

Jointly Held
Finance/Personnel and Planning Committees
Meeting Minutes

April 16, 2019

Members Present: David Williamson, Jointly Held Committee Chair
Vince Corrado
Sharon Hairston
Adrienne Heard (arrived at 8:35 a.m.)
Franz Hoge
Sharon Howard (arrived at 9:20 a.m.)
John Lumpkin
Tom U. Weckesser

Excused Absence: Belinda Matthews Stenson

Staff in Attendance: Mark Donaghy
Julia Beard
Roland Caldwell
Chris Cole
Chris Conard, Coolidge Wall Co., L.P.A.
Arthur "Skip" Dunkle
Pat O'Malley
Nick Mantia
Jessica Olson
Brandon Policicchio
Bob Ruzinsky
Mary K. Stanforth
Tamea Wiesman

Others Attending: Dr. Richard Henry, League of Women Voters

Call to Order

Mr. Williamson called the meeting to order at 8:35 a.m. A quorum was present and proper notice of the meeting had been given.

Approval of March 20, 2019 Meeting Minutes

Mr. Williamson asked if attendees desired a reading of the minutes or if there were any corrections to the minutes? Upon hearing no requests or corrections, Mr. Williamson declared ACCEPTANCE of the March 20, 2019 meeting minutes.

Greater Dayton Regional Transit Authority

May 2019 Board Action Items:

Action Item #2 – MaaS Fare Payment Solution

Mr. Policicchio and Mr. Mantia made a detailed presentation on the Mobility-as-a-Service Fare Payment Solution that is being recommended for approval.

The informative presentation detailed:

- Key Goals of the Project
- Current System Review
- Current Operating Costs as Compared to MaaS Fare Payment Solution Costs
- Masabi System Overview
- Key Functionality of Mobile Application (App)
- Fare Capping and the Impact on Ridership & Revenues
- OnBoard Validators
- Transit Integration
- Project Milestones, Including Major Goal of being Cashless by 2020!

In Summary, the Greater Dayton RTA intends to replace its existing cash and magnetic tickets-based Automated Fare Collection (AFC) system with a new Fare Payments Solution (FPS). The payments solution will be an integral part of a Mobility-as-a-Service (MaaS) platform planned for the Greater Dayton region, which may span a minimum of nine (9) counties. The provider of the RTA MaaS platform is Transit App.

The new FPS will be flexible in order to accommodate other mobility modes for the provision of MaaS. RTA and Transit along with the selected FPS vendor will partner to provide seamless trip planning and payment together within one mobile application, **ensuring 100% end-to-end multi-mode connectivity for all customers.** This overall solution shall provide customers with an easy-to-use, open sourced and integrated payment platform, connecting along all mobility modes identified in the region. Mobility modes may include, but are not limited to, fixed route transit, demand response transit (including ADA complementary paratransit), human services transportation, ridesharing services, taxis, transit network companies (TNC), docked and dock-less bike share, car share services, scooters, and other current or future alternative mobility modes.

Key goals for the new FPS include, (1) providing an open and nonproprietary architecture, (2) enhancing ease of use for customer convenience through universal design, ensuring all customers have the ability to access, (3) increase operational efficiencies, (4) provide a seamless integration with Transit to allow fare purchasing in the app, and (5) phasing out and ultimately eliminating all on vehicle cash transactions.

RTA believes the overall system design will deliver increased access to all, including low-income, unbanked, and underbanked customers, thereby fulfilling RTA's core value of Quality Service. In addition, the system will provide agency benefits to include some system cost reductions, a more streamlined operating process, and greater customer and operational efficiencies.

The FPS will allow customers to purchase and pay for electronic fares through the Transit app and FPS online portal; order and pay for smart cards and/or printable tickets through the FPS online portal; manage their accounts online; and purchase smartcards from numerous retail locations throughout the area. RTA will be testing the use of one (1) Ticket Vending Machine (TVM) where

customers can load their smart card or mobile device with fare. Instead of traditional fare boxes, the fares are read by electronic validators that will be onboard RTA fixed route and Connect vehicles. Designated staff will have the capability to carry handheld validators that will allow them to check the status of customers' fares and/or issue an adjustment or fare if needed. The system will also provide detailed reporting capabilities for RTA use.

Proposals were solicited through the *Dayton Daily News*, *Dayton Weekly News*, and *Transit Talent*. Request for Proposals were sent to 29 firms. On January 11, 2019, eight (8) proposals were received. The Evaluation Committee reviewed the proposals to determine the most qualified proposer using the following criteria:

Evaluation Criteria

- Technical capabilities of the proposed solution to meet project vision, goals and objectives.
- Product life cycle, expandability, reliability, maintainability.
- Experience with providing FPS.
- Cost for equipment/installation/licenses/warranties/integrations and any other upfront costs to support RTA's system and other regional mobility providers.
- Terms and conditions for vendor's support and maintenance. Ensure annual direct operating cost of MaaS system, which includes the FPS, does not exceed 7% of total revenues collected.
- Ability to provide open source technologies and integration in order to meet objectives established within the scope of work and Transit partnership documents.
- Ability to reduce existing operating costs of current RTA FPS.
- Vendor(s) and proposed team qualifications and experience.
- Time required to implement the system.

Masabi's pricing is below, as they are the successful proposer (*FTA regulations require that only the successful proposer's pricing be publicly disclosed*):

	Masabi, LLC New York, NY
Total, not including TVMs, handheld fare validators, fare media	\$ 777,514
Five-year ongoing & variable costs (dependent on assumptions)*	843,140
TOTAL	\$1,620,654

* Variable costs dependent upon the following assumptions:

Assume Average mobile ticketing transaction cost	\$8
Assumed number of mobile transactions in Years 1-5	750,000
Assume average retail ticketing transaction cost	\$10
Assumed number of retail transactions in Years 1-5	176,500

A detailed breakdown of Masabi's pricing follows:

Initial Costs	Masabi
On-Board	
Validators	\$592,567
Interface with Digi Router	Included
Driver interface for transaction indication/review (visual indicator)	Included
Clever Devices Interface for single sign-on	Not proposed
On-Board Subtotal	\$592,567
Central	
Mobile Ticketing App	Included
Account-based Central Data System	\$30,000
Customer Self-Service Solution	Included
Customer Service Solution	Included
Call Center/Customer Service Rep Solution	Included
Self-Service/E-Commerce Solution	Included
Institutional Solution	Included
Field Device and Inventory Management	Included
Transit App Integration	Included
Retail Solution Management	Included
APIs for Third Party Integration	Included
Smartcard Issuance and Management	Included
Central Subtotal	\$ 30,000
Project Implementation	\$154,947
TOTAL INITIAL, not including TVMs, handheld fare validators, fare media	\$777,514
Option Items	
Fare Media Stock	
Long-term Media (unit prices)	\$ 2.00
Limited Use Media (unit prices)	\$.50
Smart wrist band (unit prices)	-
Wayside	
Ticket Vending Machine (unit prices)	\$ 47,834
Handheld Validator (read, pay and issue ticket) (unit price)	\$ 545

Ongoing & Variable Costs¹	Year 1	Year 2	Year 3	Year 4	Year 5
Warranty	-	\$44,100	\$44,100	\$44,100	\$44,100
Software Support	Included	Included	Included	Included	Included
Retail Solution Deployment/Fees	\$7,600	\$19,000	\$30,400	\$43,700	\$57,000
Central Software Hosting	N/A	N/A	N/A	N/A	N/A
Merchant Processing Fees	Included ²	Included ²	Included ²	Included ²	Included ²
Annual Revenue Share	\$34,360	\$68,080	\$101,880	\$135,520	\$169,200
Total	\$41,960	\$131,180	\$176,380	\$223,320	\$270,300

TOTAL Ongoing & Variable Cost (Years 1-5)	\$843,140
TOTAL INITIAL, ONGOING & VARIABLE COSTS	\$1,620,654

¹ Variable costs dependent upon assumptions listed above.

² Merchant Processing Fees included in Retail Solution Deployment/Fees and Annual Revenue Share.

OPTION ITEMS

The following optional items will be purchased during the initial phase:

Qty.	Description	Unit Price	Total
1	Ticket Vending Machine	\$47,834	\$ 47,834
20	Handheld fare validators	\$ 545	10,900
20,000	Fare media: Long-term	\$ 2.00	40,000
5,000	Fare media: Limited use	\$ 0.50	2,500
	Total		\$101,234

OPTIONAL ITEMS-FUTURE PRICING

RTA has also reserved the right to purchase additional TVMs and handheld validators over the term of the five-year contract at the prices shown below. If and when this equipment is purchased, it will be paid for with separate funding, and the Purchasing guidelines will be followed.

Optional Ventek TVMs	Qty.	Unit Price	Subtotal Price
Ventek TVM			
VenSTATION TVM	Up to 8	\$47,084	\$376,672
Installation	Up to 8	1,884	15,072
Spares	1	47,084	47,084
Shipping	9	628	5,652
Subtotal Ventek TVM			\$444,480
Ventek TVMs Software Integration			
Ventek TVMs Integration	1	\$70,000	\$70,000
Subtotal Ventek TVMs Software Integration			\$70,000
Hardware Warranty			
Hardware Warranty (Year 1)	Up to 9	\$ 0	\$ 0
Hardware Warranty (Year 2)	Up to 9	3,968	35,712
Hardware Warranty (Year 3)	Up to 9	3,968	35,712
Hardware Warranty (Year 4)	Up to 9	3,968	35,712
Hardware Warranty (Year 5)	Up to 9	3,968	35,712
Subtotal Hardware Warranty			\$142,848
Software Warranty			

VenVUE System Management Software (annual)	Up to 8	\$2483	\$19,864
VenSTATION Data Hosting Service (Year 1)	8	896	7,168
VenSTATION Data Hosting Service (Year 2)	8	896	7,168
VenSTATION Data Hosting Service (Year 3)	8	896	7,168
VenSTATION Data Hosting Service (Year 4)	8	896	7,168
VenSTATION Data Hosting Service (Year 5)	8	896	7,168
Subtotal Software Warranty			\$55,704
Total Optional Ventek TVMs			\$713,032

Optional Handheld Validation	Qty.	Unit Price	Subtotal Price
Handheld Validation			
Handheld hardware management	1	\$11,662	\$11,662
Handheld validation device	Up to 100	471	47,100
Handheld validation device-spares	10	471	4,710
Handheld Validation Support			
Handheld validators Warranty (Year 1)	1	\$ 0	\$ 0
Handheld validators Warranty (Year 2)	1	4,492	4,492
Handheld validators Warranty (Year 3)	1	4,492	4,492
Handheld validators Warranty (Year 4)	1	4,492	4,492
Handheld validators Warranty (Year 5)	1	4,492	4,492

A cost analysis was performed which compared the proposals' hardware, software, implementation, and warranty costs, as well as revenue sharing, mobile transaction processing, and retail transaction processing costs, *and Masabi's pricing was found to be fair and reasonable.*

MOTION made by Mr. Lumpkin and SECONDED by Mr. Weckesser that the Planning and Finance/Personnel Committees RECOMMEND to the Board of Trustees a contract AWARD to Masabi, LLC for an estimated grand total cost not to exceed \$1,721,888. Initial equipment costs are fixed. Actual ongoing variable costs will depend on the fares sold. The initial costs such as hardware, software, implementation and option items will be paid with 80% capital funds. Ongoing and variable operating and maintenance costs will be partially offset by the revenue sharing plan.

Motion APPROVED by voice vote of 8-0.

Action Item #3 – Fleet Gasoline Purchasing and Reporting System

Mr. O'Malley explained Greater Dayton RTA sought out firms interested in providing a Fleet Gasoline Purchasing and Reporting Program. This RFP covers RTA's para-transit and non-revenue vehicle unleaded gasoline requirements only; other products and services such as batteries, tires, motor oil, transmission fluid, repair services and car washes will not be a part of this procurement. This procurement is necessary to ensure all RTA vehicles are properly fueled and operational for daily service needs. This procurement also involves a reporting function to allow RTA to monitor spending and track costs associated with gasoline. These costs are highly variable and understanding their fluctuation patterns are essential to operating within budget.

The intent of this procurement is to enter into a three (3) year contract with a provider that has several available service stations that can supply unleaded gasoline for RTA. It is **required** that at least one (1) of the available service stations be within approximately a two (2) mile radius of RTA's 600 Longworth Street facility.

This procurement is consistent with RTA's core values of Safety, Stewardship, and Quality Service as we demonstrate our commitment to our customers' needs to ensure timely deliverables and adequate tracking of RTA's funding and usage of tax dollars.

The evaluation committee reviewed the proposals based on the following criteria:

- Locations of Service Stations
- Fleet Reporting Program
- Operational Safeguards and RTA's Liability
- Gasoline Costs and Associated Discounts
- Fleet Program Costs
- Invoicing, Tax Exemption, Payment Terms
- Company Information (experience in fleet programs, history, financial stability)
- Responsiveness, references and overall fleet fueling program

The bid result from the submitted proposals are as follows:

	WEX Bank	Mansfield Oil Company
Retail Discount (per gallon)	\$.08	*

*FTA requires that only the successful proposer's pricing be publicly disclosed.

An additional analysis was completed to calculate the expected savings to RTA by entering into such an agreement. The analysis used data provided by the U.S. Energy Information Administration (EIA) for average retail unleaded fuel prices in Ohio for the past year (4/18 - 3/19) at \$2.4877/gallon and the fuel discounts listed above. Based on an estimated fuel usage of 36,250 gallons per month, the cost analysis revealed that the fuel discounts offered by WEX Bank will provide savings over market price of approximately \$2,900 per month to RTA and thus is considered fair and reasonable.

MOTION made by Mr. Corrado and SECONDED by Ms. Hairston that the Finance/Personnel and Planning Committees RECOMMEND to the Board of Trustees a contract AWARD to WEX Bank for the Fleet Gasoline Purchasing and Reporting Program for a three (3) year period not to exceed \$4,012,788. The actual award amount may vary due to the fluctuation of fuel prices and usage over the contract period. This procurement will be funded with 100% operating funds.

Motion APPROVED by voice vote 8-0.

Informational and Discussion Items:

Customer and Business Development Update

Ms. Olson previously included in today's meeting packet a summary document of recent activities in the Customer and Business Development Department. Items and activities mentioned include:

- RTA Info Hub – Employee App on Smartphone or Tablet
- Drive Less, Live More 2019 Campaign
- What Drives You – Public Events including Completed and Future Plans

- RTA Round Up of RideTime technology
- OPTA Annual Conference 2019

KPI Data Review

Ms. Beard stated the KPI data was previously included in today's meeting packet. Ms. Beard highlighted specific information detailed in the reports including: On-Time Performance, Passenger Boardings per Revenue Hour, Employee Unplanned Absenteeism, Road Calls and Preventable Collisions.

Audit Update

Ms. Stanforth stated the Audit entrance conference will take place early next month. Ms. Stanforth will email the date and time of the entrance conference to all Committees members as all are welcome to attend. Most of the audit information has been sent to Charles E. Harris, with much of the planning and review work being done via computer/email. Charles E. Harris will provide assistance to RTA Staff with regard to Governmental Accounting Standards Board (GASB) Statement Nos. 68 and 75. The timing of the audit will be extended with the implementation of GASB 75, Other Post-Employment Benefits. It is expected the added footnotes/disclosures will be 10 pages or more.

Mr. Hoge asked regarding GASB Statement Nos. 68 and 75, what expense and liability amounts would be booked as part of the 2018 audited financial statements? Ms. Stanforth stated that she does not have those amounts today, but as soon as those entries are determined, the information will be forwarded right away to Mr. Donaghy and Committees members. It is likely that information will be available very soon.

January 2019 Sales Tax Update

Ms. Stanforth stated Ms. Beard will provide today's Sales Tax Update as well as the March 2019 Financial Report.

Ms. Beard reported January 2019 Sales Tax receipts equal \$2,818,084, which is up from January 2018 by \$90,909 or 3.3 percent. As compared to the January 2019 budget, we are up \$96,000 or 3.5 percent. This is a very good start to 2019!

March 2019 Financial Statements

Ms. Beard reported for the Month of March, 2019 the Net Income before federal and state depreciation is \$176,000. This is \$197,000 better than the budgeted loss of \$21,000. The overall positive variance is largely due to lower wages & benefits, lower materials & supplies, and the net fair value gain on investments.

Year-to-date (YTD) March, 2019 Net Loss before federal and state depreciation is \$772,000. This is \$652,000 better than the budgeted loss of \$1.424 Million. The overall positive variance is largely due to lower wages & benefits, lower materials & supplies, lower fuel & lubricants, and the net fair value gain on investments.

The detailed information is included in today's Committees packet.

Small Purchasing Information

Ms. Wiesman stated Small Purchasing Information was previously included in today’s meeting packet. There were no questions from Committees members regarding this report.

Other Business/Updates

Mr. Williamson and Mr. Donaghy congratulated Mr. Lumpkin on being recognized as one of Dayton Business Journal’s “2019 Forty under 40 Hall of Fame” inductees! The Forty Under 40 Hall of Fame represents some of the finest of the prestigious Forty under 40 alumni!

Mr. Williamson then congratulated the RTA Board, Mr. Donaghy and Staff on being awarded the Ohio Department of Transportation “Transit System of the Year Award”! This award is a testament to the work each and every RTA employee does every day in serving our community!

Mr. Williamson congratulated Mr. Ruzinsky on receiving the “Leonard Ronis Award” during the Ohio Public Transportation Association’s (OPTA) Annual Awards Ceremony. Mr. Ronis was the founder and first president of OPTA and was known for his strong vision and devotion to public transit. Bob was this year’s recipient due to his tireless efforts behind the scenes helping transit systems navigate the funding quagmire, and not just at RTA.

Mr. Williamson congratulated Ms. Olson on being named OPTA Marketing Committee Chair. In this role, Olson will be responsible for organizing and executing statewide events such as Ohio Loves Transit Day and Ohio Transit Driver Appreciation Day.

Many congratulations from all Committees members!

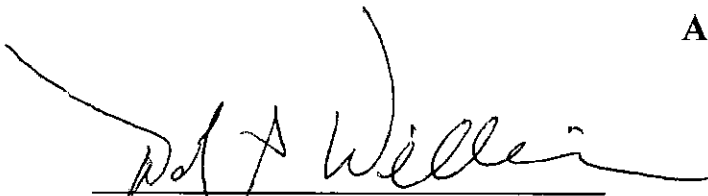
Next Meeting Dates

A Jointly held Finance/Personnel and Planning Committees meeting will be held on May 21 and July 16, 2019.

Adjournment

Hearing no objections, Mr. Williamson DECLARED the meeting ADJOURNED. The meeting adjourned at 10:25 a.m.

Attest



David Williamson, Chair



Mary Stanforth, Committee Secretary