Quarter Injury Rate of 6.98 is 26.5% below the TEAM Goal and 23.8% below the 9.16 Injury Rate for the same period in 2017. Total injuries decreased by four from 83 in 2017 to 61 in 2018.</p> |
| <p>Number of Miles between Service Interruption</p> | <p>The Number of Miles Between Service Interruption (Reliability) is defined as mechanical failure that results in the inability of the bus/train to operate in revenue service. For the second quarter of 2018, the YTD figure for No. of Miles Between Service Interruption was 11,586 miles, as compared to 14,125 miles for 2017, which represents a 17.98% decline in this indicator.</p> |
| <p>On-Time Performance</p> | <p>On-Time Performance is defined as a bus or train arriving from 0-5 minutes after its scheduled time. Composite On-Time Performance for the second quarter of 2018 for bus, light rail, and heavy rail was approximately 80.53%, as compared to 75% for 2017, representing a 7.37% improvement in this TEAM measure.</p> |
| <p>Ridership</p> | <p>RTA ended the second quarter with a total of 8.8 million rides; a decrease of 4%, or 354,000 fewer rides compared to the second quarter 2017. Year to date ridership through the second quarter in 2018 was 17.2 million; a decrease of 5% or 999,000 fewer rides compared to year to date 2107. During the second quarter average weekday ridership decreased 4%, or approximately 15,000 fewer rides per day. Average weekend ridership decreased 3%, or approximately 5,000 fewer rides per day. Ridership decrease is consistent with a national trend resulting from continued low gas prices.</p> <p>Bus ridership decreased by 4% in the second quarter of 2018 when compared to the second quarter of 2017. Bus ridership decreased approximately 6% year to date through the second quarter 2018 when compared to 2017 year to date.</p> |

| | |
|---|--|
| <p>Ridership Cont'd</p> | <p>HealthLine ridership decreased by 15% in the second quarter of 2018 when compared to the second quarter of 2017. HealthLine ridership decreased approximately 18% year to date through the second quarter 2018 when compared to 2017 year to date.</p> <p>Rail ridership increased by 1% in the second quarter of 2018 when compared to the second quarter of 2017. During this time, the Red Line ridership remained even and the Blue/Green Line ridership increased by 4%. Rail ridership increased approximately 1% year to date through the second quarter 2018 when compared to 2017 year to date.</p> |
| <p>Customer Satisfaction/Ride Happy or Ride Free</p> | <p>Ride Happy or Ride Free is the comprehensive customer satisfaction measure for RTA. The <i>Ride Happy or Ride Free</i> card begins by asking the passenger to indicate what they liked about their RTA “ride,” followed by space to communicate if they were dissatisfied. Qualifying passengers received a free ride card to help offset their negative experience.</p> <p>The Ride Happy or Ride Free performance measure is the ratio of free ride cards requested in comparison to ridership for the same period. One card for every 33,582 customers was received for the second quarter of 2018, as compared to one request for approximately every 31,974 customers received for the same period in 2017, representing a 5.03% improvement in customer satisfaction, as measured by the percentage of people requesting Ride Happy or Ride Free Cards.</p> |
| <p>Attendance</p> | <p>The Attendance performance measure is the percentage of employee absences from work that are unscheduled and includes absences due to Worker’s Compensation as unscheduled. An absence is considered unscheduled when it is charged to any category other than vacation, personal days, birthdays, holidays, training/seminars, and use of compensatory leave.</p> <p>Reducing unscheduled absences increases agency reliability, improves productivity and reduces overtime expenses. In the second quarter of 2018, the unscheduled absence percentage was 5.69% which, when compared to 5.90% for 2017, shows a 3.56% improvement in attendance.</p> |

Quarter Initiatives and Special Promotions to Increase Ridership

During the second quarter, RTA held several special events and promotions. RTA met with the public for the Quarterly Service Planning Open House to discuss upcoming changes and receive feedback. Trolley Ambassadors took the roll of rock legends during the Rock Hall Induction Week. RTA provided service to the popular Cleveland International Film Fest. The groundbreaking ceremony was held for the E. 116th-St. Luke’s rapid station. Lastly, three special promotions took

place during the second quarter: two Bike to Work days and the Kids Ride Free promotion which began June 3rd and runs into the third quarter.

Several new clients signed up for the Commuter Advantage Program during the second quarter, including: Jones Lang Lasalle Inc., Barnes and Noble Education, Dollar Bank, Euclid Heat Treating Company, Rocky River Healthcare of Westpark.

During the second quarter, RTA participated in many community events throughout the Greater Cleveland area including speaking engagements and informational sessions at: St. Rita Apartments, Wipinsinger Apartments, Morningstar Apartments, A Place for Us Apartments, Jennings Manor Apartments, Jaelot Apartments, Clifton Apartments, Doan Classroom Apartments, Helen S. Brown Apartments, Rocky River Senior Center, University Towers Apartments, North Olmsted Senior Center, Garfield Heights Senior Center, Knickerbocker Apartments, How to Ride/Safety event with ArtWorks Apprentices, Willow Wood Manor Apartments, Campbell Courts, Forrest Hill Terrace, Ernfeld Senior Center, Marc Apartments, Westerly Apartments, River Park Apartments

RTA also attended collaborative meetings in the following communities: Central Family to Family Collaborative, Safe Kids/Safe Communities, Catholic Charities, Glenville Collaborative, East Cleveland Collaborative, Heights Collaborative, and Southeast Collaborative.

RTA attended the following Health Fairs and Special Events: Owl's Nest Apartments, Mother Theresa Apartments, Buckeye Health Care Fair at Remington College, Eliza Bryant Apartments, Southwesterly Apartments, The Educator Apartments, Clifton Early Learning Center, Coleman Court Apartments, St. Clair Place Apartments, St. Timothy Park Apartments, East Cleveland Murtis H. Taylor, Car Alliance Fair at St. Phillips Church, Kirby Manor, Cornerstone Apartments, St. Luke's Manor, Charles Mooney Career Day, Bluestone Elementary Career Day, East Cleveland Library Founders Day, City of Cleveland National Public Works Safety Week, Ward 5 Festival, Safety Day at the Zoo, Wade Oval Wednesdays, Parade the Circle, Lakewood Meet the Machines Truck Day, CMHA Father's Day Community Event, Earthfest at Cleveland State University and Cleveland Clinic.

DBE Participation/Affirmative Action

The DBE program is administered on a federal fiscal year (FFY) that runs from October 1 – September 30. The Overall DBE Participation Goal on federally assisted contracts of \$25,000 and above for FFY 2016 - 2018 is 21.3%. Per federal regulations, the calculation of Overall DBE participation excludes real estate transactions and the procurement of Transit Vehicle Manufacturers (typically buses and Paratransit vehicles).

The quarterly performance reporting period of April 1, 2018 – June 30, 2018 represents the third quarter of FFY 2018. To conform the Quarterly Performance Report to the Federal Semi-Annual Report, DBE participation is calculated on the “federally assisted” portion of contracts only. DBE dollars awarded during this third quarter of FFY 2018 on contracts greater than \$100,000 totaled **\$1,258,025 or 25.2%** on contracts totaling \$4,979,826.

**QUARTERLY - PARTICIPATION OF DBE FIRMS BY CLASSIFICATION
(October 1, 2017 – June 30, 2018)**

| Classification | 1 st Quarter Oct. 1 – Dec. 31 | | 2 nd Quarter Jan. 1 –March 31 | | 3 rd Quarter April 1 – June 30 | |
|------------------|---|---------------|---|---------------|--|---------------|
| | African American | \$342,722 | 67.3% | \$818,086 | 55.2% | \$471,500 |
| Caucasian Female | \$166,375 | 32.7% | \$522,465 | 35.3% | \$711,525 | 56.6% |
| Hispanic | 0 | 0 | \$127,579 | 8.6% | 0 | |
| Asian | 0 | 0 | \$12,500 | .9% | \$75,000 | 6.0% |
| TOTAL | \$509,097 | 100.0% | \$1,480,630 | 100.0% | \$1,258,025 | 100.0% |

**CURRENT QUARTER - DBE PERFORMANCE BY CONTRACT CATEGORY
(April 1, 2018 – June 30, 2018)**

| | Construction | Professional Services | Equipment & Supply | Total |
|---------------------|--------------|-----------------------|--------------------|-------------|
| DBE Dollars | \$1,168,025 | \$90,000 | 0 | \$1,258,025 |
| All Dollars | \$3,959,826 | \$1,020,000 | 0 | \$4,979,826 |
| % DBE Participation | 29.5% | 8.8% | 0 | 25.2% |

**YEAR TO DATE
DBE PERFORMANCE BY QUARTER
(October 1, 2017 – June 30, 2018)**

| | Total Contracts | DBE Participation | % DBE Participation |
|----------------------|------------------------|--------------------------|----------------------------|
| 1st Qtr. | \$3,525,572 | \$509,097 | 14.4% |
| 2 nd Qtr. | \$6,105,887 | \$1,480,630 | 24.2% |
| 3rd Qtr. | \$4,979,826 | \$1,258,025 | 25.2% |
| 4th Qtr. | | | |
| TOTAL | \$14,611,285 | \$3,247,752 | 22.2% |

Office of Business Development Activities

Outlined below are selected efforts undertaken during the third quarter of FFY 2018.

Selected Certification Activities during the quarter include:

- Re-Certification: 19

Selected Contract Compliance Activities during the quarter include:

- Completed 6 Goal Settings
- Reviewed 16 Certified Payroll Reports

Selected Outreach Efforts during the quarter include:

- Participated on the Ohio MBE Procurement Fair in Akron, Ohio
- Attended Greater Summit Business Conference & Expo – Matchmaker Session
- Participated on the DBE Goal-Setting Methodology and Consultation Webinar

Affirmative Action

The Affirmative Action Goals for the employment of women in all categories except for administrative support for the overall three years (2015-2017).

| Performance Measure | Fiscal Year 2015-2017 Target | | 2015 Total (July '15 - June '16) | | 2016 Total (July '16 - June '17) | | 2017 Total (July '17 - June '18) | | First Quarter 2018 | | Second Quarter 2018 | | 3 - Year Total Target to Date | |
|---------------------------------|------------------------------|--------|----------------------------------|--------|----------------------------------|--------|----------------------------------|--------|--------------------|--------|---------------------|--------|-------------------------------|--------|
| | Minority | Female | Minority | Female | Minority | Female | Minority | Female | Minority | Female | Minority | Female | Minority | Female |
| Affirmative Action: | | | | | | | | | | | | | | |
| Officials/Administrators | N/A | 4 | N/A | 4 | N/A | 4 | N/A | 0 | N/A | 0 | N/A | 1 | N/A | 8 |
| Professionals | N/A | 28 | N/A | 33 | N/A | 33 | N/A | 9 | N/A | 1 | N/A | 1 | N/A | 66 |
| Technicians | N/A | 29 | N/A | 8 | N/A | 8 | N/A | 2 | N/A | 0 | N/A | 0 | N/A | 17 |
| Protective Services | N/A | 4 | N/A | 4 | N/A | 4 | N/A | 3 | N/A | 2 | N/A | 0 | N/A | 13 |
| Administrative Support | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Semi & Skilled Craft | N/A | 20 | N/A | 1 | N/A | 1 | N/A | 1 | N/A | 0 | N/A | 0 | N/A | 3 |
| Service Maintenance | N/A | 106 | N/A | 292 | N/A | 292 | N/A | 100 | N/A | 17 | N/A | 23 | N/A | 633 |
| Total | N/A | 191 | N/A | 342 | N/A | 342 | N/A | 115 | N/A | 20 | N/A | 25 | N/A | 740 |

The numbers reported for the 2nd Quarter include new hires, rehires, and promotions in each of the designated categories.

Succession Planning

GCRTA continues to implement and execute a multi-disciplinary approach to employee development, which includes but not limited to: strategic recruitment and selection, partnerships with key training resources, and multiple development opportunities across all work segments.

SECOND QUARTER RESULTS

During the second quarter, two groups (24 supervisors) completed the Frontline Supervisor Training and Development Program. The third group of supervisors will complete the program by the end of September 2018.

In addition, we continue to track progress on key metrics for advancing employee development. One of these metrics is the percentage of promotions in relation to new hires. This metric, in part, shows GCRTA's commitment to developing employees for opportunities within all work segments and particularly for key leadership positions. The percentage of promotions for the second quarter was 55%, and 42% year to date.

Listed below are promotions during the second quarter that highlight our succession planning and employee development achievements:

Executive and Management Succession

- John Togher was promoted from Financial Accountant II to Director of Accounting in the Finance and Administration Division.

Frontline Supervisory/Technical Staff Positions

- Andrew Scott, Management Development Program (MDP) participant, was promoted from the MDP Program to Systems Analyst in the Information Technology Department.
- Peter Gregersen, Employee Promotability Training participant, was promoted from Equipment Mechanic 545-Central Bus Maintenance to Assistant Equipment Supervisor Gr. 645-Central Bus Maintenance.
- Michael Lee, Employee Promotability Training participant, was promoted from Laborer 152 to Signal Maintainer 450 in the Operations Division-Rail District.
- Donte' Wright, was promoted from Rail Operator 437 to Control Center Supervisor in the Operations Division-Service Quality.

Engineering/Construction Program

This section provides information on the status of the Authority’s engineering and construction activities. Projects are reported on by major program categories as follows:

- Bridges
- Track & Signal
- Passenger Facilities
- System Expansions
- Maintenance Facilities
- Planning

Other categories may be added on occasion depending upon activity in the Authority’s capital program.

| Project | Description | Status |
|---------|-------------|--------|
|---------|-------------|--------|

Bridges

Track & Signal

| | | |
|---|---|--|
| Trunk Line Signaling Design (12D) | Design for Trunk Line (E. 79 to Shaker Sq. Station) Signal System Replacement Estimate: \$400,000 | Design RFP pending. |
| West 65 Substation Replacement (23Z) | Substation Reconstruction Contractor: The Fowler Company Construction Cost: \$2,467,705 | Design completed in-house. Project awarded at December 19, 2017 Board Meeting. Notice to Proceed issued February 13, 2018. Submittals being processed and material ordered. Demolition of existing switchgear completed. |
| Puritas Substation Replacement Design (60A) | Furnish and Install Modular Substation Or Rebuild in Existing Building Estimate: \$2,888,133 | Project being designed in-house. |
| Warrensville/Van Aken Substation Replacement (16.36) | Furnish and Install Modular Warrensville/ Van Aken Substation Estimate: \$3,014,273 | Working with The Illuminating Company for service to new site. Demolition of existing substation completed. Modular substation to be built at new location. Comfort station to be built near existing site. |
| Red Line West Track Work West 30 th to W. 98 th (52I) | Contractor: Railworks Construction Cost: \$6,930,508 | Board awarded contract on July 18, 2017. 28-Day shutdown began November 5, 2017. Tracks reopened December 2, 2017. Project closed. This is last report. |

| | | |
|--|---|--|
| West Park Diamond Removal (52K) | Contractor: TRAC Construction Cost: \$467,188 | Removal of former NS rail crossing diamonds at West Park Station. Project awarded at December 19, 2017 Board Meeting. Project closed. This is last report. |
| Buckeye-Woodhill Track Replacement (52L) | Contractor: Railworks Construction Cost: \$899,310 | Notice to Proceed issued June 12, 2017. Construction completed. Project closed. This is last report. |
| Red Line West Track W 117 th to West Park (52P) | Contractor: Delta Cost: \$3,555,885 | Notice to Proceed May 29, 2018. Shutdown July 22 to August 11, 2018. |
| Tower City Tracks 10 & 13 (52M) | Design for Track Replacement and Signal System Upgrades Consultant: TranSystems Cost: \$1,172,869 | Notice to Proceed issued on September 7, 2017. Design is 75% complete. |

Passenger Facilities

Rapid Stations

| | | |
|---|---|---|
| Brookpark Rapid Transit Station Construction (24J(c)) | Reconstruction of the Brookpark Station Contractor: Mid-American Construction, LLC Cost: \$12,385,414 | NTP issued May 11, 2015. Contractor did not meet the substantial completion date of March 26, 2017. Substantial completion was reached June 9, 2017. Surety representative called in to assist contractor in closing project. Awaiting lien resolutions between contractor and many sub-contractors. Liquidated damages assessed. |
| E. 34 th St. Station Reconstruction Design (24M) | Reconstruction of the E. 34 th Station Consultant: WSP Cost: \$687,837 | Notice to Proceed issued October 27, 2015. Project successfully bid March 9, 2016. Construction Notice to Proceed issued June 14, 2017. Consultant is providing construction administration services. |
| E. 34 th St. Station Reconstruction (24M) | Reconstruction of E. 34 th Station Contractor: Panzica Construction Cost: \$6,254,456 | Project awarded at April 25, 2017 Board Meeting. Notice to Proceed issued June 14, 2017. Contractor is well underway with ramps, utilities and pause points being completed. Light rail platform open, heavy rail platform completed. Connecting ramp being constructed. |

| | | |
|--|---|--|
| <p>Mayfield Road Art Lighting (24P-PA)</p> | <p>Design & Programming of Remaining Lighting under Bridge Consultant: Uplight Cost: \$31,120</p> | <p>Public Art Contract to be awarded to UPlight for completion of Public Art lighting under the bridge. Presently, working with UPlight on the final scope of work given the adjacent development. RTA has provided additional information on electrical contractors and dealers.</p> |
| <p>E. 116 Station Design (24R)</p> | <p>ADA reconstruction of E. 116 Light Rail Station Consultant: City Architecture Design Cost: \$537,490</p> | <p>Request for Proposals received January 3, 2014. Board awarded contract to City Architecture March 18, 2014. Notice to Proceed issued April 24, 2014. A/E and GCRTA staff revised the design and project construction underway. Consultant providing construction administration services.</p> |
| <p>E. 116 Station Construction (24R)</p> | <p>Contractor: Panzica Construction Cost: \$4,975,000</p> | <p>Project awarded at January 2018 Board Meeting. Notice to Proceed issued March 5, 2018. Demolition completed on Phase 1. Mews walkway foundation placed. New drainage system installed.</p> |
| <p>Farnsleigh Station ADA Construction (24V)</p> | <p>Contractor: Cook Paving Budget: \$898,898</p> | <p>Project designed in-house and bids received on April 4, 2018. Contract was awarded at May 15, 2018 Board Meeting. Notice to Proceed issued June 1, 2018.</p> |

Planning

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| <p>Opportunity Corridor Improvements (15.97)</p> | <p>Opportunity Corridor TWE Improvements on E. 105th Contractor: Milestone Cost: \$396,000</p> | <p>Project funded by ODOT to improve E. 105th bus stop areas at Cedar, Carnegie, Euclid & Chester. Worked with City, ODOT & Clinic to determine project requirements for bidding. Station elements have been finalized. RFP for the kiosk was canceled. Bus station contract was awarded at the May 15, 2018 Board Meeting. Working with Clinic and ODOT on siting and design locations. Shelters have been ordered.</p> |
| <p>LEED Commissioning for Station Projects (13.33)</p> | <p>Review station design drawings and materials for environmental impact to meet LEEDS certification Consultant: Karpinski Engineering Co. Cost: \$48,560</p> | <p>Task orders have been issued for design enhanced commissioning for University-Cedar station \$10,560 and construction commissioning \$10,000. Lee-Van Aken station design fundamental commissioning \$4,360 and construction commissioning \$5,000. Brookpark station design enhanced commissioning \$6,500 is underway.</p> |

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| E. 34 th Public Art (17.15) | Solicitation of Public Art for E. 34 th Street Station Budget Cost: \$55,000 | First Art call solicitations received on February 3, 2017 with only 4 received. Have resolicited with additional outreach. Proposals received on May 8, 2017. Artist was selected. Contract executed, work has begun. |
| E. 116 th Street Public Art (16.95) | Public Art Solicitation Artist: Beatrice Coron and Land Studio Cost: \$34,000 | Public art installation at E. 116 th Street in concert with Neighborhood Progress & Land Studio. Tri-party contract between artist, Land Studio, and RTA has been developed. Received approval from design review on May 9, 2018 and Planning Commission on May 18, 2018. Artist contract executed. Committee meeting to be held July 30 th with community committee. Another meeting is being scheduled late summer. |
| Transit Alternative Development for W. 25 th Street Corridor (17.49) | Transit Planning for BRT on W. 25 th Street Contractor: Cleveland Neighborhood Progress Cost: \$30,000 | Project provides additional design data, cost, and analysis for a BRT on W. 25 th street. The consultant will deliver information required by FTA for New Starts submission. Stakeholders meeting held on January 31, 2018. Working with Traffic and Engineering to finalize. |
| Economic Impact Study (18.03) | Study to identify economic impact of RTA services Contractor: CSU Cost: \$85,000 | Board awarded contract at June 19, 2018 Board Meeting. Contract executed. Data delivered and still reviewing it. |

Maintenance Facilities

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| Infrastructure Upgrades @ Hayden & CBMF for CNG (61B) | Upgrade facilities for CNG fueling at Hayden, CBMF and Triskett Consultant: Wendel Cost: \$743,943 | Board awarded contract on October 21, 2014. Design completed. Support for Construction of improvements continuing. Triskett plans and specifications received. Hayden portion of project closed-out. CBMF gas detection system approved by City. Certificate of Occupancy obtained from City of Cleveland. |
| CNG Heavy Maintenance Infrastructure Upgrades at Hayden & CBMF (61B-c) | Contractor: EnviroCom Constr., Inc. Construction Cost: \$2,521,305 | Board awarded contract on November 17, 2015. Notice to proceed was issued on December 22, 2015. Work at CBMF and Hayden 100% complete. Gas detection system installation completed at both garages. Cleveland occupancy permit at CBMF obtained. Still working to obtain Certificate of Occupancy from City of East Cleveland. |



Greater Cleveland Regional Transit Authority
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Cleveland, OH 44133