

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY



# QUARTERLY MANAGEMENT REPORT

FIRST QUARTER 2018



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## From the CEO



2018 began with positive steps towards improving service and strengthening RTA's financial position, and this is best illustrated by the March 11<sup>th</sup> service changes. Service adjustments were made on 15 of RTA's 52 bus and rail routes. The adjustments were designed to have a minimal impact on customer convenience and promote better job connectivity. For example, the #5's new alignment via Richmond Road, Harvard Avenue, and Orange Place will better serve University Hospital's Ahuja Medical Center, Harvard Park, Tri-C Eastern Campus, and the new Pinecrest Development. These slight adjustments will reduce expenses by \$4 million annually, or \$11,000 per day, closing our funding gap by approximately 20%.

Other service improvements included putting thirty new paratransit buses into service and the launch of the FTA sponsored Enhanced Transit Safety Retrofit Package Project (E-TRP). In conjunction with Battelle and a grant from the FTA, we are developing and testing a connected vehicle transit safety system, which has been installed on 24 GCRTA buses and at three high traffic intersections. The goal of this system is to improve safety by alerting the bus driver when a pedestrian may be encroaching into the path of the bus, or if another connected vehicle may be in the process of turning into the path of the bus. Testing is underway and will be completed towards the beginning of the third quarter.

In terms of funding, RTA applied for and was awarded two significant grants for CNG. Not only did the FTA approve the Triskett Garage CNG improvements, but the U.S. Department of Transportation also awarded the project more than \$2.6 million, and the Ohio EPA awarded RTA a \$400,000 grant to help cover the cost differential between diesel and CNG buses. The dollars will go towards the cost of 16 of the 33 new CNG buses currently on order.

During the first quarter, RTA shed two non-productive assets: the Harvard and Brooklyn garages. From the sales, RTA netted nearly \$4.4 million, and the proceeds were deposited into our Rail Car reserve fund. Furthermore, the Authority stands to save roughly \$850,000 annually from the costs associated with maintaining these properties.

During the first quarter I met with the Mayors and Managers Association and members of both, Cleveland City Council and the Cuyahoga County Council to provide a status update of RTA's funding challenge and our priorities.

As always, St. Patrick's Day proved to be an exceptional day for ridership. On average, about 12,000 more customers rode the Red Line and 1,600 more on the Blue/Green Line on St. Patrick's Day than on a regular Saturday in March. The percentage of customers who used the special round trip ticket on both the Red Line and Blue/Green Line was 24%. This is the highest percentage since 2013.

In February, Nicholas Biggar was named the District Director of Hayden. Nick is currently in the APTA Emerging Leaders Program and was recently named one of OPTA's 40 Under 40. The promotion of Nick demonstrates the benefit of a focus on succession planning, one of our Vital Few Objectives.

Additionally, Dan Dietrich, the Manager of Fleet Engineering and QA, was named the Acting Director of Fleet Management.

In the first quarter RTA kicked off the Harvest for Hunger Campaign, which ran from March 12<sup>th</sup> to April 6<sup>th</sup>. This year's goal was to raise \$6,000, and our employees went above and beyond to reach it, bringing in \$8,676.75. Not only is this total 44.61% above our goal, but it is 30% more than last year and will provide 34,707 meals to people in need.

The enclosed report details the activity and operating results of RTA through the first quarter of 2018. The eight TEAM performance measures continue to be at the core of our operating philosophy. Additional quarterly updates are included for DBE participation, Affirmative Action, Succession Planning, 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,



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

**Financial Analysis**

**Financial Vision**

In the 2016-2018 Strategic Planning cycle, the 5-Year Strategy and 10-Year Vision were updated and framed in a Balanced Scorecard (BSC) with Financial Vision being a BSC Focus Area. One Vital Few Objective (VFO) within this category, Fiscal Responsibility, yields two Initiatives: to Increase Revenue and Reduce Expenses, and to Enhance Fiscal Responsibility. The core drivers of Fiscal Responsibility are outlined in Figure 1.

Initiative: Increase Revenue, Reduce Expenses	Performance Target	1st Quarter Performance
General Fund Revenue	≥ 1% Growth	1.45%
Passenger Fare Ratio	≥ 20%	17.5%
General Fund Expenses	≤ General Fund Revenue	-26.72%
Personnel Costs vs. Budget	≤ Budget	.22%

**Figure 1: 2016- 18 Strategic Plan, Financial Vision Balanced Scorecard Focus**

**General Fund Revenues**

The Authority’s top 4 sources of Revenues are Sales & Use Tax, Passenger Fares, Advertising & Concessions, and Reimbursed Expenditures. Other nominal contributors are the Investment Income and periodic one-time reimbursements from the Northeast Ohio Areawide Coordinating Agency (NOACA), the State of Ohio, or the Federal Transit Administration.

Sales & Use Tax receipts are the largest source of revenue for the Authority, representing 69.0 percent of total budgeted revenues. The State removed the Medicaid Managed Care Organizations from the tax base as of July 1, 2017. With a 3-month lag, the loss of sales tax receipts was realized in October 2017. The State provided \$20 million of assistance due to the loss of sales tax funding, \$10 million was received in 2017 and another \$10 million was received in January 2018. The Authority received an additional \$5.1 million of assistance from the State in January 2018. Sales & Use Tax receipts received in the First Quarter 2018 were 1.9 percent (nearly \$1 million) lower than budget, and 11.5 percent (\$6.6 million) lower than First Quarter 2017. This is primarily due to the loss of the Medicaid receipts. Year-end receipts are projected to total \$197.8 million, at the budgeted level.

Passenger Fares, the second largest source of revenue, represents 16.7 percent of total budgeted revenues. After the First Quarter, Passenger Fares totaled \$10.1 million, 11.4 percent of total revenues, and 5.5 percent below 2017 levels. Ridership has been falling over the past several years nationally, as gas prices remain low. Passenger Fares are projected to be \$43.4 million, slightly over the amended budget by year-end.

Reimbursed Expenditures are budgeted at 7.6 percent of total revenues, or \$22.6 million. Preventive Maintenance reimbursements are budgeted at \$20.0 million, maintaining the Authority’s goal of under \$25 million. Other Reimbursed Expenditures includes reimbursements for force account labor, fuel tax refunds, and other federal and state reimbursements. Through the First Quarter, \$12.3 million was received. By Year-End, Total Reimbursed Expenditures are expected to be at budgeted levels. Trolley sponsorship is budgeted at \$640,000. No payments have been received in the First Quarter.

The other revenue sources, which includes Advertising and Concessions, Investment Income, and other miscellaneous revenues, are budgeted at 0.6 percent of total revenues. Total revenue received in this category for the First Quarter was \$862,230. Advertising & Concessions is expected to end the year at \$2.1 million, at the budgeted level. Investment Income is projected to end the year at \$829,566, higher than budgeted levels as the Authority is receiving a higher percentage of interest. Other Revenues are projected to end the year at \$1.6 million, at the budgeted level.

General Fund Revenue Item	First Quarter Revenues	Percentage of Total Revenue	Percentage Change Compared to Budget
Sales & Use Tax	\$50,849,970	56.9%	-1.9%
Passenger Fares	\$10,147,045	11.4%	-
Advertising & Concessions, Investment Income and Other Revenue	\$862,230	1.0%	12.9%
State Aid for MCO Loss	\$15,182,262	17.0%	51.3%
Reimbursements and Operating Assistance	\$12,325,792	13.8%	-2.8%

Figure 2: General Fund Revenue Highlights

**General Fund Expenses**

The original 2018 General Fund Budget includes the Operating Budget, \$259.7 million, and transfers to other Funds, \$40.5 million, for a total General Fund Budget of \$300.1 million. The Operating Budget was 5.1 percent over 2017 estimated expenses. In March, the Board of Trustees approved a reduction to the 2018 General Fund Budget. Due to the removal of the Medicaid from the sales tax base and reduction in passenger fares estimate, the Operating Budget was reduced by \$5.7 million and transfers were reduced by \$7.0 million, for a total General Fund reduction of \$12.7 million. Operator Labor and Overtime was reduced based upon adjusted service levels, union increase retro payments were added, and non-personnel costs were reduced to align with prior year actual expenses. The information following compares actual expenses to the amended General Fund Budget.

Total General Fund Expenses ended the First Quarter at \$65.5 million, 9.4 percent under budget. First Quarter Expenditures are \$23.9 million under First Quarter Revenues. Total Operating Expenditures are projected to end the year at \$248.5 million, \$5.5 million under the Amended Budgeted levels. The four most critical are personnel costs which include salaries and benefits, Fuel (including Diesel and Natural Gas) and Other Expenditures, which includes services, inventory, utilities, liabilities and damages, and other expenses. Salaries are 52.0 percent of total expenses and ended the First Quarter 2.1 percent over budget due to the union increase, which was retroactive to February 2017. Fringe Benefits are 20.1 percent of total expenses and ended the Quarter 2.8 percent over budgeted levels. This is mainly due to higher than expected health care expenses. Health care expenses are projected to end the year between \$2.0 and \$2.5 million above budgeted levels. About half of the funding needed for the health care expenses may come from savings in Prescription costs, which are estimated to end the year \$1 million under budget.

Fuel, including diesel and natural gas, are managed by the Energy Manager through the Energy Price Risk Management Program. Fuel represents 3.0 percent of budgeted levels. Through the First Quarter, total fuel costs were \$2.0 million, 5.5 percent over budgeted levels. Fuel costs are projected to end the year near budgeted levels.

Other Expenses includes services, inventory, other utilities, such as telephone and electricity costs, liabilities and damages, and other expenses, which are driven by the Operations division. As a whole, this category represents 21.6 percent of the total expenses. Through the First Quarter, other expenses totaled \$14.1 million, 5.1 percent below budgeted levels. This category is projected to end the year at \$50.5 million, 9.1 percent under the 2018 Amended Budget.

Service contracts represent 1.5 percent of the total expenses and ended the Quarter 20.5 percent below budget. Materials and Supplies includes the Inventory category. Inventory includes preventive and corrective maintenance parts for buses, trains, facilities, and equipment; as well as kits for the predictive maintenance program. Inventory ended the quarter at \$3.6 million, 0.9 percent under budget. At the end of the First Quarter, other materials & supplies totaled \$1.1 million, 0.28 percent over the 2018 Amended Budget.

Other Fuel and Utilities expenses includes gasoline, propane fuel, propulsion power, water, sewer, electricity, telephone, and taxes. Utilities represents 2.6 percent of total expenses and ended the First Quarter at \$1.7 million, 9.6 percent under the 2018 Amended Budgeted level. Liability claims and insurance premiums ended the quarter at \$1.4 million, about 19.6 percent over budgeted level. This is due to a premium that was paid at the beginning of the year. By year-end, Liabilities and Claims are projected to be 5.7 percent under the 2018 Amended Budget.

Purchased Transportation includes ADA Contracts, the vanpool, and Medina/Brunswick Pass-Thru. Purchased Transportation costs through the First Quarter totaled \$2.5 million, 3.5 percent under the 2018 Amended Budgeted Level. By year-end, Purchased Transportation is projected to total \$8.4 million, or 4.1 percent under the 2018 Amended Budget.

Transfers to Other funds includes transfers to the Reserve Fund, Pension Fund, Capital Funds, Bond Retirement Fund, and Insurance Fund. A \$30 million debt service was budgeted for 2017 but was deferred to the beginning of 2018. This debt schedule has been deferred again until the 4<sup>th</sup> Quarter, which will save about \$1.6 million. The 2018 Amended Budget includes a \$2.0 million reduction in the transfer to Capital and a \$5.0 million reduction in the transfer to the Reserve Fund. Total transfers are projected to end the year at the 2018 Amended Budgeted level.

Operating Expense Item	1st Quarter Expenses	Share of Total Projected Operating Expenses	Percentage Compared to 2018 Budget
Salaries	\$34,017,662	52.0%	2.1%
Fringe Benefits	\$13,179,035	20.1%	2.8%
Fuel (Diesel & Natural Gas)	\$1,966,241	3.0%	5.5%
Services and Contracts	\$3,440,982	5.3%	-27.1%
Inventory	\$3,579,479	5.5%	0.9%
Purchased Transportation	\$2,463,089	3.8%	-3.5%
Other Fuel and Utilities	\$1,710,034	2.6%	-9.6%
Liabilities & Damages	\$1,411,121	2.2%	19.6%
Materials & Supplies	\$1,068,080	1.6%	0.3%
Other	\$458,417	0.7%	-36.7%
Transfers to Other Funds	\$2,192,526	3.4%	-76.7%

Figure 3: Key General Fund Expense Highlights

**Personnel Expenses vs. Budget**

An important focus of managing expenses includes reviewing personnel costs compared to the budget. Key factors that impact this ratio include employee vacancy rates, absenteeism, vacations, special service delivery levels, health care costs, as well as special projects. The goal is for personnel costs are to be at or 2% below budgeted levels .At the end of the First Quarter, Total Personnel Expense (Salaries and Fringe Benefits) was 2.3 percent over budgeted levels. This is mainly due to the ATU receiving a 1 percent salary increase based upon contract terms, which was retroactive to February 2017. The percentage adjusted for this is .22% over budget. As previously explained, the amended general fund budget includes this payment. There were also large health care claims that were received in the first quarter, as explained previously under the General Fund Expenses. Operator salaries was 5.4 percent over budget. At the end of the First Quarter, the Authority had 93 full-time and 28 part-time operator positions vacant. Non-Operator salaries was 0.02 percent over budgeted levels. Figure 4 summarizes the Authority-wide 2018 expenditures by these workforce segments.

Workforce Segment	1 <sup>st</sup> Quarter Labor Expense	1 <sup>st</sup> Quarter Budgeted Labor	% Expense vs. Budget
Salaries	\$34,017,662	\$33,316,517	2.1%
Fringe Benefits	\$13,179,035	\$12,817,772	2.8%
<b>Total</b>	<b>\$47,196,697</b>	<b>\$46,134,289</b>	<b>2.3%</b>
Operator Salaries	\$13,014,288	\$12,317,782	5.4%
Non-Operator Salaries	\$21,003,373	\$20,998,736	0.02%

Figure 4: Salaries and Fringe Benefits Performance Highlights.

**Financial Goals**

Additional measures of budget performance include six financial policy goals as approved by the Board of Trustees. The goals are listed in Figure 6.

**Operating Efficiency**

The policy goal is to maintain an **Operating Ratio** of at least 25 percent. At the end of the First Quarter, the Authority had an Operating Ratio of 18.7 percent, above the 18.2 percent in the 2018 Amended Budget, but below 19.5% from 2017. Key influencers of this indicator are the 3 percent service reduction executed in March 2018 and declining ridership. Total Passenger Fares are projected to decrease by 4.4 percent and Operating Expenses are projected to increase by 0.3 percent compared to 2017.

The target of the **Cost per Hour of Service** measure is to be maintained at or below the budgeted rate of inflation, which is 2 percent. Factors that impact this indicator include the change of Total Operating Expenses relative to the prior year, annual service levels, and the rate of inflation as calculated by the Federal Reserve. At the end of the 1<sup>st</sup> Quarter Cost per Hour of Service is projected at \$132.8, an increase of 0.3 percent compared to 2017. This is due to maintaining operating expenses in 2018 compared to 2017.

**Operating Reserve is targeted for a period of 30 Days or 1 Month (1.0)**, meaning the available cash equivalent of one month’s operating expenses, with a stretch goal of 45 Days (1.5 months). Key factors that influence this indicator are Operating Revenues and Expenses, and General Fund Transfers to the other Funds of the Authority. The projected Operating Reserve for the 1<sup>st</sup> Quarter is 1.9-months.

**Capital Efficiency**

The **Debt Service Coverage** ratio goal is 1.5 or above and compares total operating resources, (net of operating costs and transfers to the Insurance, Capital, and Pension Funds), with the Authority's debt service needs. At the end of the First Quarter, the Debt Service Coverage is 3.29, higher than the budgeted amount of 2.06 due to reductions in the Operating Expenses and the rescheduling of the debt issuance until the 4<sup>th</sup> Quarter 2018.

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 at least 10 percent. This indicator is projected at 12.8 percent, within the policy goal, for the First Quarter.

At 100 percent, the **Capital Maintenance Outlay to Capital Expansion Outlay** ratio remains outside of the 75-90 percent range outlined in the Board Policy goal, though under the FY 2017 level of 97.3 percent. This measure continues to show the Authority's focus remains first on the maintenance or SOGR of its current assets rather than on the expansion of service levels. Given the financial constraints of recent years, this continues to remain the best course available as the Authority continues on its five-year bus replacement program, equipment upgrades and infrastructure improvements.

In summary, four of the six efficiency financial indicators meet the Board Policy Goals are projected better than budget. Once again, the hard work put forth has helped to maintain a strong financial position for the Authority.

2018 1st Quarter							
Financial Policy Goals							
	Goal	2015 Actual	2016 Actual	2017 Actual	2018 Amended Budget	2018 Estimate	
Operating Efficiency	Operating Ratio	> 25%	19.9%	20.1%	19.5%	18.2%	18.7%
	Cost/Hour of Service		\$140.0	\$135.1	\$132.4	\$150.1	\$132.8
	Growth per Year	≤ Rate of Inflation [2%]	13.1%	-3.5%	-2.0%	11.0%	0.3%
	Operating Reserve (Months)	≥ 1 month	0.8	1.6	1.7	0.5	1.9
Capital Efficiency	Debt Service Coverage	≥ 1.5	1.78	2.50	4.11	2.06	3.29
	Sales Tax Contribution to Capital	> 10%	18.5%	14.3%	12.2%	15.0%	12.8%
	Capital Maintenance to Expansion	75% - 90%	98.9%	96.3%	97.3%	94.1%	100.0%
Reserved Funds	Fuel Reserve Funds	Fuel Budget less Annual Expenditures	\$0	\$0	\$2,454,922	\$0	\$0
	Compensated Absences Reserve Funds	< 25% of Accrued Liability	\$0	\$0	\$1,900,000	\$944,484	\$944,484
	Hospitalization Reserve Funds	< 10% of Annual Hospitalization Costs	\$0	\$0	\$1,800,000	\$729,330	\$729,330
	Rolling Stock Replacement Fund	≥ \$5,000,000 / yr	\$0	\$0	\$10,000,000	\$0	\$0
	27th Pay	Equal to about 1/12 of 27th Pay Period	\$0	\$0	\$1,400,000	\$694,848	\$694,848

Note: Sale proceeds from Harvard and Brooklyn were deposited directly in the rolling stock replacement for approximately \$4.4 million

Figure 5: GCRTA Financial Policy Goals, Performance – First Quarter 2018

<b>General Fund Balance Analysis</b>						
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Amended</b>	<b>2018</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>2018 Budget</b>	<b>Estimate</b>	<b>Variance</b>
<b>Beginning Balance</b>	<b>27,116,140</b>	<b>16,822,906</b>	<b>33,324,814</b>	<b>34,869,398</b>	<b>34,869,398</b>	<b>0</b>
<b>Revenue</b>						
Passenger Fares	48,419,211	46,279,344	45,436,326	42,855,419	43,416,080	560,661
Advertising & Concessions	1,442,677	2,860,267	2,389,856	2,095,000	2,095,000	0
Sales & Use Tax	205,843,321	218,749,851	213,718,145	197,793,912	197,892,554	98,642
State Aid for MCO Loss	0	0	10,034,083	15,134,083	15,182,262	48,179
CMAQ Reimbursement for 2012 Trolleys	533,478	0	0	0	0	0
Operating Assistance - Paratransit Operations	3,125,000	0	0	0	0	0
Trolley Sponsorship	0	0	0	640,000	640,000	0
Access to Jobs Program	920,570	0	0	0	0	0
Investment Income	153,534	42,156	260,016	110,000	829,566	719,566
Other Revenue	1,254,771	1,888,060	1,990,027	1,550,000	1,550,000	0
Reimbursed Expenditures	19,720,588	24,560,024	22,782,104	22,685,000	22,685,000	0
<b>Total Revenue</b>	<b>281,413,150</b>	<b>294,379,702</b>	<b>296,610,557</b>	<b>282,863,414</b>	<b>284,290,462</b>	<b>1,427,048</b>
<b>Total Resources</b>	<b>308,529,289</b>	<b>311,202,608</b>	<b>329,935,371</b>	<b>317,732,812</b>	<b>319,159,860</b>	<b>1,427,048</b>
<b>Operating Expenditures</b>						
Salaries and Overtime	134,377,598	134,370,484	135,514,105	138,059,596	137,343,320	(716,276)
Fringe Benefits	52,231,192	48,074,083	51,553,465	53,549,663	53,899,354	349,691
Diesel Fuel	10,804,133	8,627,383	6,535,532	4,966,000	4,891,857	(74,143)
Natural Gas	1,124,699	1,246,088	1,874,683	1,871,000	1,871,000	0
Other Expenditures	53,443,532	53,600,135	52,241,152	55,519,748	50,480,689	(5,039,059)
<b>Total Operating Expenditures</b>	<b>251,981,154</b>	<b>245,918,172</b>	<b>247,718,937</b>	<b>253,966,007</b>	<b>248,486,220</b>	<b>(5,479,787)</b>
<b>Transfer to the Insurance Fund</b>	<b>1,500,000</b>	<b>500,000</b>	<b>2,400,000</b>	<b>2,250,000</b>	<b>2,250,000</b>	<b>0</b>
<b>Transfer to the Pension Fund</b>	<b>100,000</b>	<b>100,000</b>	<b>75,000</b>	<b>60,000</b>	<b>60,000</b>	<b>0</b>
<b>Transfers to Capital</b>						
Bond Retirement Fund	22,615,956	21,887,562	17,045,783	18,865,474	17,292,285	(1,573,189)
Capital Improvement Fund	15,509,273	9,472,060	10,271,331	9,933,343	9,933,343	(0)
<b>Total Transfers to Capital</b>	<b>38,125,229</b>	<b>31,359,622</b>	<b>27,317,114</b>	<b>28,798,817</b>	<b>27,225,628</b>	<b>(1,573,189)</b>
<b>Transfer to Reserve Fund</b>	<b>0</b>	<b>0</b>	<b>17,554,922</b>	<b>2,368,662</b>	<b>2,368,662</b>	<b>0</b>
<b>Total Expenditures</b>	<b>291,706,383</b>	<b>277,877,794</b>	<b>295,065,973</b>	<b>287,443,486</b>	<b>280,390,510</b>	<b>(7,052,976)</b>
<b>Ending Balance</b>	<b>16,822,906</b>	<b>33,324,814</b>	<b>34,869,398</b>	<b>30,289,326</b>	<b>38,769,350</b>	<b>8,480,024</b>
<b>Reserved Funds</b>	<b>0</b>	<b>8,776,432</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Available Ending Balance</b>	<b>16,822,906</b>	<b>24,548,382</b>	<b>34,869,398</b>	<b>30,289,326</b>	<b>38,769,350</b>	<b>8,480,024</b>

Figure 6: GCRTA General Fund Balance Analysis

## Capital Commitments and Expenditures

### Capital Revenues

Under the Federal Grant Program there are 29 grant awards, 14 of the grants are within the Formula grant award category with the other 15 being highly competitive or discretionary grants.

Among those that are most applicable to GCRTA under the Formula awards are the 5370-Urbanize Area Formula Grant, 5337-State of Good Repair, and 5339 Bus & Bus Facilities. Some of the major competitive grants that have been received in prior years and identified for FY2018 are UTP, OTP3, CMAQ, NOACA 5310 and DERG awards at variable amounts.

The Strategic Plan initiative for Capital revenue is to receive at least \$20 million of competitive awards each year, enabling the Authority to focus on the state of good repair (SOGR) projects. Inception-to-date competitive awards total \$18.36 million, of which \$5.8 million have been appropriated for Red Line W.117<sup>th</sup> – Westpark rehabilitation. The majority of projects to receive competitive grant awards for FY2018 are 9 motor coaches, Radio CAD/AVL, and Triskett Building Compliance. Other projects that are still on-going include Career Pathways Training Program

and Senior Transportation Connection. These projects, and other Capital projects are explained in further detail in the Capital Commitment section Categories.

Funding Source	Appropriated Funds	Funds Committed	Funds Available	Percentage of Funds Remaining
Formula Funds	\$123,077,431	\$94,713,738	\$27,551,694	42.61%
Local Funds	\$75,367,434	\$54,697,697	\$32,139,681	48.28%
Competitive Funds	\$18,359,803	\$13,316,137	\$5,855,666	7.58%
State Funds	\$0	\$0	\$0	0.00%
Other Funds	\$2,327,369	\$1,301,428	\$1,025,940	1.54%
<b>Grand Total</b>	<b>\$219,132,037</b>	<b>\$164,029,000</b>	<b>\$66,572,981</b>	<b>100.00%</b>

**Commitments by Capital Category**

Due to the multi-year nature of many capital projects, the budget for the Authority’s capital program is multi-year or Inception-to-Date (ITD) based. The current combined capital budget appropriation within the Authority’s 2018 capital program of \$296.67 million includes the approved Fiscal Year (FY) 2018 Capital Budget of \$112.19 million and \$184.48 million of carryover capital budget appropriations from prior years.

Projects within the capital program are placed within one of the eight categories included in the chart below. The chart presents the categories of the Authority’s capital program including their total commitments (expenditures plus current encumbrances) at the end of the first quarter and compares year-end projected commitments to current category budgets.

At the end of the first quarter, combined capital project commitments total \$165.46 million. This include \$115.53 million of ITD expenditures and \$49.93 million of current encumbrances. This results in a positive variance of \$131.21 million, or 44.2%, relative to the combined capital budgets. With the exception of \$13.14 million of expenditures for preventive maintenance (PM) and other reimbursements to the Operating Budget, most capital activities during the first quarter were for continuation of projects that began in prior fiscal years and in preparation for the planned FY 2018 construction schedule and equipment/vehicle acquisitions that will continue to focus on the condition or State of Good Repair (SOGR) of the Authority’s capital assets.

Projected activities within the RTA Capital and RTA Development Funds during the remainder of 2018 will result in estimated total commitments of \$257.253 million and a positive year-end variance of \$39.42 million, or 13.3% versus the combined budgets of the RTA Capital and RTA Development Funds. The projected positive variance within the Authority’s capital programs is due to a number of factors that include the Federal Transit Administration (FTA) delays in full execution of grant awards that have delayed the project timelines as well as the expected closeout of remaining budget appropriation in projects that are completed under budget.

These capital projects will be discussed in greater detail within the various category explanations.

**2018 PROJECTED YEAR-END CAPITAL COMMITMENTS BY CATEGORY**

Category	Current Budget	Current Commitments	Projected Year-End	Proj. Variance vs. Current Budget	
Bus Garages	\$8,685,756	\$6,190,219	\$8,600,220	\$85,536	1.0%
Bus Improvement Program	\$64,817,897	\$42,529,334	\$62,419,330	\$2,398,567	3.7%
Equipment and Vehicles	\$32,875,431	\$10,481,933	\$25,918,674	\$6,956,757	21.2%
Facilities Improvements	\$18,342,228	\$12,947,103	\$15,636,718	\$2,705,510	14.8%
Other Projects	\$6,830,017	\$2,275,854	\$3,225,532	\$3,604,486	52.8%
Preventive Maint./Operating Reimb.	\$22,612,215	\$13,136,484	\$22,149,054	\$463,161	2.0%
Rail Projects	\$141,460,915	\$77,482,703	\$118,882,571	\$22,578,344	16.0%
Transit Centers	\$1,046,829	\$411,000	\$421,000	\$625,829	59.8%
<b>Grand Total</b>	<b>\$296,671,288</b>	<b>\$165,454,629</b>	<b>\$257,253,098</b>	<b>\$39,418,189</b>	<b>13.3%</b>

**Current Year Expenditures by Capital Category**

The chart below lists year-to-date (YTD) category expenditures and their related percentage of total capital expenditures for the current year through the end of the year and compares them with the prior years at the same point in time.

Majority of first quarter capital expenditures are in the Preventive Maintenance Operating Reimbursement Budget, and Rail Projects categories that generated a combined \$20.84 million, or 82.1% of capital expenditures with the balance of expenditures in much smaller amounts in the remaining categories.

During the remainder of the year programmed capital activities that will impact end of year expenditures, include delivery of 33 40Ft CNG buses, replacement of W. 65<sup>th</sup> Substation, architect and design work at E. 79<sup>th</sup> St Red Line Station, reconstruction of E. 116<sup>th</sup> Street Station, ADA upgrades to Farnsleigh Blue Line Light Rail Station, potential completion of E.34<sup>th</sup> Street LR/HR Station, and communication upgrades of the SCADA System.

Individual Capital projects with significant expenditures will be covered in the following discussion on the individual capital categories.

**CAPITAL EXPENDITURES BY CATEGORY THROUGH FIRST QUARTER**

Category	2018	%	2017	%	2016	%
Bus Garages	\$40,540	0.2%	\$717,734	2.3%	\$252,063	0.8%
Bus Improvement Program	\$1,977,995	7.8%	\$7,794,262	25.2%	\$3,750,748	12.5%
Equipment and Vehicles	\$1,118,520	4.4%	\$294,141	1.0%	\$556,838	1.9%
Facilities Improvements	\$1,109,564	4.4%	\$707,826	2.3%	\$2,226,587	7.4%
Other Projects	\$264,758	1.0%	\$330,244	1.1%	\$91,683	0.3%
Preventive Maint./Op. Reimb.	\$11,268,268	44.4%	\$17,904,080	57.9%	\$18,029,977	60.2%
Rail Projects	\$9,582,374	37.8%	\$3,140,134	10.2%	\$4,079,413	13.6%
Transit Centers	\$4,488	0.0%	\$15,487	0.1%	\$943,695	3.2%
<b>Grand Total</b>	<b>\$25,366,507</b>	<b>100.0%</b>	<b>\$30,903,908</b>	<b>100.0%</b>	<b>\$29,931,004</b>	<b>100.0%</b>

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

### **Bus Garages**

The main focus for the programmed capital projects within this category is to perform needed facilities upgrades. There are currently three projects within this project category including the soon to be completed Hayden/CBM CNG Building Compliance, CBM Lift & Fall Protection, and Triskett CNG Building upgrades that will house and maintain newly purchased CNG vehicles.

At the end of first quarter, \$6.19 million of the current \$8.69 million category budget was committed leaving a positive variance of \$2.50 million or 28.7%. Total category commitments include \$5.95 million of ITD expenditures and \$245,072 of current encumbrances. During the first quarter, there were minimal expenses generated within this category, \$40,540 of expenditures reflect the initial phase of programmed rehabilitation of Triskett Building Compliance upgrades.

The added projected commitments of \$2.41 million for the remainder of the year will be for the upgrades at Triskett Garage and installation of CBM Lift and Fall Protection equipment. The positive projected variance of \$85,536 or 1.0% at the end of the year in this category is due to project savings and expected closeout of remaining within completed projects.

### **Bus Improvement Program**

The Authority's capital program in FY 2018 includes the fifth years of a funded five-year bus and Paratransit bus replacement program. Through the end of March, category commitments total a combined \$42.53 million out of a total budget appropriation of \$64.82 million leaving a positive variance of \$22.29 million, or 34.4 percent.

The category expenditures of \$1.98 million include purchases of 16 Paratransit vehicles and various bus spare parts purchased to help maintain the Authority existing bus fleet.

The projected commitment of \$19.89 million through the remainder of the year includes the bus purchase order for 9 motor coaches and the delayed 27 40ft CNG bus order CMAQ grant funds that will be re-allocated to the Bus Garages category to host the Triskett Building Compliance that will house newer CNG buses.

The positive projected variance of \$2.40 million, or 3.7%, is due to the timing of grant awards and commitments within the two budgeted bus spare parts projects.

### **Equipment & Vehicles**

At the end of the first quarter, total commitments of \$10.48 million within this category included \$4.53 million of ITD expenditures and \$5.95 million of current encumbrances resulting in a positive variance of \$22.39 million, or 68.1%. The majority of the current encumbrances, \$4.08 million or nearly 69%, remain within the on-going Fare Collection Equipment project. There has been minimal progress towards completion of outstanding items left on the contract, but completion of this project remains an open-ended issue. Remaining encumbrances within this category are concentrated within SOGR equipment & vehicle upgrade projects throughout the Authority.

Expenditures within this category totaled \$1.12 million for various projects throughout the Authority; \$451,818 was expensed within the RTA Capital Fund for various information technology projects, non-revenue vehicle replacements, and equipment pools. The other \$666,702 were

expensed within the RTA Development Fund for communication and data center upgrades, leaving balances of projected commitments scattered throughout projects within this category.

The projected year-end positive variance of \$6.96 million, or 21.2%, mainly as a result of projected savings in on-going projects nearing completion.

### **Facilities Improvements**

At the end of the first quarter, combined commitments of \$12.95 million in this category included \$8.40 million of ITD expenditures and \$4.55 million of current encumbrances resulting in a positive variance of \$5.40 million, or 29.4%, versus the current category budget of \$18.34 million. During the first quarter, \$1.11 million was expended within the current year for various facility improvements and track bridge rehabilitation. The majority of the ITD expenses are carried forward from prior year expenditures.

Projected commitments of \$2.69 million during the remainder of FY 2018 continue to focus on various SOGR projects throughout the Authority's maintenance pool, facilities and bridges. The commitments during the remainder of the year include \$1.57 million for additional Asset Maintenance projects throughout the Authority, a combined \$1.12 million for architect and design of Viaduct Bridge Phase I, rehabilitation of Tower City Customer Service Center, and restoration and signage at various rail stations. The other projected commitments are in much smaller amounts and scattered throughout other on-going capital projects within this category.

The projected positive year-end variance of \$2.71 million, or 14.8%, for this category is primarily attributable to the planned closeout of prior year's budget authority remaining within completed projects, construction delays with Demolition of the WB Access Road due to pending approval of demolition plans by Norfolk Southern

### **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 seven remaining capital categories. At the close of the first quarter, this category has combined project commitments of \$2.28 million out of the category budget of \$6.83 million resulting in a positive variance of \$4.55 million or 66.7%.

During the first quarter of the year, a combined \$264,757 of expenditures was generated by projects within this category with \$130,916 for TSA Canine Security Team, \$49,593 Career Pathways Training Program, \$42,502 Anti-Terrorism Team, \$16,746 Senior Transportation Connection Pass-Thru, and \$25,000 for Greater Cleveland Civic Connections.

Projected commitments of \$949,678 during the remainder of the year include \$115,000 for the Career Pathways Training Program, \$626,607 TSA Security Programs and remaining projected expenditures are generated in smaller amounts throughout other projects within this category.

### **Preventive Maintenance/Operating Expense Reimbursements**

This category includes formula and non-formula grant funded reimbursements to the General Fund for various eligible activities. These include formula grant funded preventive maintenance activities within the General Fund, and non-formula grant funded reimbursements for the delivery of ADA services.

First quarter activities resulted in total commitments of \$13.14 million, in which 100% of the ITD expenditures were incurred in the current year. The year-end total projected commitment of \$22.15 million against a category budget of \$22.84 million will create positive variance of \$463,161 million, or 2.0% percent.

The projected commitment of \$9.01 million during the remainder of the year includes additional draws for Preventive Maintenance, ADA Supplemental Trips, and Travel Training Services. The projected positive variance is due to the multi-year budgeted project for the New Freedom & Travel Trainer program that cannot be drawn before the grant dead line.

### **Rail Projects**

At the end of March, \$77.49 million of the \$141.46 million budget for the Rail Projects category was committed creating a positive variance of \$63.97 million or 45.2%. Total commitments within this category consisted of \$55.59 million of ITD expenditures along with \$21.90 million of current encumbrances.

During the first quarter of the year, \$9.58 million was expended on various Rail system projects, a combined \$7.75 million or, 81% of the expenses was derived from rehabilitation of track reconstruction at W.30<sup>th</sup> – West 98<sup>th</sup> Red Line Track, project reconstruction is still ongoing at Brookpark Station, architect and design work to complete Tower City Track 10 & 13, and rehabilitation of E. 34<sup>th</sup> St. LR/HR Station. The remainder of the expenditures during the quarter occurred in smaller amounts in other budgeted projects within this category.

The focus of nearly all of the capital projects within this category is on achieving a SOGR throughout the Rail System. Projected commitments of \$41.39 million during the remainder of the year include a combine \$7.82 million to start construction work for two substation at Puritas and Warrensville, \$6.31 million track rehabilitation on Red Line W. 117<sup>th</sup>-Westpark, \$1.16 million to begin construction at Central Rail Maintenance Track 3, \$1.8 million construction at Farnsleigh Station ADA Key station, and \$7.22 million to upgrade the Fiber Optic Communication Systems.

The projected positive variance of \$22.58 million, or 16.0%, versus the current category budget at the end of the first quarter is primarily due to FTA Federal Transit delays in full execution of grant awards that have delayed the project timelines as well as the projected savings in on-going projects nearing completion. The delays with grant awards will likely push programmed budgeted commitment into 2019, impacting annual draws for project activities during the year.

### **Transit Centers**

Project commitments total \$411,000 out of the approved current budget of \$1.05 million resulting in a positive variance of \$635,829, or 60.7% at the end of the first quarter.

In the first three months of the year, \$4,488 was expended on capital projects within this category with 100% of the cost expensed towards completion of outstanding items on the Clifton Blvd. Enhancement project which opened in FY 2014.

Projected commitments of \$10,000 for the remainder of the year; include anticipated ADA Access enhancements to be expensed on various formula projects throughout the authority.

The projected positive variance of \$625,829, or 59.8%, at the end of the year is primarily due the remaining \$255,937 of pass-thru grant funds for Cleveland Museum of Art (CMA) that remain to

be drawn and remaining enhancement funds which at present time have not been identify for appropriate use.

**Performance Measures**

PERFORMANCE MEASURE		2018 Target	Q 1	Q 2	Q 3	Q 4	Year to Date
Passengers per bus/train hour:							
	Bus	21	21				
	Rail	62	62				
	Total	24	24				
*Ridership reporting methods were changed effective January 1, 2018.							
Revenue Vehicle Cost Per Mile (Maintenance & Fuel)		\$2.50	\$2.51				<b>\$2.51</b>
% Of Scheduled Maintenance Completed (Revenue Vehicles)	Bus	100%	88%				<b>88%</b>
	Rail	100%	93%				<b>93%</b>
	Paratransit	100%	94%				<b>94%</b>

## Critical Success Factors

<p><b>Passenger Fare Revenue</b></p>	<p>The Passenger Fare Revenue performance measure is discussed in detail in the Financial Analysis Section of the report.</p>
<p><b>Preventable Accidents</b></p>	<p>The GCRTA <u>Preventable Collision Rate (PCR)</u> TEAM goal for 2018 is 1.40. The 2018 YTD 1st Quarter PCR is 1.29, which is 7.9% lower than the TEAM goal and 9.2% lower than the 1.42 PCR for the same period in 2017. Total preventable collisions decreased 11.8% to 75 from 85. Mileage decreased 3.4%</p>
<p><b>Total Collision Rate</b></p>	<p>The GCRTA <u>Total Collision Rate (TCR)</u> for the 2018 YTD 1st Quarter is 3.43, which is 4.7% lower than the 3.60 TCR for the same period in 2017. Total collisions decreased 7.9% to from 216 to 199.</p>
<p><b>On the Job Injury Rate</b></p>	<p>The GCRTA 2018 TEAM Injury Rate Goal is 9.5. The 2018 YTD 1st Quarter Injury Rate of 8.19 is 13.8% below the TEAM Goal and 7.4% below the 8.84 Injury Rate for the same period in 2017. Total injuries decreased by four from 40 in 2017 to 36 in 2018.</p>
<p><b>Number of Miles between Service Interruption</b></p>	<p>The Number of Miles Between Service Interruption (Reliability) is defined as mechanical failure that results in the inability of the bus/train to operate in revenue service. For the first quarter of 2018, the YTD figure for No. of Miles Between Service Interruption was 11,064 miles, as compared to 14,824 miles for 2017, which represents a 25.36% decrease in this indicator.</p>
<p><b>On-Time Performance</b></p>	<p>On-Time Performance is defined as a bus or train arriving from 0-5 minutes after its scheduled time. Composite On-Time Performance for the first quarter of 2018 for bus, light rail, and heavy rail was approximately 81.66%, as compared to 72% for 2017, representing a 13.42% improvement in this TEAM measure.</p>
<p><b>Ridership</b></p>	<p>RTA ended the first quarter with a total of 8.5 million rides; a decrease of 7%, or 644,000 fewer rides compared to first quarter 2017. Average weekday ridership decreased 7%, or by approximately 8,000 fewer rides per day. Average weekend ridership decreased 6%, or by approximately 3,000 fewer rides per day. Ridership decrease is consistent with a national trend resulting from continued low gas prices.</p> <p>Bus ridership decreased approximately 8% in the first quarter of 2018 when compared to the first quarter of 2017.</p> <p>HealthLine ridership decreased approximately 21% in the first quarter of 2018 when compared to the first quarter of 2017. A downward shift in HealthLine ridership occurred in November 2017 with the change of the fare collection process.</p>

<p><b>Ridership Cont'd</b></p>	<p>Rail ridership increased by 1% in the first quarter of 2018 when compared to the first quarter of 2017. During this time, the Red Line ridership increased by 1% and the Blue/Green Line ridership increased by 2%. St. Patrick's Day and the Cleveland Indians Home Opener were the highest rail ridership days of the first quarter.</p>
<p><b>Customer Satisfaction/Ride Happy or Ride Free</b></p>	<p>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.</p> <p>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 31,018 customers was received for the first quarter of 2018, as compared to one request for approximately every 29,628 customers received for the same period in 2017, representing a 4.69% improvement in customer satisfaction, as measured by the percentage of people requesting Ride Happy or Ride Free Cards.</p>
<p><b>Attendance</b></p>	<p>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.</p> <p>Reducing unscheduled absences increases agency reliability, improves productivity and reduces overtime expenses. In the first quarter of 2018, the unscheduled absence percentage was 5.79% which, when compared to 6.1% for 2017, shows a 5.08% improvement in attendance.</p>

**Quarter Initiatives and Special Promotions to Increase Ridership**

During the first quarter, several new clients signed up for the Commuter Advantage Program including: Digital C, Wisr, AirCFO, EMS, K & D, Trevelhost, Oatey, Capital Senior Living, The Ohio Legal Blank Co., Tesla Motors, and K Force KGS.

In January, RTA extended the "Go RTA This Winter" media campaign. The campaign presented RTA as a viable transportation option during a typical Cleveland winter. We leveraged winter driving pain points, such as scraping ice, spinning tires on ice, and brushing snow off the car, to make a case for riding RTA. Media outlets used to get the message out included radio, digital and various social media platforms.

RTA also implemented its New Year's Resolution Promotion, which was a hybrid Ready to Ride program that offered a risk free trial to encourage use of RTA. For this promotion, riding RTA was

presented as a vehicle to support New Year's resolutions such as saving money, exercising more, reducing stress, and being green. Over 1,100 Greater Clevelanders logged onto the program's micro site to receive a personalized trip plan with a complimentary 5-day pass.

The On-Campus U-Pass Program targeted students at Cleveland State, Case Western Reserve and Cuyahoga Community College to increase U-Pass use. Combined, these three college campuses have over 50,000 students with pre-paid RTA U-Passes. RTA's message was delivered using on-campus posters, flyers, digital display boards and dorm door hangers. RTA coordinated with school administrators to deliver an e-mail blast to students as well as posting messages on the school's social media outlets.

During the first quarter, RTA participated in several community events throughout the Greater Cleveland area including speaking engagements and informational sessions at Baldwin Wallace College, Emeritus House, Benjamin Rose Senior Companion Group, Harvard Village Apartments, Fairhill Partners, Opportunities for Ohioans with Disabilities, Safe Kids/Safe Communities, Warrensville Manor Apartments, Fairview Park Senior Center, Southwesterly Apartments, The Educator Apartments, Eliza Bryant Apartments, Clifton Plaza Apartments, Euclid Senior Center, Lakeshore Rose Goldenage Center, Abington Arms, Margret Wagner Apartments, Abyssinia Towers Apartments, Kingsbury Towers Apartments, Gates Mills Villa Apartments, Cornerstone Apartments

RTA also attended collaborative meetings in the following communities: East Cleveland/South Collinwood, Harvard/Union-Miles, Heights, Euclid/Hillcrest, Central,

RTA attended the following Health Fairs: Steeple Chase Apartments, Glen Haven Apartments, Wade Chateau Apartments, Notre Dame Apartments, University Towers Apartments, Euclid Beach Gardens Apartments, Wipinsinger Apartments.

**DBE Participation/Affirmative Action**

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 2016 - 2018 is 21.3%. 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 quarterly performance reporting period of January 1, 2018 – March 31, 2018 represents the second quarter of FFY 2018. To conform the Quarterly Performance Report to the Federal Semi-Annual Report, DBE participation is calculated on the “federally assisted” portion of contracts only. DBE dollars awarded during this second quarter of FFY 2018 on contracts greater than \$100,000 totaled **\$1,480,630 or 24.2%** on contracts totaling \$6,105,887. This compares to total DBE dollars awarded for the first six months of FFY 2018 of **\$1,989,727 or 20.7%** on contracts totaling \$9,631,459.

**QUARTERLY - PARTICIPATION OF DBE FIRMS BY CLASSIFICATION  
(October 1, 2017 – March 31, 2018)**

Classification	1st. Quarter Oct. 1 – Dec. 31		2 <sup>nd</sup> Quarter Jan. 1 –March 31		3 <sup>rd</sup> Quarter April 1 – June 30		4 <sup>th</sup> Quarter July 1 – Sept. 30	
	African American	\$342,722	67.3%	\$818,086	55.2%			
Caucasian Female	\$166,375	32.7%	\$522,465	35.3%				
Hispanic	0	0	\$127,579	8.6%				
Asian	0	0	\$12,500	.9%				
<b>TOTAL</b>	<b>\$509,097</b>	<b>100.0%%</b>	<b>\$1,480,630</b>	<b>100.0%</b>				

**CURRENT QUARTER - DBE PERFORMANCE BY CONTRACT CATEGORY  
(January 1, 2018 – March 31, 2018)**

	Construction	Professional Services	Equipment & Supply	Total
<b>DBE Dollars</b>	\$878,394	\$467,465	\$134,771	\$1,480,630
<b>All Dollars</b>	\$3,980,000	\$889,657	\$1,236,230	\$6,105,887
<b>% DBE Participation</b>	<b>22.1%</b>	<b>52.6%</b>	<b>10.9%</b>	<b>24.2%</b>

**YEAR TO DATE  
DBE PERFORMANCE BY QUARTER  
(October 1, 2017 – March 31, 2018)**

	<b>Total Contracts</b>	<b>DBE Participation</b>	<b>% DBE Participation</b>
<b>1st Qtr.</b>	<b>\$3,525,572</b>	<b>\$509,097</b>	<b>14.4%</b>
<b>2<sup>nd</sup> Qtr.</b>	<b>\$6,105,887</b>	<b>\$1,480,630</b>	<b>24.2%</b>
<b>3rd Qtr.</b>			
<b>4th Qtr.</b>			
<b>TOTAL</b>	<b>\$9,631,459</b>	<b>\$1,989,727</b>	<b>20.7%</b>

**Office of Business Development Activities**

Outlined below are selected efforts undertaken during the second quarter of FFY 2018

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

- Completed 15 Goal Settings
- Reviewed 29 Certified Payroll Reports

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

- Attended planning meeting for upcoming American Contract Compliance Association conference in Cleveland
- Participated in an outreach at Eaton Corporation and made a presentation on the DBE program.
- Attended the Commission On Economic Inclusion Diversity Professionals Group at Squire Patton Boggs law firm.
- Participated on several DBE Appeal conference calls with ODOT

**Affirmative Action**

The Affirmative Action Goals for the employment of women in all categories except for administrative support for the overall three years (2015-2017).

Performance Measure	Fiscal Year 2015-2017 Target		2015 Total (Jul '15 - Jun '16)		2016 Total (Jul '16 - Jun '17)		2017 Total (Jul '17 - Jun '18)		First Quarter		3 - Year Total Target to Date	
	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female
Affirmative Action:												
Officials/Administrators	N/A	4	N/A	3	N/A	4	N/A	0	N/A	0	N/A	7
Professionals	N/A	28	N/A	22	N/A	33	N/A	9	N/A	1	N/A	65
Technicians	N/A	29	N/A	7	N/A	8	N/A	2	N/A	0	N/A	17
Protective Services	N/A	4	N/A	4	N/A	4	N/A	3	N/A	2	N/A	13
Administrative Support	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Semi & Skilled Craft	N/A	20	N/A	1	N/A	1	N/A	1	N/A	0	N/A	3
Service Maintenance	N/A	106	N/A	201	N/A	292	N/A	100	N/A	17	N/A	610
Total	N/A	191	N/A	238	N/A	342	N/A	115	N/A	20	N/A	715

The numbers reported for the 1<sup>st</sup> Quarter include new hires, rehires, and promotions in each of the designated categories.

## Succession Planning

GCRTA continues to implement a multi-disciplinary approach, including strategic recruitment and selection, partnerships with key training resources, and multiple development opportunities across all work segments. Below are some employee development initiatives used during the first quarter that have provided employees with training and learning experiences for their current and future positions.

PROGRAM	WORK SEGMENT	DESCRIPTION
Labor Relations Training	Frontline, Mid-level, and Director level management	<p>Basic Principles of Labor Relations and Cooperation:</p> <ul style="list-style-type: none"> <li>-GCRTA contracts, policies and practices.</li> <li>-Management’s role in the grievance process discipline, arbitrations, and interactions with Labor Relations and Legal Departments.</li> </ul> <p>Completed in March 2018 with 18 participants.</p> <p>Two more classes scheduled for May 2018.</p>
Midwest Transit Leadership Exchange (MTLE)	Operations Focus: High potential technical staff, supervisors, managers, assistant transportation management	<p>A partnership of seven transit agencies in OH, PA, NY started in 2016 included: Greater Dayton Regional Transit Authority, Central Ohio Transit Authority, Toledo Area Regional Transit Authority, Akron Metro, Port Authority of Allegheny County in Pittsburgh, Niagara Frontier Transportation Authority. Agencies meet twice a year to provide leadership development for high potential employees who are targeted for operations succession planning.</p> <p>Central Ohio Transit Authority (COTA) hosted a conference in March 2018. This was the fourth conference held since 2016. Six management staff participated from GCRTA. First day of conference: “Deriving Healthy Employee Engagement.” Second day of conference: “Employee Exchanges.”</p> <p>Next MTLE conference is scheduled for October 2018 at Port Authority of Allegheny County in Pittsburgh, PA.</p>

<p>Frontline Supervisor and Development Program</p>	<p>New and existing supervisors and managers</p>	<p>Partnership with Cuyahoga Community College- Corporate College.</p> <p>Six month program for training new and existing supervisors and managers on management skills, leadership development, and GCRTA systems and processes.</p> <p>Groups 1 and 2 continue through a six month program. Group 3 started in April 2018. All groups completing in 2018.</p>
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**First Quarter Results:**

GCRTA continues to track progress on key measures for employee development endeavors. One of the metrics is the percentage of promotions in relation to new hires. This metric, in part, shows GCRTA’s commitment to developing employees for opportunities within all work segments and particularly for key leadership positions.

The percentage of promotions in relation to new hires for the first quarter was 28%. Listed below are promotions during the first quarter that highlight our succession planning and employee development achievements:

**Executive Management Succession**

- Nicholas Biggar, an APTA Emerging Careers Program graduate, Public Transit Management Academy graduate, and a Midwest Transit Leadership Exchange, participant was promoted from an Assistant Transportation Manager of Hayden District to the District Director of Hayden District Operations. Nick replaced Dr. Floun’say Caver who was promoted to Deputy General Manager of the GCRTA Operations Division.

**Frontline Supervisory/Technical Staff Positions**

- Robert Atkinson, Frontline Supervisor Training participant, was promoted from Bus Operator to Service Quality Supervisor of Bus.
- Danielle Griffin, Frontline Supervisor Training participant, was promoted from Vehicle Servicer-Rail District to Crew Chief-Rail District.
- Damon Jones, Employee Promotability Training participant, was promoted from Maintenance Helper-Grade 3 to Maintainer-Grade 4.
- Chris Coppock was promoted from Construction Engineer to Resident Engineer/Architect.
- Michael Damanti was promoted from Security Technician to Security Systems Specialist.

In addition to the employees who were promoted during the first quarter, an employee, who participated in Employee Promotability Training was placed on an eligibility list for a key Grade 6, Frontline Supervisor position in the Operations Division after completion of the competitive selection process.

## 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
- Planning

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

Project	Description	Status
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**Bridges**

Trunk Line Retaining Walls (14.97)	Rehabilitate guard walls along Shaker Blvd. between Buckeye-Woodhill & Shaker Square  Consultant: ms consultants  Design: \$231,883	Board awarded contract on October 21, 2014. A/E authorized May 12, 2016 to proceed with Phase II plans. Phase I construction Notice to Proceed issued December 7, 2016. Services for Phase II construction administration being deleted. Contract closed. This is last report.
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**Track & Signal**

Trunk Line Signaling Design (12D)	Design for Trunk Line (E. 79 to Shaker Sq. Station) Signal System Replacement  Estimate: \$400,000	Design RFP pending.
West 65 Substation Replacement (23Z)	Substation Reconstruction Contractor: The Fowler Co.  Construction Cost: \$2,467,705	Design completed in-house. Project awarded at December 19, 2017 Board Meeting. Notice to Proceed issued February 13, 2018. Submittals being processed and material ordered.
Puritas Substation Replacement Design (60A)	Furnish and Install Modular Substation Or Rebuild in Existing Building  Estimate: \$2,888,133	Project being designed in-house.

<p>Warrensville/Van Aken Substation Replacement (16.36)</p>	<p>Furnish and Install Modular Warrensville/ Van Aken Substation</p> <p>Estimate: \$3,014,273</p>	<p>Working with The Illuminating Company for service to new site. Demolition of existing substation completed. Modular substation to be built at new location. Comfort station to be built near existing site.</p>
<p>Red Line West Track Work West 30<sup>th</sup> to W. 98<sup>th</sup> (52I)</p>	<p>Contractor: Railworks</p> <p>Construction Cost: \$6,884,502</p>	<p>Board awarded contract on July 18, 2017. 28-Day shutdown began November 5, 2017. Tracks reopened December 2, 2017. Project in close-out.</p>
<p>West Park Diamond Removal (52K)</p>	<p>Contractor: TRAC</p> <p>Construction Cost: \$456,092</p>	<p>Removal of former NS rail crossing diamonds at West Park Station. Project includes removal of associated interlocking and signals. Project awarded at December 19, 2017 Board Meeting. Project construction to take place in April 2018 during rail shut down.</p>
<p>Buckeye-Woodhill Track Replacement (52L)</p>	<p>Contractor: Railworks</p> <p>Construction Cost: \$899,310</p>	<p>Notice to Proceed issued June 12, 2017. Construction completed. Project closed. This is last report.</p>
<p>Tower City Tracks 10 &amp; 13 (52M)</p>	<p>Design for Track Replacement and Signal System Upgrades</p> <p>Consultant: TranSystems</p> <p>Cost: \$1,172,869</p>	<p>Notice to Proceed issued on September 7, 2017. Design is 75% complete.</p>

## **Passenger Facilities**

### *Rapid Stations*

<p>Brookpark Rapid Transit Station Design (24J(c)) ARRA</p>	<p>A/E services for design of Brookpark Station</p> <p>Consultant: Bialosky + Partners</p> <p>Cost: \$1,337,317</p>	<p>Contract awarded June 30, 2009 and Notice to Proceed issued September 30, 2009. Brook Park Planning Commission approved design and project presented to Cleveland's local design committee. 90% design received on March 20, 2013, including value engineering. Change order for separate parking lot plans approved in 2013. NEPA documentation completed. Phase I East Parking Lot completed. Station opened. Project closed. This is last report.</p>
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<p>Brookpark Rapid Transit Station Construction (24J(c))</p>	<p>Reconstruction of the Brookpark Station</p> <p>Contractor: Mid-American Construction, LLC</p> <p>Cost: \$12,385,414</p>	<p>NTP issued May 11, 2015. Contractor did not meet the substantial completion date of March 26, 2017. Substantial completion was reached June 9, 2017. Surety representative called in to assist broker in closing project. Punch list complete. Awaiting lien resolution. Liquidated damages assessed.</p>
<p>E. 34<sup>th</sup> St. Station Reconstruction Design (24M)</p>	<p>Reconstruction of the E. 34<sup>th</sup> Station</p> <p>Consultant: WSP</p> <p>Cost: \$687,837</p>	<p>Notice to Proceed issued October 27, 2015. Project successfully bid March 9, 2016. Construction Notice to Proceed issued June 14, 2017. Consultant is providing construction administration services.</p>
<p>E. 34<sup>th</sup> St. Station Reconstruction (24M)</p>	<p>Reconstruction of E. 34<sup>th</sup> Station</p> <p>Contractor: Panzica Construction</p> <p>Cost: \$6,177,393</p>	<p>Project awarded at April 25, 2017 Board Meeting. Notice to Proceed issued June 14, 2017. Contractor is well underway with ramps, utilities and pause points being completed.</p>
<p>Mayfield Road Art Lighting (24P-PA)</p>	<p>Design &amp; Programming of Remaining Lighting under Bridge</p> <p>Contractor: UPlight</p> <p>\$31,120</p>	<p>Public Art Contract to be awarded to UPlight for completion of Public Art lighting under the bridge. Presently, working with UPlight on the final scope of work given the adjacent development.</p>
<p>E. 116 Station Design (24R)</p>	<p>ADA reconstruction of E. 116 Light Rail Station</p> <p>Consultant: City Architecture</p> <p>Design Cost: \$537,490</p>	<p>Request for Proposals received January 3, 2014. Board awarded contract to City Architecture March 18, 2014. Notice to Proceed issued April 24, 2014. A/E and GCRTA staff revised the design and project construction underway. Consultant providing construction administration services.</p>
<p>E. 116 Station Construction (24R)</p>	<p>Contractor: Panzica Construction</p> <p>Cost: \$4,975,000</p>	<p>Project awarded at January 2018 Board Meeting. Notice to Proceed issued March 5, 2018.</p>
<p>Lee-Shaker Station ADA Construction (24T)</p>	<p>ADA Rehab. of Lee-Shaker Station</p> <p>Consultant: Schirmer Construction</p> <p>Cost: \$1,532,108</p>	<p>Notice to Proceed issued October 18, 2016. Construction completed. Payment issue with subcontractor resolved. Project closed. This is last report.</p>

Farnsleigh Station ADA Construction (24V)	Contractor:  Budget: \$1,100,000	Project designed in-house and bids received on April 4, 2018. Contract to be awarded at May Board Meeting.
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**Planning**

Opportunity Corridor Improvements (15.97)	Opportunity Corridor TWE Improvements on E. 105 <sup>th</sup>  Budget: \$420,000	Project funded by ODOT to improve E. 105 <sup>th</sup> bus stop areas at Cedar, Carnegie, Euclid & Chester. Working with City, ODOT & Clinic to determine project requirements for bidding. Station elements have essentially been finalized. Preparing renderings for submission to the Clinic. Renderings were submitted to the Clinic. RFP for the kiosk was canceled. Award for bus station contract is scheduled for award at the May Board Meeting.
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LEED Commissioning for Station Projects (13.33)	Review station design drawings and materials for environmental impact to meet LEEDS certification  Consultant: Karpinski Engineering Co.  Cost: \$48,560	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 is underway.
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E. 34 <sup>th</sup> Public Art (17.15)	Solicitation of Public Art for E. 34 <sup>th</sup> Street Station Budget  Cost: \$55,000	Initial meeting with committee being scheduled in November. First Art call solicitations received on February 3, 2017 with only 4 received. Have resolicited with additional outreach. Proposals received on May 8, 2017. Artist was selected. Funds from Clifton used for this project. Awaiting finalization of art. Also selected second art project. Both contracts awaiting finalization.
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E. 116 <sup>th</sup> Street Public Art (16.95)	Public Art Solicitation  Artist: Beatrice Coron and Land Studio  Cost: \$34,000	Public art installation at E. 116 <sup>th</sup> Street in concert with Neighborhood Progress & Land Studio. Tri-party contract between artist, Land Studio, and RTA has been developed. The scope has been modified. Contract documents are being negotiated with Land Studio and station. Scheduled for design review on May 9, 2018 and Planning Commission on May 18, 2018.
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Transit Alternative Development for W. 25<sup>th</sup> Street Corridor (17.49)

Transit Planning for BRT on W. 25<sup>th</sup> Street

Contractor: Cleveland Neighborhood Progress

Cost: \$30,000

Project provides additional design data, cost, and analysis for a BRT on W. 25<sup>th</sup> street. The consultant will deliver information required by FTA for New Starts submission. Stakeholders meeting held on January 31, 2018. Awaiting meetings with MetroHealth to finalize scope.

**Maintenance Facilities**

Infrastructure Upgrades @ Hayden & CBMF for CNG (61B)

Upgrade facilities for CNG fueling at Hayden, CBMF and Triskett

Consultant: Wendel

Cost: \$743,943

Board awarded contract on October 21, 2014. Design completed. Support for Construction of improvements continuing. Triskett plans and specifications received. Hayden portion of project closed-out. CBMF gas detection system approved by City.

CNG Heavy Maintenance Infrastructure Upgrades at Hayden & CBMF (61B-c)

Contractor: EnviroCom Constr., Inc.

Construction Cost: \$2,521,305

Board awarded contract on November 17, 2015. Notice to proceed was issued on December 22, 2015. Work at CBMF and Hayden 100% complete. Gas detection system installation completed at both garages. Cleveland occupancy permit at CBMF obtained. Subcontractor payment issue to be resolved.



Greater Cleveland Regional Transit Authority  
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Cleveland, OH 44133