

## Minutes

### RTA Operational Planning & Infrastructure Committee

9:09 a.m. July 12, 2022

**Committee Members:** Welch (Chair), Moss (Vice Chair), Joyce, Pellot

**Other Board Members:** Biasiotta, Koomar, Lucas, McCall, Weiss

**Not present:** None

**Staff:** Benford, Birdsong, Burney, Catalusci, Coffey, Coppock, Dangelo, Davidson, Fields, Fleig, Freilich, Gautam, Jones, Kirkland, Laule, Miller, Orlando, Ponder, Schipper, Sutula, Walker-Minor, Young

**Public:** Gibbons, Loh, Sedlak

The meeting was called to order at 9:09 a.m. There were four (4) committee members present.

#### RFP Procurement for On-Call Rail Engineering Services

Chris Coppock, Engineering Project Manager of Track and Lou Catalusci, Contract Administrator of Construction and Engineering, made the presentation.

##### On-Call Rail Engineering Services:

- Provide rail engineering design and technical support for projects exceeding the capacity or expertise of GCRTA personnel.
- Work is by Task Order Assignment.
- Total Task Orders not to exceed \$450,000 over a 24-month term.

These are highly technical and specialized skills focusing on all things rail engineering.

- Scope of Work for Design Services may include:
  - Track Structure
  - Overhead Catenary System
  - Signal System Elements
  - Track and Infrastructure Inspections
  - Communications Systems, including Analog, Digital, Radio or Wireless
  - Electrical Power Substations
- Potential tasks include:
  - Track and infrastructure modifications at the GCRTA Brookpark Yard Maintenance Facility for receiving new rail cars.
  - Assistance in preparation of track rehabilitation packages.
  - Track and infrastructure modifications at the GCRTA Central Rail Maintenance Facility.

The Request for Proposal (RFP) was issued April 4, 2022. It was accessed on the GCRTA website by thirty-seven (37) interested parties which includes primary consultants, sub-consultants and bid houses. One (1) firm submitted a proposal. One (1) firm was interviewed. This was a Brooks Act procurement which has two parts. First, they do a technical evaluation. If they deem the proposer to be technically qualified, they interview them. The evaluation panel was comprised of various RTA departments who used evaluation criteria to review the proposal. The most technically qualified vendor is Parsons Transportation Group Inc., Dunedin, FL. They have a local office in Highland Heights that will service the contract.

An 18% DBE goal was assigned to this project and will be met by utilizing:

- Dynotec, Inc.
- Denise's Flagging and Construction Services, Inc.
- G & T Associates, Inc.
- Pro Geotech, Inc.

Parsons Transportation Group Inc. has successfully completed projects for Sound Transit, the New Jersey Transit Corporation, Metropolitan Transit Authority of Harris County (Houston Metro), and Washington Metropolitan Area Transit Authority, among others. Parsons Transportation Group Inc. personnel are experienced and familiar with multiple commuter rail systems throughout the nation. Staff Requests that the Operational Planning and Infrastructure Committee recommend award to Parson Transportation Group Inc. for Consulting Services for the On-Call Rail Engineering Services - 2022. The contract is not to exceed \$450,000.00 for the period of 24 months.

President Lucas asked for background information on the four DBE organizations. Mr. Kirkland said the prime contractor chooses the DBE companies. In utilizing the 18%, they ensure there are companies that are ready to participate. President Lucas requested a detailed update of who makes up the four companies. Mr. Kirkland said he will provide that update at the next meeting. Ms. Welch asked how we went to one proposal so the public can understand the competitive market around the project. Mr. Catalusci said they sent the RFP out to firms they believe can do the work. He surveyed firms that didn't propose and found that RTA is not a larger system like New York or Chicago. The proposals take time and money to prepare. Firms may not propose because firms that are closer may have a better chance in getting the contract. The contract doesn't typically get many proposals because of the highly specialized work.

Ms. Moss asked what the budget is for this project. Mr. Schipper said the budget is \$450,000.00. These are all task orders. The team will negotiate billing rates and they are applied to each task. The task could range from \$20k-\$80k depending on the work. We have local funds and grant funds that are project specific, and the task order will be applied to the appropriate grant line item for that project. Ms. Pellot asked if the staff is equipped to handle the new technology. Mr. Coppock said the new technology is related to new computer software the firm would develop for our projects. Mr. Schipper added that the on-call consultants are more efficient at plan production than his staff. Our rail system has old technology so it's hard to find consultants that have experience with our catenary system.

Ms. McCall added that RTA is a legacy system which is one of the oldest. Therefore, we usually have only one bid for these projects. The maintenance department has done a great job maintaining the system. Ms. Birdsong said with the procurement of new rail cars and an updated system, this pattern will change. Mr. Schipper added that the current engineering and construction market is changing as we face inflation, supply chain issues, supply of architects and engineers and the competition for other projects. He would like more proposers, but he predicts the trend will be fewer proposers. The marketplace is such that the architect/engineers are being selective about their pursuits. With RTA being the only rail property in Ohio, some of the consultants we've used are getting out of the rail business and going to the highway and bridge business.

This is a new consultant for RTA. For a long time, they were contracted with FTA to be our project management oversight consultant which meant they couldn't work on our property. Those contracts are over, so they have been bidding on projects for the last few years. It was moved by Mr. Joyce, seconded by Ms. Pellot, and approved to go to the full Board.

#### IFB Procurement for Light Rail Track Rehabilitation Replacement of the E. 75<sup>th</sup> Interlocking

Chris Coppock, Engineering Project Manager of Track and Jonathan Laule, Program Contract Manager, made the presentation. The project location is in between Opportunity Corridor and Kinsman Avenue at E. 75<sup>th</sup> Street on the Light Rail (LR) as it leaves the E. 55<sup>th</sup> Street yard and heads out towards Shaker Square. This ties in the final piece of the trunk line and LR rehab from Kinsman to Shaker Square. The Blue and Green Lines will be shut down for six weeks the summer of 2023. Replacement bus service will be provided. The engineer's estimate was \$3,210,000.



Improvements:

- Replacement of six turnouts (three crossovers allowing trains to move from one track to the other).
  - In this location is the eastbound main and westbound main and the test track which is the main entrance and exit point for the LR into and out of E. 55<sup>th</sup> Street yard. This is a signalized interlocking.
- Installation of 1,200 linear feet of new 115 lb. rail
  - A lot of the LR system was 100 lb. rail which increases inventory, cost and makes maintenance more challenging.
- Installation of 22 new insulated joints
  - Provides the track circuits in between the interlocking for a more consistent operation
- Installation of six new 5E switch machines
  - Allow them to unify the system as far as signal components necessary for maintenance and to reduce inventory cost
- New signal cabling throughout the interlocking
  - Cabling is from the 1980's. This will reduce interruptions and increase revenue service
- Paving a new grade crossing for maintenance access at Kingsbury Wye Track
  - This was installed as a part of Opportunity Corridor. Will allow them to set rail equipment on and off this location which will allow access into this work site without impacting service.

The Invitation for Bid (IFB) was issued May 16, 2022. It was accessed on the GCRTA website by 19 interested parties. Two (2) firms submitted a bid. The lowest responsive and responsible vendor is Delta Railroad Construction, Inc., Ashtabula, Ohio. A 10% DBE participation goal was assigned to this project and will be achieved using Cook Paving and Construction, Garcia Surveyors, Inc., Denise's Flagging & Construction Services, and Intelligent Polymer Solutions, LLC. Delta Railroad Construction, Inc. has successfully completed projects for GCRTA, CSX, MTA, Amtrak, among others. Staff requests that the Operational Planning and Infrastructure Committee recommend award to Delta Railroad Construction, Inc. for the replacement of the East 75<sup>th</sup> Street interlocking. The contract is in an amount not to exceed \$3,494,819.00. Ms. Birdsong asked that additional information to be provided on the DBE firms at the next meeting. She requested a DBE process overview be presented in the 4<sup>th</sup> Quarter report.

Ms. Welch asked for the timeline for the project. Mr. Coppock said it will be in the summer of 2023. The actual date is not identified yet. Once they receive the Notice to Proceed, the contractor will begin working on engineering drawings for the turnout, which is the longest lead time item. They predict 45 weeks for the lead time on the turnouts. This year they will order the switch machines, cabling, and complete submittal work. There will be a waiting period in 2023 for the supplies to arrive. It will be a six-week shutdown. They will remove the turnouts, ballast, etc. There will be a lot of signal testing with the new equipment. Mr. Joyce asked why the spread on the bid amounts. Mr. Schipper said all our vendors know our rules for awarding contracts. They find that if a vendor knows they will exceed the estimate by 10%, they won't submit their best number. Many of them will submit a bid that far exceeds the estimate to see if they are the only high bidder, anticipating the estimate may be moved up on the rebid. The recommended vendor believes they can do the job under the 10% even though it exceeds the estimate. He recommends they award the contract given the inflationary situation and long lead time to obtain the materials.

It was moved by Ms. Moss, seconded by Ms. Pellot, and approved to move this to the full Board.

Proposed FY 2022 General Fund Amendment

Carolyn Young, Manager of Budget, gave the presentation. Today's agenda will review the following:

- 2022 General Fund Amendment
- 2023 Tax Budget
- Public Hearing



Staff proposes to transfer \$50 million to the Reserve Fund for revenue stabilization and transfer \$4.5 million the Capital Improvement Fund. The transfers to Reserve Fund for \$50 million will eventually be transferred back to the General Fund in future years to ensure we have a one-month operating reserve which would be in line with our current financial policy. They also request a \$4.5 million transfer to Capital which will cover any outstanding or unfunded projects into maintaining the State of Good Repair of our current assets. The proposed 2022 amendment for \$54.5 million transferred to Other Funds is a total expenditure adjustment increase in estimating the \$54.5 million for the amended budget. They expect \$22.38 million as the estimated ending balance for 2022.

Mayor Weiss asked if the transfer to capital is a result of project overruns or additional work in conjunction with the capital budget. Ms. Young said the \$4.5 million is an adjustment for project overruns. Capital projects have a 10% contingency they may have to cover.

#### FY 2023 Tax Budget

The Tax budget is an initial analysis and forward-looking document toward estimated revenues for the next fiscal year. It is the first step, and a valuable tool in the budget development process. In May 2022, staff presented the 2023 Capital Improvement Plan, which was adopted by the Board. The capital budget was submitted earlier in the year to align with NOACA, ODOT, and FTA planning schedule, to ensure funding is available for our FY 2023 capital projects. Today, they are presenting the 2023 Tax Budget and will request that the Committee recommend to the Full Board for adoption on July 26<sup>th</sup>.

In August, they will begin the Operating Budget Development process for Fiscal Year 2023. In November, they will present the 2023 General Fund Budget, which includes the Operating Budget and Transfers to other Funds to the Operational Planning & Infrastructure Committee. They will also have a public hearing on the 2023 General Fund Budget. In December, they will present again the 2023 General Fund Budget and hold a 2<sup>nd</sup> public hearing at the Committee meeting. They will recommend the committee present the budget to the Full Board for adoption On December 20, 2022.

The Authority continues to manage the effects of the ongoing pandemic and continues to monitor the economic conditions. In June, the Federal Reserve raised the federal interest rate by three quarters of a percentage to combat high rates of inflation. The Federal Open Market Committee is forecasting a slow growth in FY 2023, projecting to reduce interest rates back to normal levels. (Note: Economist project FY 2023 to be at 1.8%-3.1%) They are projecting no additional Federal Stimulus Assistance. Ridership and Sales & Use Tax revenues are projected to increase at a modest rate in 2023, compared to 2022. Currently, the Authority has received an average yield of 1.05% on its cash investments. Wage increases, which are largely contractual (ATU and FOP), are projected for FY 2023. They are projecting conservative growth for the two largest sources of revenue: Sales Tax (\$259 million) and Passenger Fares (\$23.3 million). Preventive Maintenance will be kept low at \$1 million, enabling the Authority to use grant funds toward unfunded capital projects. They are estimating to transfer \$10 million from the Reserve Fund to stabilize revenues, to support the ending balance. Total Revenues are estimated at \$301.81 million for the 2023 Tax Budget.

The two largest sources of revenue are: 86% - Sales & Use Tax receipts and 8.0% - Passenger Fares. The projected expenditures for 2023 Tax Budget are as followed. Total Personnel costs include Salaries and Overtime at \$152.18 million and Payroll Taxes & Fringes at \$56.7 million. The next three largest categories for operating expenditures include Services, Materials & Supplies at \$22.0 million, Transfers to other funds total \$41.9 million. These are for specific set-asides for insurance, the capital program, debt services, pension, and reserve funds. Total expenditures for the 2023 Tax Budget are budgeted at \$317.4 million. The three largest expenditure categories include Salaries & Overtime at 48.0%, Payroll taxes and fringes at 17.9% and Transfers to Other funds at 13.2% of total expenditures.

In Summary, they are presenting a 2023 Tax Budget for total resources equaling \$340.5 million. Total operating expenditures are budgeted at \$317.35 million. The estimated ending balance for the 2023 Tax Budget is \$23.15 million, leaving a 1-month operating reserve. For the two outyears, they are estimating

an ending balance of \$22.68 million for 2024 and \$24.16 million for 2025, estimated ending balance one month reserve. Mayor Koomar asked for an explanation on the increase in salaries and overtime and decline in payroll taxes and fringes. Ms. Young said the payroll taxes and fringes is a projection. Fringes are still stabilizing at a certain rate. They expect that payroll taxes will not be that high, but fringes are stabilized. He asked what payroll taxes would be decreasing. Ms. Young said over the last few years the fuel taxes have decreased. Mr. Gautam said the payroll taxes will remain stable. The largest component of the fringes are the different allowances as well as the healthcare expense. The projected decrease in healthcare expenses, based on recent experience rates account for the projected declines in the Fringes expense. RTA is self-insured.

Suspend the Meeting

9:56 a.m. - Ms. Welch asked for a motion and second to suspend the committee meeting to move to the Public Hearing. It was moved by Ms. Moss, seconded by Ms. Luz, and approved to suspend the meeting.

Reconvene the Meeting

10:00 a.m. – After the public hearing, it was moved by Ms. Pellot, seconded by Ms. Moss, and approved to reconvene the committee meeting.

Request for Approval

- Staff requests that the Operational Planning & Infrastructure Committee recommend the FY 2022 Proposed Budget Amendment to the full Board for approval. It was moved by Ms. Pellot, seconded by Ms. Moss, and approved to move to the full Board.
- Staff requests that the Operational Planning & Infrastructure Committee recommend the FY 2023 Tax Budget to the full Board for approval. It was moved by Ms. Pellot, seconded by Ms. Moss, and approved to move to the full Board.

The meeting was adjourned at 10:01 a.m.

  
Rajan D. Gautam  
Secretary/Treasurer

  
Theresa A. Burrage  
Executive Assistant