

Minutes

RTA Operational Planning & Infrastructure Committee

10:09 a.m. December 3, 2024

Committee Members: Welch (Chair), Love, Sleasman

Other Board Members: Biasiotta, Elder, Koomar, Pacetti, Weiss

Not present: Lucas, McPherson

Staff/Other: Becker, Biggar, Blaze, Case, Catalusci, Caver, Ciesla, Colonna, Dangelo, Davidson, Fields, Fleig, Ford-Marshall, Freilich, Garofoli, Gautam, Gibbons, Jones, Jupina, Kirkland, Milhouse, Miller, Miranda, Moore, Piggery, Robinson, Svancara, Schipper, Schultz, Sulik, Sutula, Togher, Weil, Young

Public: Battle, Deegan, Gibbons, Loh, Nelson, Samuels

The meeting was called to order at 10:09 a.m. Three (3) committee members were present.

RFP Procurement for the Design a new Fiber Optic Network

Robert Piggery, Engineer Project Manager and Lou Catalusci, Contract Administrator II gave the presentation.

Project Overview:

- Currently communications along the Trunk, Blue, and Green Lines are by leased lines, radios, and copper cable.
- A new fiber optic network will encompass the entire light rail system.
- A new fiber optic network was recently installed on the Red Line. (10 G network)
- The fiber optic network shall be a state-of-the-art communication system.
- The anticipated useful life is at least 20 years.
- Design will be by consultant.

Scope of Work:

- Inspection of the Blue and Green Lines
- Complete plans and specifications
- Coordination with the Trunk Line consultant
- Preparation of construction estimates
- Light signal (link) loss budget calculation
- Project Bid Support
- Project Construction Support

Procurement Overview:

The Request for Proposal (RFP) was issued June 16, 2024. It was accessed on the GCRTA website by forty-one (41) interested parties. One (1) firm submitted a proposal. One (1) firm was interviewed. This was a Brooks Act procurement. The evaluation panel consisted of various RTA departments using select criteria. The most technically qualified vendor is Burns Engineering, Inc., in Philadelphia, PA. A 6% DBE goal was assigned to this project and will be met by utilizing Integrations Communications Plans, LLC., Denise's Flagging and Construction Services, Inc.

Burns Engineering, Inc. has successfully completed projects for the Port Authority of New York, Massachusetts Bay Transportation Authority, Amtrak, and Wabtec, among others. They have a history of performing on rail projects and they have a clear and acceptable project approach.

Recommendation:

Staff requests that the Operational Planning and Infrastructure Committee recommend award to Burns Engineering, Inc. for Engineering Services for the Light Rail Fiber Optic Design. The contract is not to exceed \$1,026,609.82.

Ms. Welch asked for details on why fiber optics are important. Mr. Piggery said currently the Light Rail does not have a viable communication system. This will allow needed technology by adding more cameras, and improving the entire LR signal system. Dr. Caver added that the communication between the rail and ICC department will be improved. The ICC will be able to see trains further. The fiber will bring the LR into a more modern technology system.

Mr. Love asked about the fiber on the Heavy Rail. Mr. Piggery said the fiber on the Red Line is operational. This project will be a continuation of adding fiber to our system. Ms. Elder asked how long the fiber has been on the Red Line and how long it will take to get it working on the Blue/Green Line. Mr. Piggery said it's been in place for one year. They replaced the leased lines and moved data off those lines and put them on the fiber optic network. Dr. Caver added that the Red Line has had fiber for 25 years but it was updated. That same communication style will be used for the LR. The project is scheduled to be finished by 2026. Today's presentation is on the design only.

Mayor Weiss asked if this would benefit the riders. Mr. Piggery said the fiber optic network can be used for Wi-Fi, update signaling to speed up trains and it can improve safety. Mr. Sleasman asked if the community would be able to tap into the fiber. Mr. Piggery said it will allow communities to access fiber that is not being used by RTA for Wi-Fi.

It was moved by Mr. Love, seconded by Mr. Sleasman and approved to move to the full Board.

IFP Procurement to replace a Rectifier Transformer

Robert Piggery, Engineer Project Manager, Electrical and Lou Catalusci, Contract Administrator II gave the presentation.

Project Overview

- The E. 55th Substation (Substation 11) is a three-rectifier transformer design – this is the largest substation
- Rectifier Transformer 1 has failed leaving two working transformers
- Substation is essential for providing power for the RTA rail system

Scope of Work

- Furnish and install a new 11,400-volt 2,230 KVA rectifier transformer
- Contractor will test and commission the transformer prior to installation
- All power cables will be tested prior to connecting the transformer

Procurement Overview

The Invitation for Bid (IFB) was issued October 6, 2024. It was accessed on the GCRTA Website by twenty-one (21) interested parties. Two (2) firms submitted a bid. The lowest responsive and responsible bidder was RGT Services LLC dba The Fowler Company. An 11% DBE participation goal

was assigned to this project and will be achieved using East-West Construction Co., Inc. RGT Services LLC dba The Fowler Company has successfully completed project for GCRTA, Medina City School District, Cuyahoga County Engineer, among others.

Recommendation:

Staff requests that the Operational Planning and Infrastructure Committee recommend award to RGT Services LLC DBA The Fowler Company for the E.55th (Substation 11) Rectifier Transformer Replacement contract in an amount not to exceed \$697,320.00.

Ms. Welch asked for the shelf life of the transformer, if there was ongoing testing and the last time a transformer was replaced. Mr. Piggery said the shelf life is 30-40 years. The best way to test is to do oil samples. The Power & Way department does regularly scheduled maintenance to check the oil. Old transformers are removed when a new substation is built. Mr. Schipper said this transformer was flagged for replacement. A total replacement of a substation will come to the Board soon. Ms. Welch asked for the life of the other two remaining transformers. Mr. Schipper said they could have 10-15 more years of use.

It was moved by Mr. Sleasman, seconded by Mr. Love and approved to move to the full Board.

FY 2025 Budget Appropriations

Kay Sutula, Director, Office of Management & Budget gave the presentation.

In May, staff presented the 2025 Capital Improvement Plan, which was adopted by the Board. This is submitted earlier in the year in order to provide our Capital needs to NOACA, ODOT, and FTA In time for their 2025 Fiscal Years. This is the 2nd presentation of the FY 2025 Budget Appropriations. A second public hearing will be held today. At that time, staff will recommend that the committee present the Proposed 2025 budget to the Full Board for adoption on December 17th.

The Federal Open Market Committee (FOMC) is projecting core inflation to continue falling in 2025. The FOMC has reacted with reducing interest rates to 5% in September and to 4.75% in November. Staff will continue to monitor their progress throughout the year.

Ridership and Passenger Fare revenue are projected to increase at modest rates in 2025. Ridership and passenger fares have increased every year and through October 2024, ridership is 11.4% higher than 2023 levels. Staff is projecting passenger fares to increase over 4% in 2025. In 2024, Sales Tax receipts were stable when compared to 2023 levels. Sales Tax through October, is 0.6% above 2023. Staff are budgeting a 1.5% increase in 2025. Wage increases, which are largely contractual, are budgeted around 3% for FY 2025.

The Revenue for the 2025 Budget totals \$364.5 million. Of which, the largest 3 categories are:

- Sales & Use Tax receipts – at 73.4%
- Passenger Fares – 8.8%
- Reimbursed Expenditures (PM Reimbursement and Other reimbursements) – 1.4%

Staff budgeted transfers of \$55.0 million from the Reserve Fund to the General Fund for the 27th pay for hourly employees (\$4.5 million) and from the Revenue Stabilization Fund (\$50.5 million) to remain in compliance with the Board policy of maintaining a one-month operating reserve as the ending balance. These transfers represent 15.1% of total budgeted revenues.

Operating Revenues are budgeted at \$35.5 million. Passenger Fares are \$32 million. Advertising and Investment Income: \$3.5 million.

For 2026 and 2027, Operating Revenues are planned at \$36.9 million and \$38 million, respectively.

Non-Operating Revenues are budgeted at \$329 million:

- Sales & Use Tax: \$267.5 million
- Reimbursed Expenditures: \$5 million (PM Reimbursement at \$1 million and other reimbursements at \$4 million)
- Other Revenue is budgeted at \$1.5 million

For 2026 and 2027, Non-Operating Revenues are planned at \$325.8 million and \$326 million, respectively. Total Revenues for 2025 are budgeted at \$364.5 million.

Total expenditures for 2025 are budgeted at \$364.9 million. This includes the Operating Budget at \$323.8 million and transfers to other funds at \$41.1 million. The three largest categories are:

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- Salaries and Overtime at \$181.6 million – 49.8%
 - Payroll Taxes and Fringes at \$66.2 million – 18.1%
 - Services, Materials and Supplies at \$25.5 million – 7%

Total Personnel costs are 67.9%

Staff is budgeting 2,423 full-time Equivalent positions are budgeted for 2025, maintaining the current level of positions. The largest Division is Operations, with 2,130 FTEs (87.9% of budgeted FTEs reside in this Division). This includes operators, mechanics, maintenance/janitorial personnel, Paratransit and service-related personnel (Dispatchers, ICC, Transit Police, etc). The remaining Divisions are Administrative – the top 3 Administrative Divisions are:

- Finance at 4.3%
- Human Resources at 2.7%
- Legal Affairs at 1.7%

For 2025:

- Salaries and Overtime are budgeted at \$181.6 million and Payroll Taxes and fringes are budgeted at \$66.2 million. Total payroll is approximately 67.9% of RTA's General Fund Expenses.
- Fuel and Utilities is budgeted at \$13.0 million.
- The main drivers of the Services and Materials category are service and maintenance contracts, equipment and other miscellaneous supplies. This category is projected at \$25.5 million, or 7% of all expenditures.
- Paratransit purchased transportation is budgeted at \$16.7 million and the demand for Paratransit services continues to increase.
- Transfers to other Funds are budgeted at \$41.1 million. These transfers are for specific set-asides for Bond Retirement, Insurance, Supplemental Pension, Capital Improvement, and Reserve Funds and are to support the expected Expenses and maintain the recommended fund balances.
- Total Expenditures for the Proposed 2025 Budget total \$364.9 million.

Total Revenues of \$364.5 million over total Expenditures of \$364.9 million. With a projected beginning balance of \$27.5 million, the projected ending balance is \$27.1 million, leaving a budgeted 1-month reserve.

For 2026 and 2027, with projected ending balances of \$29.9 million and \$31.5 million, respectively, Each planned year has a 1-month ending balance in compliance with Board policy. They will continue to review actual expenses throughout the year compared to budget and determine how much of the \$50.5 million transfer is needed from the Reserve Fund.

The FY 2025 Capital Improvement Plan was approved by the Board of Trustees on May 20, 2024. This is presented early to align with the 2025 Fiscal Years for NOACA, Ohio, and the Federal Government. The Capital Improvement Plan provides for the purchase, maintenance, and improvement of the Authority's capital assets through a programmed allocation of available financial resources.

A second public hearing will be held today. Afterwards staff will ask the Board to recommend the full 2025 Budget to the Board for approval on December 17, 2024.

Mayor Koomar asked about the revenue stabilization budget. An amount was budgeted in 2023, but was not needed. Ms. Sutula said they are still looking at the 2024 Budget. As they get closer to the end of the year, that will determine how much of the remaining \$30 million will be transferred. Mr. Gautam added that we budgeted \$30 million to be transferred from the fund to support the General Fund. Approximately, \$20 million has been transferred.

Suspend Committee

Ms. Welch made a motion to suspend the committee meeting. It was seconded by Mr. Sleasman and approved to suspend.

Reconvene Committee

10:49 a.m. – Ms. Welch made a motion to reconvene the committee meeting. It was seconded by Mr. Sleasman and approved to suspend.

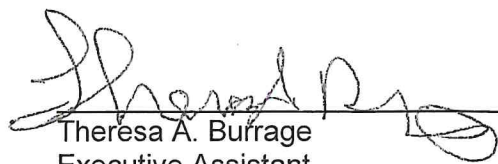
Recommendation

Staff requests that the Operational Planning & Infrastructure Committee recommend the 2025 Budget to the Full Board for approval. It was moved by Mr. Sleasman, seconded by Mr. Love and approved to move the budget to the full Board.

The meeting was adjourned at 10:50 a.m.



Rajan D. Gautam
Secretary/Treasurer



Theresa A. Bufrage
Executive Assistant

