

## Minutes

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

August 1, 2017

- Trustees: Adrienne L. Heard, President  
Sharon Hairston, Vice President  
Vince Corrado  
Franz Hoge  
Sharon D. Howard  
John Lumpkin  
Thomas Weckesser  
David P. Williamson
- Staff: Mark Donaghy, Chief Executive Officer  
Daron Brown, Chief Maintenance Officer  
Chris Cole, Chief Operating Officer  
Cathy Garner, Sr. Executive Administrative Assistant  
Allison Ledford, Director, Special Projects  
Nikol Miller, Manager, Community Relations  
Brandon Policicchio, Chief Customer and Business Development Officer  
Bob Ruzinsky, Chief Capital Officer  
Mary Stanforth, Chief Financial Officer  
Jonathan 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 | Yes | 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 approval of today’s Meeting Agenda. Ms. Heard explained the Agenda was mailed in advance.

MOTION MADE by Ms. Hairston and SECONDED by Mr. Lumpkin to APPROVE today’s Board Meeting Agenda as presented.

MOTION CARRIED by voice vote.

Ayes: Eight

Nays: None

**APPROVAL OF JUNE 20, 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 June 20, 2017 Board Meeting Minutes.

**COMMUNITY SERVICE AWARD RECOGNITION**

Ms. Heard stated that recently, Vice President, Sharon Hairston was recognized and awarded the 2017 St. Bernadin Cardinal Community Service Award. Ms. Heard and all RTA Board Trustees wanted to publicly congratulate Ms. Hairston in receiving such an honor!

**EMPLOYEE RECOGNITION**

Ms. Allison Ledford, formally Director, Human Resources, and Mr. Jim Napier, formally Chief Operations Officer, received many accolades and tokens of thanks regarding their recent retirement from RTA. Both were very supportive and appreciative of their milestones while working at RTA. Mr. Napier expressed his thanks and gratitude to the Board of Trustees, Mr. Donaghy and Staff

and stated that he will miss everyone! Ms. Ledford stated that due to health reasons, she has decided to retire. Allison stated she is thankful for the opportunity to work for such a great organization. Ms. Ledford stated that she too will miss everyone!

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

Mr. Lumpkin stated the Finance/Personnel Committee is recommending three (3) Action Items today for approval by the Board of Trustees.

**ACTION ITEM #2 – GILLIG BUS DISC BRAKE KITS**

Mr. Lumpkin stated the purpose of this procurement is to ensure parts availability and to standardize brake rebuilds for the recently purchased Gillig 1600 and 1700 Series buses. These brake parts are for the disc brake systems that are a new feature of the 1600 and 1700 Fleets, as well as future Fleets. This procurement promotes three (3) RTA Core Values – Safety, Quality Service and Stewardship.

MOTION MADE by Mr. Lumpkin and SECONDED by Ms. Hairston to AWARD a contract to Gillig, LLC in the Grand Total amount of \$188,681. This procurement will be funded with Operating funds.

MOTION CARRIED by voice vote.

Ayes: Eight

Nays: None

**ACTION ITEM #3 – AMERICAN PUBLIC TRANSPORTATION ASSOCIATION (APTA) ANNUAL DUES**

Mr. Lumpkin stated that RTA sustains a membership with APTA to utilize services provided such as networking, professional development and business opportunities, workshops and seminars. Access to on-line resources is also available. One of the long-term benefits of APTA membership is the opportunity to shape long term industry policy and legislation on transportation issues.

MOTION MADE by Mr. Lumpkin and SECONDED by Mr. Hoge to APPROVE the American Public Transportation Association's 2017-2018 dues in the amount of \$38,691.

MOTION CARRIED by voice vote.

Ayes: Eight

Nays: None

**ACTION ITEM #4 – BANKING SERVICES**

Mr. Lumpkin stated RTA contracts with a commercial bank to perform ongoing banking services. The successful proposer is responsible for providing all the banking and treasury management services which RTA requires. The bank is also required to sell bus passes and tokens from its central office and larger branches located within the RTA service area.

MOTION MADE by Mr. Lumpkin and SECONDED by Ms. Hairston to AWARD a contract to Fifth Third Bank for a five (5) year term with two (2) one (1) year options. This procurement will be funded with Operating funds.

Ayes: Six

Nays: None

Abstain – Two

Mr. Hoge and Mr. Lumpkin

**DISCUSSION ITEMS TO MENTION**

**April 2017 Sales Tax Update**

Mr. Lumpkin stated at the committee meeting Mr. Robert Thomas reported that April 2017 receipts are \$33,000 higher than April 2016. This equates to a 0.9% increase. Year-to-Date April 2017 receipts are \$350,000 lower than Year-to-Date April 2016. This equates to a 2.6% decrease. After 4 months of receipts, we are \$950,000 below the amount budgeted for sales tax revenue.

**June 2017 Financial Statements**

Mr. Thomas reported that for June 2017 - RTA's Actual Net Loss after Local Depreciation is \$461,000 compared to a Budgeted Loss of \$49,000. This is primarily the result of lower sales tax proceeds. There were positive variances in almost all expense categories, which offset some of the negative sales tax results.

June 2017 Year-to-Date Actual Net Loss after Local Depreciation is \$936,000 compared to a Year-to-Date Budgeted Loss of \$1.6 Million. After 6 months of financial

results we are seeing decreases in Revenue categories including Sales Tax, Federal Assistance and Operating Revenue. Positive variances have been realized in Expense categories including Wages & Benefits, and Materials & Supplies including fuel.

**PLANNING COMMITTEE REPORT (SHARON HOWARD)**

Ms. Howard stated the Planning Committee is recommending one (1) Action Item today for approval by the Board of Trustees.

**ACTION ITEM #5 – REMIX TRANSIT PLANNING SOFTWARE SERVICE**

Ms. Howard stated the purpose of this procurement is to award a sole source contract to Remix Software Inc. to provide cloud-based transit planning software services to the RTA for a three (3) year period.

Remix is the only web-based transit planning software platform that provides rapid route design, import/analysis/modification of existing transit routes, demographic analysis, operating cost calculations, travel time visualizations, and Title VI analysis into a single integrated platform for transit planning.

Remix will enhance results and reduce contracted service costs associated with RTA's Strategic Plan of conducting a Comprehensive Operational Analysis (COA) to realign services with customer needs. By utilizing the Remix platform RTA will also achieve the Core Value of Stewardship by utilizing resources wisely and applying best practices with the delivery several planning and service development functions.

RTA is anticipating an award based on a three-year period of performance, and one-time set-up fee of \$5,000, for a total dollar amount of \$129,200.

Based on a cost comparison done among other users and information cited in the action item, the cost associated with the Remix Route Planning Software Service is deemed fair and reasonable.

MOTION MADE by Ms. Howard and SECONDED by Mr. Weckesser to APPROVE a contract AWARD to Remix

Software Inc. for the Remix Transit Planning Software Service for \$41,400 per year for a three (3) year total of \$124,200, plus a one-time set-up fee of \$5,000 for a total of \$129,200.

MOTION CARRIED by voice vote.

Ayes: Eight

Nays: None

**DISCUSSION ITEMS TO MENTION**

Ms. Howard stated that Mr. Policicchio provided a summary document of recent activities in the Customer and Business Development Department. Highlights of this month's report included information on the RTA Connect program, summer fare discounts, Youth Summer Passport program and upcoming Semester Pass partnership with Sinclair Community College.

**INVESTMENT ADVISORY COMMITTEE – (DAVID WILLIAMSON)**

Mr. Williamson stated the Investment Advisory Committee met on July 20<sup>th</sup> for an informative financial presentation from Raymond James and The Schierloh Investment Group. The Committee is not bringing forth any Action Items today; however there are important informational items to be shared.

**Financial Presentation**

Mr. Fink and Mr. Schierloh discussed the state of the national economy. Gross Domestic Product (GDP) and inflation remain unchanged, much as they have over the past few years. What has changed is that unemployment has hit a 16-year low and the job market appears to remain strong. Despite low unemployment, wages remain stagnant.

The higher growth forecast late 2016 and earlier this year, based on momentum due to a new presidential administration, has not materialized. This continued low rate of growth, along with low inflation, creates difficulty for the Federal Reserve (Fed) which has continued to signal an eventual rising of short-term interest rates and a reduction of the size of its balance sheet.

Although the Fed Funds rate has increased 3 times since December 2016, given the continued low inflation readings, it is unlikely the Fed will raise rates before December 2017.

These rate increases have not translated into higher long-term rates and as such has led to a flattening of the yield curve.

This is important to the investment portfolio of the RTA because those investments are in bonds. When short and long term bonds offer equivalent yields, there is usually little benefit in holding the longer term bond and we, as investors, do not gain any excess compensation for the risks associated with holding longer term securities. If the yield curve is flattening, it indicates the yield spread between long and short term is decreasing, either because long term interest rates are falling or short term rates are rising, or both. A flat yield curve is typically an indication that investors are worried about the macroeconomic outlook, especially in the long term.

Demographic factors, competing foreign interest rates and bond yields as well as the low growth and inflation are likely to keep yields on longer dated bonds low for the foreseeable future.

Mr. Fink noted that the investment portfolio stands at \$28,324,000 in face value. It is generating approximately \$371,000 per year in interest income and has duration of 2.4 years. Yield to worst and maturity of the holdings stands at 1.31% and 1.38% respectively. The reduction in income from budget stems from the fact that the portfolio has been reduced by over \$5 million in the past year for the purchase of new buses.

Mr. Fink suggested that Staff consider repositioning some of the securities based on the forecast, boosting income and taking advantage of the flattening yield curve. The Committee agreed and Staff will work with Mr. Fink on repositioning a small portion of RTA's portfolio. Interest income generated from this will be approximately \$10,000.

#### **Fuel Hedging Update**

Ms. Stanforth reported for the month of June 2017 realized fuel hedging losses totaled \$33,000. This compares to June 2016 realized losses of \$76,000.

Year-to-Date June 2017 realized fuel hedging losses totaled \$149,000. This compares to Year-to-Date June 2016 realized losses of \$822,000.

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

Mr. Donaghy stated he had a few informational items to share today. Mr. Donaghy commented that RTA and Sinclair Community College held a press conference today advising that Sinclair has begun offering a new semester-long pass exclusively for students, faculty and staff at Sinclair College. Mr. Donaghy commented that making transit accessible and more affordable for students, faculty and staff benefits everyone.

The Sinclair Semester Pass is only available at the Sinclair bookstore on campus and a valid Tartan I.D. must be presented to make a purchase. To use the pass on the RTA system, a valid Tartan I.D. will also need to be displayed to the driver when boarding the bus.

Mr. Donaghy communicated for informational purposes only that RTA's Management Team has re-opened Article #9 of the contract as it pertains to the Amalgamated Transit Union (ATU) and Greater Dayton RTA's health care package. The two groups recently met in late June to discuss concerns. The groups are scheduled to meet again in late August to continue the discussions and have also invited the ATU and ASCCME to have some representation on the renewal procurement for RTA's Health Plan for next year. Mr. Donaghy stated that this endeavor is being led by Ms. Mary Stanforth.

Mr. Donaghy stated there is some good news regarding RTA's Health Plan as the year to date numbers have been running around 84% of RTA's budget which is a positive given that RTA is a self-funded plan.

Mr. Donaghy stated the State Sales Tax issue has been put on hold for an extended amount of time by Ohio Legislators. Mr. Donaghy communicated that the Senate majority learned that they did not have to act on this matter before the end of June as they originally thought. Mr. Donaghy commented that the decision can still be made as late as the end of fall, however, it may actually be September or October before action is taken. RTA remains hopeful that the MCO sales tax issue will be approved, however in the meantime, RTA has to be prepared for one outcome or another and RTA hopes that it is not the decision to where RTA loses up to \$4 million in revenue.

Mr. Donaghy commented that he and Staff wanted to share a brief video regarding the latest technology video equipment which RTA Board Trustees approved not so long ago. The equipment includes better quality cameras on RTA buses.

Mr. Williamson asked how long does RTA retain videos?

Mr. Donaghy replied that RTA does not retain all video, it would be a massive overload to do so. Mr. Donaghy stated that most videos are archived 7 days unless a customer or staff member requests it be kept longer. Customers are also encouraged to call RTA in the event a tape needs to be kept or stored longer. Mr. Donaghy stated color video can be stored approximately 7 days and the black and white video approximately 30 days.

Mr. Donaghy wanted to take a moment to wish his friend and colleague well wishes and to advise that a video is being put together by staff for Mr. Rhodes to view at his discretion. If anyone would like to partake in sending Mr. Rhodes well wishes please see Mr. Policicchio at the conclusion of today's meeting.

**OLD BUSINESS**

None

**NEW BUSINESS**

None

**PUBLIC COMMENT**

None

**BOARD MEMBER COMMENTS  
- ANNOUNCEMENTS**

All Board Trustees then congratulated Ms. Ledford and Mr. Napier for their service at RTA and on their recent retirement!

**EXECUTIVE SESSION**

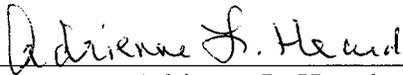
None

**ADJOURNMENT**

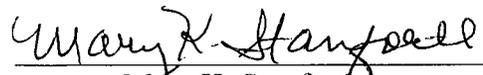
Ms. Heard DECLARED that the Board of Trustees meeting  
be ADJOURNED.

The meeting adjourned at 4:15 p.m.

**ATTEST**



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Adrienne L. Heard  
President  
RTA Board of Trustees



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Mary K. Stanforth  
Secretary/Treasurer  
RTA Board of Trustees

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