

Minutes

RTA External & Stakeholder Relations & Advocacy Committee Meeting

9:08 a.m., March 5, 2019

Committee: McCall (Chair), Lucas (Vice Chair), Bibb, Byrne, Welo

Other Board members: Clough, Joyce, Moss, Serrano

Not present: None

Also Present: Anderson, Benford, Bober, Burney, Caver, Ciesla, Coppock, Cottrell, Cranford, Czeck, Dangelo, Davis (C), Davis (J), Fields, Garofoli, Gautam, Gibbons, Gillan-Shafron, Hambro, Jackson, Jaszczak, Johnson, Jones, Keshtkaran, Kirkland, Laule, Lendel, Lewis, Ilg, Loh, Moser, Muti, Pasha, Penning, Prendergast, Rusnov, Schipper, Schultz, Shaffer, Shariff, Sims, Smith, Snell, Sohrabian, Stocking, Tarka, Togher, Vukmanic, Wilson, Young, Zeller

Chief McCall called the meeting to order at 9:08 a.m. The secretary called the roll and reported that five (5) committee members were present. Public comment on both presentations will be taken at the end of the meeting.

CEO Job Description

Gregg Moser of Krauthamer & Associates, gave the presentation. He spoke to members of the Board, executive management team and public, to get input about what they were looking for in this position. A draft job description was available for review. The goal is to provide background information about RTA, advertise and go out to recruit. He broke the job description down in several categories; general transit management, internal relationships, external relationships, Board interaction and personal attributes. Some of the items he heard back from stakeholders to include in the job description include:

- Possesses strong financial management skills
- Understands transit operations and how to run large complex organizations
- How to run an organization and implement effective cost control measures
- Understands current transit trends and issues and how mobility is changing the industry
- Bringing alternative solutions to the organization
- Oversee an aging fleet of vehicles and infrastructure and provide asset management plans
- Effective marketing and public outreach
- Encourage and empower the executive management team to think outside the box
- Build healthy working relationships with the unions and employees
- Capable of engaging effectively with elected officials, members of the community, stakeholders and customers
- Meet regularly with stakeholders
- Address the needs of all community members
- Capable of developing a strong relationship with the Board
- High integrity, transparent communication to the public

- Finding alternative funding mechanisms
- Ability to communicate effectively and treat everyone equally
- Embracing diversity and inclusion

It was the desire to look for someone with at least a bachelor's degree, or someone with comparable executive years of experience and service. The net would be cast wide and narrow it down from there. The next step is to finalize the job description. From there, he recommends the position be posted publicly. He recommends it is posted on GCRTA's website, American Public Transportation Association (APTA), Conference of Minority Transportation Officers (COMTO), Women in Transportation Seminar (WTS) and Transit Talent. Additionally, he will go out and recruit candidates, which includes calling people who may not be looking for a job. The Board prefers someone who understands transit, but the search will include people who have run large complex organizations, multimodal organizations or of like and similar kind. His timeline is to post the position for 60 days. It gives candidates time to reflect and speak with their families, prepare a resume and for him to vet candidates. Once the candidates are interviewed, he'd like to have the search committee review a large/small pool of candidates, select a group they'd like to interview and make a recommendation to the full Board of a short list of candidates for consideration. Then a decision will be made whether to extend an offer.

Chief McCall said the shortlisted candidates will meet with each Board member and participate in a public forum. Mr. Bibb asked that tech and digital fluency, transit equity and the right context of the current state of the RTA, with the major Pillar Studies, be added to the job description. They should be required to review the studies too. Mr. Joyce asked how long after the 60 days does the process take. Gregg said it would take four or five weeks after the point he makes the recommendation. Ms. Moss is pleased with the process so far and all the comments. She welcomes input from the public. Mayor Welo added that the Board has shared the responsibility of the process. They want to be open, transparent and own the position. Mayor Clough added that their input reflects their own request as well as the public's. Chief McCall added that the position should be posted locally in The Plain Dealer, Crain's Cleveland and the Dispatch. Additionally, City Managers Association, National Association of Regional Councils (NARC), National League of Cities (NLC), US Conference of Mayors, National Association of Counties (NACO). She asked Gregg to advise on public meetings with the final candidates so that it doesn't conflict with confidentiality issues.

Economic Impact Study

This study was conducted by Cleveland State University (CSU) Center for Economic Development. The presentation researchers are led by Dr. Iryna V. Lendel. Her team includes Dr. Obed Pasha, Dro Sohrabian and Matthew B. Ellerbrock. They studied 2017 economic impact of RTA on Cuyahoga County. They considered RTA operations and capital spending. RTA produces an operational impact of \$292 million and a capital impact of \$30 million (which was the lowest of the last five years). The economic impact was measured in output, which is equivalent of all economic activity in Cuyahoga equated to \$322 million. Economic impact in employment numbers (operations of securing and bringing new jobs) is 2,837 and 140 jobs through capital investments, totally 2,977 jobs. Operational earnings of wage and salary totals \$200 million and capital investment of \$8 million, totally \$208 million.

To arrive at these results, they look at operational expenses, salary and capital expenses. In addition, the economic impact on capital expenses over the last five years was used. The result is not nearly the entire budget of RTA because the impact was only calculated for Cuyahoga.

They only used expenditures that were spent for purchasing goods and service in Cuyahoga. They accounted staff and salaries of people residing in Cuyahoga and spending with the assumption that the bulk of their money was being spent in the county. They were very conservative in order to produce solid numbers.

They also run additional statistical models using multiple social economic data on the census tracts, where transit was previously not available and then became available. They found 429 census tracts in the county. They ran various models where they assessed the impact of the access to transit on several indicators that characterized the county. For example, in terms of transit impact on Cuyahoga County property values, on average over a decade, property values increased by 3.5% for previously unserved census tracts, which received some transit service. The 2010 median-based estimate of property value for those 429 census tracts is \$65.7 billion in 2019 dollars. The derived property value increase attributed to transit access is \$2.2 billion in 2019 dollars.

Employment increased on average by 3.1% and poverty decreased on average by 12.9%. In addition to statistical modeling, they calculated direct numbers using a 2013 onboard survey. This was the best data available. They estimated that those who depend on RTA, brought home \$485.8 million. The direct annual savings for RTA passengers who use RTA instead of using a car, equate to \$51.9 million. Students make up 25% of RTA riders and 77% of them depend on transit. If RTA services were suspended, it would affect 16,872 students. CMSD saves \$28.7 million annually by having their students use RTA. Approximately, 6,000 of 7th and 8th grade students were able to ride RTA. About 5.3% of RTA riders use it to get to medical appointments and 89% of them depend on RTA to get to their appointments. If they didn't have RTA, they could not get to their appointments or would have difficulty getting there. This would be a \$103.4 million annual loss for healthcare institutions. Additionally, it would be a loss to patients who wouldn't receive timely medical care.

They calculated economic impact over 2017 where capital expenditures was the lowest of the five years and the cumulative impact of five years capital investment of RTA. They used an IMPLAN modeling, which is relationships between supply chain customers, where industries are buying from each other within the region of the study. They were able to sum up economic impact in terms of five measures. In addition, they looked at the descriptive analysis of distribution of RTA wages across different municipalities in Cuyahoga. They looked at the local contributions to the economy using statistical models over the 429 census tracts. They used the historical system of map processing and as a side result of the study, they digitized RTA maps. They looked at job access and the spatial mismatch analysis, which is where people who are at great poverty and concentration of where the poverty lives and where they could potentially reach for jobs. The jobs that require entry level, low skills that would be immediately available if they can have transit access.

Usually economic impact is calculated by good money in, which is money that comes from outside into the region of the study. This is the most traditional way. But they recognized that not all funding is coming from outside Cuyahoga. They treated RTA as part of the infrastructural service for the county. Therefore, they use an assumption. What happens if RTA suspends its services and simply doesn't exist? The county would loss \$182.1 million. Detailed expenditures is found in a larger detailed presentation.

Five measures of economic impact:

- Employment impact measures the number of jobs created and supported in the region as a result of GCRTA operations and expenditures

- Labor income impact measures the additional labor earnings created in the region due to GCRTA operation and expenditures
- Value added impact measures the additional economic value created in the region as a result of GCRTA operations and expenditures. Value added is calculated as output less the value of intermediary goods (such as security services or gasoline)
- Output impact measures the additional value of all goods and services produced in the region as a result of GCRTA operations and expenditures
- Tax impact measures the additional federal, state, and local tax revenues collected in the region as a result of GCRTA operations and expenditures

Economic impact in terms of direct, indirect and induced effect are additional layers across the five indicators. Direct impact is direct operational spending that RTA incurs to run its business. RTA employs directly 1,800 Cuyahoga residents. The labor income and benefits of those employees in 2017 was \$156.4 million. The value added was \$169.5 million, totaling \$182.1 million. Due to direct operation of RTA in Cuyahoga County and on a state level, there were a total of \$7 million state and local taxes. Indirect impact is generated by companies who sell their supplies, services and goods to RTA. Across the supply chain, 433 jobs were created, which includes hundreds of vendors and companies, who pay for their services and supplies and the fractions of jobs secured in each company. These jobs secured the labor income of \$14.8 million. It created the value of the product at \$21.2 million and secures the overall economic activity at the amount of \$35 million. The induced impact is due to the consumer driven industries where RTA employees and employees of the supply chain companies, draw their income that is due to the operations of RTA. They use their salary and wages and spend them across their traditional household pattern. Added together, across the five variables, the total impact determined operational expenditures is \$170.8 million and capital expenditures is \$11.3 million totally \$182.1 million in 2017.

The industries most affected by the spending in the county include transit and ground transportation. Construction and other nonresidential structures and several others were also affected. Over 400 industries were affected by spending and indirect and induced effect. There are two industries affected directly. Some industries they call vis-a-RTA driven, which are in the supply chain of RTA directly. Examples include trade and financial service, transportation and construction. Population serving driven industries supply consumer goods and services to people. Examples include healthcare, retail, real estate, etc. The cumulative effect of the five-year capital investment due to RTA, was calculated annually. They never add up employment from the annual to accumulative, because they assume these people are potentially employed every year. So they calculate the average employment instead, which was 247 people employed in the supply chain. Cumulatively over five years, they earned \$70.9 million and created growth regional product of \$100.5 million created overall activity worth \$170.1 million and \$5.8 million was calculated in taxes.

Out of \$137 million that was spent on salaries by RTA, \$112 million were paid to workers residing in Cuyahoga, which is 82% of the total payroll annually; 65% of salaries paid in Cuyahoga was distributed to workers living in top 10 municipalities and 31.5% of locally paid salaries was paid to workers who live in Cleveland. Besides Cleveland, the top municipalities was Euclid, Cleveland Heights, Parma, Maple Heights and others. Contributions to the local economy indicates that in the high level of results, that employment in previously underserved areas increased by 3.1%, poverty decreased by 12.9% and a significant increase of property value (that on the average over a decade) increased by 3.5%. Statistical modeling was run on

462 Cuyahoga County census tracts and the changes within those tracts was recorded within each decade between 1970 and 2010. Socioeconomic data from LTDB (Longitudinal Tract Data Base) was used with a measure called "access to transit." More details will be released on methodology when the full report is released. They investigated the effects on poverty rates and employment, part-time and minimum wage workers along transit, housing and property values and access to jobs.

They used every RTA historical system maps available. They manually converted and created shapefiles to networks and can now establish in GIS format every census tracts property. Through looking at those properties, they assign to every census tract when it was gaining access to training, which was apportioning a value whether a route was running through the census tracts. Looking at job access and spatial mismatch, the top 20 census tracts where the most entry level jobs are concentrated are a great distance from one another. This creates a challenge for people in poverty who live closer to the center of the county. A lot of them are in Cleveland, but most of the jobs are in the distant suburbs. Job access as an evolving trend has young people ages 25-44 who prefer to use public transit over a car. This structural change was said to start with millennials. Other local contributions are derived from direct calculations based on 2013 on-board survey. They used 31,000 observations, which are more speculative findings.

About 14% of Cuyahoga County riders or 34,202 get to their jobs daily using RTA and depend on RTA. They bring home \$485 million. Over 5% of these commuters use RTA for medical appointments; \$51.9 million was saved by using RTA and 25% of riders are students. The current savings to CMSD is \$28.7 million. There were 67,402 estimated daily rides based on NTD reports. About 50% of RTA riders go to work using RTA, but this constitutes 34,202 people. Of this, 24,000 depend on RTA and 14,600 highly depend on RTA. People who highly depend on RTA, most likely don't have a car to get to work. Such individuals would be at risk of losing their job if RTA ceased their services. There are additional losses in healthcare and cost to people who don't get to appointments. Cost savings for commuters was derived by the number of passenger miles traveled by car. They would have to spend \$97.4 million by using their car and parking versus RTA. The direct spending at RTA of \$45 million minus \$97.4 million is \$51.9 million savings. About 77% of students who ride RTA depend on RTA. If there was no contract between CMSD and RTA, the school district would go with the State minimum requirement to transport 7th and 8th grade student, which is approximately 6,000 students.

In summary, in 2017, GCRTA employed 1,800 from Cuyahoga County (82% of their total employment). In addition, \$156.4 million was spent in 2017 on local salaries and benefits. There was \$25.7 million spent locally from capital and operational budgets (not including salaries). Over the last five years, on average, GCRTA spends \$34 million locally on operating and capital. Based on expenses, GCRTA's operation and spending created economic impact in Cuyahoga County equivalent to almost 3,000 jobs, \$208 million in labor income, \$256 million in value added, \$322 million in output and \$14 million in state and local taxes. GCRTA service access is associated with a 3.1% increase in employment in the long-term, a 12.9% decrease in neighborhood poverty in the long-term, a 3.5% increase in property values in the long-term, totaling \$2.2 billion. RTA also connects low-income population to entry-level jobs.

Commuters spend 53% less in transportation costs by using GCRTA transit verses driving, saving \$51.9 million. GCRTA helps 34,202 people in Cuyahoga Country get to their jobs every day; 24,721 commuters depend on GCRTA to get work; 3,599 individuals are using GCRTA for medical purposes daily; 3,219 of them would be at risk of canceling/missing their medical appointment in the absence of GCRTA. CMSD saves nearly \$28.7 million annually with

GCRTA services. If GCRTA services are suspended, the mobility of 16,872 students will be adversely affected in Cuyahoga County.

Chief McCall asked for another meeting to do a deeper dive into the presentation and to post the presentation. She asked that the five pillars be added to the CEO Job description. The dots need to be connected for all the studies and bring all the study presenters back at some point. Some of the facts need to be used in the daily marketing material. Dr. Caver added that he provided a one-pager that outlines the study results. This presentation included 40 slides. The full presentation was over 60 slides. Mr. Bibb asked if there could be a comparison of the drivers of transit as it compares to property values compared to other tax supported infrastructure or service projects in the county. There should be a community event to disseminate the report after it is finalized. Mayor Welo said this report will show what we'd lose since we are already stretch thin based on the system redesign presentation. The two studies need to be looked at side by side when decisions are made. Dr. Caver said that an internal groups meets every other week to discuss the progress of all of the pillar studies. Information/maps from this study was shared with Jarrett Walker.

Public Comment on CEO search and economic impact study


1. Chris Stocking – Cleveland, OH - Clevelanders for Public Transit – They appreciate being included in the process to draft the GM job description. They are happy about the increased focus on community needs, transparency, respect and communication with all levels of the government. A strong relationship with the City of Cleveland is key because they will be a critical partner to expand transit and to enhance best practices such as bus lanes, signal priority, effective enforcement of bus lanes and bus stops. The job description is similar to peer cities like Pittsburgh Port Authority. Pittsburgh hired a well-respected professional that has served the riders well. He asked that the job description includes focus on ridership. Pittsburgh put customer service as the top priority and RTA put strong financial management. Pittsburgh listed experience creating additional or new sustainable revenue streams for planned growth and expansion. RTA didn't include increased revenue, but put ridership under marketing and public outreach. Increasing revenue and ridership could be combined to say "experience creating additional revenue to restore transit service and increase ridership." It should be a higher priority than marketing. Advertising fees should be used to provide higher frequency transit service. RTA is not utilizing the land around the rail property. The job description should encourage experience with equitable transit oriented development. Under management, it should mention RTA's core competencies, which is operating public transit. This would be clearer if the terminology was more specific. For example "do the terms mobility trends and alternative transportation solutions refer to replacing fix route buses with Uber and Lyft or private shuttles." Similarly does partnering with mobility partners mean integrating fare payment with bike share and last mile solutions or does it mean contracting more paratransit services? CPT has emphasized the need for high capacity frequent transit to be a nationally recognized leader in transit fundamentals, including equitable TOD and multi-model first and last mile connections such as bike share. This will serve riders better than to substitute fixed route transit with low productivity ride hailing services. They request the final candidates participate in a public Q and A session.
2. George Zeller – Cleveland, OH – He's worked with several GMs over the years. Under external relationships on the job description, the 1st and 4th bullet points are very

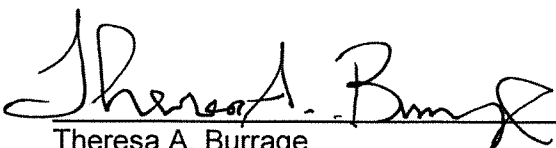
important. The PD reported the inability of the State to make public transit a priority. This is the fault of the legislatures in both parties and the Governor. The new candidate needs to know that this is the biggest challenge. Mr. Calabrese did a good job. He found that OPTA is ineffective. There needs to be work on the lobbying and advocacy effort.

3. Loh – Cleveland, OH – Take the economic and financial points off the job description. RTA has been doing that so well that the customers have no buses to ride and no customer service. The CEO should understand the real troubles or should be able forecast for the organization. They need to understand how far the jobs are from people. RTA cuts service, raise the fare and decrease ridership. She volunteered to be the next CEO and to give her salary to provide service.
4. Briann Gibbons – Fairview Park, OH - Clevelanders for Public Transit – The current bylaws doesn't include a CEO. The job description is for the GM and CEO. This may pose a challenge. This may not be a good fit for RTA. He recommends the job description reflect that it is a CEO position rather than a GM position. Other staff can pick up the GM responsibilities. Maybe the CEO can realign the duties. The position should requiring a master's or bachelor's degree or comparable experience. The search area should be broadened. You want the person to be the public face for the organization externally, internally and with the Board.
5. Akshai Singh – Cleveland Hts, OH - Clevelanders for Public Transit – He congratulated the Board on getting the study started. It's vital to get these type of figures in front of the state leaders, who are considering another \$1.2 billion in transportation, specifically highways. They need to understand the economic impact of what RTA is managing. Transit is defined in Ohio law as serving highway purposes. Ten thousand commuters are not driving everyday because of public transit. The State doesn't believe that transit is eligible for funding with gas tax money. RTA needs to be able to have this conversation with them. State gas tax money can be used to install bus lanes. It's stated in the law under the budget since 2017 under Section 203.8. The new CEO needs to be under the best situation possible.

Chief McCall asked Dr. Caver to summarize when the study will go public, when it is sent out. Gregg Moser added that he will revise the job description based on the comments. He doesn't number items on the job description because it is not possible to make everything the first bullet point. He will convey to the candidates that all of the points are important not just the top listed bullets. He said he would add General Manager to the title since that is in the bylaws. Dr. Caver said the economic impact presentation will be posted on the website and shared with elected officials.

Chief McCall adjourned the meeting at 10:37 p.m.


Floun'say R. Caver, Ph.D., Interim CEO
General Manager/Secretary/Treasurer


Theresa A. Burrage
Executive Secretary