

Minutes

RTA Operational Planning & Infrastructure Committee

10:12 a.m. October 15, 2024

Committee Members: Welch (Chair), Love, Sleasman

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

Not present: Lucas

Staff: Becker, Birdsong Terry, Blaze, Burney, Catalusci, Caver, Dangelo, Davidson, Dietrich, Fields, Fleig, Fogliano, Freilich, Garofoli, Gautam, Harris, Kirkland, Laule, Manning, McGervey, Miller, Moore, Schipper, Sutula, Talley, Temming, Tereba, Togher, Young, Walker Minor

Public: Gibbons, Hagar, Loh

The meeting was called to order at 10:12 a.m. Three (3) committee members were present.

IFB Procurement for Brookpark Maintenance Facility

Don Tereba, Resident Engineer, and Jonathan Laule, Program Contract Manager, Procurement gave the presentation.

Project Overview

The Brookpark shops are currently being used by the westside facilities maintenance department. They work out of this facility and store vehicles and equipment there. This project came about after it was determined this facility would be used for new rail cars. This property was purchased and these plans were developed to rehabilitate this facility. Offices are being rehabilitated to be used by Transit Police. The location is 1 mile east of the existing location. This facility was originally a manufacturing facility. The size of the building allows for vehicle storage and office space.

Scope of Work:

- Install 6 new overhead doors
- Modify office restrooms to be ADA compliant
- Replace existing carpeting with vinyl tile
- Replace existing air compressor
- Install floor drainage in garage area
- Clean and paint interior walls
- Install surveillance and access control systems
- Replace the fire alarm panel and add devices to bring the building up to code
- Verify and label all electrical panels in the facility
- Install new network switch and CAT 6 ethernet cabling to each office

Procurement Overview

The Invitation for Bid (IFB) was issued July 29, 2024. It was accessed on the GCRTA website by sixteen interested parties. Six firms submitted a bid. The lowest responsive and responsible vendor: SONA Construction, LLC. An 11% DBE participation goal was assigned to this project. This goal will be met utilizing Western Reserve Interiors, Inc., River City Building Solutions LLC, and East-West

Construction Co., Inc. SONA Construction, LLC has successfully completed projects for Cleveland Metropolitan School District, Cuyahoga County, the City of Cleveland, among others.

Recommendation

Staff requests that the Operational Planning and Infrastructure Committee recommend award to SONA Construction, LLC for the Brookpark Maintenance Facility Modifications. The contract amount is in an amount not to exceed \$1,281,000.00. Mayor Koomar asked for the timing on the building opening. Mr. Tereba said by August 2025.

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

RFP Procurement for On-Call Rail Engineering

Kathleen McGervey, Engineering Project Manager, Track and Lou Catalusci, Contract Administrator II, gave the presentation.

Project Overview

- Perform rail engineering design and technical support for projects exceeding the capacity or expertise of GCRTA personnel.
- Work is by Task Order Assignment.
- Total Task Orders not to exceed \$450,000 over a 24-month term.

Scope of Work for services may include:

- Track structure
- Overhead Catenary System
- Signal System Elements
- Track and Infrastructure Inspections
- Communications Systems, including Analog, Digital, Radio or Wireless
- Electrical Power Substations

Potential tasks include:

- Light Rail Catenary Design
- Assist in preparation of track rehabilitation packages
- Track and infrastructure modifications at the GCRTA Central Rail Maintenance Facility

Procurement Overview

The Request for Proposal (RFP) was issued July 28, 2024. It was accessed on the GCRTA website by thirty-two (32) interested parties. Two (2) firms submitted a proposal. Two (2) firms were interviewed. It was evaluated by several RTA departments. This was a Brooks Act procurement.

The most technically qualified vendor is Michael Baker International, Inc., Cleveland, OH. An 8% DBE goal was assigned to this project and will be met by utilizing National Engineering & Architectural Services, Inc., Denise's Flagging and Construction Services, Inc. Michael Baker International, Inc. has successfully completed projects for GCRTA, LA Metro, ODOT, and Dallas Area Rapid Transit (DART), among others. They have experienced and qualified staff familiar with GCRTA and a clear and acceptable project approach.

Recommendation

Staff requests that the Operational Planning and Infrastructure Committee recommend award to Michael Baker International, Inc. for Consulting Services for the On-Call Rail Engineering Services - 2024. The contract is not to exceed \$450,000.00 for the period of 24 months.

Mr. Love asked if these modifications are in addition to the engineering rail modifications. Ms. McGervey confirmed. Mr. Sleasman asked how cost is negotiated. Ms. McGervey said they do a cost estimate and compare it to the estimate from the consultant. If there is a large difference, Procurement doesn't divulge the price. They discuss the scope and agree about how to go forward. They receive the per hour cost and determine if the hours are agreeable. Ms. Dangelo added that RTA has several on-call contracts. They are task order based. The rates are negotiated ahead of time in the contract. They are aware of projects they know they will need assistance from the contractor. Every task is treated separately with the negotiated rates.

Mr. Catalusci added that the firm will submit their cost and ODOT audited rates. That is used to determine the billable rate. Parsons is the previous contract holder. They also had the contract for two years. The dollar amount on that contract is almost depleted. They must complete the task even if another firm has the contract. Before Parsons, WSP had the contract.

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

Budget Increase

Kay Sutula, Director, Office of Management & Budget, Carolyn Young, Manager of Budget and Nicholas Davidson, Paratransit District Director, gave the presentation.

Today's presentation is on the 2024 Proposed Amendments to the Operating, Reserve, and Capital Budgets.

Operating and Reserve

For 2024, Salaries, Overtime, Payroll Taxes, and Fringes were originally budgeted at \$221.9 million. At the beginning of 2024, there were over 270 vacant positions, most of which were operators and mechanics. To be more competitive, in 2023, the steps to become an Operator were condensed and the starting wage was increased to \$25/hour. Through May, an average of 30 new operators were hired. In June, 99 new operators were hired. Operators must go through at 3-month training program. Current operators fill in to meet service levels, usually with overtime.

We entered into three new contracts for Paratransit service in 2023. The demand has increased significantly over the past year. We are experiencing some savings in fuel/utilities and services/materials & supplies and other expenditures. These savings will help to offset the increases in salaries/fringes/ and purchased transportation. A number of items are driving the increased cost of paratransit. The largest is the ridership demand. Year over year the demand has grown. They expect a 9.2% increase in ridership over last year, or 35.6% increase over 2019. The county's aging population is also driving demand. People over the age of 60 are growing. Eighty percent of Paratransit customers are 55 and over. Fifty percent of trips are related to healthcare which is consistent with the demographics. Increases in cost are also due to inflation, the labor market, insurance requirements and the cost per hour.

For the 2024 Amended Budget, Total Revenues are projected at \$342.2 million. Sales Tax receipts through September have been relatively even with 2023 receipts. Passenger Fares have increased,

compared to 2023. Both of these are presented monthly to the Board during the Secretary/Treasurer's report. They are proposing an increase in the Reserve Fund expenditures of \$1,644,837 which will be transferred into the General Fund. They will then transfer this amount to the Capital Improvement Fund for the Rail Car Replacement Program.

For the 2024 Amended Budget, Operating Expenditures are projected at \$310.4 million, a \$16.8 million increase from the original budget. Transfers to other funds will increase by \$1.6 million. The funding transferred from the Reserve Fund to the General Fund will be transferred to the Capital Improvement Fund for the Rail Car Replacement Program. The projected ending balance of \$27.5 million, will maintain the 1-month reserve.

In the Codified Rules and Regulations of the Authority: Chapter 460, Section 3 identifies the regulations of the Reserve Fund. At the end of 2023, we had over \$161 million in the Reserve Fund over six categories. In the Reserve for compensated absences, funds from the General Fund may be placed in this account to ensure payment to employees for vacation time earned. The reserve fund shall not exceed 25% of the accrued liability for compensated absences. We currently have \$4.0 million in this fund. Twenty-five percent of the accrued liability for compensated absences at the end of 2023 totals \$2,946,056. We have an excess of \$1,076,181 in this fund.

In the Reserve for hospitalization, funds from the General Fund may be placed in this sub account to protect against substantial cost increases. This reserve shall not exceed 10% of annual hospitalization costs. We currently have \$2.9 million in this fund. At the end of 2023, 10% of the hospitalization costs totaled \$2,337,215. We have an excess of \$568,656 in this account. The Reserve for Rolling stock Replacement: established to set aside funds to systematically replace aging revenue vehicles. Funds are transferred from here. To the Capital Improvement Fund, currently for the Rail Car Replacement Program. The \$770,000 in this account is due to interest earnings. We have transferred an average of \$10 million each year, since 2017. Including the \$770,000 at the end of 2024, we will have transferred over \$81 million to the Capital Improvement Fund for the Rail Car Replacement Program.

In the Reserve Fund, we have sub-funds established and maintained to protect the Authority.

- Compensated Absences: The last time we transferred funding into the Compensated Absences sub-fund was in 2019.
- Hospitalization: This sub-fund has accrued interest since 2018, the last time funding was transferred into this sub-fund.
- Rolling Stock Reserve: we transferred \$10 million into this account this year and that funding was transferred to the Capital Improvement Fund
- All three of these sub-funds have accrued interest
- We are moving the available funding from the compensated absences and hospitalization back to the General Fund and the funding in the Rolling Stock Reserve to the Capital Improvement Fund for Rail Car Replacement
- The original budgeted appropriation totaled \$40 million.
- With these additional transfers, we are requesting an increase to the appropriation by \$2,415,340

Mayor Weiss asked what is reserved for the rail cars, how much is left and where the funds came from. Ms. Sutula said she would provide that. Mr. Sleasman asked for the internal cost per hour for Paratransit service. Staff will also provide that. Mayor Koomar asked about the \$30 million in the revenue stabilization fund. Ms. Sutula said that was already budgeted. Mayor Weiss asked for the balance in the revenue stabilization fund. Ms. Sutula will provide that in the resolution. Mr. Gautam added that \$144.4 million was in the reserve fund at the start of 2024. We budgeted a transfer of \$30

million from reserve fund to the GF. If the entire \$30 million is transferred by the end of the year, the balance would be \$114.4 million. Last year's transfer, although budgeted, was not needed.

Recommendation

Staff requests that the Operational Planning & Infrastructure Committee present the Amended 2024 General Fund and Reserve Fund Budgets to the full Board for approval. It was moved by Mr. Sleasman, seconded by Mr. Love and approved to move to the Board.

Capital Budget

This presentation is for the proposed Amended FY 2024 Capital Improvement Fund. Back in May 2024, the Board approved an annual CIP budget of \$146.3 million. The request is to adjust the budget to \$247.8 million which is \$101.5 million increase. This would right size the rail car program to allow budget authority for the next 18 rail car options.

Recommendation

Staff requests that the Operational Planning & Infrastructure Committee present the Amended 2024 Capital Improvement Fund Budget to the full Board for approval.

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

The meeting was adjourned at 10:47 a.m.



Rajan D. Gautam
Secretary/Treasurer



Theresa A. Burrage
Executive Assistant