

## **Minutes**

### Greater Dayton RTA Board of Trustees Public Board Meeting

May 2, 2017

Trustees: Adrienne L. Heard, President  
Vince Corrado  
Franz Hoge  
Sharon D. Howard  
John Lumpkin  
Thomas Weckesser  
David P. Williamson

Excused: Sharon Hairston, Vice President

Staff: Mark Donaghy, Chief Executive Officer  
Sally Brown, Manager, Alternative Transit Solutions  
Chris Cole, Chief Maintenance Officer  
Cathy Garner, Sr. Executive Administrative Assistant  
Deborah Howard, Manager, Procurement  
Nikol Miller, Manager, Community Relations  
Jim Napier, Chief Operations Officer  
Brett Richardson, Deputy Director, Human Resources  
Bob Ruzinsky, Chief Capital Officer  
Mary Stanforth, Chief Financial Officer  
Johnathan Hollingsworth, Hollingsworth & Washington, LLC

Others: Interested citizens (see attached sheet)

### **Call Meeting to Order**

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

**ROLL CALL**

Roll call was taken:

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

**APPROVAL OF CONSENT AGENDA**

Ms. Heard stated Greater Dayton RTA (RTA) By-Laws require Board Trustees approval of today’s Board Meeting Agenda. Ms. Heard explained the Board Agenda was provided prior to today’s meeting.

Ms. Heard asked if anyone had any corrections to the agenda? Upon hearing no comments or corrections, Ms. Heard declared ACCEPTANCE of the May 2, 2017 Board Meeting Agenda.

**APPROVAL OF APRIL 4, 2017 BOARD MEETING MINUTES**

Ms. Heard asked if anyone desired a reading of the minutes or if there were any corrections to the minutes? Upon hearing no requests or corrections, Ms. Heard declared ACCEPTANCE of the April 4, 2017 Board Meeting Minutes.

**FINANCE/PERSONNEL COMMITTEE REPORT (JOHN LUMPKIN)**

Mr. Lumpkin stated the Finance/Personnel and Planning Committees met on April 25th and as a result the Finance/Personnel Committee is recommending two (2) Action Items for approval by the Board of Trustees.

**ACTION ITEM #2 – WRIGHT STOP PLAZA PAINTING PROJECT**

Mr. Lumpkin stated the purpose of this procurement is to contract with an experienced painting company to power wash and paint the underside of the eleven canopies in the passenger boarding area, including the structural beams, at Wright Stop Plaza. This project is consistent with RTA’s core value of Stewardship - by managing our resources carefully and maintaining excellent quality service. RTA

customers are our highest priority and a good appearance at our facilities is paramount.

MOTION MADE by Mr. Lumpkin and SECONDED by Mr. Corrado to AWARD a contract to Martin Painting & Coating for the Wright Stop Plaza Painting project in the amount of \$167,552. This procurement will be funded 80% through Federal grant funds.

MOTION CARRIED by voice vote.

Ayes: Seven

Nays: None

**ACTION ITEM #3 – MOTOR OIL LINE REPAIRS WITH VEEDER ROOT UPGRADE**

Mr. Lumpkin stated this procurement is a comprehensive repair project that includes the repair of two underground oil lines. The oil lines are not currently leaking because they have been by-passed. This is an upgrade of RTA's underground storage tank monitoring system and will provide improvements to RTA's used oil collection and monitoring system. The major portion of this project involves maintaining regulatory compliance with the Ohio Bureau of Underground Storage Tank Regulation (BUSTR). The other items will improve the quality of RTA's tank monitoring system by repairing all system alarms and providing RTA staff easier access to tank data. This project is consistent with RTA's core values of Safety, Integrity and Stewardship as we demonstrate our commitment to maintaining regulatory compliance and environmental safety with regard to our employees and physical plant.

The successful contractor will also be responsible for concrete work which will consist of saw cutting concrete, removal, and cleanup around the tank all in preparation for the new piping installation. When the work is completed, the contractor will be required to replace the concrete per the specifications in the scope of work.

MOTION MADE by Mr. Lumpkin and SECONDED by Mr. Hoge to AWARD a contract to Reliable Construction Service in the amount of \$163,720 for Motor Oil Line Repairs with Veeder Root Upgrade. This procurement will be 100% funded with operating funds.

MOTION CARRIED by voice vote.

Ayes: Seven

Nays: None

**DISCUSSION ITEMS TO MENTION**

RTA Information Technology Presentation - Security Program Review

Mr. Lumpkin stated that at the Committee meeting, Mr. Tim Harrington presented information regarding RTA's Information Technology Security Program Review. This program is set up to potentially reduce the cost of insurance, keep up with industry trends and track current threats to our digital information systems. Interviews with key management staff were conducted to determine what information is important to RTA and to understand risks. It was also discussed that one area of concern was with our vendors and what RTA would do to determine the safety of their cyber security. Technical scans of the environment have been performed to seek potential vulnerabilities and updated information security policies are in the process of being drafted and will be presented to the Committees in the very near future.

Capital Program Update

Mr. Bob Ruzinsky provided a look back at 2016 and progress of 2017 Capital Projects. The presentation included successes and challenges for the areas of funding, the electric system infrastructure, revenue vehicles and equipment, transit hubs and facility improvements and equipment, technology and amenities.

In the funding area, Mr. Ruzinsky indicated that RTA has been very fortunate receiving over \$12 million in non-formula funds to help with the replacement of Revenue Vehicles (buses). Infrastructure rebuilding is on track and we are learning and documenting as we rebuild Route #4 West. RTA has replaced half of the diesel buses needed to meet daily peak demand. We are ready to order 26 Dual Mode Buses, which will replace the 19 year old SKODA buses, once the manufacturer gets FTA concurrence on a testing question. RTA also replaced the entire fleet of small buses (75) well ahead of schedule. The new camera system on the buses have not only helped with reducing crime on the bus, but area police and jurisdictions have used video to help solve crimes. Bob also reported the technology project

is on track, facility renovations are ongoing, and equipment is being replaced as needed. Overall, projects are progressing as planned and the investments being made will serve RTA well into the future.

Mr. Ruzinsky reiterated that RTA continues to be a good community partner with local jurisdictions and updated the group on the revamped Community Grants process and discussed partnerships with the Job Center, Project Cure, Germantown, Huber Heights, the City of Dayton (Levitt Pavilion), and others. An update on RTA's partnership with the Miami Valley Regional Planning Commission and the 5310 program along with outreach efforts to regional transit partners was provided. Finally, Bob updated the committees on efforts to work with FTA, ODOT and other transit systems in Ohio to assist those who could make use of the federally funded assets we no longer need, via asset transfers.

#### January Sales Tax Update

Mr. Lumpkin stated that at the meeting, Mr. Robert Thomas reported January 2017 receipts are \$156,000 higher than January 2016. This equates to a 5.5% increase.

#### March 2017 Financial Statements

Mr. Lumpkin stated Mr. Thomas reported that for March 2017 RTA's Net Gain after Local Depreciation is \$873,000 compared to a Budgeted Gain of \$498,000. March 2017 Year-to-Date Net Loss after Local Depreciation is \$616,000 compared to a Year-to-Date Budgeted Loss of \$1.063 Million. The details associated with the financial statements are included in today's Board Package. After three (3) months of Operations, RTA realized a \$447,000 positive variance in comparison to budget.

### **PLANNING COMMITTEE REPORT (SHARON HOWARD)**

Ms. Howard stated the Finance/Personnel and Planning Committees met for a jointly held meeting on April 25<sup>th</sup> and the Planning Committee has no Action Items to present today, however, there are important informational items to share.

Ms. Howard stated that at the Committee meeting Mr. Policicchio provided a summary document of recent activities in the Customer and Business Development

Department. Highlights of this month's report included news regarding the "Courage Award" given to Operator Damone Hudson by Ohio Governor John Kasich, RTA's participation in National Transit Driver Appreciation Day and participating in transporting fans for the Dayton Hoopla event and First Four games.

Mr. Policicchio indicated that RTA will be sponsoring the Summer Passport Program once again. This year 5/3<sup>rd</sup> Bank agreed to sell Summer Youth passes as well as the Dayton Metro Library who will promote the pass program alongside their Read On project. Passes will go on sale May 22, 2017.

Mr. Policicchio mentioned the Sinclair Community College semester pass program is on track to begin with the 2017 fall semester. Currently Sinclair is conducting a survey with its faculty, staff and students regarding transportation needs including, RTA service to its regional campuses.

#### **INVESTMENT ADVISORY COMMITTEE REPORT (DAVID WILLIAMSON)**

Mr. Williamson stated the Investment Advisory Committee met on April 20<sup>th</sup> for an informative Financial Presentation from Raymond James. The Committee has no Action Items to present today, however, there are important informational items to share.

##### Financial Presentation

At the Committee meeting, Mr. Fink began by suggesting that the general theme associated with this quarter's discussion is global uncertainty, especially as it pertains to geopolitics. Fundamentally, the economy is in relatively good shape with no indication of a recession on the horizon. Gross Domestic Product (GDP) while growing moderately is forecast by both private economic analysts and the Federal Reserve to be approximately 2% for 2017 and 2018. Inflation as measured by Personal Consumption Expenditures (PCE) was 1.5% for 2016. PCE did rise above the Fed's target of 2% during the quarter but has since moderated below that level and is forecast to remain within the Fed's target range in the coming months. Unemployment ended 2016 at 4.8% and has gradually trended downward with some improvement in wages. Other economic statistics were cited including the continued gradual improvement in housing.

Mr. Fink further stated that given the improvements in the economy it appears that the Fed will stay on track with its stated goal of three Fed Funds rate increases for 2017. The previous rate increase in March, along with investors returning to the safety of Treasuries, has led to a flattening of the yield curve.

At the meeting, Mr. Schierloh referenced Atlanta Federal Reserve charts and commentary regarding low GDP growth rates and how with such anemic growth rates it will be difficult to justify significant tightening. This would imply a relatively flat yield curve moving forward.

At the Committee Meeting, Mr. Lumpkin asked about the ramifications of repatriation of corporate tax dollars from overseas, assuming, the Trump Administration is successful in implementing tax reform. Mr. Schierloh had responded that if repatriation were to actually occur then it would be perceived by the equity markets as a positive event and the equity markets might rally further reducing the interest in fixed income securities resulting in a decline in bond valuations. Given the rather dramatic shift in demographics (e.g. an aging population) it may not be the case that large sums of repatriated dollars would be spent on major capital expenditures domestically. Corporate America may have no great incentive to increase productive output and the threat to bond prices is negligible.

Mr. Fink stated that regarding the political landscape, the Trump administration campaigned on a platform of strong economic growth, tax, health care and foreign policy reform as well as infrastructure spending. The Administration's first attempt at health care reform was unsuccessful raising questions about whether or not other policy initiatives would be achievable. The conflict in Syria, as well as tension related to North Korea, Russia and Iran, added to the uncertainty. The first round of elections in France is another potential shock to the market.

#### RTA's Portfolio Summary

At the meeting, Mr. Fink referenced the Fixed Income portfolio analysis and mentioned that the face value of the portfolio was down to \$30,429,000 from over \$35,000,000 at the last meeting in October 2016. Several positions were liquidated to raise cash for the purchase of new busses.

Based on the value of the current portfolio, income for the ensuing year is estimated to be \$397,000.

The yield-to-worst case scenario for the portfolio now stands at 1.31% and the yield-to-maturity at 1.37%. Duration and effective maturity are both approximately 2.5 years.

Fuel Hedging Update

Ms. Stanforth reported 1<sup>st</sup> Quarter 2017 Fuel Hedging Realized Losses total \$74,000. At March 31, 2017 Unrealized Losses equal \$316,000.

Other Business – Discussion of STAR Ohio

In conclusion, Mr. Williamson communicated that Ms. Stanforth reported STAR Ohio is currently earning 1% annually on investments. RTA utilizes this savings vehicle for any excess cash on hand.

Mr. Williamson requested that for the upcoming July 2017 meeting, we should include an Agenda Item for Sales Tax.

**CHIEF EXECUTIVE OFFICER'S (CEO) REPORT**

Mr. Donaghy stated he had a few informational items to share today. Mr. Donaghy commented that RTA employees are impacted by the United Health Care and Premier contract dispute. In the interim Mr. Donaghy and Staff are doing everything they can to support those employees affected by this situation.

Mr. Donaghy stated over the weekend he learned some good news regarding Congress passing the Fiscal Year September 30, 2017 Omnibus Appropriations Bill, which includes funding for public transportation programs at or above the levels authorized in the original FAST Act. This is a major achievement in which we can all take pride. Transit leaders prevailed in this budget battle because we worked tirelessly with our members and coalitions.

Mr. Donaghy commented that the Bill should be approved by the House and Senate by the end of the week and then will be forwarded to the President for signature. This is especially significant because of the President's stated intention to phase out the Capital Intensive Grants (rail) program.

Mr. Donaghy stated that next week this Region is hosting the 23<sup>rd</sup> International Trails Symposium. Mr. Donaghy commented that Bike Miami Valley will have a huge role in this endeavor as a sponsor and supporter. RTA is also a proud sponsor and supporter of this major event. Mr. Donaghy stated that thousands of people will be in the area for this event. This is one of those types of events that comes around once every 50 years or so, and RTA is very excited to be a part of it! RTA has some special things planned in conjunction with Bike Miami Valley and the Staff in the Bike Shop have been doing an outstanding job with preparation work.

Mr. Donaghy communicated that there are a few Staff members missing today due to them being one floor below us, as they are hosting the Midwest Transit Leadership exchange led by Mr. Gene Rhodes, Chief Performance Officer. Mr. Donaghy commented that the idea started a few years ago at our Ohio Public Transit Association (OPTA) group, where employees from other transit agencies attend two day workshops. Mr. Donaghy stated that folks are in attendance from as far away as Buffalo, New York and Pittsburgh, Pennsylvania. The Cleveland Ohio Transit Authority hosted this event last year. Mr. Donaghy stated that this is a good project for RTA to be connected with.

Mr. Hoge stated that the newspapers have been inquiring about RTA's proposed so called Circulator. Mr. Hoge asked if there was additional information that Mr. Donaghy would like to share with us that was not reported in the papers?

Mr. Donaghy replied yes! Mr. Donaghy stated that the story was relatively accurate. Mr. Donaghy believes that RTA is really close to hopefully reaching a positive outcome. However, there's obviously a financial commitment that has to be negotiated before anything can be confirmed. Mr. Donaghy is relatively positive that this will be done in the coming months. Mr. Donaghy stated that with the City of Dayton's help hopefully that will be done very soon.

Mr. Williamson asked if it was correct that the River Run ribbon-cutting ceremony was going to be held this Friday?

Mr. Donaghy replied yes, the event begins at 4:30 p.m. at Riverscape and everyone is invited to attend.

**OLD BUSINESS**

None

**NEW BUSINESS**

None

**PUBLIC COMMENT**

Ms. Heard reminded attendees that according to RTA's guidelines speakers must read, sign, and date a form and provide it to the Secretary/Treasurer of the Greater Dayton RTA before the start of the RTA Board of Trustees Public meeting.

Ms. Heard reminded attendees that anyone who wishes to speak must speak on their own behalf and not someone else's and one must address comments and/or concerns to the full Board and not directly to any individual in management. Ms. Heard further stated that if you don't have enough time to speak during the three (3) minute time limit that one may remain after the meeting to discuss any concerns further with RTA Staff. Finally, Ms. Heard reminded attendees of the three minute speaking limit rule.

Ms. Ruby Thompson – 729 W. Grand Avenue – Apt. #142, Dayton, Ohio. Ms. Thompson asked if the rumors that she have been hearing were true regarding RTA restoring Charter Services and if so, would that eliminate some regular services?

Mr. Donaghy replied that is not the case.

Ms. Mary Miller – 252 Chain Avenue – Dayton, Ohio. Ms. Miller is still not satisfied with RTA's decision in using the geriatric shower chair for Project Mobility Customers. Ms. Miller stated that she asked management if the committee could revisit the idea of using this particular chair.

Mr. Donaghy responded by stating that since using the geriatric shower chair, the RTA has not had a mishap and that safety of our customers was a primary goal of the RTA.

**BOARD MEMBER COMMENTS  
- ANNOUNCEMENTS**

Mr. Corrado stated that it was good to be back!

Ms. Howard stated that while viewing her Facebook page she saw a post of Mama Nozipo who had taken a selfie holding her lifetime RTA bus pass!

**EXECUTIVE SESSION**

None

**ADJOURNMENT**

MOTION MADE by Ms. Howard and SECONDED by Mr. Lumpkin to ADJOURN the meeting.

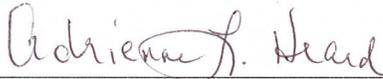
MOTION CARRIED by voice vote.

Ayes: Seven

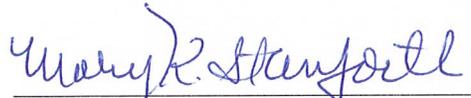
Nays: None

The meeting adjourned at 3:38 p.m.

**ATTEST**



Adrienne L. Heard  
President  
RTA Board of Trustees



Mary K. Stanforth  
Secretary/Treasurer  
RTA Board of Trustees

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