

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

# QUARTERLY MANAGEMENT REPORT

THIRD QUARTER 2018



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## From the CEO



The third quarter marked the beginning of a leadership transition at RTA. Through action by the Board of Trustees, in September I was named RTA's Interim CEO/General Manager. Work quickly began to assess the financial situation and develop the 2019 proposed budget as well as understanding and developing a plan for connecting a myriad of strategic planning efforts, which were under way.

During the third quarter, several strategic planning studies were started or advanced. The rail car study, fare study, efficiency study and the economic impact study were launched. Most of the results will be available in the first quarter of 2019. Also during the quarter, the scope of services was finalized for a system re-design which will critically look at RTA's bus network both in terms of span and frequency of services. The core of many of these studies will be significant community input and involvement. Cumulatively, these studies will form the foundation of an updated Strategic Plan to help guide RTA into the future.

The MetroHealthLine celebrated its 1 millionth rider. A BRT rebrand of the 51 family of routes, the MetroHealthLine serves the West 25<sup>th</sup> Street Corridor and operates more than 200 bus trips per day and links the MetroHealth campus with both Downtown Cleveland to the north and the neighborhoods and suburbs to the south.

Safety is RTA's number one priority. Our system has seen a 59% drop in serious, Part 1 crime over a two year period. In addition to the hard work of our officers, increased visibility along with investment and maintenance of our vast camera/video system on buses and in stations have helped keep our 120,000 daily customers safe. In addition, preventable accidents are down 2.2% compared to the 3<sup>rd</sup> quarter of 2017, the total collision rate for 2018 is down 3.7%, and the On the Job Injury (OJI) rate is 4.4% below 3<sup>rd</sup> quarter results from 2017.

At the beginning of August, GCRTA honored Community Advisory Committee member Marie Fratus with Emeritus status in appreciation for her longstanding service to the Citizens Advisory Board and for being a tireless advocate for public transportation. The 98 year old Clevelander served as an original member of the Citizen Participation Advisory Committee in 1979, and she is the longest serving member of the CAB. A plaque to memorialize her 40 years of service was placed in the Little Italy Station.

The third quarter also marked several staffing changes. Joel Freilich assumed the role of Acting Deputy General Manager – Operations during my interim as CEO/General Manager. Joel has been with RTA for 27 years, serving 3 years as the Director of Service Management.

Daniel Dietrich was named the Director of Fleet Management. Dan has been with GCRTA for 14 years and previously served as the Fleet Engineering & QA Manager. The open Quality Assurance Manager position in Project Support was filled by Brian Temming, an Engineering Project Manager – Facilities. Brian has been with the Authority for 7 years. The promotions of Dan and Brian provides leadership in two key areas.

At the end of the third quarter, staff developed a 2019 Proposed Budget. My directive to the Budget staff was to present a sound budget that would allow the Authority stability for 2019 and 2020. The Budget office delivered such a proposed budget.

The enclosed report details the activity and operating results of RTA through the second 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,



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



## Financial Analysis

### Financial Vision

Revenues are estimated to end the year \$10.4 million over budgeted levels. Revenues, especially Sales & Use Tax and Passenger Fares, have been closely monitored throughout the year. Operating expenses have been managed throughout the year, resulting in a projected savings of \$8.3 million by year-end. Transfers to other funds will increase by \$15 million. The General Fund projected available ending balance at the end of the Third Quarter is \$35.1 million. By managing costs and monitoring revenues, management has made positive steps toward strengthening the Authority’s financial position and ensuring stability through 2020.

The 2016-2018 Balanced Scorecard identifies two initiatives under Fiscal Responsibility: (1) Increase Revenue and Reduce Expenses, and (2) Enhance Fiscal Responsibility. The core drivers of Fiscal Responsibility are outlined in Figure 1.

Initiative: Increase Revenue; Reduce Expenses	Performance Target	3rd Quarter Performance	Performance
General Fund Revenues	≥ 1% Growth	2.1%	Green
Passenger Fare Ratio	≥ 20%	18.7%	Yellow
General Fund Expenses	≤ General Fund Revenue	-12.6%	Green
Personnel Cost vs. Budget	≤ Budget	-2.5%	Green

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

### General Fund Revenues

The Authority’s top three sources of Revenues for the Third Quarter were: Sales & Use Tax, Passenger Fares, and Reimbursed Expenditures. Other nominal or one-time contributors are Advertising & Concessions, 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 65.9 percent of total revenues in the Third Quarter. The State provided \$18.3 million of special, one-time assistance by the end of the Third Quarter to offset the loss of sales tax revenue from the removal of Medicaid MCO from the tax base. Sales & Use Tax receipts received in the Third Quarter 2018 totaled \$151.3 million, 2.3 percent higher than the budget. Year-end receipts are projected to total \$201.3 million, 1.8 percent above the budgeted level. Receipts for August and September were considerably higher than budgeted levels: 9.3 percent in August and 4.5 percent above budget in September.

Passenger Fares, the second largest source of revenue, totaled \$36.4 million, 0.8 percent higher than 2017 levels. A 25-Cent fare increase was budgeted to begin in August 2018, however, it was indefinitely postponed. Passenger Fares are projected to end the year at \$45.9 million, about \$3.1 million, or 7.2 percent above budget. The Passenger Fare Ratio is a measurement calculating the amount of Operating Expenses covered by Passenger Fare Revenue. The Balanced Scorecard goal is to have 20 percent of Passenger Fares cover Operating Expenses. At the end of the Third Quarter, Passenger Fares covered 18.7 percent of Operating Expenses, slightly higher than the 18.3 percent at the end of the Second Quarter.

Reimbursed Expenditures totaled \$21.3 million at the end of the Third Quarter, or 9.3 percent of total revenues. Preventive Maintenance reimbursements are budgeted at \$20.0 million, maintaining the Authority’s goal of at or under \$25 million. Other Reimbursed Expenditures includes reimbursements for force account labor, fuel tax refunds, and other federal and state reimbursements. 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 through the Third Quarter.

The other revenue sources, which include Advertising and Concessions, Investment Income, and other miscellaneous revenues, represent 1.0 percent of total revenues received in the Third Quarter, or \$2.5 million. 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 \$702,000, 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, slightly above the budgeted level.

General Fund Revenue	3rd Quarter Revenues	Percentage of Total Revenue	Percentage Change Compared to Budget
Sales & Use Tax	\$ 151,344,535	65.8%	2.3%
Passenger Fares	\$ 36,449,309	15.9%	6.0%
Advertising, Concessions, Investment Income and Other Revenue	\$ 2,483,489	1.1%	39.8%
State Aid for MCO Loss	\$ 18,271,169	7.9%	0.0%
Reimbursements and Operating Assistance	\$ 21,284,580	9.3%	4.1%
<b>Total Revenues</b>	<b>\$ 229,833,082</b>	<b>100.0%</b>	

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 of \$300.1 million. As part of our efforts to efficiently manage revenues and expenditures, the General Fund expenses were reduced by \$12.7 million in the First Quarter. A new position and funding for the position was added in July 2018 (Senior Advisor for Special Projects and Strategic Innovation). The following information compares actual expenses to the 2018 Amended General Fund Budget.

At the end of the Third Quarter, General Fund Expenses were \$200.9 million, 6.8 percent under budget. Total Expenditures are \$29.0 million, or 12.6 percent, under Total Revenues. Salaries and Overtime are 50.1 percent of total expenses and ended the Third Quarter 1.7 percent under budget. Payroll Taxes and Fringes are 18.9 percent of total expenses and ended the Quarter 4.5 percent under budgeted levels. Hospitalization expenses are projected to end the year about \$1.0 million below budgeted levels. Expected savings in prescription, dental, vision, and other fringe benefits will help to keep total Fringe Benefits just under budgeted levels.

Fuel, including diesel and natural gas, are managed by the Energy Manager through the Energy Price Risk Management Program. Fuel represents 2.4 percent of total expenses. Through the Third Quarter, fuel

costs were 6.3 percent under budgeted levels. Fuel prices are expected to increase in the Fourth Quarter and end the year slightly under budgeted levels.

Other Expenses include services, inventory, other utilities, such as telephone and electricity costs, liabilities and damages, and other expenses, which are largely driven by the Operations division. As a whole, this category totaled \$39.4 million or, 19.6 percent of the total expenses and 8.0 percent below budgeted levels. This category is projected to end the year at \$52.1 million, 6.1 percent under the 2018 Amended Budget.

Services and service contracts totaled \$9.7 million at the end of the Third Quarter and represent 4.9 percent of the total expenses. Materials and Supplies includes the Inventory category, which covers preventive and corrective maintenance parts for buses, trains, facilities, and equipment; as well as kits for the predictive maintenance program. Materials and Supplies and Inventory ended the Quarter at \$12.34 million, 4.9 percent under budget.

Other Fuel and Utilities expenses includes gasoline, propane fuel, propulsion power, water, sewer, electricity, telephone, and taxes. Utilities ended the Third Quarter at \$5.7 million, or 10.7 percent under the budgeted level. Liability claims and insurance premiums ended the quarter at \$2.7 million, 16.5 percent under budgeted level. Other fuel, utilities, liabilities, and insurance premiums are projected to end the year about \$0.3 million under budgeted levels.

Purchased Transportation includes ADA Contracts, the vanpool, and Medina/Brunswick Pass-Thru. Purchased Transportation costs through the Third Quarter totaled \$7.8 million, 3.9 percent of total expenses, and 2.5 percent over the 2018 Amended Budgeted Level. By year-end, this category is projected to total \$10.1 million, or 11.9 percent above budget. This is mainly due to an increase in the pass through funding for Brunswick operating assistance. ADA purchased transportation is projected to end the year at \$8.7 million, about 9.3 percent above budget. All contracts were extended through the First Quarter of 2019 to enable a larger contract to be considered.

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 deferred until the beginning of 2019. At the end of the Third Quarter, transfers total \$18.1 million, 28.8 percent below budget. A resolution will be presented to the Board of Trustees in December, increasing the appropriation for total transfers by \$15 million. Transfers to the Insurance Fund will be needed to pay insurance premiums, claims, and maintain the recommended ending balance. A \$5 million transfer to the Capital Fund is needed to help purchase a printing press and provide funding for the radio/communications project. Funding for the project is through a Federal Highway Administration 50/50 reimbursement grant. A transfer to the Reserve Fund of \$5 million is needed for the rail car replacement. Total transfers at year end are projected at \$47.2 million.

Operating Expenditures	3rd Quarter Expenditures	Percent of Total Projected Operating Expenses	Percentage Change Compared to Budget
Salaries & Overtime	\$ 100,579,883	50.1%	-1.7%
Payroll Taxes & Fringes	\$ 37,858,930	18.9%	-4.5%
Fuel (Diesel & Natural Gas)	\$ 4,886,343	2.4%	-6.3%
Services and Contracts	\$ 9,736,882	4.8%	-12.7%
Inventory	\$ 9,307,838	4.6%	-8.0%
Purchased Transportation	\$ 7,819,665	3.9%	2.5%
Other Fuel and Utilities	\$ 5,667,181	2.8%	-10.7%
Liabilities & Damages	\$ 2,727,185	1.4%	-16.5%
Materials & Supplies	\$ 3,007,573	1.5%	5.9%
Other Fuel and Utilities	\$ 1,141,361	0.6%	-23.4%
Transfers to Other Funds	\$ 18,139,362	9.0%	-28.7%
<b>Total</b>	<b>\$ 200,872,203</b>	<b>100.0%</b>	

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 Third Quarter, total personnel expenses (salaries, overtime, payroll taxes, and fringes) was 2.5 percent under budgeted levels. Figure 4 summarizes the Authority-wide 2018 expenditures by the workforce segments.

Workforce Segment	3rd Quarter Expenses	3rd Quarter Budget	% Expense vs. Budget
Salaries & Overtime	\$ 100,579,883	\$ 102,317,138	-1.7%
Payroll Taxes & Fringes	\$ 37,858,930	\$ 39,634,864	-4.5%
<b>Total</b>	<b>\$ 138,438,813</b>	<b>\$ 141,952,002</b>	<b>-2.5%</b>

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. The year-end projection for the Third Quarter is an Operating Ratio of 19.9 percent, above the 17.8 percent in the 2018 Amended Budget and better than the 19.2 percent in the Second Quarter. Key influencers of this indicator are the 3 percent service adjustment executed in March 2018 and increasing passenger fare receipts in the Third Quarter. By year-end, total passenger fares are projected to total \$45.9 million, 6.9 percent above budget. Operating expenses are projected to end the year 3.3 percent below budget.



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. The year-end projection for Cost per Hour of Service is \$131.4, or -0.8 percent compared to 2017, as expenses are being maintained at 2016 levels.

**Operating Reserve is targeted for a period of 30 Days or 1 Month**, 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. With an ending balance projected at \$35.1 million, the projected Operating Reserve estimate for the Third Quarter is 1.7-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 Third Quarter, the Debt Service Coverage is 3.53, higher than the budgeted amount of 2.69 due to maintaining Operating Expenses at 2016 levels and the deferring of the debt issuance to 2019.

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 14.8 percent, within the policy goal, for the Third 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 and over the FY 2017 level of 97.3 percent. This measure continues to show the Authority's focus remains first on the maintenance or State of Good Repair (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 financial goals meet the Board Policy Goals and a fifth goal is projected better than budget. Once again, the hard work put forth has helped to maintain a strong financial position for the Authority. Sustaining this strong position over the next several years will be the challenge.

2018 3rd 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%	17.8%	19.9%
	Cost/Hour of Service		\$140.0	\$135.1	\$132.4	\$139.3	\$131.4
	Growth per Year	≤ Rate of Inflation [2%]	13.1%	-3.5%	-2.0%	5.2%	-0.8%
	Operating Reserve (Months)	≥ 1 month	0.8	1.6	1.7	1.4	1.7
Capital Efficiency	Debt Service Coverage	≥ 1.5	1.78	2.50	4.11	2.69	3.53
	Sales Tax Contribution to Capital	≥ 10%	18.5%	14.3%	12.2%	13.5%	14.8%
	Capital Maintenance to Expansion	75%- 90%	98.9%	96.3%	97.3%	94.3%	100.0%
Reserved Fund	Fuel Reserve Fund	Fuel Budget less Actual Expenditures	\$0	\$0	\$2,454,922	\$0	\$0
	Compensated Absences Reserve Fund	≤ 25% of Accrued Liability	\$0	\$0	\$1,900,000	\$944,484	\$944,484
	Hospitalization Reserve Fund	≤ 10% of Annual Hospitalization Costs	\$0	\$0	\$1,800,000	\$729,330	\$729,330
	27th Payroll Expense Reserve Fund	Equal to about 1/12 of 27th Pay Period	\$0	\$0	\$1,400,000	\$694,848	\$694,848
	Rolling Stock Replacement Fund	≥ \$5,000,000 / yr	\$0	\$0	\$10,000,000	\$0	\$5,000,000

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 – Third Quarter 2018

### General Fund Balance Analysis

	2015 Actual	2016 Actual	2017 Actual	Amended 2018 Budget	2018 Estimate	Variance
<b>Beginning Balance</b>	27,116,140	16,822,906	33,324,814	34,869,398	34,869,398	0
<b>Revenue</b>						
Passenger Fares	48,419,211	46,279,344	45,436,326	42,855,419	45,945,755	3,090,336
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	201,283,110	3,489,198
State Aid for MCO Loss	0	0	10,034,083	15,134,083	18,271,169	3,137,086
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	702,055	592,055
Other Revenue	1,254,771	1,888,060	1,990,027	1,550,000	1,630,000	80,000
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>293,252,090</b>	<b>10,388,676</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>328,121,488</b>	<b>10,388,676</b>
<b>Operating Expenditures</b>						
Salaries and Overtime	134,377,598	134,370,484	135,514,105	138,159,596	135,432,828	(2,726,768)
Payroll Taxes and Fringes	52,231,192	48,074,083	51,553,465	53,585,663	51,870,936	(1,714,727)
Diesel Fuel	10,804,133	8,627,383	6,535,532	4,966,000	4,486,129	(479,871)
Natural Gas	1,124,699	1,246,088	1,874,683	1,871,000	1,909,642	38,642
Other Expenditures	53,443,532	53,600,135	52,241,152	55,519,748	52,139,043	(3,380,705)
<b>Total Operating Expenditures</b>	<b>251,981,154</b>	<b>245,918,172</b>	<b>247,718,937</b>	<b>254,102,007</b>	<b>245,838,577</b>	<b>(8,263,430)</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>7,250,000</b>	<b>5,000,000</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	15,259,919	5,326,576
<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>32,552,204</b>	<b>3,753,387</b>
<b>Transfer to Reserve Fund</b>	<b>0</b>	<b>0</b>	<b>17,554,922</b>	<b>2,368,662</b>	<b>7,368,662</b>	<b>5,000,000</b>
<b>Total Expenditures</b>	<b>291,706,383</b>	<b>277,877,794</b>	<b>295,065,973</b>	<b>287,579,486</b>	<b>293,069,443</b>	<b>5,489,957</b>
<b>Ending Balance</b>	<b>16,822,906</b>	<b>33,324,814</b>	<b>34,869,398</b>	<b>30,153,326</b>	<b>35,052,045</b>	<b>4,898,719</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>30,153,326</b>	<b>35,052,045</b>	<b>4,898,719</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 are within the Formula grant award category and 15 are either highly competitive or discretionary grants.

The Formula awards include the 5370-Urbanize Area Formula Grant, 5337-State of Good Repair, and 5339 Bus & Bus Facilities. The major competitive grants that have been received in prior years and identified for Fiscal Year (FY) 2018 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. Competitive awards total \$35.2 million, of which a combined \$12.9 million have been appropriated for Red Line Track Rehabilitation projects at W.30<sup>th</sup> – W.98<sup>th</sup>, Westpark Diamond Crossing Rebuild and W.117<sup>th</sup> to Westpark. The remaining projects receiving competitive funds for FY 2018 include \$11.3 million to assist in the purchase of 33 40-FT CNG buses and \$1.6 million for 9 commuter coaches. Other continuing projects nearing project close out are Career Pathways Training Program, Little Italy University Station and Senior Transportation Connection. These projects, and other Capital projects are explained in further detail in the Capital Commitment sections.

Funding Source	Appropriated Funds	Funds Committed	Funds Available	Percentage of Funds Remaining
<b>Formula Funds</b>	\$122,105,780	\$94,692,913	\$27,412,867	<b>54.61%</b>
<b>Local Funds</b>	\$77,010,185	\$58,142,999	\$18,867,186	<b>37.59%</b>
<b>Competitive Funds</b>	\$35,240,067	\$32,153,032	\$3,087,036	<b>6.15%</b>
<b>State Funds</b>	\$0	\$0	\$0	<b>0.00%</b>
<b>Other Funds</b>	\$2,327,369	\$1,497,180	\$830,189	<b>1.65%</b>
<b>Grand Total</b>	<b>\$236,683,401</b>	<b>\$186,486,124</b>	<b>\$50,197,278</b>	<b>100.00%</b>

### Commitments by Capital Category

Due to the span 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 \$296.7 million includes the approved Fiscal Year (FY) 2018 Capital Budget of \$112.9 million and \$184.5 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 commitments by category chart. The chart presents the categories of the Authority’s capital program including their total commitments (expenditures plus current encumbrances) at the end of the third quarter and compares year-end projected commitments to current category budgets.

At the end of the third quarter, combined capital project commitments total \$186.1 million. This include \$144.2 million of ITD expenditures and \$41.9 million of current encumbrances. This results in a positive variance of \$110.6 million, or 37.3 percent, relative to the combined capital budgets at the end of third quarter. Activities on capital projects during the third quarter generated a combined \$53.8 million of expenditures with majority of the expense occurring within two categories: \$16.7 million occurring within

Rail Projects and \$20.8 million in Preventive Maintenance/Operating Reimbursement. The remaining capital expenditures were spread among the other six categories, with continuation of prior year projects, to prepare for 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 \$232.3 million and a positive year-end variance of \$64.4 million, or 21.7 percent 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 pending Federal Transit Administration (FTA) grant awards, pending completion of planning and evaluation studies, and closeout of remaining budget appropriation in projects that were 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	\$17,858,741	\$6,172,684.0	\$17,723,183	\$135,558 0.8%
Bus Improvement Program	\$51,805,397	\$43,184,109.0	\$48,621,133	\$3,184,264 6.1%
Equipment and Vehicles	\$32,896,887	\$11,110,181.0	\$18,160,629	\$14,736,258 44.8%
Facilities Improvements	\$18,206,638	\$15,125,983.0	\$15,653,705	\$2,552,933 14.0%
Other Projects	\$10,926,913	\$2,713,996.0	\$2,901,410	\$8,025,503 73.4%
Preventive Maint/Op. Reimb.	\$22,612,215	\$22,694,478.0	\$22,763,594	-\$151,379 -0.7%
Rail Projects	\$141,414,717	\$84,650,542.0	\$105,785,385	\$35,629,332 25.2%
Transit Centers	\$949,780	\$446,344.0	\$651,937	\$297,843 31.4%
<b>Grand Total</b>	<b>\$296,671,288</b>	<b>\$186,098,317.0</b>	<b>\$232,260,976</b>	<b>\$64,410,312 21.7%</b>

**Current Year Expenditures by Capital Category**

The chart below lists year-to-date (YTD) category expenditures in comparison to prior years at the same point in time.

The majority of third quarter capital expenditures are in the Rail Projects and Preventive Maintenance Operating Reimbursement. These categories totaled a combined \$37.5 million, or 69.7 percent of capital expenditures. Bus Improvement program, at \$10.5 million is the third largest category.

Programmed capital activities that will impact end of year-end expenditures, include delivery of 33 40-Ft 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, rehabilitation of track on the Red Line from W.117<sup>th</sup> to Westpark Station, ADA upgrades at 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.



**CAPITAL EXPENDITURES BY CATEGORY THROUGH THIRD QUARTER**

Category	2018	%	2017	%	2016	%
Bus Garages	\$45,165	0.1%	\$879,446	1.8%	\$3,495,631	6.2%
Bus Improvement Program	\$10,520,130	19.6%	\$7,903,436	16.5%	\$7,658,483	13.7%
Equipment and Vehicles	\$2,378,597	4.4%	\$2,419,837	5.0%	\$2,417,071	4.3%
Facilities Improvements	\$2,624,491	4.9%	\$3,447,952	7.2%	\$3,750,228	6.7%
Other Projects	\$639,656	1.2%	\$943,105	2.0%	\$352,767	0.6%
Preventive Maint/Op. Reimb.	\$20,826,262	38.7%	\$20,245,502	42.2%	\$21,314,594	38.0%
Rail Projects	\$16,656,005	31.0%	\$12,145,485	25.3%	\$15,962,027	28.5%
Transit Centers	\$114,733	0.2%	\$21,580	0.0%	\$1,075,585	1.9%
<b>Grand Total</b>	<b>\$53,805,037</b>	<b>100.0%</b>	<b>\$48,006,342</b>	<b>100.0%</b>	<b>\$56,026,385</b>	<b>100.0%</b>

Capital projects with significant expenditures will be covered in the following discussion of capital categories.

**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/Central Bus Maintenance (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 third quarter, \$6.2 million of the current \$17.9 million category budget was committed leaving a positive variance of \$11.7 million or 65.4 percent. Total category commitments include \$6.0 million of ITD expenditures and \$.2 million of current encumbrances. At the end of third quarter, minimal expenses were generated within this category, of which \$45,165 of expenditures reflect the initial phase of programmed rehabilitation of Triskett Building Compliance upgrades.

The added projected commitments of \$11.6 million for the remainder of the year will be for upgrades at Triskett Garage and installation of CBM Lift and Fall Protection equipment. The positive projected variance of \$135,558 or 0.8 percent at year end in this category is due to project savings and expected closeout of completed projects.

**Bus Improvement Program**

The Authority's capital program in FY 2018 includes the fifth year of a funded five-year bus and Paratransit bus replacement program. Through the end of September, category commitments total a combined \$43.2 million out of a total budget appropriation of \$51.8 million leaving a positive variance of \$8.6 million, or 16.6 percent.

The category expenditures of \$10.5 million include purchases of 16 Paratransit vehicles, the inflow of 33 40-Ft CNG buses and various bus spare parts purchased to help maintain the Authority existing bus fleet. The additional projected commitment of \$5.4 million includes the bus purchase order for 9 motor coaches that are due to arrive in the second quarter FY 2019.

The positive projected variance of \$3.2 million, or 6.1 percent, is due to the timing of grant awards, reallocation of formula and CMAQ grant funds between projects categories to fund the current 33 CNG bus order and Triskett Building Upgrades and lapsing commitments for budgeted bus spare parts.

**Equipment & Vehicles**

At the end of third quarter, total commitments of \$11.1 million within this category included \$5.7 million of ITD expenditures and \$5.4 million of current encumbrances resulting in a positive variance of \$21.8 million, or 66.2 percent. The majority of the current encumbrances, \$4.1 million or nearly 75.7 percent remain within the on-going Fare Collection Equipment project. There has been minimal progress towards completion of outstanding items left on the contract, however completion of this project remains an open issue, with continuous discussions with internal stakeholders and 3<sup>rd</sup> party contractor. The other encumbrances are concentrated within SOGR equipment, software & vehicle upgrade projects.

Expenditures within this category totaled \$2.4 million; \$1.5 million was expensed within the RTA Capital Fund for information technology projects, non-revenue vehicle replacements, and equipment pools. The other \$0.9 million were expensed within the RTA Development Fund for communication and data center upgrades.

The projected year-end positive variance of \$14.7 million, or 44.8 percent, are the result of pending Cooperative Reimbursement Agreement with Federal Highway Association (FWHA) to upgrade Radio CAD/AVL Communication Systems, multiple outstanding IT projects, and projected savings in on-going projects nearing completion.

**Facilities Improvements**

At the end of the third quarter, combined commitments of \$15.1 million in the Facility Improvements category included \$10.0 million of ITD expenditures and \$5.2 million of current encumbrances resulting in a positive variance of \$3.1 million, or 16.9 percent, versus the current budget of \$18.2 million. During third quarter, \$2.6 million was expended for various facility improvements and track bridge rehabilitations.

Projected commitments of \$527,722 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 \$457,722 for minor facility repairs throughout the Authority, and a combined \$70,000.00 for on-going construction at Ambler and E. 116<sup>th</sup> Track Bridges.

The projected positive year-end variance of \$2.6 million, or 14.0 percent, for this category is primarily attributable to the planned closeout of prior year budget authority for completed projects, construction delays with Demolition of the West Bound Rail Access (WB) 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 agencies and other miscellaneous capital projects that don't fit into the seven major capital categories. At the close of third quarter, combined project commitments total \$2.7 million, out of the category budget of \$10.9 million, resulting in a positive variance of \$8.2 million or 75.2 percent.

During third quarter, a combined \$639,656 of expenditures was generated: \$205,335 for TSA Canine Security Team, \$134,484 Pull In–Pull Out Process Improvement, \$241,098 Anti-Terrorism Team, \$50,239 Senior Transportation Connection Pass-Thru, and \$8,500 Transit Oriented Planning Studies.

Projected commitments of \$187,414, during the remainder of the year include \$3,500 for the Career Pathways Training Program, \$127,168 TSA Security Programs, \$16,746 for Senior Transportation

Connection Pass-Thru 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, and non-formula grant funded reimbursements for the delivery of ADA services.

Total commitments through the end of third quarter were of \$22.7 million, which includes \$20.6 for Preventive Maintenance reimbursements and \$2.1 million for the multi-year project for ADA Supplemental Trips and Travel Trainer Services. The year-end total projected commitment of \$22.8 million against a category budget of \$22.6 million will create negative variance of \$151,379, or -0.7% percent due to the added commitment drawn for Medina lapsing pass thru funds.

The projected commitment of \$69,116 during the remainder of the year includes additional draws for Preventive Maintenance, ADA Supplemental Trips, and Travel Training Services. The projected negative variance is due to the multi-year budgeted project for the New Freedom & Travel Trainer program and additional lapsing funds accepted and drawn for Medina County Public Transit.

### **Rail Projects**

At the end of September, \$84.7 million of the \$141.4 million budget for the Rail Projects category was committed creating a positive variance of \$56.8 million or 40.1 percent. Total commitments within this category consisted of \$62.9 million of ITD expenditures along with \$21.8 million of current encumbrances.

During third quarter, \$16.7 million was expended on various Rail system projects, \$5.6 million of the expenses were from rehabilitation of track reconstruction at W.30<sup>th</sup> – West 98<sup>th</sup> Red Line Track, \$3.7 million reconstruction at E.34<sup>th</sup> Street Station, \$1.5 million station reconstruction at E. 116<sup>th</sup> Street Station, \$472,103 construction completion of Westpark Diamond, \$758,270 ongoing construction at Brookpark Station, \$750,789 architect and design work to complete Tower City Track 10 & 13. 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 \$21.1 million during the remainder of the year include a combine \$4.0 million to start construction work for Warrensville/Van Aken substation and W.30<sup>th</sup> Transformer Rectifier; and \$12.2 million track rehabilitation of Red Line West Program at Tower City Track 10 & 13.

The projected positive variance of \$35.6 million, or 25.2 percent, versus the current category budget at the end of third quarter is due to delays in consultant's recommendation under the ongoing rail study, environmental, and signal system evaluation. The delays will likely push programmed budgeted commitment into 2019, impacting annual draws for project activities.

### **Transit Centers**

Project commitments total \$446,343 out of the current budget of \$949,780 results in a positive variance of \$503,435, or 53 percent at the end of third quarter.

In the third quarter, \$114,733 was expended on capital projects with 52 percent of the cost expended towards the Opportunity Corridor Phase I Bus Shelter, with the remaining expended on the outstanding items for Cleveland Museum of Art.

Projected commitments of \$240,000 for the remainder of the year include anticipated ADA Access enhancements to be expended on various formula projects throughout the authority.

The projected positive variance of \$297,843, or 31.4 percent, at the year-end is due the remaining \$205,937 of pass-thru grant funds for Cleveland Museum of Art (CMA) that remain to be drawn and remaining enhancement funds.

**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	22	23		<b>22</b>
	Rail	62	62	68	66		<b>65</b>
	Total	24	24	26	27		<b>26</b>
*Ridership reporting methods were changed effective January 1, 2018.							
Revenue Vehicle Cost Per Mile (Maintenance & Fuel)		\$2.50	\$2.49	\$2.59	\$2.56		<b>\$2.55</b>
% Of Scheduled Maintenance Completed (Revenue Vehicles)	Bus	100%	95%	93%	91%		<b>93%</b>
	Rail	100%	97%	93%	93%		<b>94%</b>
	Paratransit	100%	100%	100%	100%		<b>100%</b>

## Critical Success Factors

### Passenger Fare Revenue

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

### Preventable Accidents

The GCRTA Preventable Collision Rate (PCR) TEAM goal for 2018 is 1.40. The 2018 YTD 3rd Quarter PCR is 1.33, which is 5.0% lower than the TEAM goal and 2.2% lower than the 1.36 PCR for the same period in 2017. Total preventable collisions decreased 6.1% to 229 from 244. Mileage decreased 4.0%.

### Total Collision Rate

The GCRTA Total Collision Rate (TCR) for the 2018 YTD 3rd Quarter is 3.47, which is 0.3% higher than the 3.46 TCR for the same period in 2017. Total collisions decreased 3.7% to from 622 to 599.

### On the Job Injury Rate

The GCRTA 2018 TEAM Injury Rate Goal is 9.5. The 2018 YTD 3rd Quarter Injury Rate of 8.23 is 13.4% below the TEAM Goal and 4.4% below the 8.61 Injury Rate for the same period in 2017. Total injuries decreased by four from 116 in 2017 to 107 in 2018.

### Number of Miles between Service Interruption

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 third quarter of 2018, the YTD figure for No. of Miles Between Service Interruption was 12,154 miles, as compared to 14,576 miles for 2017, which represents a 16.62% decline in this indicator.

### On-Time Performance

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 third quarter of 2018 for bus, light rail, and heavy rail was approximately 79.54%, as compared to 76% for 2017, representing a 4.66% improvement in this TEAM measure.

### Ridership

RTA had a total of 8.8 million rides in the third quarter; a decrease of 4%, or 387,000 fewer rides compared to the third quarter 2017. Year to date ridership through the third quarter in 2018 was 26.1 million; a decrease of 5% or 1.4 million fewer rides compared to year to date 2107. During the third quarter average weekday ridership decreased 3%, or approximately 3,000 fewer rides per day. Average weekend ridership decreased 2%, or approximately 1,000 fewer rides per day.

Bus ridership decreased by 3% in the third quarter of 2018 when compared to the third quarter of 2017. Bus ridership decreased approximately 5% year to date through the third quarter 2018 when compared to 2017 year to date.

HealthLine ridership decreased by 14% in the third quarter of 2018 when compared to the third quarter of 2017. HealthLine ridership decreased approximately 17% year to date through the third quarter 2018 when compared to 2017 year to date.



**Ridership Cont'd**

Rail ridership decreased by 3% in the third quarter of 2018 when compared to the third quarter of 2017. During this time, the Red Line ridership decreased by 4% and the Blue/Green Line ridership remained even. Rail ridership decreased by approximately 2% year to date through the third quarter 2018 when compared to 2017 year to date.

**Customer Satisfaction/Ride Happy or Ride Free**

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

The Ride Happy or Ride Free performance measure is the ratio of free ride cards requested in comparison to ridership for the same period. One card for every 28,654 customers was received for the third quarter of 2018, as compared to one request for approximately every 33,965 customers received for the same period in 2017, representing a 15.64% decrease in customer satisfaction, as measured by the percentage of people requesting Ride Happy or Ride Free Cards.

**Attendance**

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

Reducing unscheduled absences increases agency reliability, improves productivity and reduces overtime expenses. In the third quarter of 2018, the unscheduled absence percentage was 5.72% which, when compared to 5.89% for 2017, shows a 2.89% improvement in attendance.

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

During the third quarter, RTA held several special events and promotions. RTA produced the Transit Police Lip Sync Video which received over 775,000 views online. The Go Pass promotion began in July and runs through October. Go Pass ridership averaged 3,300 per week during the third quarter. RTA is preparing for the 50th Anniversary of the Red Line to Cleveland Hopkins Airport with a contest in which one person wins a free trip to Iceland courtesy of Icelandair. Lastly, there was a three week rail shutdown between W. 117 and Puritas to complete necessary track work.

Several new clients signed up for the Commuter Advantage Program during the third quarter, including: Midtown Cleveland Inc., The Private Trust Company, Epiq, USI Insurance Services, O’Neil Healthcare, Crown Plaza Cleveland at Playhouse Square, Richard L. Bowen and Associates, Dimit Architects, Rainbow Babies and Children, Flannery’s Pub, Health Information Management Systems Society and Amazon.

During the third quarter, RTA participated in many community events throughout the Greater Cleveland area including speaking engagements and informational sessions at: Library Court Apartments, Owl's Nest Apartments, St. Clair Place Apartments, Jaelot Apartments, Senior Living in Strongsville, Euclid Senior Center, St. Timothy Manor Apartments, Euclid Beach Club Apartments, and Northeast Ohio Social Service Coordinators.

RTA also attended collaborative meetings in the following communities: Southeast Suburban Collaborative, Heights Suburban Collaborative, and City of Cleveland East/West Planning Committee.

**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). DBE Dollars awarded for the four quarters of the federal fiscal year totaled \$15,671,139 or 21.6%, slightly above the goal of 21.3%.

The quarterly performance reporting period of July 1, 2018 – September 30, 2018 represents the fourth 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 fourth quarter of FFY 2018 on contracts greater than \$100,000 totaled **\$135,665 or 12.8%** on contracts totaling **\$1,059,854**.

**QUARTERLY - PARTICIPATION OF DBE FIRMS BY CLASSIFICATION  
(July 1, 2018 – September 30, 2018)**

Classification	1st. Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	Oct. 1 – Dec. 31		Jan. 1 –March 31		April 1 – June 30		July 1 – Sept. 30	
African American	\$342,722	67.3%	\$818,086	55.2%	\$471,500	37.4%	\$112,265	82.8%
Caucasian Female	\$166,375	32.7%	\$522,465	35.3%	\$711,525	56.6%	\$23,400	17.2%
Hispanic	0	0	\$127,579	8.6%	0		0	0
Asian	0	0	\$12,500	.9%	\$75,000	6.0%	0	0
<b>TOTAL</b>	<b>\$509,097</b>	<b>100.0%</b>	<b>\$1,480,630</b>	<b>100.0%</b>	<b>\$1,258,025</b>	<b>100.0%</b>	<b>\$135,665</b>	<b>100.0%</b>

**CURRENT QUARTER - DBE PERFORMANCE BY CONTRACT CATEGORY  
(July 1, 2018 – September 30, 2018)**

	Construction	Professional Services	Equipment & Supply	Total
<b>DBE Dollars</b>	\$135,664	\$90,000	0	\$135,665
<b>All Dollars</b>	\$773,190	\$286,664	0	\$1,059,854
<b>% DBE Participation</b>	<b>17.5%</b>	<b>0%</b>	<b>0</b>	<b>12.8%</b>

**YEAR TO DATE  
DBE PERFORMANCE BY QUARTER  
(October 1, 2017 – September 30, 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>\$4,979,826</b>	<b>\$1,258,025</b>	<b>25.2%</b>
<b>4th Qtr.</b>	<b>\$1,059,854</b>	<b>\$135,668</b>	<b>12.8%</b>
<b>TOTAL</b>	<b>\$15,671,139</b>	<b>\$3,383,420</b>	<b>21.6%</b>

**Office of Business Development Activities**

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

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

- Re-Certification: 15

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

- Completed 16 Goal Settings
- Reviewed 19 Certified Payroll Reports

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

- Participated in Small Business meeting with City of South Euclid
- Participated on Materials and Supplier (MSV) webinar with ODOT
- Participated in the American Contract Compliance Association (ACCA) 2018 Conference
- Host the OBD DBE Advisory Committee Meeting
- Attended NTI DBE Training in New Jersey

**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 Target		2015 – 2017 Total (July '15 – June '16)		First Quarter 2018		Second Quarter 2018		Third Quarter 2018		Total 2018		Total Target to Date (2015-2018)	
	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female
<b>Affirmative Action:</b>														
<b>Officials/Administrators</b>	N/A	4	N/A	7	N/A	0	N/A	1	N/A	0	N/A	1	N/A	8
<b>Professionals</b>	N/A	28	N/A	64	N/A	1	N/A	1	N/A	5	N/A	7	N/A	71
<b>Technicians</b>	N/A	29	N/A	17	N/A	0	N/A	0	N/A	0	N/A	0	N/A	17
<b>Protective Services</b>	N/A	4	N/A	11	N/A	2	N/A	0	N/A	0	N/A	2	N/A	13
<b>Administrative Support</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Semi &amp; Skilled Craft</b>	N/A	20	N/A	3	N/A	0	N/A	0	N/A	0	N/A	0	N/A	3
<b>Service Maintenance</b>	N/A	106	N/A	593	N/A	17	N/A	23	N/A	35	N/A	75	N/A	668
<b>Total</b>	N/A	191	N/A	695	N/A	20	N/A	25	N/A	40	N/A	85	N/A	780

The numbers reported for the 3rd Quarter include new hires, rehires, and promotions in each of the designated categories.



## Succession Planning

As part of our people strategy, we continue to implement and execute a multi-disciplinary approach to employee and leadership development. This approach includes but is not limited to: strategic recruitment and selection, partnerships with key training resources, and multiple development opportunities across all work segments.

### **THIRD QUARTER RESULTS**

During the third quarter, our third cohort of supervisors completed Frontline Supervisor & Development Training. A graduation and recognition ceremony was held in October 2018 for all three cohorts. Tri-C Corporate College, our partner for the Frontline Supervisor & Development Training series, was present to provide our participants with their certificates. We are currently working with Tri-C Corporate College to finalize the Frontline Supervisor & Development Training schedule for 2019.

We continue to track progress on key metrics for advancing our employee development efforts. One of these 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 for the second quarter was 16%, and 42% year to date.

Listed below are promotions during the third quarter that highlight our succession planning and employee development achievements:

#### **Executive and Management Succession**

Sharon Cottrell Peffer, Public Transit Management Academy graduate, was promoted from Contract Administrator to Procurement Team Leader in the Finance and Administration Division.

Daniel Dietrich was promoted from Manager, Fleet Planning, to Director of Fleet Management in the Operations Division.

#### **Frontline Supervisory and Technical Staff Positions**

Heather Schnear, Employee Promotability Training participant, was promoted from Administrative Assistant to Project Specialist in the Office of Management & Budget (Executive Division).

Jonathan Ciesla, Public Transit Management Academy graduate, was promoted from Planner III (Operations Division) to Budget Management Analyst in the Office of Management & Budget (Executive Division).

Nikki Ponder, was promoted from District Business Analyst (Operations Division) to Budget Management Analyst in the Office of Management & Budget (Executive Division).

Keith Blume, Employee Promotability Training participant, was promoted from Substation Maintainer 448 to Substation Maintainer 648 in the Operations Division.

## 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**

Rehabilitation of the Viaduct, Phase I (27Y)	RFP for design of repair elements Estimate: \$545,000	RFP approximately 75% complete.
Tower City Portal Rehabilitation (52N)	RFP for design of repairs to Tower City East Portal including track, power and signal. Estimate: \$901,400	Negotiations with Consultant underway.
Demolition of WB Access Road Bridge over Norfolk Southern (15.80)	Contractor: Bauman Enterprises, Inc. Construction Cost: \$568,977	Notice to Proceed issued June 13, 2016. Bridge demolished, abutment repairs and site cleanup underway.
Rehabilitation of E. 116 <sup>th</sup> Bridge (16.68)	Rehabilitation of bridge deck over Trunk Line Designer: Michael Baker, Int. Cost: \$219,285	Notice to Proceed issued April 21, 2017. Plans complete and circulating for approvals. Project to be bid by ODOT District 12.

### **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.
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West 65 Substation Replacement (23Z)	Substation Reconstruction Contractor: The Fowler Company Construction Cost: \$2,467,705	Design completed in-house. Project awarded at December 19, 2017 Board Meeting. Notice to Proceed issued February 13, 2018. Demolition of existing switchgear completed. New switchgear on order. Negotiations continuing on underground negative return cables change order.
Puritas Substation Replacement Design (60A)	Furnish and Install Modular Substation Construction Estimate: \$2,975,359	Project bids are due on October 24, 2018.
CRMF-Track 3 52O	Repair and four Transfer Table Crossings Contractor: TRAC Construction Cost: \$788,888	Notice to Proceed issued on August 21, 2018. Material on order.
Red Line West Track W 117 <sup>th</sup> to West Park (52P)	Contractor: Delta Construction Cost: \$3,555,885	Notice to Proceed issued on May 29, 2018. Shutdown work completed July 22 to August 11, 2018. Project in closeout.
Tower City Tracks 10 & 13 (52M)	Design for Track Replacement and Signal System Upgrades Consultant: TranSystems Cost: \$1,172,869	Notice to Proceed issued on September 7, 2017. Design is completed. Awaiting results of BUILD grant application before advertisement.

**Passenger Facilities**

*Rapid Stations*

Brookpark Rapid Transit Station Construction (24J(c))	Reconstruction of the Brookpark Station Contractor: Mid-American Construction, LLC Construction Cost: \$12,385,414	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 failed to assist contractor in closing project. Awaiting lien resolutions between contractor and many sub-contractors. Arbitration settlement reached with one subcontractor. Liquidated damages assessed.
E. 34 <sup>th</sup> St. Station Reconstruction Design (24M)	Reconstruction of the E. 34 <sup>th</sup> Station Consultant: WSP Cost: \$687,837	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>E. 34<sup>th</sup> St. Station Reconstruction (24M)</p>	<p>Reconstruction of E. 34<sup>th</sup> Station Contractor: Panzica Construction Cost: \$6,260,926</p>	<p>Project awarded at April 25, 2017 Board Meeting. Notice to Proceed issued June 14, 2017. Platforms open, station completed. Closeout to begin.</p>
<p>E. 116 Station Design (24R)</p>	<p>ADA reconstruction of E. 116 Light Rail Station Consultant: City Architecture 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 Cost: \$5,077,978</p>	<p>Project awarded at January 2018 Board Meeting. Notice to Proceed issued March 5, 2018. Demolition completed on Phase 1. Mews walkway placed. New drainage system installed. Track replacement completed. Project approximately 66% complete.</p>
<p>Farnsleigh Station ADA Construction (24V)</p>	<p>Contractor: Cook Paving Construction Cost: \$940,351</p>	<p>Project designed in-house and bids received on April 4, 2018. Contract was awarded at May 15, 2018 Board Meeting. Notice to Proceed issued June 1, 2018. Project paving completed, WB track work completed. Project approximately 50% complete.</p>
<p><i>Planning</i></p>		
<p>Opportunity Corridor Improvements (15.97)</p>	<p>Opportunity Corridor TWE Improvements on E. 105<sup>th</sup> Contractor: Milestone Cost: \$396,000</p>	<p>Project funded by ODOT to improve E. 105<sup>th</sup> bus stop areas at Cedar, Carnegie, Euclid &amp; Chester. Worked with City, ODOT &amp; Clinic to determine project requirements for bidding. Station elements have been finalized. RFP for the kiosk was canceled. Bus station contract was awarded at the May 15, 2018 Board Meeting. Came to resolution with Clinic and ODOT on siting and design locations. A Change Order and MOU will be submitted for Board approval in January, 2019. Shelters have been ordered.</p>

<p>LEED Commissioning for Station Projects (13.33)</p>	<p>Review station design drawings and materials for environmental impact to meet LEEDS certification                  Consultant: Karpinski Engineering Co.                  Cost: \$48,560</p>	<p>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.</p>
<p>E. 34<sup>th</sup> Public Art (17.15)</p>	<p>Solicitation of Public Art for E. 34<sup>th</sup> Street Station Budget                  Cost: \$55,000</p>	<p>First Art call solicitations received on February 3, 2017 with only 4 received. Have resolicited with additional outreach. Proposals received on May 8, 2017. Art installation has been completed. <b>This is the last report.</b></p>
<p>E. 116<sup>th</sup> Street Public Art (24R)</p>	<p>Public Art Solicitation                  Artist: Beatrice Coron and Land Studio                  Cost: \$34,000</p>	<p>Public art installation at E. 116<sup>th</sup> Street in concert with Neighborhood Progress &amp; Land Studio. Tri-party contract between artist, Land Studio, and RTA has been developed. Received approval from design review on May 9, 2018 and Planning Commission on May 18, 2018. Artist contract executed. Committee meeting to be held July 30th with community committee. Another meeting is being scheduled in December.</p>
<p>Transit Alternative Development for W. 25<sup>th</sup> Street Corridor (17.49)</p>	<p>Transit Planning for BRT on W. 25<sup>th</sup> Street                  Contractor: Cleveland Neighborhood Progress                  Cost: \$30,000</p>	<p>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. Working with Traffic and Engineering to finalize recommendations. Awaiting final report from consultant.</p>
<p>Economic Impact Study (18.03)</p>	<p>Study to identify economic impact of RTA services                  Contractor: CSU                  Cost: \$85,000</p>	<p>Board awarded contract at June 19, 2018 Board Meeting. Contract executed. Data delivered and preliminary funding was presented. Review comments being drafted. Schedule is being revised.</p>
<p>Strategic Plan 2020-2030 (18.05)</p>	<p>Update of Strategic Plan                  Contractor:                  Cost Estimate: \$150,000</p>	<p>Package sent to Procurement on October 23, 2018.</p>



**Maintenance Facilities**

<p>Infrastructure Upgrades @ Hayden &amp; CBMF for CNG (61B)</p>	<p>Upgrade facilities for CNG fueling at Hayden, CBMF and Triskett                  Consultant: Wendel                  Cost: \$743,943</p>	<p>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. Certificate of Occupancy obtained from City of Cleveland. CBMF Project in closeout. Triskett project remains.</p>
<p>CNG Heavy Maintenance Infrastructure Upgrades at Hayden &amp; CBMF (61B-c)</p>	<p>Contractor: EnviroCom Constr., Inc.                  Construction Cost: \$2,521,305</p>	<p>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 and East Cleveland occupancy permits obtained. Project in closeout.</p>



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