

## Minutes

### RTA Board of Trustees Meeting

9:57 a.m. August 29, 2023

**Board Members:** Lucas (Chair), Moss (Vice Chair), Joyce, Koomar, Sleasman, Weiss, Welch

**Not present:** Biasiotta, Mersmann

**Staff/Other:** Bailey, Birdsong Terry, Burney, Caver, Clark, Coffey, Dangelo, Davidson, Fields, Fleig, Freilich, Garofoli, Gautam, Hlavacs, Hudson, Jones, Lincoln, Miller, Mothes, Rubin, Schipper, Sulik, Talley, Walker Minor, Wiehe

**Public:** Buford, Gibbons, Jackson, Pickney-Butts, Rodriquez

The meeting was called to order at 9:57 a.m. There were seven (7) Board members present.

It was advised that notice of this meeting had been posted more than twenty-four hours in advance of the meeting, that the usual notification had 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 had been complied with.

### Minutes

President Lucas stated that the minutes from the July 25, 2023 Board Meeting had been previously distributed and reviewed, and asked whether there were any additions and/or corrections. There were no corrections. It was moved and seconded. The minutes were approved.

### Public Comments – Agenda Items

1. Rev. Pinkney-Butts – she supports reso 2023-63. She thanked RTA for being environmentally safe. She asks that RTA be aware of human trafficking. She requested more information on resos 2023-66, 2023-68, 2023-69 and 2023-70.
2. Rico Dancy (caller) – he is concerned about operators not letting down the lift for people with walkers. Ms. Terry said they have a campaign to train the operators on using the lifts.
3. Airric Stewart (caller) – he asks that the 15A be reinstated. This would reduce wait times, increase ridership and give access to retail, schools, colleges and libraries. The 48A would also be improved. Every number counts in the Customer Experience survey Net Promotor scores. An explanation of the scores would also be helpful. Numbers should be provided as opposed to percentages. Ms. Terry said they will drill down on reasons provided by the public and numbers are reviewed at the tactical level.

### Committee Reports

There were no reports.

### Community Advisory Committee (CAC)

There was no report.

### Ad Hoc Committee Reports

There were no reports.

Introduction of New Employees/Promotions

There were 63 new hires for various positions. Eight employees were promoted.

Introduction of Resolutions:

- A. 2023-63 – Authorizing an increase to Contract No. 2022-001 with the John F. Gallagher Plumbing Company for Project 19.27 – Hayden Garage HVAC Replacement in the amount of \$115,567.00 for a total contract amount of \$602,285.18 and reinstating the General Manager, Chief Executive Officer's change order signing authority in its entirety (RTA Development Fund, Engineering & Project Development Department budget), the adoption of which was moved by Ms. Moss, seconded by Mayor Koomar and approved by unanimous vote.

Ms. Moss asked for clarification on the change order. She is concerned that the contractor underbid but is still getting the money under a change order. Mr. Schipper said during the bidding process, to meet the new standards, the proposed units were bigger than the platforms the old units sat on. To safely and properly maintain the units, staff needed to add some platform around the units. Ms. Terry added that reducing change orders is one of their tactical goals.

- B. 2023-64 – Authorizing Contract No. 2023-106 with Valley Chevy Truck Inc. for the purchase and delivery of eight (8) 2024 Chevy full size pickup trucks, equipment and accessories, as specified, through the State of Ohio, Department of Administrative Services, Cooperative Purchasing Program, for a total price not to exceed \$589,121.00 (RTA Capital Fund, Fleet Management Department budget), the adoption of which was moved by Mayor Weiss, seconded by Mr. Joyce and approved by unanimous vote.
- C. 2023-65 – Authorizing Contract No. 2023-114 with the Ohio Department of Administrative Services, Office of Information Technology, Multi-Agency Radio Communication System ("MARCS") to provide 700/800mhz wireless digital radio network subscription services in an amount not to exceed \$1,200,000.00 for a period of three years (General Fund, Intelligent Transportation Systems Department budget), the adoption of which was moved by Mayor Weiss, seconded by Ms. Welch and approved by unanimous vote.
- D. 2023-66 – Authorizing Contract No. 2023-123 with Oracle America, Inc. to provide Oracle Infrastructure as a Service Subscription Services, for a period of one year, in an amount not to exceed \$225,000.00 (General Fund, Management Information Services Department budget), the adoption of which was moved by Ms. Moss, seconded by Mr. Sleasman and approved by unanimous vote.

Ms. Dangelo said this is the annual renewal subscription service to allow us to have licensing of the cloud version of Oracle. Mr. Gautam added this is a key software for the Authority's financial accounting management system.

- E. 2023-67 – Authorizing the purchase of casualty insurance from various insurance underwriters through USI Insurance Services, LLC and Price Forbes & Partners Limited, or their successors, for a period of 12 months, in a total amount not to exceed \$2,163,038.00 (Insurance and General Funds, Risk Management Department budget), the adoption of which was moved by Mayor Koomar, seconded by Mayor Weiss and approved by unanimous vote.
- F. 2023-68 – Amending Chapter 216 Public Records and removing Chapter 650 Records Retention of the Codified Rules and Regulations of the Greater Cleveland Regional Transit

Authority and amending Personnel Policy 700 Records Retention and Release, the adoption of which was moved by Mr. Joyce, seconded by Mayor Weiss and approved by unanimous vote.

Ms. Hlavacs, Senior Counsel for Contracts, Real Estate and Administrative Law is acting for Janet Burney, Deputy General Manager of Legal Affairs and General Counsel. She added that the Code Book is being cleaned up. This section was duplicative. It will remain in the personnel policies. It is also being brought up to current standards and laws. Ms. Moss asked if the records retention policy is in compliance with state law. Ms. Hlavacs said we are in compliance. These updates are more procedural.

- G. 2023-69 – Authorizing the filing of grant applications with the State of Ohio for State Fiscal Year 2025 financial assistance under all State of Ohio programs, the adoption of which was moved by Ms. Welch, seconded by Mayor Weiss and approved by unanimous vote.
- H. 2023-70 – Designation of depositories for active and interim public monies during the five-year period commencing January 1, 2024 through December 31, 2028, the adoption which was moved by Mayor Weiss, seconded by Mayor Koomar. Ms. Moss asked for a roll call. There were six (6) ayes and one abstention from Ms. Moss. It passed.

The Ohio Revised Code (ORC) requires the Board approve the financial institutions with which RTA retains public monies. They have to comply with collateral requirements. The resolution is for a five-year period.

- I. 2023-71 – Estimation of inactive deposits of the Greater Cleveland Regional Transit Authority to be awarded for the period from January 1, 2024 through December 31, 2028, the adoption of which was moved by Mayor Koomar, seconded by Ms. Welch and approved by unanimous vote.

#### Secretary-Treasurer's Report

Rajan D. Gautam, Deputy General Manager of Finance and Secretary-Treasurer gave the report. The annual inflation rate after hitting a high of 9.1% in Jan. 2020, has been steadily declining. At the end of July 2023, inflation rose to 3.2% from 3% in June. The Federal Reserve raised interest rates in July to 5.5%. Interest rates are now at the highest level in 22 years. The next FOMC meeting is Sept.19-20. There is enough widespread belief that there may be future increases in interest rates. The inflation target rate remains at 2% and we are at 3.2%. July MSA unemployment data will be released on August 30. This is the June data. The U.S. unemployment rate was 3.5% in July. The Ohio unemployment rate was 3.3% in July 2023 compared to 3.2% in June. All MSA unemployment rates increased from June 2023. As of June 2023, Cleveland was 4.4% up from 3.8%. Toledo at 3.9% up from 3.8%. Dayton at 3.8% up from 3.4%. Cincinnati at 3.5% up from 3.1%. Columbus at 3.3% up from 3%.

July passenger fares was 0.6% compared to July 2022. It is 1.4% below budget. Compared to July 2023 cash fares decreased by 5.4%. Pass ticket sales increased by 4.9%. U-Pass and student fare cards decreased by 45.7%. YTD the U-Pass revenue is less than 2% off from 2022 levels. Mobile ticketing increased by 24.2%. YTD passenger fare revenue is 6.4% above 2022 levels of \$14.88 million and \$6.38 million or 28.7% below 2019 levels of \$22.21 million. August 2023 sales tax which is based on May 2023 economic activity was 1.2% higher than August 2022 levels. This reverses the sales tax decline over the last two months. Thirteen of the 23 categories were positive compared to August 2022. Online sales were 3.5% higher. Regular and statewide sales were 0.4% higher. Motor vehicles and watercraft were 5.8% lower. This is the fourth consecutive month that motor vehicles and watercraft were lower compared to 2022 levels. This is due to a result of the aggressive rate increases and the access to easy money. The low or no interest car loans are not that easily available, which is slowing down activity.

Every two or three years, the rating agencies that rate our bonds payable review any material changes for our business to keep the investors protected. Moody's affirmed its Aa1 rating, which is the second highest rating. Credit strengths cited by Moody's included our methodology to protect our investors, by taking out the debt service prior to us getting the sales tax receipts. We have a strong coverage of the maximum annual debt service (MADS) by pledged revenue. In 2018, we were at 12.3x. Now we are 27.4x for 2023. In 2021 we were at 14.8x compared to 2022 which goes back to the debt defeasance we completed in 2021.

Mr. Joyce asked if we got any ripple effect from the U.S. debt being downgraded from AAA to AA by Fitch. Mr. Gautam said most of the ratings are looking at the business models behind that particular entity so there is no ripple effect on us. Our investors are extremely protected because of the strong sales tax backing. The debt service is secure. We have no plans of issuing any new debt. Mayor Weiss asked if the two month decline of the sales tax was due to a timing issue. Mr. Gautam said it's hard to determine the reason. Some of the FOMC rate increases could have caused it.

### General Manager/CEO Report

India L. Birdsong Terry, General Manager, CEO gave the report. The reopening of the Waterfront Line (WFL) is September 8 at the Flats East Bank Station. The time was changed to 1:30 p.m. The WFL will run during Browns regular season games. RTA participated in a Cross Systems Crisis Training at Tri-C to look at school safety. Participants included Mayor Justin M. Bibb, the new CMSD CEO and other city officials. Ms. Terry was recognized by Blacks in Management on June 29 at CWRU. Nine other leaders were recognized. President Lucas and staff participated in the 53<sup>rd</sup> Annual Puerto Rican Parade, August 6. President Lucas said he was glad to be a part of the event.

RTA hosted the 2023 Midwest Transit Leadership Exchange Conference on August 10-11. They participated in tours and educational sessions. Representatives from COTA in Columbus and Pittsburgh Regional Transit among other systems participated. RTA hosted the Touch A Truck event on August 13 on Public Square. The community was able to explore several vehicles during the event. RTA will be awarded the Best in Class for Workforce Diversity today by the Greater Cleveland Partnership (GCP). Several RTA staff members made up the project team. RTA held an employee engagement event at the Rail District with the Rail Rodeo, August 26. This is a series of skills competitions between rail staff. President Lucas was also in attendance. Staff and their families were able to attend. RTA's Let's Go Together marketing campaign has increased our social media footprint and shows RTA impact in the community. Ms. Terry served on the APTA Nominating Committee for the new slate of officers.

### Public Comments – public transit related items

1. Rev. Pinkney-Butts – There needs to be more legislation on heterosexual Christian, and multi-racial rights and to address the homeless, underserved and displaced veterans. She congratulated the new hires and thanked RTA for employing people as opposed to incarceration.
2. April Buford – She is a paratransit rider. She thanked RTA for the service. She has issues with the scheduling system. Drop off times are not necessarily taken in order, therefore making the customer late. Dr. Caver explained that the scheduling system uses an algorithm that looks at the location of the vehicle and the aggregate drop off for all customers. The system looks to maximize all the trips in the system so drop offs may not be in order.
3. Hayes Roman – He has issues with buses idling. He asks that the carriage/carts/stroller policy be reviewed. Paratransit doesn't allow him to ride with his cart without breaking it down. He requested bathrooms at stations. Dr. Caver explained that carts/strollers must be closed prior to boarding the vehicle for safety reasons. These items can become a projectile if the bus must stop suddenly.

4. Aliyia Jackson – she complimented RTA on the cleanliness of the buses. But there is smoking, drinking and human waste on the buses/trains. Transit Ambassadors are needed on the bus. The windows at the Superior Rapid Station are broken.
5. Airric Stewart (caller) – he wanted Dr. Rubin to share the customer experience survey numbers as opposed to percentages. The surveys have been conducted for more than a year. He asked for an accurate assessment of the facts for the routes. He asks that staff be more professional and appreciative of public dollars that pay for their salaries. He repeated his proposal for the 48A and 15A.
6. Ryan Hagar (caller) – he asked for a bus stop on #40 at Lakeview Road and Ingomar Avenue northbound. He asked to bring back the #38 and extending it to Winderemere Station.

Ms. Terry said public callers are expected to make comments in a respectful manner. President Lucas said the Board is available and the staff will respond to questions.

#### Executive Session Requested

President Lucas said after the executive session, there would be no other business for the Board so the public is welcome to leave.

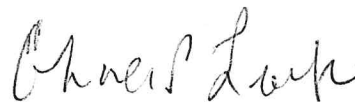
11:14 a.m. - It was moved by Mayor Koomar, seconded by Ms. Welch to go into executive session to consider the appointment of a public official. There were seven (7) ayes and none opposed.

11:48 a.m. – It was moved by Mr. Joyce and seconded by Mayor Weiss to come out of executive session. There were seven (7) ayes and none opposed.

#### Upcoming Meetings

The next regular Board meeting is scheduled for **Tuesday, September 26, 2023**, in the Board Room of the Authority, Root-McBride Building, 1240 West Sixth Street, Cleveland, Ohio 44113. This meeting will be live streamed on RTA's Board page ([www.RideRTA.com/board](http://www.RideRTA.com/board)) by selecting the meeting date. The public is welcome to attend in person.

The meeting was adjourned at 11:49 a.m.



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President

Attest:

  
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Secretary-Treasurer

