# Quarterly Management Report Second Quarter 2013

August, 2013

Greater Cleveland
Regional Transit Authority

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RTA

**The Greater Cleveland Regional Transit Authority**

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Joseph A. Calabrese, CEO
General Manager/
Secretary-Treasurer

August, 2013

Dear Board Members,

RTA was excited to announce the completion of two major projects this quarter: the S-curve project and the Airport Station rehabilitation. The S-curve was completed two weeks ahead of schedule and the Red Line Airport Rapid Transit Station opened for service in May, after the completion of a six-month rehabilitation project of its tunnel.

The second quarter was also one of enhanced service for our customers. Our quarterly service change included longer hours of operation and more frequent service on several routes. In addition, RTA's ticket vending machines are more customer-friendly. After a six-week pilot program, customers responded very positively, and the long awaited, 'new and improved' software was rolled out to 124 machines.

The Authority was pleased to be assigned the 'AAA' long-term rating, by Standard & Poor's (S & P) Ratings Services, on its 2013 tax-exempt and sales tax-supported capital improvement refunding bonds. Standard & Poor's also affirmed the 'AAA' long-term rating. The outlook is stable, and S & P indicates that sales tax revenues will continue to generate reliable coverage.

Beginning with an in-depth Financial Analysis, the enclosed report details the activity and operating results of RTA through the second quarter of 2013. The eight TEAM performance measures which are detailed in this report continue to be at the core of our operating philosophy. Additional quarterly updates are included for DBE participation, Affirmative Action, and a status update on our Engineering and Construction activities.

The intent of the Quarterly Management Report is to provide information to assist you in carrying out your oversight role and statutory responsibilities as the Governing Board of the Authority.

Sincerely,

Joe Calabrese

Joseph A. Calabrese, CEO
General Manager
Secretary-Treasurer

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# Financial Analysis

GCRTA has managed very well over the past three years and has markedly improved its financial position. TransitStat has reduced RTA costs by over $48 million over the last five years. We have rolled our expenses back by six years and kept them at that level for the last three years. Consequently, we have a very strong year-end financial position and are now AAA rated by Standard & Poor's. Because we have reduced our costs by changing and improving our internal processes, the savings we have realized are recurring and are an ongoing benefit to us as we progress from year to year. This strengthened financial position has allowed us to now place more emphasis on customer service and employee growth and learning.

Sales & Use Tax collections began to recover in 2010 and were $6.8 million above 2010 budget, ending the year at $163.2 million. That trend continued in 2011. Sales Tax came close to reaching the 2008 (pre-recession) level by the end of the year. Sales Tax collections for 2011 were $173.2 million, a 5.9% increase. The pattern continued in 2012. Collections were $181.2 million, about a 4.6% increase. We projected an economic slowdown for 2013 resulting in a 2.2% increase. At the end of the first quarter the increase was 2.39%. The last two months of Q2 were about 10% better than last year. As a result, we have revised our projection by $1.5 million to $186.8 million.

Passenger Fare collections, the second largest source of operating revenue, has also had a recovery. Ridership increased steadily over the last three quarters of 2011 and continued that trend in 2012. Gasoline prices rose sharply in the spring of 2011 and RTA began to see an increase in ridership. Fare revenue ended 2011 at $48.0 million, $49.0 million for 2012 and we are expecting $50.2 million for 2013.

The Great Recession caused total resources to decline to $269.9 million in 2010. Total resources improved in 2011 to $282.0 million because of reduced expenses in 2010 and a $19.8 million year-end balance. Total Expenses for 2011 were $3.9 million less than 2010 and $15 million less than budget. Thus the fund balance at year-end increased again to $36.4 million. Total resources for 2012 jumped to $293.3 million. Consequently, RTA was able to shift resources in 2012 from operating funds to capital and undertake some badly needed deferred maintenance. That $9 million shift reduced revenues for 2012 in the operating fund but expenditures were nearly $17 million under budget. Budgeted 2013 total resources were $296.0 million. Revenue is about $465,000 above budget and the carry forward is $3.3 million higher than budgeted. Total revenue is now projected at $299.7 million.

**Operating expenses** were $238.5 million for 2009. Expenses were reduced by $30 million for 2010 to a new total of $208.1 million. Expenditures for 2011 were $210.4 million, roughly $15.5 million below budget. For 2012 operating expense was $222.9 million. Expenses went up by $12.5 million, of which $8.8 million was personnel services expense and $2.7 million was fuel. Those two items accounted for all but $1 million of the increase. Costs for 2012 were still $3.9 million less than 2006 costs. At the end of the second quarter, operating expenses are projected at $227.1 million, about $10.6 million under budget. Expenses must be controlled as some resources have been shifted to help repair infrastructure. The projected increase is currently about 1.9%. Expenses in 2007 were $233.6 million. Our projection for 2013 would indicate that we will maintain the six year rollback in operating costs for a fourth consecutive year.

The **End of Year Balance** has increased from $2.9 million in 2009 to $19.8 million in 2010. That was a sizable recovery from the Great Recession and pointed out the fiscal agility of our organization. In 2011 we increased the balance to $36.4 million and further increased it to $38.2 million in 2012. We will be using some of that balance for capital projects and bus replacement. We still intend to do all we can to maintain a healthy balance in the operating fund. The 2013 Budget projects a balance at year-end of $35.1 million, $17.8 million above the budgeted level of $17.2 million. Our goal was to achieve a $27 million balance or better. At the end of the second quarter we are on track to achieve that goal. Expenses will be going up in 2014, which means significant effort must continue to be deployed to remain economically sustainable.

**Capital expenditures** are projected to complete the year slightly below the budgeted levels primarily due to the timing of expected grant awards that will delay some capital activities until late FY 2013 or early FY 2014. Over the last two years, as the Authority's financial picture improved, grant funds have been re-prioritized from preventive maintenance draws to a number of infrastructure related projects including the Airport Tunnel and S-Curve projects. The additional capital projects that have had funding identified for them will have a significant impact on capital expenditures in both FY 2013 and FY 2014, but the long lead-time to revise and/or amend existing grants is contributing to delays in planned project activities. The Authority has made progress on funding projects included within the Authority's Capital Improvement Plan (CIP) and will continue to target both non-traditional as well as formula grant funding sources.

# Financial Indicators

One measure of budget compliance is the performance of the six financial policy objectives. These financial policy objectives were amended in August 2011 and the chart on page 8 displays the amended policy objectives for the Authority. This chart compares the 2013 projections to the budget as it relates to these policy goals. The indicators, which are an important measure of our financial condition, apply to the following areas:

**Operating Efficiency**

An **Operating Ratio** of at least 25% is the policy goal. The budget assumed that operating revenue (fares, advertising, and interest income) would equal 22.3% of the total operating expenses. The actual ratio of 23.1% is higher than budget and closer to the policy goal. This change is due to the continued management of operating expenses.

The **Cost per Hour of Service** is to be maintained at or below the level of inflation. The cost per hour in 2012 was $123.4, representing a 7.7% decrease from 2011. The decrease in the Cost per Hour of Service was attributed to total service hours increasing in 2012 as buses and trains were added in current routes to decrease overcrowding and continued management of operating expenses. In 2013, Cost per Service Hour is budgeted at $131.9, a 5.2% increase from 2012 projections. For 2013, the hours of service have been expanded slightly with the increase of frequency of service on some routes and the Senior Games in Cleveland from July 19th through August 1st. 2013 operating costs are projected to be $10.6 million below budget. At an estimated cost per hour of service of $119.3, this is well below budget and 3.3% below 2012.

The Federal Reserve Bank of Cleveland calculates the inflation rate to remain between 2.3% and 2.48% for the next ten years. Since our rate of increase is –9.6% (a decrease), compared to budget, and –3.3% compared to 2012, we again meet this indicator.

Board policy targets a one-month (1.0) **Operating Reserve**, or the unrestricted cash equivalent of one month's operating expenses. For the 2013 Budget, a one-month reserve equals $19.8 million. The current projected ending balance, before reserved funds, for 2013 is $35.1 million. This yields an operating reserve of 1.9. This objective was met in 2010 for the first time in years. For 2011 and 2012 the Operating Reserve exceeded 2.5 months. Our strategy to reduce PM Reimbursement and to commit funds to Rolling Stock Replacement will lower the Operating Reserve. Our goal is to maintain at least a reserve of 1.5 months.

**Capital Efficiency**

The **Debt Service Coverage** ratio compares total operating resources, (net of operating costs and transfers to the Insurance, Capital, and Pension Funds), with the Authority's debt service needs. Due to improvements in the Authority's financial position, the year-end 2011 ratio of 2.82 was well above the 1.5 minimum and much higher than the budgeted level of 1.49 due to a reduction of $15.5 million in Total Operating Expenditures for the year. Also, the Authority deferred borrowing additional debt 2011 and was able to pay off a State Infrastructure Bank (SIB) loan early that lowered debt payments for the following three years. The measure was maintained throughout FY 2012, ending the year at 2.77, as the Authority maintained its total operating resources. The estimation of 2.57 for year-end FY 2013 is well above the budgeted level of 1.71 for the year due to projected decreases in Operating Budget expenditures that in turn will increase total operating resources.

The **Sales Tax Contribution to Capital** includes direct support for capital projects, transfers to fund the Authority's bond retirement payments, and has a Board policy goal of 10% - 15%. In the years between 2005 and 2008, this measure slowly grew from 12.2% to 14.3%, but continued to meet its policy goal. In 2009 the significant decrease in revenue generated by the Sales and Use Tax caused this indicator to jump to 18.0% and it increased, though more slowly, to 18.3% in FY 2010 and to 18.4% at the end of FY 2011. This pattern of increasing was reversed at the end of FY 2012, due to improvements in the returns from the Sales & Use Tax, ending the year at 17.1%.

The indicator is projected to finish FY 2013 at19.3%, below the budgeted level of 21.4%, though remaining well above the maximum policy goal of 15%. The increase in this measure, relative to FY 2012 is due to additional local resources being directed towards the pending bus replacement program. Despite the rebound in revenue from the Sales & Use Tax, this indicator will continue to remain well above the Board Policy Goal of 10% - 15%, due to the lingering effects of the decrease in Sales and Use Tax revenue in 2009, the Authority's debt level, and the financial demands of the Authority's ongoing Capital program.

At a projected 88.6%, the ratio of **Capital Maintenance Outlay to Capital Expansion Outlay** is just within the 75-90% range outlined in the Board Policy goal and is slightly below the budgeted level of 96.3% for FY 2013. This measure continues to show that the Authority's focus remains first on the maintenance or state of good repair of its current assets rather than expanding service levels. Given the financial constraints of recent years, this continues to remain the best course available.

In summary, four of the six financial indicators met the Board Policy Goal. RTA has seen the most difficult financial years in its history and has come through them far more successfully than could have been expected. The Board and the Executive Management Team have made the hard decisions that had to be made and improved our financial position from where we were in 2008 and 2009. By cutting costs and controlling expenditures as we did in 2010, we ended the year with a $19.85 million balance. We have continued to improve processes and reduce costs resulting in an ending balance of $38.2 million at the end of FY 2012 that has enabled the Authority to address several long-standing capital projects including the rehabilitation of the Airport Tunnel and the S-Curve on the Red Line which were both completed during the second quarter of 2013.

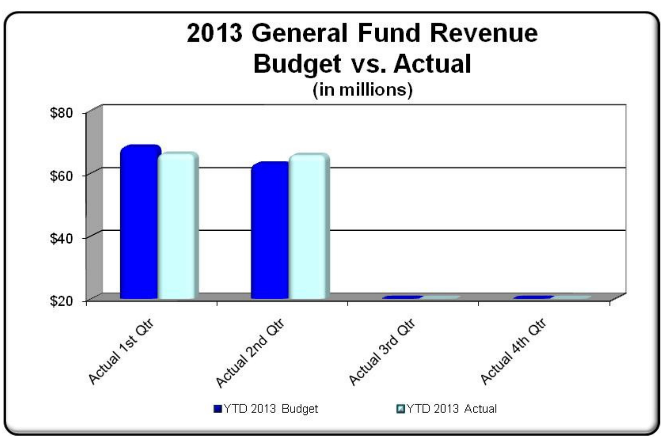
**End of Year Reserved Funds**

To mitigate any severe changes in Sales & Use Tax receipts, diesel fuel costs, compensated absences, health care costs, and revenue vehicle replacement, funds have been reserved at the end of the year to cover these costs if they are needed. The Board enacted this change in the financial policy in 2011. Reserved Funds for Fuel, Hospitalization, and Compensated Absences have been authorized and established. These reserves stand at about $6.8 million at 2012 year-end.

A Rolling Stock Reserve Fund has also been added to help mitigate the costs of purchasing replacement revenue vehicles. In 2012, $7.0 million was allocated toward this reserve fund. Another $6.0 million is budgeted in 2013. The Tax Budget for 2014 shows rising expenses and we may have to back off this position to maintain balances.

The fund balance at the end of 2011 was higher than anticipated and reimbursed expenditures (including preventive maintenance reimbursements, force account labor, and fuel tax) were consequently reduced to $25.6 million. These reimbursements were again reduced in 2012 to $17.0 million and for 2013 are reduced again to $15.5 million as capital monies are allocated toward additional capital projects. Transit is a capital-intensive business and the Authority is now in a position to address some of the capital needs to ensure a state of good repair. As long as revenues remain stable we intend to continue that strategy. That puts additional pressure on us to control operating costs to maintain a sustainable operating fund at the same time we try to make our capital structure more sustainable. Even with this strategy we currently project a very reasonable $35.1 million balance at the end of 2013. We will need that balance to protect against rising costs in 2014.

# Operating Revenues




General Fund revenue received through the second quarter totaled $131.9 million. This is about $530,000, or –0.4%, less than budget.

Total estimated revenue is expected to be about $465,000 above the budget of $261.0 million. This is due to revenue adjustments late in 2012 and higher receipts for Advertising & Concessions and Sales & Use Tax through the first half of the year.

Sales & Use Tax, the largest source of local revenue, ended mid-year slightly above budget, while Passenger Fares, the second largest source of revenue, ended mid-year nearly $1.0 million below budgeted levels.

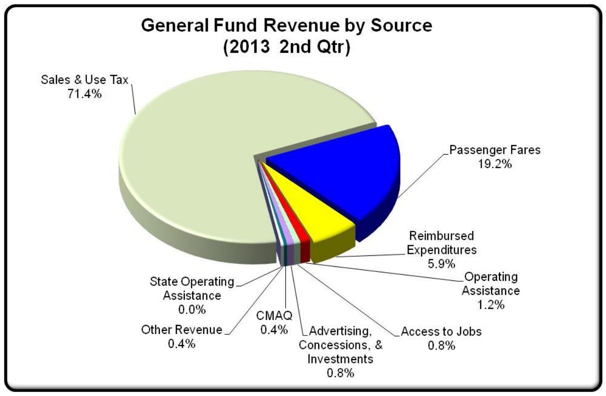
The following is a discussion of major revenue categories. The pie chart on page 9 and the bar graph above visually portray the revenue status.

# General Fund Balance Analysis

| | 2010 Actual | 2011 Actual | 2012 Actual | 2013 Budget | 2013 Estimate | Variance |
|---|---|---|---|---|---|---|
| **Beginning Balance** | **2,880,104** | **19,846,961** | **36,375,982** | **34,946,382** | **38,235,140** | **3,288,758** |
| **Revenue** | | | | | | |
| Passenger Fares | 47,153,709 | 48,017,726 | 49,237,857 | 51,264,397 | 50,222,614 | (1,041,783) |
| Advertising & Concessions | 956,688 | 904,153 | 1,375,671 | 1,100,000 | 1,630,000 | 530,000 |
| Sales & Use Tax | 163,220,649 | 173,242,329 | 181,219,251 | 185,289,807 | 186,807,854 | 1,518,047 |
| Operating Assistance - ARRA Federal Grants | 3,196,015 | 0 | 0 | 0 | 0 | 0 |
| CMAQ Reimbursement for the Healthline | 1,069,397 | 7,129,442 | 2,128,337 | 0 | 0 | 0 |
| CMAQ Reimbursement for 2012 Trolleys | 0 | 0 | 0 | 1,500,000 | 950,000 | (550,000) |
| Operating Assistance - Paratransit Operations | 4,320,000 | 3,109,000 | 3,125,000 | 3,089,000 | 3,089,000 | 0 |
| Ohio Elderly Fare Assistance | 619,057 | 0 | 0 | 0 | 0 | 0 |
| State Funding Fuel Initiative | 1,165,200 | 0 | 0 | 0 | 0 | 0 |
| Operating Assistance - Trolley Operations | 1,765,764 | 980,980 | 0 | 0 | 0 | 0 |
| Access to Jobs Program | 2,399,907 | 1,559,639 | 1,712,976 | 2,074,440 | 2,074,000 | (440) |
| Investment Income | 71,468 | 131,592 | 201,267 | 200,000 | 210,000 | 10,000 |
| Other Revenue | 1,862,101 | 1,500,537 | 971,146 | 1,000,000 | 1,000,000 | 0 |
| Reimbursed Expenditures | 39,212,130 | 25,600,974 | 16,955,634 | 15,500,000 | 15,500,000 | 0 |
| Weekly Shopper Service | 30,000 | 0 | 0 | 0 | 0 | 0 |
| **Total Revenue** | **267,042,085** | **262,176,372** | **256,927,139** | **261,017,644** | **261,483,468** | **465,824** |
| **Total Resources** | **269,922,189** | **282,023,333** | **293,303,121** | **295,964,026** | **299,718,608** | **3,754,582** |
| **Operating Expenditures** | | | | | | |
| Personnel Services | 156,964,659 | 154,927,523 | 163,776,230 | 173,228,548 | 168,377,842 | (4,850,706) |
| Diesel Fuel | 7,936,072 | 9,918,864 | 12,632,036 | 13,835,135 | 14,050,441 | 215,306 |
| Other Expenditures | 43,739,803 | 45,555,668 | 46,535,828 | 50,586,914 | 44,633,862 | (5,953,052) |
| **Total Operating Expenditures** | 208,640,535 | 210,402,055 | 222,944,094 | 237,650,597 | 227,062,145 | (10,588,452) |
| **Short Term Notes Payment** | 8,254,743 | 0 | 0 | 0 | 0 | 0 |
| **Transfer to the Insurance Fund** | 3,203,000 | 3,250,000 | 1,000,000 | 1,400,000 | 1,400,000 | 0 |
| **Transfer to the Pension Fund** | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 0 |
| **Transfers to Capital** | | | | | | |
| Bond Retirement Fund | 17,351,950 | 19,793,855 | 19,386,892 | 18,324,392 | 18,324,392 | 0 |
| Capital Improvement Fund | 12,525,000 | 12,101,441 | 11,636,995 | 21,270,044 | 17,770,044 | (3,500,000) |
| **Total Transfers to Capital** | 29,876,950 | 31,895,296 | 31,023,887 | 39,594,436 | 36,094,436 | (3,500,000) |
| **Total Expenditures** | **250,075,228** | **245,647,351** | **255,067,981** | **278,745,033** | **264,656,581** | **(14,088,452)** |
| **Ending Balance** | 19,846,961 | 36,375,982 | 38,235,140 | 17,218,993 | 35,062,027 | 17,843,034 |
| **Brookpark Lightning Strike Reserve** | 0 | 1,100,000 | 1,100,000 | 0 | 0 | 0 |
| **Rolling Stock Reserve Funds** | 0 | 0 | 7,000,000 | 6,000,000 | 0 | (6,000,000) |
| **Reserved Funds** | 4,639,000 | 6,602,000 | 6,840,000 | 7,202,000 | 6,900,000 | (302,000) |
| **Available Ending Balance** | **15,207,961** | **28,673,982** | **23,295,140** | **4,016,993** | **28,162,027** | **24,145,034** |

| 2013 - 2nd Qtr | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Financial Policy Objectives** | | | | | | | | | |
| | | **Description** | **Goal** | **2010 Actual** | **2011 Actual** | **2012 Actual** | **2013 Budget** | **2013 2nd Qtr** |
| **Operating Efficiency** | **Operating Ratio** | *Ratio that shows the efficiency of management by comparing operating expenses to operating revenues. Operating Revenues divided by Operating Expenses* | > 25% | 23.8% | 23.8% | 23.0% | 22.3% | 23.1% |
| | **Cost/Hour of Service** | *Measure of service efficiency. Total Operating Expenses divided by Total Service Hours* | | $122.0 | $133.6 | $123.4 | $131.9 | $119.3 |
| | **Growth per Year** | *Growth in the cost of delivering a unit of service (Cost per Hour), compared to the prior year, to be kept at or below the rate of inflation.* | < Rate of Inflation | 6.0% | 9.5% | **-7.7%** | 5.2% | **-9.6%** |
| | **Operating Reserve (Months)** | *Equal or above one month's operating expenses to cover unforseen or extraordinary fluctuations in revenues or expenses.* | > 1 month | **1.2** | **2.1** | **2.1** | 0.9 | **1.9** |
| **Capital Efficiency** | **Debt Service Coverage** | *The measure of the Authority's ability to meet annual interest and principal payments on outstanding debts.* | > 1.5 | **2.02** | **2.82** | **2.77** | **1.71** | **2.57** |
| | **Sales Tax Contribution to Capital** | *Sales tax revenues to be allocated directly to the Capital Improvement Fund to support budgeted projects or to the Bond Retirement Fund to support debt service payments.* | 10% - 15% | 18.3% | 18.4% | 17.1% | 21.4% | 19.3% |
| | **Capital Maintenance to Expansion** | *The capital program requires a critical balance between maintenance of exisiting assets and expansion efforts.* | 75% - 90% | 99.0% | 98.2% | 99.2% | 96.3% | **88.6%** |
| **End of Year Reserved Funds** | **Fuel Reserve Funds** | *A reserve designated to protect the Authority from a significant and continuing rise in fuel prices. (In Millions)* | Fuel Budget less Annual Expenditures | $1.39 | $2.41 | $2.65 | $3.01 | $2.71 |
| | **Compensated Absences Reserve Funds** | *Ensure payment of over $9 million in charges the Authority will need to pay to employees for vacation that has been earned. (In Millions)* | < 25% of Accrued Liability | $1.25 | $2.25 | $2.25 | $2.25 | $2.25 |
| | **Hospitalization Reserve Funds** | *Protect against substantial cost increases from unfunded mandates or out of the ordinary costs for catastrophic illnesses. (In Millions)* | < 10% of Annual Hospitalization Costs | $2.00 | $1.94 | $1.94 | $1.94 | $1.94 |
| | **Rolling Stock Replacement Fund** | *Set aside funds to systemmatically replace aging revenue vehicles to lessen the impact of replacing the revenue vehicles.* | Equal to about 35 buses per year | $0.00 | $0.00 | $7.00 | $6.00 | $0.00 |

## Passenger Fares




Actual Passenger Fare revenue received through June 2013 was $22.1 million, nearly $2.5 million, or –10.3%, below budget, and –4.1% below the same period in 2012. Several adjustments were made earlier in the year for 2012 Passenger Fare Revenue, which distorts the comparison. A payment of $1.3 million is in process and will further relieve the amount of difference.

To provide a more informative indicator, RTA also analyzes core passenger fare, which tracks performance of passenger fare by excluding the variable timing receipt items: U-Pass and student tickets. Through June 2013, the differences in core passenger fare, compared to 2012, are listed below (in millions):

| Core Passenger Revenue | | | |
|---|---|---|---|
| **Month** | **2012 Fares** | **2013 Fares** | **% Change** |
| Jan | $ 3.34 | $ 3.28 | -1.8% |
| Feb | $ 3.04 | $ 2.89 | -4.9% |
| Mar | $ 4.51 | $ 3.89 | -13.7% |
| Apr | $ 3.33 | $ 3.60 | 8.1% |
| May | $ 3.85 | $ 3.93 | 2.1% |
| Jun | $ 3.59 | $ 3.53 | -1.7% |

In the Second Quarter, the core passenger fare decreased 2.5% compared to the same time period in 2012. In 2013, the budget assumes a 2.0% increase in core passenger fares. This has not been attainable with a softening of ridership clearing the second quarter.

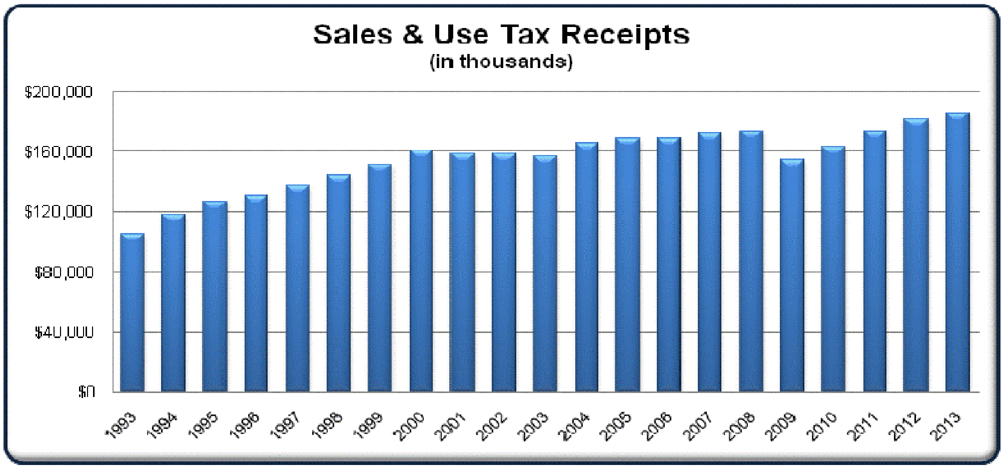
## Advertising and Concessions

Revenue received from Advertising and Concessions through June 2013 totaled $820,169. This is 32.5% above budget, and 6.1% above the same period in 2012. A new contract was signed in August 2011, which changed the received payments from the beginning of a six month period to the end of the period. Through the end of June, revenue for media in Cleveland was up 52.3% compared to budget and total advertising was up 32.5% above budget. Total Advertising & Concession revenue is expected to end the year at $1.6 million.

## Sales & Use Tax

The Sales & Use Tax in 2009 declined dramatically due to the Great Recession. Sales Tax collections dropped for the year from the budget of $173.6 million to $154.6 million. The beginning of 2010 was encouraging with no continuing downturn and the beginning of a recovery. The bulk of the recovery in 2010 was due to managed care being added to the tax base. Although unemployment continued to be high in Cuyahoga County, 2010 Sales Tax receipts came in at $163.2 million, $8.6 million above 2009.

Sales & Use Tax was budgeted at $163.5 million for 2011. The unemployment rate dropped from 11.5% to below 9%. By year-end, the Sales Tax revenue received was $173.2 million, 5.9% more than budgeted and 6.1% more than 2010. With two years of increases in monthly receipts, Sales Tax has recovered to the 2008 level. This trend continued in 2012, with Sales Tax receipts equaling $181.2 million, 1.2% above budget and nearly $8.0 million more than 2011.




Economists project a slow rate of growth for all of 2013 and thus far the rate of growth has been less than projected and many economists are revising their projections downward. As a result of this information, we projected an increase in 2013 of only 2.2%. The Sales & Use Tax receipts received through mid-year 2013 are 1.1% above budget and 2.9% above the same period in 2012. The projection for end of year has been increased to $186.8 due to the higher than expected monthly receipts. The graph above shows total Sales Tax receipts received for the last 20 years.

**State Operating Assistance**

The single source of revenue in this category is Ohio Elderly Fare Assistance. The disbursement of these funds used to occur in December of each year. However, the State has declared that these funds will not be sent to GCRTA. The State has funded this category for the last three years for small rural authorities. The eight largest transit authorities have not and will not receive these funds in the future.

**Access to Jobs Grants**

Access to Jobs revenue received through June 2013 was $1.8 million. This amount is 33.4% higher than the same period in 2012 and 65.2% above budget. This is due in part to the timing of the submission of the invoices, as payments were received in January and June. This category is expected to meet the budgeted level of 2.1 million by year-end.

**Investment Income**

Investment income earned through June was $91,401. This amount is 13.5% lower than budget and $19,263 less than the same period in 2012. The Authority is receiving 0.46% interest on its investments and is expected to receive $210,000 by year-end, slightly more than budget.

**Other Revenue**

This revenue category consists of various claim reimbursements, rental income, salvage sales, and identification card proceeds. Through mid-year, the Authority received $487,511 in the Other Revenue category. This amount is 4.1% above budget but $58,448, or –10.7%, below the same period in 2012. Other revenue does not follow a consistent pattern from year to year. This category is very hard to project at mid-year but is expected to meet the budgeted level of $1.0 million by the end of the year.

**Reimbursed Expenditures**

Reimbursed Expenditures category includes reimbursements for preventive maintenance, fuel tax, force account labor, and other state, federal, and local reimbursements. In 2010, reimbursed expenditures were $39.2 million. The budgeted figure for 2011 was $32.6 million.

With the improvements in our fiscal condition in 2010 and 2011, we made the decision to lower reimbursement for preventive maintenance. Actual Reimbursed Expenditures received by the General Fund through year-end 2011 were $25.6 million. This amount was $7.0 million, or –21.4%, less than budget and $13.6 million, or –34.7%, less than the same period in 2010. The reimbursements for 2011 was expected to be less than 2010 due to the timing of the receipts as well as the execution of a 12% service reduction, discontinued use of 90 buses and laying off 245 employees in 2010. A decision to lower preventive maintenance was made to leave more funds in capital in order to fund the Viaduct repairs, Woodhill contingency, and leave an additional amount for the implementation of the Oracle upgrade to version 12.

For the 2012 budget, reimbursed expenditures were expected to be $24.7 million. However, early in the year a decision was made to lower this revenue again and year-end receipts totaled $17.0 million. This allowed $10 million in formula grant funds to be used for capital projects in lieu of operating revenue. Additional projects were identified and moved forward on the schedule. Included in these projects was the number one project to rehab the Airport Tunnel and the S-Curve Project.

This strategy continues in 2013, reimbursed expenditures are budgeted at $15.5 million, allowing formula grant funding to be allocated toward projects rather than reimbursement for operating expenses. For the first time in years, the Capital Improvement Plan is nearly fully funded.

# Operating Expenditures

The chart to the right itemizes the major cost categories and compares projected costs with the current budget. The 2013 Operating Budget includes $237.7 million originally adopted for 2013 plus prior year rollover encumbrances of $7.6 million for a total budget of $245.1 million. Please note: this presentation differs from the expenditure number appearing in the fund balance statement on page 7 because it includes prior year encumbrances.

**2013 2nd QUARTER ACTUALS BY CATEGORY**
**CURRENT BUDGET vs. ACTUAL YEAR-END COMMITMENTS**

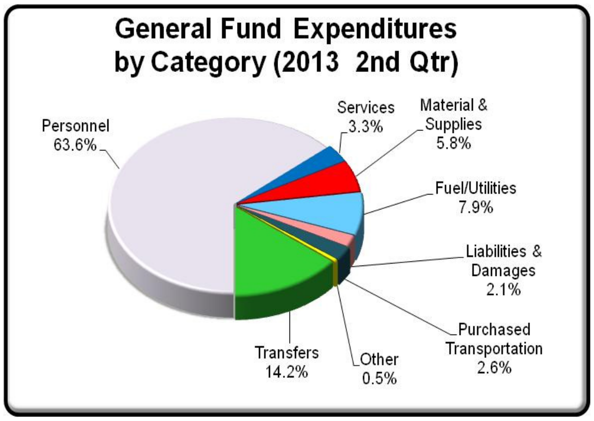
| Category | Current Budget | Year-End Projection | Variance vs. Current Budget | |
|---|---|---|---|---|
| Personnel Services | 173,119,508 | 168,378,317 | 4,741,191 | 2.74% |
| Services | 12,862,274 | 10,670,259 | 2,192,015 | 17.04% |
| Material & Supplies | 15,878,012 | 16,605,305 | -727,293 | -4.58% |
| Fuel/Utilities | 26,376,690 | 23,827,398 | 2,549,292 | 9.66% |
| Liabilities & Damages | 6,415,875 | 5,453,456 | 962,419 | 15.00% |
| Purchased Transportation | 8,707,662 | 8,152,059 | 555,603 | 6.38% |
| Other | 1,718,389 | 1,543,164 | 175,225 | 10.20% |
| Transfers | 41,094,436 | 37,594,436 | 3,500,000 | 8.52% |
| | **286,172,846** | **272,224,394** | **13,948,452** | **4.87%** |

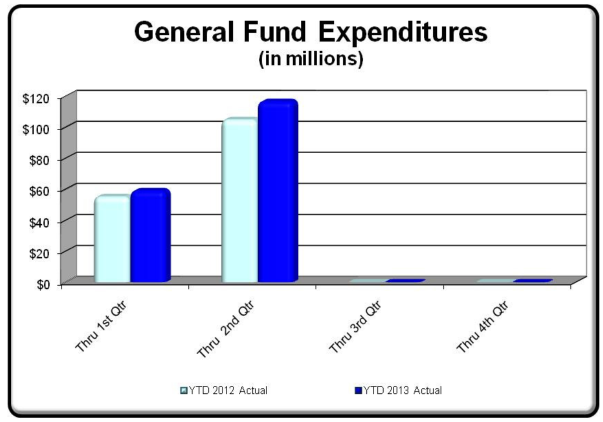
Expenditures, net of prior year encumbrances, are further highlighted with the bar graph and pie chart on the next page.

The Operating Budget projects expenses to end the year at $13.9 million below the budgeted amount. Personnel services, which are the largest category, are continuing to be controlled. Categories, including personnel, services, and fuel/utilities are expected to end the year below budget. Materials and Supplies will continue to be monitored throughout the year, especially the Inventory account.

**Personnel Services**

Personnel Services are budgeted at $173.1 million. At the end of the second quarter, total Personnel Services equaled $85.4 million. Our projection for the year is $168.4 million. This is currently $4.7 million under budget.




Administrative positions were reduced in 2008, 2009, and 2010 and a 12% service reduction was implemented in 2010, which included reductions in operators, mechanics, and hostlers. Harvard Garage was then closed in September 2010 as a part of the cost savings. The goal for 2011 was to get through the year without any service decreases or fare increases, which was achieved. By the end of the year, Fare Revenue and Sales and Use Tax receipts increased and a 1.75% wage increase in non-bargaining employees was implemented on August 7, 2011 and September 1, 2011 for FOP. A 4.3% service increase was implemented in the second quarter of 2012 to alleviate overcrowding on some routes and add service in other areas. An agreement with the ATU was reached at the end of the first quarter 2012. This agreement, similar to that of the FOP, ties wage increases to fare revenue and sales tax revenue increases from the prior year. A Resolution was submitted to the Board in the second quarter of 2012 to increase the number of operators and key personnel needed for the service increase, which included the three new Trolley routes: C-Line, L-Line, and Nine/Twelve-Line.

For 2013, a 3% wage increase for the ATU, FOP, and Non-Bargaining employees was received in the first quarter and is reflected in estimated year-end totals. Through the second quarter 2013, the estimated wage increase at the end of the second quarter for 2014 would be 1.52%. We are expecting Sales & Use Tax to end the year $1.5 million above budgeted levels. With this increase, wage increases for 2014 are projected to equal 2.85%, however this is contingent upon the rest of the year collections for Passenger Fares and Sales & Use Tax.

**Services**

The Services category is estimated to end the year at $10.7 million. Savings in contractual services and advertising fees are expected throughout the year although this category will be closely monitored to ensure that costs are held in check.

**Material and Supplies**

The Material and Supplies category is expected to end of the year at $16.6 million. This is about $1.3 million more than budget. We have worked for four years to control and reduce costs for materials & supplies and specifically for spare parts inventory. Those were down in 2010 and 2011 but went up in 2012. In 2013, inventory is projected to be over budget by $731,692. These funds will continue to be closely monitored throughout the year to keep funds as close to budget as possible.

**Fuel/Utilities**

Two major initiatives were implemented in 2010 that have held down costs in every year since then. The Energy Price Risk Management Program has helped to transform net diesel fuel costs. For 2010 diesel fuel net costs were $1.394 million under budget, about $8 million. Net fuel costs for 2011 were projected to increase to $10.972 million. Prices were much higher than projected but that caused our realized gains on our hedge contracts to rise sharply. Realized gains were $3.691 million and offset the increase in price. We ended the year more than $1 million under budget for 2011. We have realized significant savings due to this change in our internal process for fuel purchasing. The cost of fuel continues to rise and the price per gallon for hedging contracts we now own are considerably higher. In 2012 we ended the year about $250,000 under budget because of this. We are currently about $81,000 over budget for fuel costs in 2013. We currently project net fuel costs at $14.054 million, about $219,000 over budget. The system is working exactly as it was designed and is protecting us against any dramatic rise in fuel prices. In March we hedged the final six contracts for 2013. RTA is now 89% hedged for fuel contracts for the remainder of 2013. We expect fuel cost for 2014 to be about $13.7 million.

RTA also studied electricity costs and initiated a request for proposal that resulted in a reduction in rates of about 2 cents/KWH for 2010 and the first half of 2011. All accounts were reconciled and all meters are now read monthly and reset monthly. In the second quarter of 2011 we executed an RFP for electricity for the next three years and achieved slightly more favorable rates. Costs were lowered in 2010 and 2011 and then maintained at the 2011 level in 2012. Over the past three years we have lowered our electricity costs by about $7.3 million. Electrical expenses are estimated to rise to $4.9 million in 2013 due to an increase in rider rates. Capacity rates will be increasing dramatically in June of 2015. In order to mitigate this cost, the goal is to reduce the amount of electrical waste and increase the number of interval meters in areas that would result in decreasing peak load estimates. The lower the peak load estimate, the lower the annual capacity charge. RTA will be bidding another electricity contract at the end of 2013. Natural gas has been locked in at favorable prices through 2016. We are now working on our water costs. The projected estimate for the year for the entire expense is $23.8 million. In 2009, the Authority spent nearly $28 million for this expense category.

**Liabilities & Damages**

The Liability & Damages category is expected to end the year at $5.5 million, or about 15.0% under budget. The initiatives in safety over the past few years have helped the Authority become a safer system. These initiatives have helped to create savings in claims for injuries and property damage. OMB and Risk Management will continue to monitor this category throughout the year.

**Purchased Transportation**

The three major components in this category are the ADA Purchased Transportation program, Access to Jobs vanpool program, and Brunswick Operating Assistance. This category is expected to end the year at $8.2 million, or 6.4%, under budget. The Work Access and Brunswick Operating Assistance ended 2012 with a positive variance and are expected to do the same in 2013.

Mid-year 2011, a pilot program was implemented for ADA purchased transportation to help alleviate the increased demand for the service. In 2011, ridership for the ADA purchased service grew by 5.7%, with an increase of 9,817 passengers compared to 2010. Because the program was so successful, in 2012, a new contract was signed to accommodate the increased passengers. This contract will continue into 2013 and costs are expected to be near budget. Two additional contracts for purchased transportation will end in September and October. Proposals for new contracts are expected to be submitted by late July.

**Other**

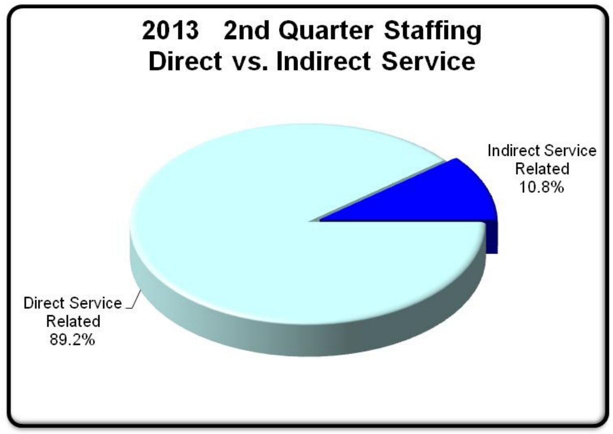
The Other Expense category includes tuition reimbursement, property tax, leases and rentals, and other miscellaneous expenses such as travel and training costs. This category is expected to end the year at $1.5 million, about 12.6% under budget.

### Transfers to Other Funds

Transfers from the General Fund to the other Funds of the Authority including the RTA Capital Fund, Bond Retirement Fund, Insurance Fund and Pension Fund are currently projected at budget for the year. A refinancing of existing debt service was reviewed, which may have lowered the projected debt service payments included in the Bond Retirement Fund. The refinance was reviewed but rates continued to increase and a decision was made not to execute the refinancing. The transfer to the Capital Improvement Fund will decrease by $3.5 million due only transferring half of the rolling stock reserve funds. The remaining $3.5 million will return to the available ending balance.

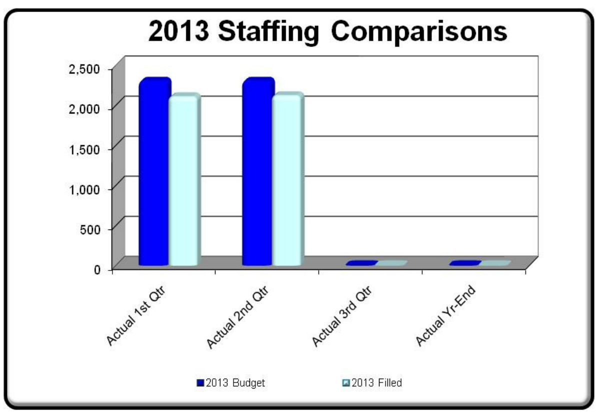
# Staffing

This chart demonstrates the relationship between indirect and direct service related positions.




The chart below summarizes staffing as of the end of the year. It depicts the comparisons between budgeted and actual filled positions.

The 2013 approved Operating Budget funded a combined 2,302.5 full- and part-time Full-Time Equivalent (FTE) positions.




At the end of the second quarter, a total of 2,211.5 positions were filled, consisting of 2067 full-time and 144.5 part-time positions.

Please note that since an operational FTE count for full- & part-time positions is not available, filled positions represent a headcount of all Authority employees rather than a representation of actual hours paid converted to an FTE measure as reflected in the budgeted numbers.

# Bond/Insurance/Supplemental Pension/Law Enforcement Funds

As a result of the Authority pre-paying $1.84 million of outstanding principal due on a State Infrastructure Bank Loan at the end of the second quarter 2011 the Authority's debt-service ratio was improved and debt service payments were lowered by $666,084 in FY 2012, 2013 and 2014. In the first quarter, refinancing of a 2006 Bond was reviewed. In the second quarter, rates continued to increase and the decision was made not to execute the refinancing.
Through the end of the second quarter, there has been no activity in the Law Enforcement, Insurance or Pension Funds other than budgeted increases, scheduled set asides, activities on prior year encumbrances, and budgeted expenditures.

# Capital Commitments and Expenditures

**Commitments by Capital Category**

The current combined capital budget in 2013 of $541.01 million is comprised of the approved Fiscal Year (FY) 2013 Capital Budget of $94.06 million and $446.95 million of previously approved prior year capital budget appropriations. The chart on the following page summarizes all active capital projects within the major cost categories of the Authority's capital program and presents total category commitments at mid-year and compares year-end projected commitments to current category budget appropriations.

The Authority's improved financial picture and its success in securing competitive grants, has offered a unique opportunity for the current capital budget year. Recent non-formula awards, some of which remain pending, include $15.63 million for the reconstruction of the Little Italy – University Circle Station, $13.13 million for the reconstruction of the Cedar – University Rapid Station, a State of Good Repair (SOGR) award of $3.96 million for ongoing parking lot improvements, and $2.60 million for the now completed Airport Tunnel Rehabilitation. The FY 2013 Capital Budget also continues the reduction in use of grant funded Operating Budget reimbursements that have enabled the subsequent transfer of budget authority and grant funds to capital infrastructure projects to address badly needed SOGR projects.

As shown below, combined capital project commitments total $420.31 million at the end of the second quarter. This includes $355.66 million of Inception-to-Date (ITD) expenditures and $64.65 million of current encumbrances resulting in a positive variance of $120.70 million, or 22.3%, relative to the combined capital budgets. Projected capital commitments of $71.36 million in the second half of the year continue to focus on the condition of the Authority's capital assets. Major upcoming project commitments include the $32.33 million for the first year of a five-year bus improvement program, $12.67 million for construction of the new Little Italy – University Circle Heavy Rail Station, $7.10 million of various grant funded Operating Expense reimbursements, and $7.81 million for the Clifton Blvd. Enhancement project.

**PROJECTED YEAR-END CAPITAL COMMITMENTS BY CATEGORY**

| Category | Current Budget | Current Commitments | Projected Year-End | Proj. Variance vs. Current Budget | |
|---|---|---|---|---|---|
| Bus Garages | $8,972,245 | $8,185,524 | $8,942,996 | $29,248 | **0.3%** |
| Bus Improvement Program | $34,203,976 | $1,757,541 | $34,085,932 | $118,044 | **0.3%** |
| Bus Rapid Transit | $189,907,116 | $186,086,606 | $186,085,877 | $3,821,239 | **2.0%** |
| Equipment and Vehicles | $54,545,507 | $48,221,406 | $50,288,374 | $4,257,133 | **7.8%** |
| Facilities Improvements | $20,162,689 | $11,672,714 | $13,283,852 | $6,878,837 | **34.1%** |
| Other Projects | $22,806,611 | $18,139,479 | $19,546,921 | $3,259,690 | **14.3%** |
| Preventive Maint./Operating Reimb. | $37,034,681 | $26,135,276 | $33,234,998 | $3,799,683 | **10.3%** |
| Rail Projects | $144,723,288 | $102,806,976 | $119,726,157 | $24,997,131 | **17.3%** |
| Transit Centers | $28,657,773 | $17,304,710 | $26,473,114 | $2,184,659 | **7.6%** |
| **Grand Total** | **$541,013,885** | **$420,310,231** | **$491,668,221** | **$49,345,665** | **9.1%** |

Projected activities within the RTA Capital and RTA Development Funds during the remainder of 2013 will result in estimated total commitments of $491.42 million and a positive year-end variance of $49.60 million, or 9.1 percent versus the combined capital budgets. The positive variance is due to the expected closeout of remaining budget appropriation in completed projects, to the timing of anticipated Federal Fiscal Year (FFY) 2013 grant awards until later in the current year, which will likely delay some budgeted capital activities until next year, and to multi-year budgeted projects compared with the annual draws for project activities during the year.

## Current Year Expenditures by Capital Category

The chart below lists year-to-date (YTD) category expenditures and related percentage of total capital expenditures for FY 2011, FY 2012, and FY 2013 capital expenditures through the mid-point of each year. Though comparisons between different fiscal years are difficult due to the cyclical nature of some capital projects it is important to note the differences in current year category expenditures relative to prior years.

Unlike prior years, where more than half of capital expenditures occurred within the Preventive Maintenance/Operating Reimbursements category and nearly three-fourths of the $39.95 million of capital expenditures during the first half of the current year, were on various state of good repair projects throughout the Authority. This is lead by the Rail Projects category with $18.68 million, or 49.7 percent of all capital expenditures, followed by the PM/Operating Reimbursements category with $12.70 million, or 31.8 percent of total capital expenditures, and the Equipment & Vehicles category with $3.76 million, or 9.4 percent of total YTD capital expenditures.

The remaining expenditures during the quarter were generated in much smaller degrees within the six other capital categories. Individual projects with significant expenditures will be covered in the following discussion on the capital categories.

### CAPITAL EXPENDITURES BY CATEGORY THROUGH:

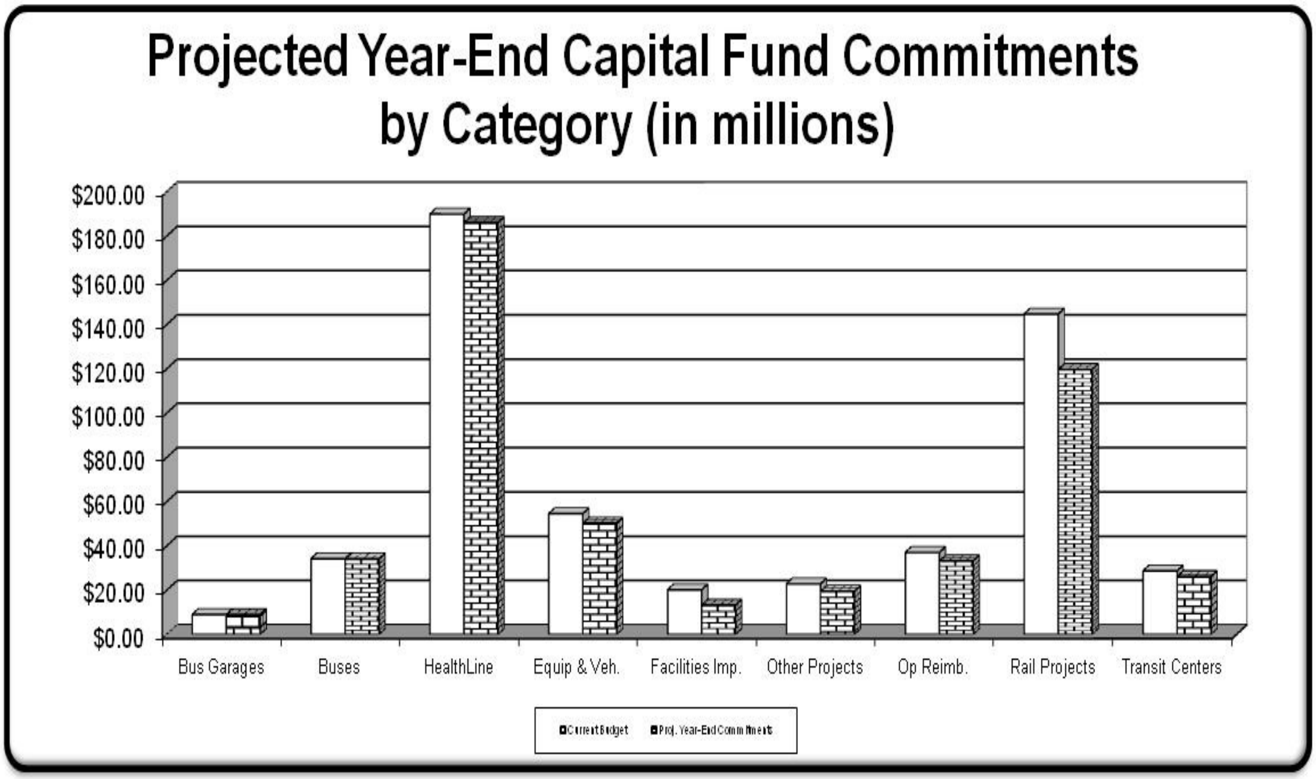
| Category | 2nd Qtr 2011 | % | 2nd Qtr 2012 | % | 2nd Qtr 2013 | % |
|---|---|---|---|---|---|---|
| Bus Garages | $390,289 | **1.4%** | $659,291 | **2.2%** | $1,227,842 | **3.1%** |
| Bus Improvement Program | $0 | **0.0%** | -$40,115 | **-0.1%** | -$42,463 | **-0.1%** |
| Bus Rapid Transit | $52,390 | **0.2%** | $91,429 | **0.3%** | -$15,575 | **0.0%** |
| Equipment and Vehicles | $1,404,687 | **5.2%** | $3,743,106 | **12.3%** | $3,756,860 | **9.4%** |
| Facilities Improvements | $1,512,452 | **5.5%** | $542,139 | **1.8%** | $1,323,541 | **3.3%** |
| Other Projects | $1,668,586 | **6.1%** | $1,610,598 | **5.3%** | $1,860,832 | **4.7%** |
| Preventive Maint/Op. Reimb. | $15,104,202 | **55.4%** | $18,034,631 | **59.2%** | $12,702,111 | **31.8%** |
| Rail Projects | $6,839,600 | **25.1%** | $5,401,891 | **17.7%** | $18,675,138 | **46.7%** |
| Transit Centers | $292,214 | **1.1%** | $441,810 | **1.4%** | $464,746 | **1.2%** |
| **Grand Total** | **$27,264,420** | **100.0%** | **$30,484,780** | **100.0%** | **$39,953,031** | **100.0%** |

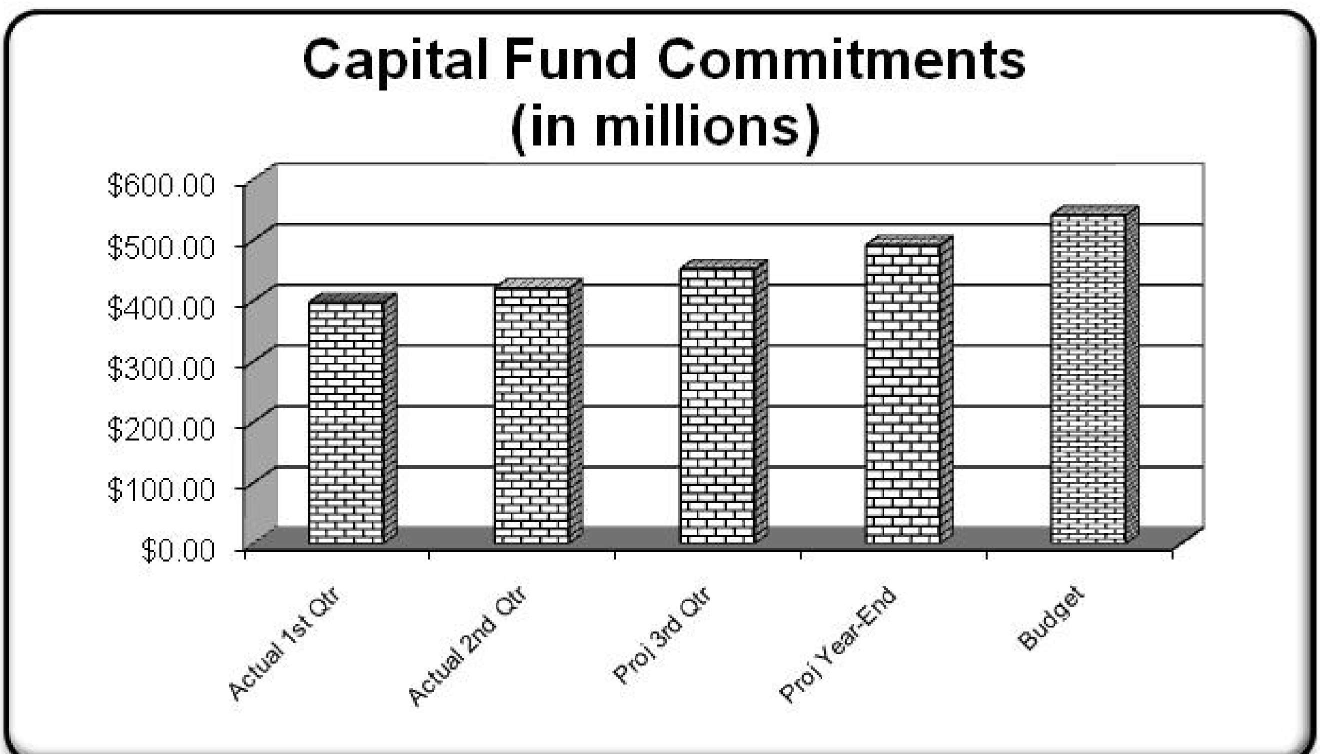
The following is a brief explanation of each capital category included in the capital commitments and capital expenditure tables on previous pages.

## Bus Garages

There are four projects included within this category - a soon to be completed carryover project to rehabilitate the Paratransit Garage and three additional projects to cover various facilities improvements and equipment replacements at the Central Bus Maintenance Facility, Hayden Bus Garage, and additional rehabilitation work at the Paratransit Garage. Funded through a Federal "State of Good Repair" (SOGR) grant, these projects will address deferred capital improvements throughout the facilities.

At the end of the second quarter, $8.19 million of the current $8.97 million category budget was committed leaving a positive variance of $786,720 or 8.8 percent. Total category commitments include $6.39 million of ITD expenditures and $1.80 million of current encumbrances. During the first half of the year, $1.23 million of expenditures was generated on projects within this category reflecting both the nearing completion programmed work on the earlier Paratransit Garage project and the high level of ongoing construction work on the three SOGR projects.


Projected Year-End Capital Fund Commitments
by Category (in millions)
$200.00
$180.00
$160.00
$140.00
$120.00
$100.00
$80.00
$60.00
$40.00
$20.00
$0.00
Bus Garages
Buses
HealthLine
Equip & Veh.
Facilities Imp.
Other Projects
Op Reimb.
Rail Projects
Transit Centers
Current Budget
Proj. Year-End Commitments


Capital Fund Commitments
(in millions)
$600.00
$500.00
$400.00
$300.00
$200.00
$100.00
$0.00
Actual 1st Qtr
Actual 2nd Qtr
Proj 3rd Qtr
Proj Year-End
Budget

The projected $757,000 of additional commitments during the remainder of the year will be within the three "State of Good Repair" projects with work nearing completion by the end of the year. The small projected positive variance of $29,248, or 0.3%, within this category at the close of the current fiscal year is due to multi-year budgeted reimbursed labor costs compared with the draws during the current fiscal year as well as some construction costs coming in below estimates.

**Bus Improvement Program**

The Authority's capital program in FY 2013 includes the first year of a funded five-year bus and Paratransit bus replacement program. Through the end of the second quarter, category commitments total $1.76 million for Paratransit buses out of the total budget of $34.20 million leaving a positive variance of $32.45 million, or 94.9 percent.

Projected commitments of $32.50 million during the remainder of FY 2013 include an estimated $32.33 million for the planned purchase of approximately 34 40-foot low floor buses and 23 low floor 60-foot articulated buses and $250,000 for replacement bike racks. A decision will be made during the third quarter on the exact number of buses included in the planned purchase and whether or not they will be equipped with diesel or CNG engines. Funding for the bus purchase should be available from a variety of both grant and locally funded sources sometime in the second half of the year at which point in time the Authority will enter into a contract with delivery expected in FY 2014.

**Bus Rapid Transit**

The Euclid Corridor Transportation Project (ECTP), or HealthLine, is the sole project budgeted within the Bus Rapid Transit Category. The HealthLine opened for service in the fourth quarter of 2008 and the only remaining activities within this project are related to the final reconciliation and/or reallocation of all available grant funds to reimburse local funds used during the project.

At the end of the second quarter, project commitments total $186.09 million out of the category budget of $189.91 million, resulting in a positive variance of $3.82 million, or 2.0%. Total commitments include $186.09 million of ITD expenditures and $729 of remaining open encumbrances. A reversal of $15,575 in prior year expenditures has occurred within this category during the first half of the year as reconciliation of this project continues prior to closeout. Pending the results of final reconciliation the remaining open encumbrances of $729 within the project will be closed during the third quarter at which time the final closeout of this project and any associated FTA grants is expected.

**Equipment & Vehicles**

At the end of the second quarter, total commitments within this category amount to $48.22 million of the combined $54.55 million category budget, leaving a positive variance of $6.32 million, or 11.6%. Total commitments include $31.25 million of ITD expenditures and $16.97 million of current encumbrances. A majority of the encumbrances within this category, $7.41 million or 43.7%, remain with the Fare Collection Equipment project though much progress has been made in the last six months towards completing the project goals. Significant commitments generated during the last quarter include $1.9 million for a program to replace cameras and DVRs on the Authority's bus and rail fleets and $501,000 for a replacement CAD/RMS system for Transit Police.

Combined year-to-date category expenditures of $3.75 million through the end of June were led by $2.05 million of expenditures on the Revenue Collection Equipment project, $681,500 on various IT upgrades throughout the Authority, $318,578 on the now completed Centralized Public Address System for the Red Line, and $165,000 for replacement bus diesel engines.

Additional commitments of $2.07 million are projected for this category for the remainder of the year. This includes $742,800 for replacement non-revenue vehicles for use throughout the Authority, $250,000 each for Asset Management Database software and to update the GCRTA signage manual, and $99,340 for an upgrade to the Authority's timekeeping system, Kronos, along with the installation of Absence Management software that will provide the reports and tools to better track absences and FMLA use throughout the Authority.

The projected year-end positive variance $4.26 million, or 7.8 percent, in this category results from expected savings within ongoing projects within this category, to continued delays in the implementation of budgeted IT projects, and to the expected closeout of prior year's budget authority remaining within completed projects.

**Facilities Improvements**

At mid-year, the Facilities Improvements category has combined project commitments of $11.67 million of the $20.16 million approved category budget, resulting in a positive variance of $8.49 million, or 42.1%. Total category commitments include $5.22 million of ITD expenditures and $6.45 million of current encumbrances generating a positive variance of 8.49 million, or 42.1 percent at the end of June.

During the first half of the year, $1.32 million was expended on various facilities projects throughout the Authority. More than half, $699,992, or 52.9 percent, of this amount was generated by locally funded Asset Maintenance projects within the RTA Capital Fund. Other projects within this category with significant expenditures during the first half of the year include $378,476 for rehabilitation work on the Waterfront Line Infrastructure, and $166,706 on a project to replace the roofs at the Central Rail Facility.

Projected commitments of $1.61 million during the remainder of FY 2013 include $922,000 for various Asset Maintenance projects throughout the Authority, $308,000 for additional rehabilitation work on the Waterfront Line Infrastructure, and $250,000 for various grant funded state of good repair projects. Remaining projected commitments are in much smaller amounts and scattered throughout other ongoing capital projects within this category.

The projected positive year-end variance of $6.88 million, or 34.1 percent, for this category is primarily attributable to a pending formula grant amendment that will delay expected funding for the budgeted $2.88 million Tower City escalator replacement project until early FY 2014, to lower than budgeted costs for the Waterfront Line Rehab, and to the planned closeout of prior year's budget authority remaining within completed projects.

**Other Projects**

The Other Projects category includes capital projects for pass-thru grants to other entities and other miscellaneous capital projects that don't fit into the eight remaining capital categories. At the close of the second quarter, this category has combined project commitments of $18.14 million out of the category budget of $22.81 million resulting in a positive variance of $4.67 million or 20.5 percent.

During the first half of the year, a combined $1.86 million in expenditures was generated by projects within this category. Most, $1.21 million or 65.1 percent was for the first of two budgeted bi-annual fare collection equipment lease payments. Remaining expenditures to date were generated in smaller amounts throughout other projects included within this category including $294,708 for the On-Board Public Survey program and $126,359 for dues payments and legal services with the remainder spread over other projects in this category.

Projected commitments of $1.41 million during the remainder of the year include the second bi-annual fare collection equipment lease payment of $1.21 million and $182,500 of pass-thru grant funds to the Senior Transportation Connection. The positive year-end combined variance of $1.41 million, or 14.3 percent, versus the current category budget results from several factors including the closeout of remaining budget authority left from completed projects and to multi-year budgeted projects compared with the annual draws for project activities during the year.

**Preventive Maintenance/Operating Expense Reimbursements**

This category within the Capital Funds includes both grant funded capital preventive maintenance reimbursements and other Operating Expense reimbursement projects. During the first half of the year, a combined $12.70 million in expenditures were generated by projects within this category for the reimbursement of costs generated within the Operating Budget. Expenditures to date include $7.72 million for preventive maintenance activities, $3.47 million in support of the Authority's ADA services including the Travel Trainer program, $770,216 for the Authority's Work Access program, and $740,703 for service on the new Trolley lines (C-L-M-9/12).

Projected commitments of $7.10 million during the remainder of the year include an additional $4.90 million for preventive maintenance activities, $937,152 to support JARC/Access to Jobs services, $750,000 of CMAQ funded reimbursements for the new Trolley lines, and a state funded reimbursement of $300,000 to reimburse the Authority for services during the upcoming Senior Games. The projected positive variance of $3.80 million, or 10.3 percent, is due to multi-year budgeted projects for Work Access, the New Freedom program, and for the new Trolley Services compared to the annual draws for these projects during the year.

**Rail Projects**

At the end of June, $102.81 million of the $144.72 million budget for the Rail Projects category was committed leaving a current positive variance of $41.92 million or 29.0 percent. Total commitments within this category at the mid-point of FY 2013 consisted of $70.66 million of ITD expenditures along with $32.15 million of current encumbrances.

During the first six months of the year, $18.68 million was expended on various projects within this category – a significant increase over the $5.40 and $6.84 million expended through the second quarters of FY 2012 and FY 2011 respectively. Most of the current year category expenditures, $15.22 million or 81.5 percent have been generated by three projects. These include the reconstruction of the Airport Tunnel with $7.84 million of expenditures, the S-Curve Reconstruction with $5.22 million of expenditures, and construction on the Cedar – University Red Line Station with $2.16 million of expenditures. The remainder of the expenditures during the quarter occurred in smaller amounts in other budgeted projects within this category.

Nearly three-fourths of the projected commitments of $16.92 million during the remainder of the year, $12.67 million, are for the construction of the new Little Italy – University Circle Station and rehabilitation of the Mayfield Road Track Bridge. The remaining projected commitments of $4.25 million are spread throughout various projects in this category and includes engineering & design services related to three upcoming construction projects - $639,000 for the East 116th Street Station Reconstruction, $515,000 for the Light Rail Retaining Wall Reconstruction, and $502,000 for the next phase of the Light Rail Crossing reconstruction program.

The projected positive variance of $24.80 million, or 17.3 percent, versus the current budget at the end of the fiscal year is primarily due to cost savings in capital projects currently underway, the closeout of leftover budget authority in completed projects, to delays in anticipated grant awards that will likely delay push budgeted commitments into FY 2014, and to the multi-year budget reimbursed labor components of projects compared with the annual draws for reimbursed labor activities during the year.

**Transit Centers**

At the mid-point of the current fiscal year, project commitments in the Transit Center category total $17.30 million out of the approved current budget of $28.66 million leaving a positive variance of $11.35 million, or 39.6 percent. Total commitments include ITD expenditures of $12.79 million and $4.51 million of current encumbrances.

During the first half of the year, $464,746 has been expended in small amounts on various capital projects within this category. Projected commitments for the remainder of the year of $8.92 million include $7.8 million for the Clifton Blvd. Enhancement project that is currently awaiting execution of designated grant funds, $515,000 of parking lot improvements throughout the Authority, $300,000 for the acquisition of property for the Independence Park-N-Ride, and a pass-thru grant to the Cleveland Museum of Art for final costs associated with an Intermodal Station project

The projected positive variance of $2.18 million, or 7.6 percent, at the end of the year is mainly due to a lower than budgeted cost estimate for the Clifton Blvd. Improvement project, to cost savings on soon to be completed projects within this category, and to delays in budgeted project time lines with the remainder of the positive variance scattered throughout other smaller projects included within this category.

| PERFORMANCE MEASURE | 2013 Target | First Quarter | Second Quarter | Year- to- Date |
|---|---|---|---|---|
| Passengers per vehicle/train hour: Bus | 31 | 31 | 31 | 31 |
| Rail | 81 | 81 | 76 | 79 |
| Access to Jobs Vanpool | 1.2 | 1.2 | 1.2 | 1.2 |
| **Total** | 36 | 36 | 35 | 35 |
| Vehicle maintenance cost per mile: | $2.40 | $2.31 | $2.24 | $2.27 |
| % of scheduled maintenance completed: Bus | 100% | 98% | 94% | 96% |
| Rail | 100% | 96% | 97% | 97% |

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# Critical Success Factors

- Passenger Fare Revenue
- Preventable Accidents
- Total Collision Rate
- Injury Rate
- Number of Miles Between Service Interruption
- On-Time Performance
- Ridership
- Ride Happy or Ride Free
- Attendance

# Passenger Fare Revenue

The Passenger Fare Revenue performance measure is discussed in detail in the Financial Analysis Section of the report.

# Preventable Accidents

The GCRTA Preventable Collision Rate (PCR) TEAM goal for 2013 is 0.91. The second quarter 2013 PCR is 1.29, which is 41.8% higher than the TEAM goal and is 26.5% higher than the rate in second quarter 2012. Total second quarter preventable collisions were 152, which is 29.9% higher than the second quarter of 2012.

# Total Collision Rate

The GCRTA Total Collision Rate (TCR) for the second quarter 2013 is 3.43, which is 16.7% higher than the rate for the second quarter 2012. Total collisions increased 19.9% from 337 to 404, while Mileage increased by 2.8%.

# Injury Rate

The GCRTA 2013 TEAM Injury Rate Goal is 11.8. The second quarter 2013 Injury Rate of 10.89 is 7.7% below the TEAM Goal. Compared to the second quarter 2012, the Injury Rate increased 5.1% to 104 from 99.

# No. of Miles Between Service Interruption

The Number of Miles Between Service Interruption (Reliability) is defined as mechanical failure that results in the inability for the bus or train to operate in revenue service. For the second quarter of 2013, the YTD figure for Number of Miles Between Service Interruption was 7,321 miles, as compared to 6,694 miles for 2012, which represents a 9.4% improvement in this indicator.

# On-Time Performance

On-Time Performance is defined as a bus or train arriving anywhere from 0-5 minutes after its scheduled time. Composite On-Time Performance for the second quarter of 2013 for bus, light rail, and heavy rail was approximately 80.16% as compared to 79% for 2012, representing a 1.47% improvement in this TEAM measure.

# Ridership

Total system ridership was up 1% when comparing January – June 2013 to January – June 2012. Bus increased 0.9%, Rail saw a 0.7% increase, and HealthLine ridership was up 6.2%. Also, Paratransit increased 7.3% over this same time period last year. Year to date bike related trips are 18,189.

# Second Quarter Initiatives and Special Promotions to Increase Ridership

- New Commuter Advantage clients include: AmTrust North America, AXA Equitable, Cleveland Medical Mart & Convention Center, Fairmont Properties, Federal Reserve Bank of Minnesota, Graphtech, HCR Manorcare, Launchhouse, NEO Administration Company, Remington College, Rock & Roll Hall of Fame & Museum.

- The HealthLine was the recipient of the Silver Award from ITDP for outstanding BRT in North America.

- The S Curve construction project finished two full weeks ahead of schedule, pleasantly surprising Red Line riders. For five weeks, west side Red Line riders would take a shuttle bus between the West 117th Street station and West Blvd.-Cudell station.

- Waterfront Line service resumed seven day per week service on May 30th. This was in response to the new tower opening in the Flats East Bank. Ernst & Young employees moved in this week with more than 200 signed up for Ready to Ride to try taking RTA to their new offices.

- Captain America: The Winter Soldier continued filming throughout Cleveland. The most disruptive reroute for Clevelanders was the closure of the west Shoreway for two weeks. Thankfully, Captain RTA was ready to help. Street team members and Captain RTA took to the streets to hand out free passes and Red Line timetables to those stuck in traffic on Detroit. Red Line ridership exploded during these two weeks as many frustrated commuters tried the rails as an alternative means of driving into town.

- RTA's Harvest for Hunger campaign wrapped up in April. We raised more than $4,600 and collected almost 1,000 pounds of food. The cash donations will help provide healthy meals to 18,400 people.

- A service change took place on Sunday, April 21st. Approximately 30 routes were affected with minor adjustments being made to running times and span of service.

- A new website was launched on April 15th. RideRTA.com displayed a major face-lift that includes a streamlined design and trip planning on the home page.

- RTA partnered with the Cleveland Indians on another great promotion, Rally Alley. This is a pre-game event on Fridays and Saturdays where RTA displays the Community Bus, talks about RTA, and gets game-goers involved by doing a Tribe trivia challenge to win great prizes. This event is free with a game ticket and runs through September 7th.

- The addition of AmTrust Financial and Ernst & Young brought our Ready to Ride customers to a total of twenty. More than 400 interested employees at both companies combined attended the sessions to learn about taking transit for their commute. AmTrust moved from independence to 800 Superior Ave. in mid-April and Ernst & Young is moving to their new building in the flats the end of May 2013. Feedback from new riders at AmTrust was very positive.

- The US Men's National Soccer Team took Belgium at Browns Stadium on May 29th. Thousands of spectators rode the Waterfront Line to the game, which was also timed concurrently with a Cleveland Indians game at Progressive Field. This was a great day for rail ridership.

- The Cleveland International Film Fest was held entirely in April this year. Due to a shortage of parking, RTA and CIFF partnered together to promote taking transit to the films. CIFF did a wonderful job of supplying passes to their volunteers and in turn, they encouraged viewers to take RTA during the festival.

- On June 15th, RTA hosted the second annual Search the City Scavenger Hunt. Two hundred participants explored our city via public transportation. They had the opportunity to experience how easy it is to use RTA and the accessibility of interesting destinations via public transportation. Participants visited locations from The Cleveland Hostel in Ohio City, Asiatown Plaza, Museum of Contemporary Art and everything in between in downtown. The winning team, "Dude, Where's My Clue?" had the opportunity to watch the Tribe from the Social Media Suite and watch the post-game fireworks from the visitor's dugout. Great feedback from those who were involved proved that this was a success and will likely become a recurring event.

- Construction work began on the section of track between W 117th Street and West Blvd. Stations on the Red Line. This disruption of service requires rail passengers to transfer to shuttle buses between the two stations before getting back on the Red Line. Volunteers were deployed to assist these riders in the transition and provide information on the seven-week construction project.

- The Cleveland Indians opened the 2013 season against the New York Yankees to a sell-out crowd on Monday, April 8. Many of the Tribe fans took RTA to the game as a way to save on parking around the ballpark.

- Several events occurred around the city during the second quarter including: concerts at the House of Blues, Quicken Loans Arena, and the CSU Wolstein Center, the Cleveland Rib Cook-off, Rite Aid Marathon, the first anniversary celebration of Horseshoe Casino, Cleveland Pride Parade and many Cleveland Indians and Cleveland Gladiators home games attributed to higher ridership. To accommodate the large crowds of spectators, RTA offered additional rail service. In addition, RTA has more than 7,000 free parking spaces at Rail stations and Park-N-Ride lots to ensure safe, speedy, and affordable travel to and from events.

- During the second quarter, RTA participated in several community events throughout the Greater Cleveland area including speaking engagements and informational sessions at: Westwood, Lake Avenue Commons, Library Courts, Mercadarian Plaza, Forest Hill Terrace, Gates Mills Villa, Villa Serena, Kingsbury Towers, Lee Memorial Methodist Episcopal, Spring Hill Villa, Marc Apartments, James E. Hanna Elementary, The Educator Apartments, East Mount Zion Baptist Church Senior Ministry, South Westerly Apartments, Community Partnership on Aging, East Cleveland Collaborative, Earthfest, Lakefront Community Center, Musicians Towers Health Fair, Morning Star Healthy Mind, Body & Soul, Senior day at the City of Cleveland, Murtis H. Taylor Health & Wellness, VA Cancer Fair, Commodore Place Health Fair, Holy Redeemer Health Fair, Alexis Louriexis Health Fair, Baldwin Water Works Fair & Open House, Willowood Manor Health Fair, Pearl Crossing Health Fair, Mother Teresa Manor Health Fair, Ward 7 Community Resource Fair, Parma Consortium Group, Safe Kids/Safe Communities, East Cleveland Collaborative, Solon Community Center, Rockefeller Towers, Skyline Apartments, Antioch Towers, Cedar Extension, Kirby

Manor, Deaconness Kraft, Westerly Apartments, Bethany Christian Church, South Euclid Community Center, University Settlement, Safety Day at the Zoo, CMHA Senior Jamboree, Shaker Arts & Music Festival, and Bedford Family Fun Day. By design, these events increase RTA's presence within the Greater Cleveland community and enhance public transit awareness.

# Customer Satisfaction/Ride Happy or Ride Free

Ride Happy or Ride Free is the comprehensive customer satisfaction measure for RTA. The *Ride Happy or Ride Free* card begins by asking the passenger to indicate what they liked about their RTA "ride," followed by space to communicate if they were dissatisfied. Qualifying passengers received a free ride card to help offset their negative experience.

The Ride Happy or Ride Free performance measure is the ratio of free ride cards requested in comparison to ridership for the same period. One card for every 33,962 customers was received for the second quarter of 2013, as compared to one request for approximately every 29,645 customers received for the same period in 2012, representing a 14.56% improvement in customer satisfaction, as measured by the percentage of people requesting Ride Happy or Ride Free Cards.

# Attendance

The Attendance performance measure is the percentage of employee absences from work that are unscheduled and includes absences due to Worker's Compensation as unscheduled. An absence is considered unscheduled when it is charged to any category other than vacation, personal days, birthdays, holidays, training/seminars, and use of compensatory leave.

Reducing unscheduled absences increases agency reliability, improves productivity and reduces overtime expenses. In the second quarter of 2013, the unscheduled absence percentage was 4.9% which, when compared to 5.0% for 2012, shows a 2% improvement in attendance.

# TEAM Results through June, 2013

| Performance Measure | Target June 2013 | Through June 2013 | Payout |
|---|---|---|---|
| **Safety – Preventables** | .91 or below | 1.29 | $10.00 |
| **Safety – OJI's** | 11.8 or fewer injuries per 200,000 hours | 10.79 | $10.00 |
| **No. of Miles Between Service Interruption** | 8,000 or above | 7,321 | $10.00 |
| **On-Time Performance** | 80% or above | 80.16%* (Estimated figure)* | $10.00 |
| **Ridership** | 25,000,000 | 24,157,200 | $10.00 |
| **Ride Happy or Ride Free** | 1 request for every 27,500 riders | 33,962 | $10.00 |
| **Attendance** | 5.0% or below | 4.9% | $40.00 |

| | | | |
|---|---|---|---|
| **Passenger Fares*** | 22% of operating costs* (Year-end target)* | 19.36%* (Estimated figure)* | $100.00* (One time year-end payout)* |

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# DBE Participation/ Affirmative Action

## DBE Participation

The DBE program is administered on a federal fiscal year (FFY) that runs from October 1 – September 30. The Overall DBE Participation Goal on federally assisted contracts of $25,000 and above for FFY 2013 – 2015 is 22.0%. Per federal regulations, the calculation of Overall DBE Participation excludes real estate transactions and the procurement of Transit Vehicle Manufacturers (typically buses and Paratransit vehicles).

The current quarterly performance period of April 1, 2013 – June 30, 2013 represents the third quarter of FFY 2013. To conform the Quarterly Performance Report to the Federal Semi-Annual Report, DBE participation is calculated on the "federally assisted" portion of contracts only. Contracts awarded during the current quarter in an amount of $100,000 or greater totaled $7,477,349, which included DBE participation of $1,403,948 or 18.8%. This brings the year-to-date DBE dollar and participation percent for FFY 2013 to $3,336,758 and 21%, respectively.

**CURRENT QUARTER - DBE PERFORMANCE BY CONTRACT CATEGORY**
**(April 1, 2013 – June 30, 2013)**

| | Construction | Professional Service | Equipment & Supply | Total |
|---|---|---|---|---|
| **DBE Dollars** | $1,142,438 | $261,510 | 0 | $1,403,948 |
| **All Dollars** | $3,659,735 | $1,900,095 | $1,917,519 | $7,477,349 |
| **% DBE Participation** | **31.2%** | **13.8%** | **0** | **18.8%** |

**YEAR-TO-DATE DBE PERFORMANCE BY QUARTER**
**(October 1, 2012 – June 30, 2013)**

| | Total Contracts | DBE Participation | %DBE Participation |
|---|---|---|---|
| **1st Qtr.** | $8,085,283 | $1,646,248 | 20.4% |
| **2nd Qtr.** | $1,180,160 | $286,562 | 24.3% |
| **3rd Qtr.** | $7,477,349 | $1,403,948 | 18.8% |
| **Total Y-T-D** | **$16,742,792** | **$3,336,758** | **21%** |

## YEAR-TO-DATE PARTICIPATION BY DBE CLASSIFICATION
## (October 1, 2012 – June 30, 2013)

| Classification | 1st Quarter Oct. 1 – Dec. 31 | | 2nd Quarter Jan. 1 – Mar. 31 | | 3rd Quarter Apr. 1 – Jun. 30 | |
|---|---|---|---|---|---|---|
| **Caucasian Female** | $1,244,340 | 75.5% | $120,000 | 41.9% | $692,865 | 49.4% |
| **African American** | $366,323 | 22.3% | $27,000 | 9.4% | $471,874 | 33.6% |
| **Asian** | $35,585 | 2.2% | $139,562 | 48.7% | $239,209 | 17.0% |
| **TOTAL** | **$1,646,248** | **100%** | **$286,562** | **100%** | **$1,403,948** | **100%** |

<u>**Office of Business Development Activities**</u>

Outlined below are selected efforts undertaken during the third quarter of FFY 2013.

**Selected Certification Activities during the quarter included:**

- New Certification: 3
- Re-Certification: 25
- On-Site Visit: 4

**Selected Contract Compliance Activities during the quarter included:**

- Conducted five (5) site field monitoring reviews

**Selected Outreach Efforts during the quarter included:**

- Participated in City of Cleveland B2B Match Maker session at Progressive Field
- Hosted a DBE Workshop in collaboration with Cleveland Airport
- Attended Prevailing Wage Seminar
- Attended Greater Cleveland Partnership Annual Meeting and Presentation of Economic Inclusion Awards

## Affirmative Action

The numbers reported include new hires, rehires and promotions in each of the designated categories.

| PERFORMANCE MEASURE | 2013 Target | | First Quarter | | Second Quarter | | Year-to-Date | |
|---|---|---|---|---|---|---|---|---|
| **Affirmative Action:** | Minority | Female | Minority | Female | Minority | Female | Minority | Female |
| ▪ Officials/Administrators | N/A | 1 | N/A | 0 | N/A | 0 | N/A | 0 |
| ▪ Professionals | N/A | 7 | N/A | 3 | N/A | 5 | N/A | 8 |
| ▪ Technicians | N/A | 1 | N/A | 0 | N/A | 0 | N/A | 0 |
| ▪ Protective Services | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| ▪ Administrative Support | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| ▪ Semi & Skilled Craft | N/A | 3 | N/A | 1 | N/A | 0 | N/A | 1 |
| ▪ Service Maintenance | N/A | 37 | N/A | 21 | N/A | 47 | N/A | 68 |
| **Total** | **2** | **51** | **0** | **25** | **0** | **52** | **0** | **77** |

"N/A" means there is no under-utilization in this category and consequently no affirmative action goal was set for the year 2013.

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# Engineering/ Construction Program

This section provides information on the status of the Authority's engineering and construction activities. Projects are reported on by major program categories as follows:

- Bridges
- Track & Signal
- Passenger Facilities
- System Expansions
- Maintenance Facilities

Other categories may be added on occasion depending upon activity in the Authority's capital program.

| PROJECT | DESCRIPTION | STATUS |
|---|---|---|
| **Bridges** | | |
| Rehabilitation of Transit Track Bridge over East Blvd/MLK Design (27S) | Track bridge rehabilitation design<br>Consultant: Euthenics<br>Cost: $142,778 | Contract awarded May 20, 2008 and notice to proceed issued July 10, 2008. Received 100% design documents August 14, 2009 but project put on hold until construction funds obtained. Advertised for construction April 22, 2013. One bid received May 22, 2013. Procurement was cancelled and project will be re-bid. |
| Final Design of Airport Tunnel Rehabilitation (27U)<br>ARRA | Final design and prepare construction documents for rehabilitation<br>Consultant: URS Consultants<br>Cost: $499,712 | Design contract awarded to URS November 16, 2009; notice to proceed issued January 15, 2010. Final plans reviewed and advertised for construction May 21, 2012. Bids received June 28, 2012. Construction contract awarded to Kokosing on July 17, 21012. URS providing engineering services during construction phase. |
| Construction of the Airport Tunnel and Ventilation Improvement (27U & 13.87) | Rehabilitation of tunnel, track, track bed, drainage and ventilation<br>Contractor: Kokosing Construction Co.<br>Cost: $10,113,163 | Board awarded contract July 17, 2012. Notice to proceed issued August 16, 2012. Tunnel totally shut down November 27, 2012. Substantial completion was achieved on June 8, 2013 and train traffic was restored. |
| Rehabilitation of E. 81 & E. 83 St Track Bridges on Shaker Line (27V) | Track bridges rehabilitation design<br>Consultant: TranSystems Corp.<br>Design Cost: $164,621 | Board awarded contract December 20, 2011. Notice to proceed issued January 20, 2012. A/E inspected bridges and submitted rehabilitation recommendations for RTA review. Contract is at 90% design completion. |

| PROJECT | DESCRIPTION | STATUS |
|---|---|---|
| **Track & Signal** | | |
| Trunk Line Signaling (12D) | Design for Trunk Line (E. 79 to Shaker Sq. Station) Signal System Replacement<br>Estimate: $21,000,000 | Design being completed in-house by GCRTA Engineering Department. |
| Rehabilitation of the "S" Curve Design (23V)<br>ARRA | Engineering services to redesign "S" Curve<br>Consultant: TranSystems Corp.<br>Design Cost: $424,131 | Design contract awarded May 19, 2009. Notice to proceed issued June 16, 2009. A/E completed field surveys, site investigation and analysis of alternatives. Delta Railroad Construction awarded construction contract October 23, 2012; notice to proceed issued December 6, 2012. TranSystems providing Engineering services during construction. |
| Rehabilitation of the "S" Curve Construction (23V) | Reconstruction of the "S" Curve<br>Contractor: Delta Railroad Construction<br>Cost: $6,243,531 | Contract awarded October 23, 2012 and notice to proceed issued December 6, 2012. Project is complete. Track was re-opened early for service on May 27, 2013. Closeout is underway. |
| Seven Railroad Crossing Upgrades Design (23V3) | Engineering services for reconstruction of seven Light Rail grade crossings<br>Consultant: TranSystems<br>Design Cost: $162,777 | Design contract awarded March 22, 2011. Phase I construction package for first four crossings at Ashby, Avalon, Lee and S. Woodland completed. Change in second package to elastomeric concrete in rail slot. Phase II design package completed and construction contract awarded to Atlas Railroad Construction on September 18, 2012. TranSystems providing engineering services during construction. |
| 5-7 of 7 Railroad Crossing Upgrades Construction (23V3 Ph II) | Replace 5-7 of seven Light Rail grade crossings<br>Contractor: Atlas Railroad Construction, LLC<br>Construction Cost: $2,051,724 | Construction contract awarded at September 18, 2012 Board meeting. Notice to proceed issued December 4, 2012. Submittals were processed. On-site work began in late June 2013 after Cedar-University Circle Station re-opened. Eaton Crossing was completed. |
| Shaker Junction Reconstruction (23V4) | Engineering services for the reconstruction of Shaker Junction and Square Grade Crossings<br>Consultant: TranSystems Corp.<br>Design Cost: $421,979 | Received Inspection Findings & Rehabilitation Alternatives Analysis Report on February 12, 2013. Report review meeting held March 19, 2013. Comments returned to TranSystems. Preparation of 100% plans and specifications are underway. |

| PROJECT | DESCRIPTION | STATUS |
| --- | --- | --- |
| West 65 Substation Replacement (23Z) | Restore building and substation gear<br>Contractor: TBD<br>Estimate: $2,800,000 | Plans and specifications developed in-house. 100% package circulated for approvals March 27, 2013. Package completed. |
| Fairhill Substation Replacement (49A) | Restore building and substation gear<br>Contractor: Lake Erie Electric<br>Construction Cost: $2,432,721 | Plans and specs developed in-house. Construction contract awarded December 18, 2012 and notice to proceed issued February 27, 2013. Submittals being processed. |
| Van Aken (Green Line) Blvd. Crossing Rehabilitation (52D) | Replace Green Line Van Aken Blvd. grade crossing east of Shaker Square.<br>Contractor: Atlas Railroad Construction<br>Cost: $322,000 | Construction contract awarded December 18, 2012 and notice to proceed issued January 29, 2013. Project complete and closeout is underway. |
| PA System at Stations and Transit Centers Construction (13.50) | Upgrade of communication systems at stations and transit centers<br>Vendor: Paladin Communications<br>Cost: $792,020 | Contract awarded at August 2, 2011 Board meeting. Notice to proceed issued September 8, 2011. Work completed and system is in operation. Closeout is underway. |
| **Passenger Facilities**<br>*Rapid Stations* | | |
| Brookpark Rapid Transit Station Design (24JC)<br>ARRA | A/E services for design of Brookpark Station<br>Consultant: Bialosky + Partners<br>Cost: $1,318,888.01 | A/E contract awarded June 30, 2009 and notice to proceed issued September 30, 2009. Brookpark Planning Commission approved design and project presented to Cleveland's local design committee. 90% design received on March 20, 2013, including value engineering so project will conform to budget. Change order complete for separate parking lot plans so paving can be done in 2013 ahead of station. NEPA documentation being finalized. Board awarded construction of East Parking Lot at June 18, 2013 meeting. |
| Cedar-University Station Reconstruction Design (24K) | Reconstruction of Red Line rapid station<br>Consultant: URS<br>Design Cost: $1,645,291 | Contract awarded September 21, 2007; notice to proceed issued October 15, 2007. Change order processed October 2010. FTA approved environmental documentation December 2010. Tiger II MOU executed by FTA. Bids on December 6, 2011 exceeded the budget. Value engineering completed April 26, 2012. Second bids received June 7, 2012. Construction contract awarded to McTech Corporation June 18, 2012. A/E assisting with construction administration phase. |

| PROJECT | DESCRIPTION | STATUS |
|---|---|---|
| Cedar-University Station Reconstruction (24K) | Reconstruction of Red Line rapid station<br>Contractor: McTech Corporation<br>Cost: $15,173,485 | Contract awarded June 18, 2012 and notice to proceed issued July 10, 2012. Groundbreaking ceremony held September 19, 2012. East headhouse demolished. Roadway, utility and sidewalk work underway on east side. Canopy under bridges completed. Design for pedestrian canopies between rail and bus stations approved by Design Review and Planning. Plaza design refinements also approved. Shutdown was completed on schedule with new tunnel, stair and elevator shaft pre-cast sections placed under tracks. |
| Mayfield Rd. Station & Bridge Design (24P) | ADA rehabilitation of station and transit track bridge reconstruction<br>Consultant: City Architecture<br>Design Cost: $1,566,000 | Contract awarded July 15, 2008 and notice to proceed issued August 22, 2008. Project was at 60% design, however, Norfolk Southern review resulted in decision to go to center platform design. Project selected for accelerated environmental approval process. FONSI received from FTA on April 4, 2013. Tiger III ($12.5M) funding obtained and grant agreement executed on May 31, 2013. Project design at approximately 99%. City Design Review and Planning approvals obtained. Property acquisition agreement signed and approved by Board April 16, 2013 and FTA concurrence on May 21, 2013. Removal of unused railroad bridge adjacent to new station included in final design. Public art finalists selected. Bid package being prepared. |
| Woodhill Station Reconstruction Design (24Q) | ADA upgrade of Woodhill Station<br>Consultant: Richard Fleischman Partners Architects, Inc.<br>Design Cost: $571,103 | Board awarded contract September 19, 2006. Notice to proceed issued October 23, 2006. Project construction completed, as-built documents received and project closed. This is final report. |
| Lee/Van Aken Station Rehabilitation (24S) Design (14.50 - Task 1) | ADA rehabilitation of Blue Line station<br>Consultant: HWH Engineering<br>Cost: $279,101 | Project value-engineered and new project submitted to Shaker Architectural Review Board for review and comment. Comments received. HWH Engineering preparing revised package based on GCRTA 30%. Notice to proceed issued on March 1, 2013. 100% design expected July 29, 2013. |
| Tower City Escalator Replacement (54) | Replace the 4 main Tower City Station escalators<br>Design Estimate: $100,000 | Design Request for Proposal being prepared. Expect to advertise project in third quarter 2013. |

| PROJECT | DESCRIPTION | STATUS |
| --- | --- | --- |
| **Passenger Facilities**<br>*Transit Centers* | | |
| West Side Transit Center<br>(46B) | Development plan for west side transit center<br>Consultant: Crosby, Sclessinger, Smallridge LLC<br>Cost: $89,891 | Development plan for Transit Center in Warehouse District funded by NOACA TLCI is proceeding. Second round of meetings held in November 2011 with development of final program. Consultant working on final report to submit to RTA by October 31, 2012. Grant with NOACA extended through May 2013. Still awaiting final products. |
| **Passenger Facilities**<br>*Park-N-Rides* | | |
| Independence Park-N-Ride<br>(14.81) | Develop park-n-ride lot at existing lot on Rockside Road<br>Estimated Cost: $500,000 | Met with property owner and city. Proceeding in determining property rights and design/ construction improvements needed at the lot. Appraisal completed. Bids due July 27, 2013. |
| **Passenger Facilities**<br>*Enhancements* | | |
| Clifton Blvd. Transit Enhancement Design<br>(51)<br>ARRA | Clifton Blvd. transit enhancement program<br>Consultant: Richard Bowen & Associates<br>Cost: $943,406 | Contract awarded November 17, 2009. Project started January 12, 2010. First public meeting held April 7, 2010. Public workshops held for Lakewood and Cleveland. Environmental document and Section 106 report completed and submitted to FTA and OHPO for approval. Extensive traffic counts performed March 2011 in support of design exception. Meetings held with City of Lakewood September 10 and City of Cleveland September 11, 2012. Design Exception Report submitted with revisions on October 15, 2012. Resubmitted for ODOT review on March 27, 2013 and April 22, 2013. ODOT approved on May 15, 2013. 100% design received May 13, 2013. Project advertised on June 24, 2013 with bids due on July 24, 2013. |
| W. 25 Street Station Area Plan<br>(14.55) | Development of W. 25 Station area<br>Consultant: Michael Baker & Associates<br>Estimate: $60,000 | Contract signed and notice to proceed issued October 1, 2012. Meetings with stakeholders held in October and December 2012. Revised alternatives submitted in February 2013. Planning Commission meeting held in June 2013. Board presentation scheduled for July 2, 2013. |
| Transit Waiting Environment (TWE) for City of Lakewood<br>(14.73) | Bus stop area enhancements<br>City: Lakewood<br>Cost: $19,000 | Met with team to review design and installation schedule. Construction is completed. Final invoices received and being processed for payment. |

| PROJECT | DESCRIPTION | STATUS |
|---|---|---|
| Transit Waiting Environment (TWE) for Midtown Cleveland, Inc. (14.74) | Bus stop area enhancements<br>Group: Midtown Cleveland<br>Cost: $24,750 | Met with team to review design and installation schedule. Installation being scheduled for late summer 2013. |
| Transit Waiting Environment (TWE) for St. Clair/Superior Development Corporation (14.75) | Bus stop area enhancements<br>Group: St. Clair/Superior Development Corp.<br>Cost: $25,000 | Met with team to review design and installation schedule. Installation being scheduled for late summer 2013. |
| Solar Shelter Demonstration Project (14.89) | Develop Solar Shelter demonstration program<br>Vendor: Urban Solar Corp.<br>Cost: $13,000<br>Vendor: Brasco<br>Cost: $10,325 | Project includes the design and installation of 9 solar shelters in the system. Proposals were evaluated and two vendors selected for demonstration project--Brasco and Urban Solar. All Brasco installations were completed in June 2013. Collecting monthly data on usage. |
| **Passenger Facilities**<br>*Planning* | | |
| Blue Line Alternatives Analysis (50)<br>ARRA | Alternatives analysis for Blue Line Extension in Shaker Heights<br>Consultant: PB Americas<br>Cost: $1,117,433 | Ridership analysis continues. Modeling effort is completed. Board presentation held January 17, 2012 to initiate the LPA process. Final public meetings held January 31 and February 2, 2012. LPA selected. FTA visited in August 2012 and approved the LPA September 26, 2012. Consultant has begun Environmental Analysis and new starts evaluation per new MAP-21 guidelines. Coordinating 106 efforts with FTA/OHPO and City of Shaker. Working on PMP, which is required for New Starts. |
| HealthLine/Red Line Extension Analysis (55) | Alternative Analysis for HealthLine/Red Line Corridor<br>Consultant: AECOM<br>Estimated Cost: $1,100,000 | Study of a major transportation improvement on HealthLine/Red Line Corridor. Contract awarded March 19, 2013. Notice to proceed issued April 12, 2013. Kick-off meeting held. Team has met with Cities of Euclid and E. Cleveland and is scheduling meeting with City of Cleveland. Video in production. Public Involvement/ engagement and PMP baseline of existing conditions report submitted to RTA. |

| PROJECT | DESCRIPTION | STATUS |
|---|---|---|
| NOACA Five County On-Board Ridership Survey (57) | On-board survey<br>Consultant: ETC Institute<br>Cost: $947,893 | Contract awarded August 21, 2012 and notice to proceed issued September 20, 2012. Kick-off meeting held October 5, 2012. On-To--Off surveys complete for rail, HealthLine and two thirds of bus routes. First half of on-board survey conducted in April 2013 including Blue, Green Lines and bus routes. Second half of survey to be conducted in August/September 2013. |
| NOACA Five County On-Board Ridership Modeling (58) | Computer modeling work<br>Consultant: Parsons Brinckerhoff<br>Cost: $248,974 | Contract awarded September 18, 2012. Notice to proceed issued November 26, 2012. Project update meetings underway. Update is delayed by delay in NOACA's household survey project, however, proceeding with other tasks. |
| LEED Commissioning for Station Projects (13.33) | Review station design drawings and materials for environmental impact to meet LEEDS certification<br>Consultant: Karpinski Engineering Co.<br>Cost: $54,170 | Task orders have been issued for design enhanced commissioning for University-Cedar station $10,560 and construction commissioning $10,000. Lee-Van Aken station design fundamental commissioning $4,360 and construction commissioning $5,000. Brookpark station design enhanced commissioning $6,500. |
| **Maintenance Facilities** | | |
| Paratransit Bus Equipment Replacements (11F2) | New Heavy-Duty Vehicle Lift<br>Contractor: Standard Contracting & Engineering<br>Cost: $161,664 | Revised bid package was advertised in November 2011. New bids received November 28, 2012. Project awarded at December 18, 2012 Board meeting. Notice to Proceed issued January 28, 2013. Project is completed and closeout is underway. |
| **Bus State of Good Repair Grant Projects**<br>*Paratransit Facility* | | |
| 53A - Task 1 | Fuel island (Dispensers)<br>Contractor: JTM&B Contractors<br>Cost: $13,709 | Contract awarded. Notice to proceed issued October 1, 2012. Installation completed December 2012. Project in closeout. |
| 53A - Task 2 | Riding floor scrubber<br>Budget: $40,000 | Rolling equipment. Specification to be written in-house by GCRTA Paratransit. |
| 53A - Task 3 | Steam Cleaner<br>Budget: $12,000 | Rolling equipment. Specification to be written in-house by GCRTA Paratransit. |
| 53A - Task 4 | Snow Plow Vehicle<br>Budget: $28,000 | Project cancelled by Paratransit. |
| 53A - Task 7 & 8 | Paving and Catchbasin Repairs<br>Contractor: Marous Brothers Construction<br>Cost: $430,137.14 | Awarded at September 18, 2012 Board meeting. Notice to proceed issued October 26, 2012. Project closed, this is last report. |

| PROJECT | DESCRIPTION | STATUS |
|---|---|---|
| 53A - Task 9 & 18 | Overhead and Exterior Door Repair/Replacement<br>Contractor: Apex Construction<br>Cost: $69,750 | Contract awarded. Notice to proceed issued October 15, 2012. Project closed, this is last report. |
| 53A - Task 10 | Exterior Painting (Exterior Insulated Finish System)<br>Contractor: Southwest Companies<br>Cost: $72,105 | Work complete except for painting of new doors in project 53A-9/18. Project closed, this is last report. |
| 53A - Task 12 | Exterior Security Fencing<br>Budget: $12,000 | Project cancelled at Paratransit's request. Funds to be reallocated. |
| 53A - Task 13 | Replacement of exhaust units<br>Contractor: TH Martin<br>Cost: $374,000 | Project design by GCRTA Engineering Department completed. Notice to proceed to be issued July 3, 2013. |
| 53A - Task 14 | Revenue wiring rehabilitation<br>Contractor: RWJ Wiring<br>Cost: $14,400 | Project design completed by GCRTA Engineering Department. Work completed, project is in closeout. |
| 53A - Task 15 & 16 | Revenue restroom; break room repairs/upgrades<br>Contractor: Veterans Contracting<br>Cost: $68,300 | Low bid by Veterans Contracting received and notice to proceed issued July 25, 2012. Work completed. Issue with paint adherence to doors resolved. Project is closed, this is last report. |

**Bus State of Good Repair Grant Projects**
*Central Bus Maintenance Facility*

| | | |
|---|---|---|
| 53B - Task 1 & 53C - Task 1 | Vehicle lift replacement at Central Bus and Hayden Garage<br>Contractor: Setterlin Building Co.<br>Cost: $1,351,381 | Combined with project 53C-Task 1. Notice to proceed issued July 11, 2012. Project substantially complete. Work completed, project is in closeout. |
| 53B - Task 3 | Scaffolding fall protection<br>Budget: $42,350 | Project design underway. Design in-house by GCRTA Engineering Department. Bids due July 18, 2013. |
| 53B - Task 6 | Emergency Lights/Exit Signs<br>Contractor: G&B Electric<br>Cost: $10,290 | Project design completed by GCRTA Engineering Department. Notice to proceed issued March 11, 2013. Work completed, project is in closeout. |

| PROJECT | DESCRIPTION | STATUS |
|---|---|---|
| 53B - Task 9 | HVAC Unit Replacement AHU/ARU<br>Contractor: Gardiner-Trane<br>Cost: $140,697 | Design completed by GCRTA Engineering Department. Procurement to be done by "State Term" contract. Notice to proceed to be issued July 1, 2013. |
| 53B - Task 11 | Ventilation System Equipment (Duct Cleaning)<br>Contractor: Air Technologies<br>Cost: $27,120 | Project design completed by GCRTA Engineering Department. Project awarded as a service contract. Work underway on duct and HVAC equipment cleaning. Project completed and closed out. This is final report. |
| 53B - Task 13 | Boiler replacement<br>Estimate: $545,000 | Design completed by Osborn Engineering (On-Call A/E) for $31,940. Bids received and to be presented for approval at July 16, 2013 Board meeting. |
| **Bus State of Good Repair Grant Projects**<br>*Hayden District* | | |
| 53C - Task 3 | Replacement of Hot Water Boiler<br>Estimate: $125,000 | Design being performed in-house by GCRTA Engineering Department. Bid opening scheduled for July 10, 2013. |
| 53C - Task 5/2 | Building Automation System Replacement<br>Contractor: Novak Electric<br>Cost: $320,000 | Design in-house by GCRTA Engineering Department is completed. Project awarded at December 18, 2012 Board meeting. Notice to proceed issued January 30, 2013. In-duct smoke detectors from Task 2 incorporated by change order. Work nearing completion. |

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