

Minutes

Greater Dayton RTA Board of Trustees Public Board Meeting

November 5, 2019

- Trustees: Sharon Hairston, President
David P. Williamson, Vice President
Adrienne L. Heard
Franz Hoge
Sharon D. Howard
John Lumpkin
Belinda Matthews-Stenson
Thomas Weckesser
- Excused: Vince Corrado
- Staff: Mark Donaghy, Chief Executive Officer
Chris Cole, Chief Operating Officer
Christopher Conard, Coolidge Wall, Co. LPA
Cathy Garner, Sr. Executive Administrative Assistant
Brandon Policicchio, Chief Customer & Business Development Officer
Bob Ruzinsky, Deputy Chief Executive Officer
Mary K. Stanforth, Chief Financial Officer
- Others: Interested citizens (see attached sheet)

Call Meeting to Order

Ms. Hairston called the meeting to order at 3:00 p.m. A quorum was present and proper notice of the meeting had been given.

PLEDGE OF ALLEGIANCE

Ms. Hairston led attendees in reciting the Pledge of Allegiance.

Greater Dayton Regional Transit Authority

ROLL CALL

Roll call was taken:

Mr. Corrado	Excused	Mr. Lumpkin	Yes
Ms. Hairston	Yes	Ms. Matthews-Stenson	Yes
Ms. Heard	Yes	Mr. Weckesser	Yes
Mr. Hoge	Yes	Mr. Williamson	Yes
Ms. Howard	Yes		

APPROVAL OF CONSENT AGENDA

Ms. Hairston stated Greater Dayton RTA (RTA) By-Laws require Board Trustees approval of today’s Board Meeting Agenda. Ms. Hairston stated the Board Agenda was mailed in advance, and asked if there are changes to the Agenda? Upon hearing no requests or corrections, Ms. Hairston DECLARED ACCEPTANCE of today’s Meeting Agenda.

APPROVAL OF OCTOBER 1, 2019 MEETING MINUTES

Ms. Hairston asked if anyone requests a reading of the minutes or if there are corrections to the minutes? Upon hearing no requests or corrections, Ms. Hairston declared ACCEPTANCE of the October 1, 2019 Meeting Minutes.

RECOGNITION/PRESENTATION – TRIENNIAL REVIEW

Ms. Hairston communicated that she wanted to take this time to make a special presentation. Ms. Hairston stated it was her honor to present the Achievement of Excellence Award to The Greater Dayton Regional Transit Authority by the Federal Transit Administration, Region V. Ms. Hairston commented that the Triennial Review Award is focused on RTA’s compliance in 21 areas. Further, Ms. Hairston commented that no deficiencies were found with the FTA requirements in all 21 areas. Ms. Hairston thanked Mr. Donaghy, Mr. Ruzinsky, Ms. Stanforth and Staff for achieving such an accomplishment! This is RTA’s 4th time consecutively receiving this award, which is unprecedented! Keep up the Good Work!, stated Ms. Hairston.

FINANCE/PERSONNEL COMMITTEE REPORT (JOHN LUMPKIN)

Mr. Lumpkin stated the Finance/Personnel and Planning Committees met on October 22nd and as a result the Finance/Personnel Committee is recommending three (3) Action Items for approval by the Board of Trustees.

ACTION ITEM #2 – PROFESSIONAL ARBORIST SERVICES

Mr. Lumpkin stated the purpose of this procurement is for RTA to obtain the services of a Professional Arborist to provide services related to pruning and removing trees near overhead lines, the care and maintenance of trees and associated grounds issues throughout all RTA facilities. This project is consistent with RTA's core values of Safety and Stewardship as we continue to maintain a clean and professional image as well as ensuring the overhead lines remain clear and safe for our customers. These services will be supplied over a five (5) year term.

MOTION MADE by Mr. Lumpkin and SECONDED by Mr. Hoge to AWARD a CONTRACT to Tree Care, Inc. for a five (5) year period based on the hourly rates stated in the Board package for services that are determined needed with a total not to exceed amount of \$890,000. Funds for Professional Arborist Services are included in the operating budget.

MOTION CARRIED by voice vote.

Ayes: Eight

Nays: None

ACTION ITEM #3 - MARSH & MCLENNAN INSURANCE AGENCY QUOTES

Mr. Lumpkin stated Marsh & McLennan Insurance Agency has surveyed the insurance markets over the past couple of months, on behalf of RTA, and has identified several highly rated insurance companies to provide coverage. In today's Board package, we have included an Executive Summary which highlights types of coverage and the associated annual cost.

Marsh & McLennan's recommended and most cost effective insurance package is \$1.7 million annually. This cost includes average deductible and self-insured retention amounts. The annual cost has increased by \$100,000 due

to increased replacement cost values on buildings as well as increasing flood and catastrophic coverage. When considering the tornadoes that impacted Montgomery County this year, Staff determined it was appropriate to make increases in the flood and catastrophic areas.

MOTION MADE by Mr. Lumpkin and SECONDED by Ms. Heard to AUTHORIZE the Chief Executive Officer to bind insurance coverage through the Marsh & McLennan Insurance Agency for the coverage year December 1, 2019 thru November 30, 2020. The coverage will include the attached coverage terms, unless a more cost effective package becomes available prior to December 1, 2019. This flexibility is necessary as it is not uncommon for insurance companies to continue competing for a contract, up until the actual date the coverage is to begin. This procurement totaling \$1.7 million will be funded with 100% operating funds.

MOTION CARRIED by voice vote.

Ayes: Seven

Nays: None

Abstain: One – Mr. Hoge

ACTION ITEM #4 - 2020 BOARD AND COMMITTEES MEETING DATES

Mr. Lumpkin stated as set forth within the RTA Bylaws, the Board of Trustees Meeting Dates occur on the first Tuesday of each month. The Finance/Personnel and Planning Committees meeting dates typically occur on the third Tuesday of each month. Lastly, the Investment Advisory Committee meets quarterly on the third Thursday during the months of January, April, July and October.

On an infrequent basis it is necessary to change a regularly scheduled meeting date.

MOTION MADE by Mr. Lumpkin and SECONDED by Mr. Weckesser to APPROVE the attached 2020 Board and Committees meeting dates. The Board of Trustees reserves the option to cancel/reschedule meetings based on necessity of actions by the Board of Trustees.

MOTION CARRIED by voice vote.

Ayes: Eight

Nays: None

DISCUSSION ITEMS TO MENTION

2020-2024 Capital Budget

Mr. Lumpkin stated at the meeting Mr. Ruzinsky made a presentation on the 2020-2024 Capital Budget. The categories reviewed included Electric System Infrastructure, Revenue Vehicles and Equipment, Transit Hubs and Facility Improvements, and Equipment, Technology, Amenities and Other. Bob detailed the funding required for these projects. As part of working with the Capital Budget, RTA determines how to best maximize federal funds to support day-to-day operations (capitalized maintenance).

Mr. Ruzinsky detailed progress made so far during 2019 and detailed the grant funding acquired to pay for a significant portion of the projects. The Capital Budget has been aggressive with many facility improvement projects, many bus purchases including dual-mode buses, and electric trolley infrastructure work. At RTA projects are completed as planned, and the FTA and State of Ohio monitor this closely. Our success at securing federal and state grants is tied to the fact that we plan carefully and complete our projects in a timely manner.

2015-2020 Operating Statement – A Quick Review and Budget Update

Mr. Ruzinsky and Ms. Stanforth made a presentation on the 2015-2020 Operating Statement. Mr. Ruzinsky detailed the financial results from prior years and highlighted some of the reporting requirements that are necessary relating to the audited financial statements. Some of these requirements may be confusing to the financial statement user with the end result not necessarily showing the most concise operating financial results.

Ms. Stanforth discussed 2019 projections and also the 2020 preliminary expense budget. Mr. Ruzinsky explained that one goal of today's presentation is that internal financial reporting will be changed or modified to better depict

operating financial results. More discussion will follow at upcoming Committees meetings.

July 2019 Sales Tax Update

At our meeting, Ms. Julie Beard reported July 2019 Sales Tax receipts equal \$3.27 million.

- Receipts **exceed July 2018** by \$145,000
- Receipts **exceed July 2019 budget** by \$203,000 or 6.6%.

Year-to-Date (YTD) July 2019 Sales Tax receipts equal \$22.45 million.

- Receipts **exceed YTD July 2018** by \$759,000
- Receipts **exceed YTD July 2019 budget** by \$807,000 or 3.7%.

It is very important to note that when comparing sales tax revenue to 2017 and previous years, funding is off by about \$4 million as a result of the lost Medicaid Managed Care Tax. Results are better than budget; however, the budget incorporates the reduction resulting from lost Medicaid Managed Care Tax.

September 2019 Financial Statements

At the Committees meeting Ms. Beard reported for the Month of September, 2019 the Net Loss before federal and state depreciation is \$191,000. This is \$103,000 worse than the budgeted loss of \$88,000. The overall negative variance is largely due to lower operating revenue and higher contract services and purchased transportation expense. The \$19,000 net decrease in the fair value of investments was a contributing factor as well.

The year-to-date September, 2019 Net Loss before federal and state depreciation is \$1.15 million. This is better than YTD budget, however it is important to highlight RTA's 2019 annual budget includes a \$2.69 million net loss.

PLANNING COMMITTEE REPORT (SHARON HOWARD)

Ms. Howard reported the Finance, Personnel and Planning Committees met for a jointly held meeting on October 22nd. The Planning Committee does not have any Action Items to present, however, the Committee does have important updates to provide.

Ms. Howard stated at the Committees meeting Mr. Policicchio provided a summary document of recent activities in the Customer & Business Development Department. This included an update on ridership for The Flyer, which will celebrate its first year in operation on November 9th. The Flyer now provides more than 2,000 trips per day, putting it in the Top 5 routes for trips per day. Much of the growth can be attributed to increased rides during the lunch hour, on Saturdays, and by University of Dayton students, where there has been targeted marketing encouraging students to ride.

The RTA transported more than 800 people with its park-and-ride shuttle at Outdoor X on October 4th and 5th, where the communications department also had a booth to talk about agency services.

The Communications Department also led the agency's Safety Day at the RTA on October 30th. More than 150 people participated in this event, learning about various RTA safety programs as well as personal safety tips from partner vendors such as Bike Miami Valley, Spin scooters, Dayton Fire and Police departments, and 5 Rivers MetroParks. The event was also covered by two local TV stations and the Dayton Daily News.

In closing, Ms. Howard stated very soon the 2019 RTA Holiday Bus will hit the streets of the Miami Valley, and this year people are in for a sweet treat with a gingerbread-themed scene. Each year, many RTA riders look forward to the reveal of the annual holiday bus theme, and eagerly await their turn on the special bus, which includes holiday music and free candy cane treats. The big community reveal of the bus will happen at the Downtown Dayton Partnership's annual Grande Illumination and the Dayton Children's Parade, which kicks off the Dayton Holiday Festival on Friday, November 29th. Throughout the month of December, the bus will be circulating along all RTA routes.

INVESTMENT ADVISORY COMMITTEE REPORT (THOMAS WECKESSER)

Mr. Weckesser stated that the Investment Advisory Committee met on October 17th for an informative session regarding RTA's investment portfolio, current topics in the investment arena and sales tax revenue. The Committee

does not have any Action Items today, however there are informational items to share.

Meeder Investment's Economic Update and Financial Presentation

At the meeting, Mr. Jason Headings began his presentation with an Economic Update. With regard to U.S. Domestic Growth, the Federal Reserve Median Projection is 2.3% for 2019. At the April 18th Committee meeting the 2019 projection was 2.1% and at the February 14th meeting the Projection was 2.3%. This is down from 2018's actual growth of 3.0%. The provisions of the New Tax Act, Slowing Global Demand and downward signs in the Transportation Index are contributing factors to the overall lower Domestic Growth projection.

Mr. Headings then discussed the Institute for Supply Management (ISM) Manufacturing Index. There has been a significant drop in the index since September 2017. Since that time the index has dropped from 61 to 48. Numbers above 50 represent expansion, so therefore we are seeing a downward trend in manufacturing. This is negative for the overall U.S. economy.

Oil and Diesel Fuel pricing has been volatile over the past year. Currently AAA Diesel Retail Prices are in the \$50-\$60 per barrel range. This is relatively low, with the likely scenario being higher prices to be seen in the future.

Regarding the U.S. Unemployment Rate, we continue to have a full employment state with employers finding it difficult to find qualified employees. The National Unemployment rate is currently just under 4% and Ohio's rate is about 4.5%.

When looking at inflation, Personal Consumption Expenditures (PCE) inflation is still well below 2%. Market inflation expectations are in the 1.5% range over the next 5 years. The lower inflation expectations also indicate a slowing economy.

Mr. Headings presented the Federal Open Market Committee's (FOMC) September 2019 meeting highlights:

- The FOMC voted 7-3 in favor of cutting its overnight target rate 0.25% for the second time this year to a range of 1.75% to 2.00%.

- FOMC Chairman Powell described the rate adjustment as “insurance against ongoing risks” and indicated the FOMC is not on a “preset course”.
- Chairman Powell further stated “We see a favorable economic outlook ...though, there are risks to this positive outlook due particularly to weak global growth and trade developments”.
- There was some speculation that the Fed would announce a balance sheet increase to help boost liquidity, however, there was no mention of a standing repo facility or the start of balance sheet expansion.

RTA’s Portfolio Summary

At the meeting, Mr. Headings reported the par value of RTA’s investment portfolio at September 30, 2019 is \$28.87 Million and carries a weighted average maturity of 1.80 years. The weighted average yield on the portfolio is 1.68% and 2019 Annual Interest Income is projected to be \$485,000. The 2019 annual interest income budget is \$500,000.

Meeder’s recommendations to the Investment Advisory Committee include:

- Recent trends in inflation and slowing global growth support the Federal Reserve’s recent actions of reducing the Federal Funds rate. The market is anticipating additional rate cuts in 2019 and 2020. Given this outlook for rates, Mr. Headings recommends extending the core portfolio, cash flow permitting.
- Commercial paper continues to provide excess yield to the portfolio over alternative short term products, therefore, Mr. Headings recommends continuing to build the allocation to commercial paper.

Committee members unanimously agreed with Meeder’s above stated recommendations. This will be the path followed until the next Investment Advisory Committee meeting which is scheduled for January 23, 2020.

Montgomery County Sales Tax Receipts

The Investment Advisory Committee also discussed Montgomery County Sales Tax Receipts. Ms. Stanforth

reported Year-to-Date (YTD) July 2019 receipts total \$22.45 million. This amount is \$807,000 or 3.7% *higher* than YTD July 2019's budget. When comparing Sales Tax receipts to the budgeted amounts it is imperative to factor in the loss of approximately \$4.0 million of Medicaid managed care tax. The 2019 budget was adjusted downward by \$4.0 million due to the loss of the Medicaid managed care tax. Therefore compared to prior years the Sales Tax Receipts have decreased significantly.

Committee members discussed the Sales Tax Budget for 2020. Although YTD we have realized a 3.7% increase over budget, that trend is not expected to continue through the remainder of 2019. Recently it is has been reported car sales and UPS deliveries are trending downward. The Committee concluded the 2020 Sales Tax Budget should reflect a 3.0% increase over the 2019 Sales Tax Budget.

CHIEF EXECUTIVE OFFICER'S REPORT

Mr. Donaghy reminded everyone of the recent award of more than \$6 million in new state funding by the Ohio Department of Transportation (ODOT). The award is part of nearly \$45 million in state general revenue funding through this first-time competitive program of state funds, also known as OTP2, to provide aid to 24 urban and 20 rural transit agencies, as well as \$16.6 million in Urban Transit Program funding for Ohio's 27 urban transit systems to be used to support the maintenance of transit assets. Mr. Donaghy commented that all of these dollars will go directly to RTA's Capital Fund. Mr. Donaghy thanked Mr. Ruzinsky for his diligence, once again, in getting these applications in on time and making sure that RTA is included every chance we get in pursuing funding.

Mr. Donaghy communicated that the Greyhound transition went smoothly and is now complete at the Northwest Transit Center. Mr. Donaghy commented that Greyhound's new site is located at 5136 Salem Avenue, Dayton, Ohio.

Finally, Mr. Donaghy commented that Thursday, November 7th will mark the one year Anniversary of launching the Flyer. The Flyer generates nearly 2,000 riders daily. Mr. Donaghy commented that this was and continues to be a success!

Mr. Hoge commented with the positive results RTA has received from the Federal level regarding the Triennial Review, he would think that this achievement would work very favorably in the future for RTA being awarded additional funding.

Mr. Hoge asked if the State of Ohio is aware how well RTA has done and will this favorable news enter into their decision when it's time to award money?

Mr. Donaghy replied absolutely. Mr. Donaghy stated, yes the Federal and State Administrators are aware that RTA has received such high recognition. Additionally, Mr. Donaghy stated that it is in fact the State of Ohio team that makes the decisions with regard to the distribution of Discretionary Funding to Transit Agencies which RTA was generously awarded in the State General Revenue Budget. Mr. Donaghy commented that often the time he and other Staff spend in Columbus assisting ODOT when applicable, is reflective in the fact that RTA receives more funding.

OLD BUSINESS

None

NEW BUSINESS

NEW BUSINESS ITEM #1 – TRANSIT FARE STRUCTURE ADJUSTMENT

Mr. Donaghy stated after review of the current RTA fare structure, recommendations have been made to revise current supervision requirements when traveling on RTA services.

To ensure the general safety and well-being of children age 12 and under, and 60 inches tall and under while traveling on RTA services, it is required that they be accompanied by a fare paying parent, guardian or teacher.

Mr. Hoge commented in regards to categories D, 3 and E there seems to be redundancy regarding children under 12 having to be accompanied by an adult and the language repeats itself. The Board discussed this and ultimately decided to remove Item E.

MOTION MADE by Ms. Howard and SECONDED by Ms. Heard to ADOPT ATTACHMENT A, with the edit of

eliminating Item E as it relates to passenger height and supervision requirements regarding RTA's Fare Structure, effective Sunday, December 1, 2019. Furthermore, the MOTION AUTHORIZES the Chief Executive Officer to do all things necessary to implement the new fare structure.

MOTION CARRIED by voice vote.

Ayes: Eight

Nays: None

PUBLIC COMMENT

Ms. Elizabeth McGowan – 2010 Germantown Street, Dayton, Ohio 45417. Ms. McGowan commented that the services that RTA provides are by far in her opinion the best compared to many cities she's utilized. Ms. McGowan commented that she frequents Goodwill Easter Seals on a weekly basis to do business. Ms. McGowan stated she doesn't feel safe crossing all of the traffic on Patterson Boulevard on a walker. Ms. McGowan would like to see a bus stop placed on N. Main Street on route # 9 near Goodwill Easter Seals, as she is on a walker and would appreciate a closer walk to this facility. Ms. McGowan stated her second comment was in her opinion, she feels she has the right to refuse utilizing the "shower chair" when boarding and de-boarding Project Mobility. In closing, Ms. McGowan asked if RTA has an Advisory Board Committee?

Mr. Donaghy explained the importance of why the "shower chair" was put into place. Mr. Donaghy asked Ms. McGowan if she could stay after the meeting to further speak with Mr. Roland Caldwell, Director, Transportation and Mr. Brandon Policicchio, Chief Customer & Business Development Officer to personally address her concerns. Additionally, Mr. Donaghy stated to Ms. McGowan that she is welcome to use her walker to board/de-board the bus due to it having brakes. In closing Mr. Donaghy replied yes, RTA does have an Advisory Committee meeting.

Ms. April Easterling – 141 W. Third Street, Apt. 609, Dayton, Ohio. Ms. Easterling stated that she receives dialysis three times a week and it is critical that she goes. Ms. Easterling recently received notification from RTA that her Project Mobility services were suspended for 14-days because she had five no-shows and/or cancellations. Ms. Easterling stated on one occasion she was in the hospital

when RTA contacted her to verify her appointments, the other times she woke up sick and not able to cancel her appointments in a timely manner. Ms. Easterling would like to have the no-shows removed.

Ms. Hairston directed Ms. Easterling to speak with Ms. Sally Brown, Manager, Alternative Transit Solutions after the meeting.

**BOARD MEMBER COMMENTS
- ANNOUNCEMENTS**

Each of the Board Members congratulated the Staff on the success and accomplishment on receiving its 4th consecutive no findings Triennial Review.

Ms. Howard expressed her gratitude to RTA Staff on providing free transportation to the public so that everyone may have access to vote.

Mr. Donaghy stated in regards to the Fare Policy Staff believes that there was a reason that Item E was inserted in the Policy. Mr. Donaghy suggested to either delete the word “who” in this section or leave E as it currently reads. Mr. Donaghy stated the problem is that someone may try to pay a fare who is a six years old and get on a bus without an adult. Mr. Donaghy stated in Item #3 you could delete the word “who” on the first line which takes away all the confusion or you could just leave E as it is.

Ms. Howard asked Mr. Donaghy would it be his recommendation to go back to Staff for the exact language and then report back to the Board at the December Board meeting?

Mr. Donaghy replied yes!

Mr. Williamson stated that a new Motion would have to be made and then reinstate the new language and new changes so that the Board is not rewriting the policy at today’s meeting.

Ms. Hairston asked Mr. Donaghy would this create a problem with the December 1, 2019 suggested implementation date.

Mr. Donaghy replied, no.

Ms. Hairston stated the upcoming meetings listed below:

Board Meetings

December 3, 2019 3 p.m.

January 7, 2020 3 p.m.

Investment Advisory Committee Meeting

January 23, 2020 11:45 a.m.

Finance, Personnel & Planning Committees Meetings

November 19, 2019 8:30 a.m.

December 17, 2019 8:30 a.m.

January 21, 2020 8:30 a.m.

EXECUTIVE SESSION

None

ADJOURNMENT

MOTION MADE by Ms. Howard and SECONDED by Ms. Matthews-Stenson to ADJOURN the meeting.

MOTION CARRIED by voice vote.

Ayes: Eight

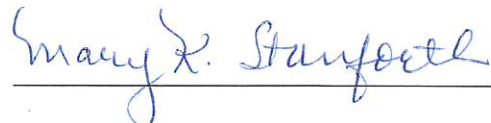
Nays: None

The meeting adjourned at 3:48 p.m.

ATTEST



Sharon Hairston
President
RTA Board of Trustees



Mary K. Stanforth
Secretary/Treasurer
RTA Board of Trustees

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