

Organizational, Services & Performance Monitoring Committee

August 25, 2020

Chair: Rev. Charles P. Lucas

Audit, Safety Compliance and Real Estate Committee

August 25, 2020

Chair: Karen Gabriel Moss

RTA Board of Trustees Meeting

August 25, 2020

Public Comments – Agenda Items

Phone: 1-818-794-7004

Meeting Number: 2699

Pin Number: 926561

Committee Reports

Ad Hoc Committee Reports

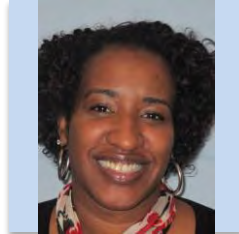
Promotions and New Hires

August 2020

August 2020 Promotions



Justin Krehel
Equipment
Repair Leader



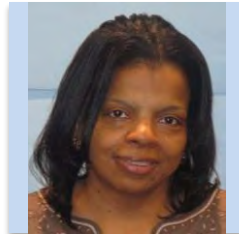
Daveda Bencs
Manager -
Transportation



Maurice Hudson
Transit Police
Sergeant



Robin Dietz
Transit Police
Sergeant



Lisa Townes
Manager -
Transportation



Mabry Harris
Procurement
Team Leader

August 2020 New Hires



Thomas Rafferty III
Manager of Payroll



Patrick Coffey
User Support
Specialist

Resolutions

Resolution No. 2020-63 – Rail Spiker Machine

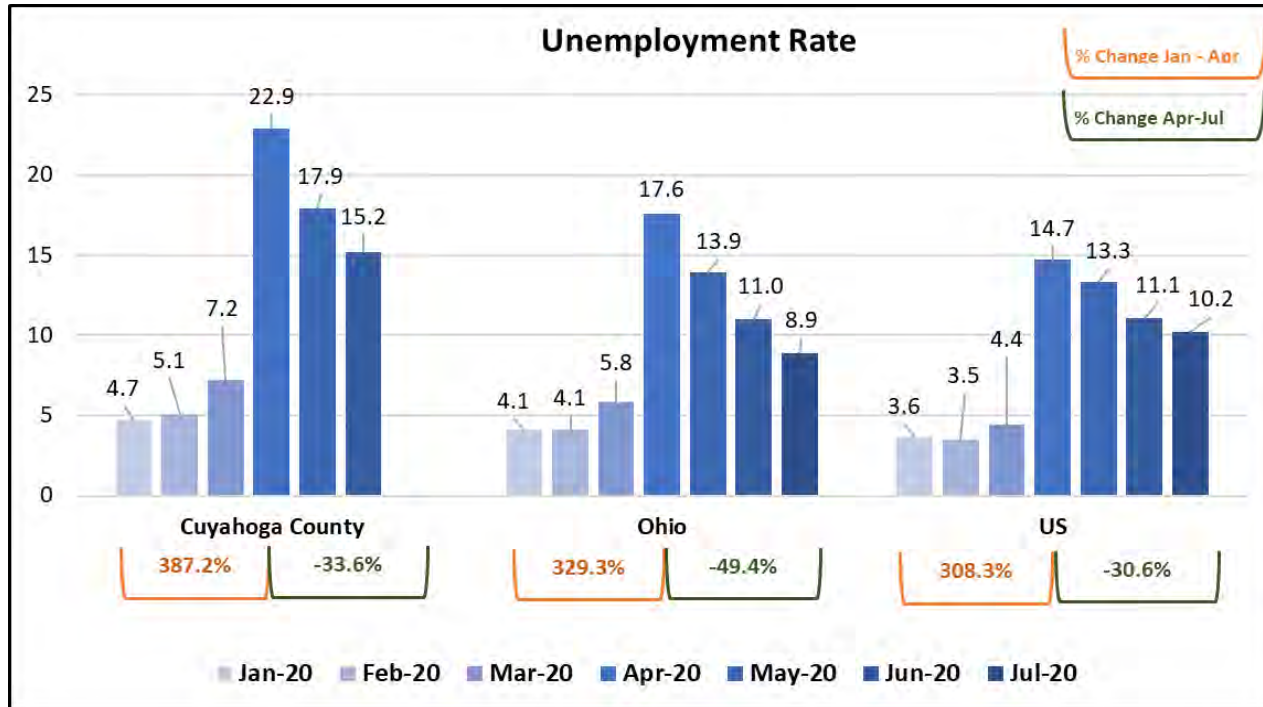


Secretary/Treasurer and CEO Update: COVID-19

August 25, 2020

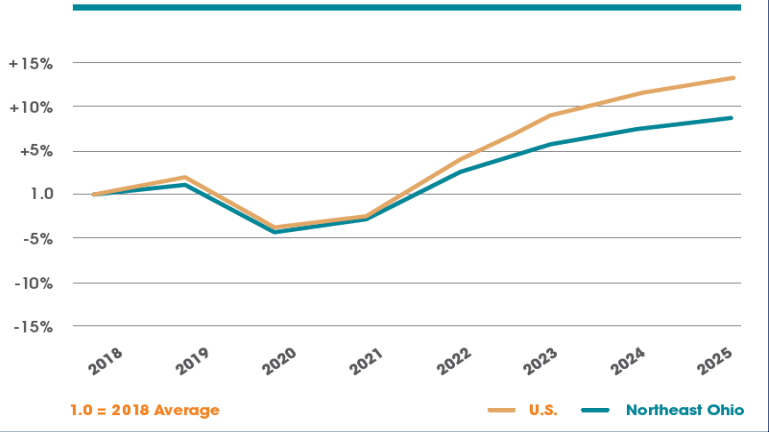
Board of Trustees

Economic Conditions

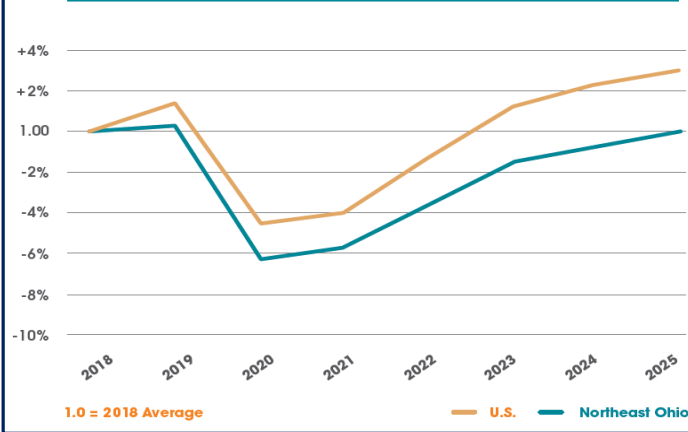


Economic Conditions – Estimated Recovery

Projected Change in GDP:
NEO vs. U.S.: 2018 - 2025



Projected Change in Employment:
NEO vs. U.S.: 2018 - 2025



Team NEO

Quarter review
June 2020

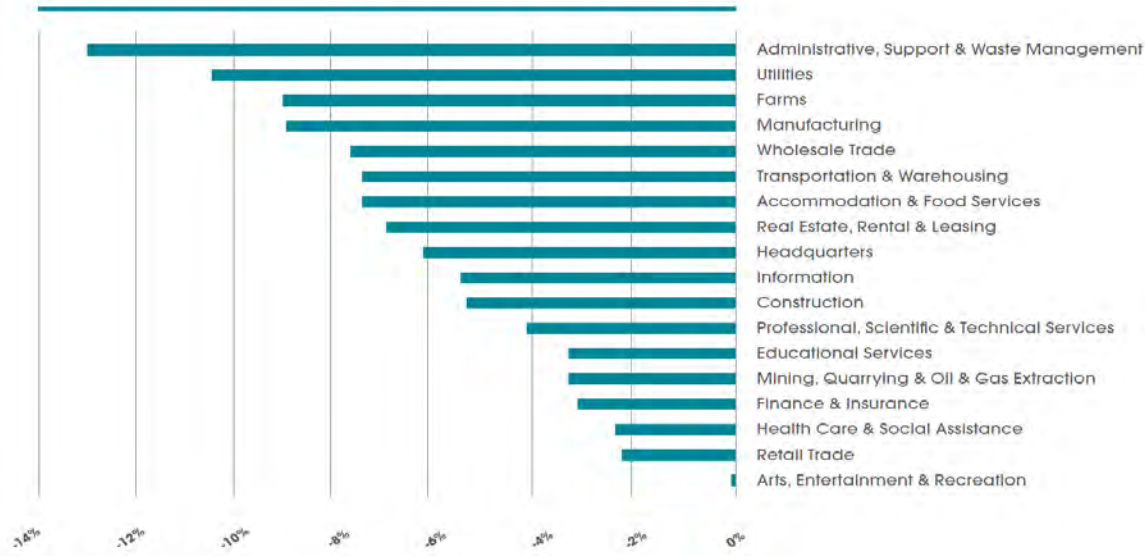
NEO

- 15th largest market in U.S.
- 40% of Ohio economy
- 2 million in work force

- GDP: U.S. dropped 33% in 2nd Quarter
- NEO: projected to recover by 2022
 - Rebound (2018 to 2022): 3%
 - By 2025: Rebound 9%
- Employment recovery will lag in NEO to 2022
- Recovery by 2025

Economic Conditions – Projected GDP: 2020

Projected Change in Northeast Ohio GDP: 2020



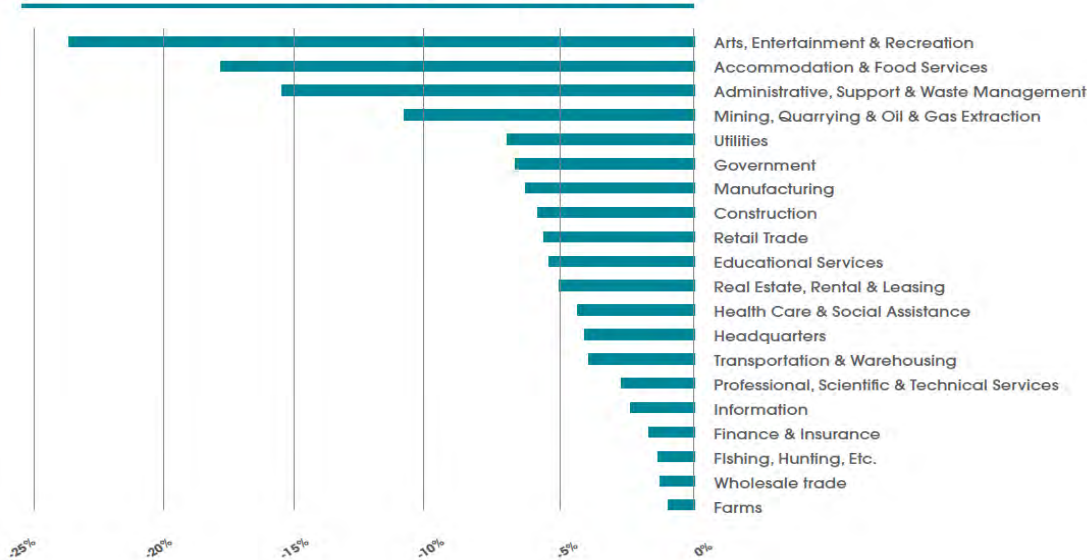
Team NEO
Quarter
review
June 2020

NEO GDP

- 13% drop in Administrative support
- 9.1% drop in Manufacturing
- 7.7% drop in transportation
- 2.4% drop in Health Care

Economic Conditions – Projected Employment 2020

Projected Change in Northeast Ohio
Employment by Sector: 2020



Team NEO
Quarter
review
June 2020

NEO Employment:

- 24% drop in Arts, Entertainment, Recreation
- 17% drop in Food Services
- 6% drop in Manufacturing
- 6% drop in Retail Trade

Economic Conditions – Manufacturing 2020

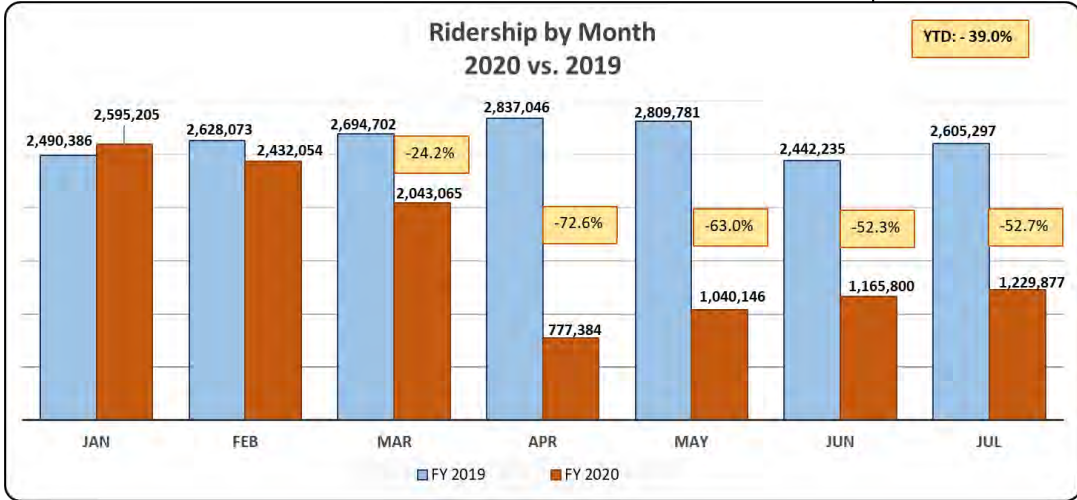
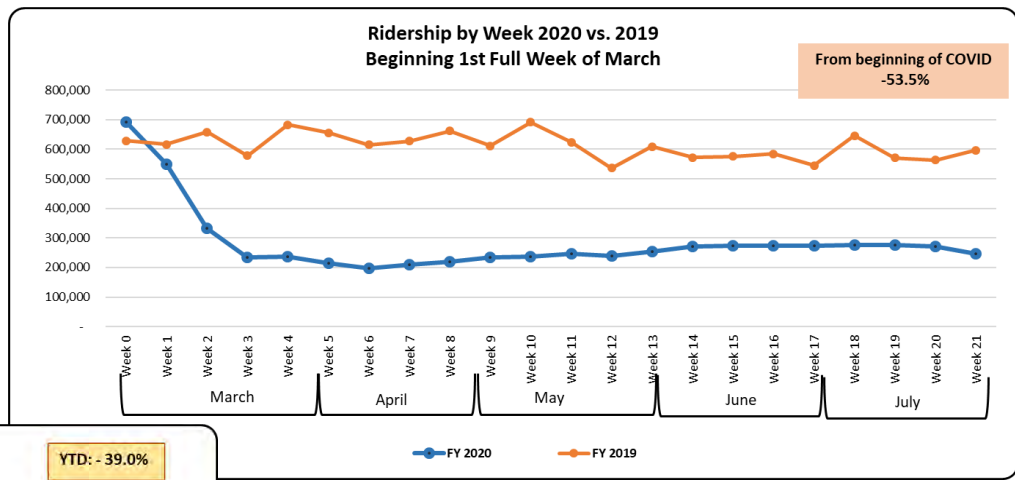
Projected Change in Northeast Ohio
Manufacturing Employment: 2020



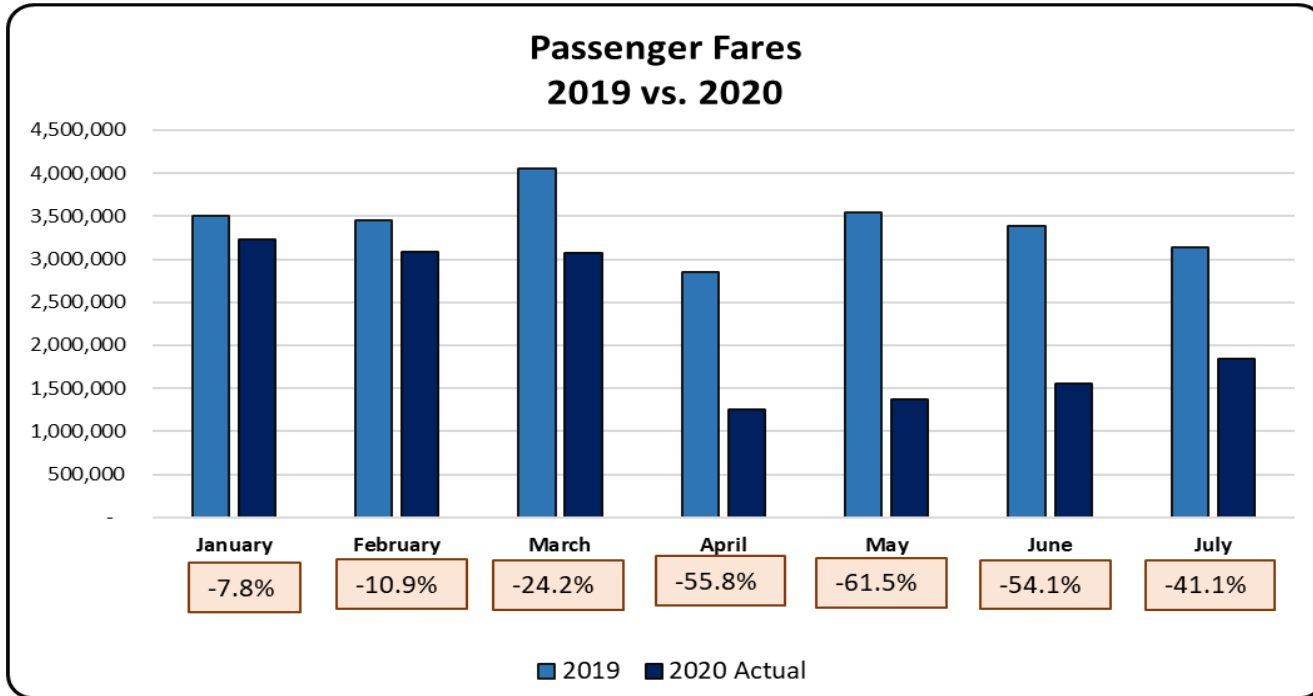
Team NEO
Quarter
review
June 2020

- 9% drop in Fabricated Metal products
- 8% drop in Electrical, Appliance, etc.
- 7% drop in Transportation Equipment
- 4% drop in Computer & Electronics

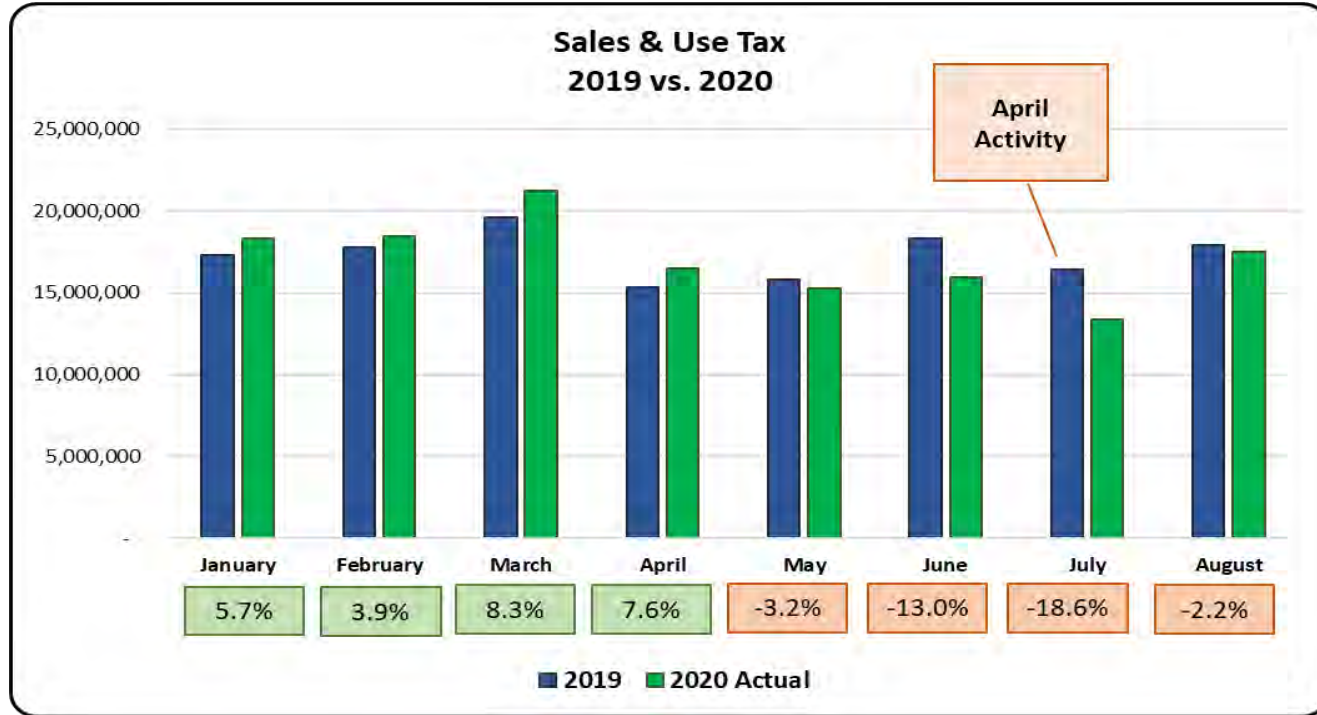
Ridership



Passenger Fares



Sales Tax



CARES ACT Drawdowns

- **Total Awarded:** **\$111.9 million**
- **Drawdown (through August):** **\$91.1 million**

2nd Quarter - Revenues

General Fund Quarterly Schedule						
	2019 Actual	2020 Budget	2020 Q2 Budget	2020 Q2 Actual	Q2 Variance	Q2 % Variance
Beginning Balance	\$ 38,959,995	\$ 37,136,081	\$ 37,136,081	\$ 41,577,395	\$ 4,441,314	12.0%
Revenue						
Passenger Fares	42,785,750	41,446,822	18,472,806	13,558,041	(4,914,765)	-26.6%
Advertising & Concessions	2,069,726	2,400,863	1,772,735	1,812,780	40,045	2.3%
Sales & Use Tax	212,192,079	215,396,173	105,629,230	105,653,170	23,940	0.0%
Investment Income	910,634	779,858	429,364	526,509	97,145	22.6%
Other Revenue	2,747,874	2,100,000	959,551	176,874	(782,677)	-81.6%
Reimbursed Expenditures	25,289,403	21,520,000	12,112,116	24,539,840	12,427,724	102.6%
CARES Act Funding	-	-	-	56,207,807	56,207,807	100.0%
Total Revenue	285,995,466	283,643,716	139,375,802	202,475,021	63,099,219	45.3%
Total Resources	\$ 324,955,461	\$ 320,779,797	\$176,511,883	\$ 244,052,416	\$ 67,540,533	38.3%

- **Without CARES Act**

4.3% Increase

2nd Quarter - Expenses

General Fund Quarterly Schedule						
	2019	2020	2020	2020	Q2	Q2
	Actual	Budget	Q2 Budget	Q2 Actual	Variance	% Variance
Operating Expenditures						
Salaries & Overtime	134,891,188	143,667,173	71,096,281	70,583,076	(513,205)	-0.7%
Payroll Taxes & Fringes	49,579,426	53,391,398	26,439,906	24,527,654	(1,912,252)	-7.2%
Fuel (Diesel, CNG, Prop. Pwr., Propane, Gas)	8,950,522	9,443,600	5,971,076	4,332,720	(1,638,356)	-27.4%
Utilities	5,155,284	5,655,857	2,103,928	2,038,605	(65,324)	-3.1%
Inventory	11,226,105	13,711,000	6,855,500	6,552,674	(302,826)	-4.4%
Services & Materials & Supplies	18,522,788	19,430,753	9,715,377	8,915,255	(800,122)	-8.2%
Purchased Transportation	9,177,877	10,345,000	5,497,500	3,643,444	(1,854,056)	-33.7%
Other Expenditures	4,815,590	6,569,092	3,871,011	1,747,493	(2,123,518)	-54.9%
Total Operating Expenditures	242,318,780	262,213,873	131,550,580	122,340,921	(9,209,659)	-7.0%
Transfers to Other Funds						
Transfer to/from Insurance Fund	2,700,000	2,000,000	2,000,000	-	(2,000,000)	-100.0%
Transfer to/from Pension Fund	50,000	50,000	50,000	50,000	-	0.0%
Transfer to Reserve Fund	12,965,059	5,878,615	5,878,615	100,000	(5,778,615)	-98.3%
Transfer from Reserve Fund	-	(1,450,000)	-	-	-	0.0%
Transfers to Capital						
Transfer to/from Bond Retirement Fund	13,339,003	13,714,842	13,714,842	7,863,144	(5,851,698)	-42.7%
Transfer to/from Capital Improvement Fund	12,005,224	13,397,525	13,397,525	1,605,000	(11,792,525)	-88.0%
Total Transfer to Capital	25,344,227	27,112,367	27,112,367	9,468,144	(17,644,223)	-65.1%
Total Transfers to Other Funds	41,059,286	33,590,982	35,040,982	9,618,144	(25,422,838)	-72.6%
Total Expenditures	283,378,066	295,804,855	166,591,562	131,959,065	(34,632,497)	-20.8%

2nd Quarter – Financial Goals

Financial Goals				
KPI	Definition	Goal	Q1	Q2
General Fund Revenues	Increase of General Fund Revenues compared to prior year	$\geq 1\%$	1.6%	44.4%
Passenger Fare Ratio	Passenger Fares divided by operating expenses	$\geq 20\%$	17.1%	12.84%
General Fund: Expenses vs. Revenues	General Fund Expenses are less than General Fund Revenues	$\leq 1\%$	-16.9%	-34.8%
Personnel Cost vs. Budget	Actual Personnel Costs are less than Budget	$\leq -2\%$	2.7%	-2.5%

- **Without CARES Act Funding**

Revenues 4.3%

Operating Expenses vs. Revenues: -16.4%

Total Expenses vs. Revenues: -9.8%

2nd Quarter – Board Policy Goals

	Board Policy Goals				
	KPI	Definition	Goal	Q1	Q2
Operating Efficiency	Operating Ratio	% of Operating Expenses are covered by Operating Revenues (Passenger Fares, Advertising, Investment Income)	≥ 25%	18.3%	13.2%
	Cost/Hour of Service	Dividing total operating expenses by total service hours			
	Growth per Year	Cost of delivering a unit of service compared to prior year	≤ rate of inflation (2.1%)		
	Operating Reserve (months)	Available ending balance is equal to cash equivalent of one-month's operating expenses	≥ 1 month (1.0)	1.7	9.3
Capital Efficiency	Debt Service Coverage	Authority's ability to meet annual interest and principal payments on debt	≥ 1.5	3.6	7.4
	Sales Tax Contribution to Capital	Transfers to fund the Authority's bond retirement payments and local funding for capital projects	≥ 10%	8.6%	9.0%
	Capital Maintenance to Expansion	Ratio of focus between State of Good Repair (SOGR) vs. service expansion	75 - 90%	100%	100%

RTA Free WIFI Locations



Public Comments – Agenda Items

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