

## Minutes

### RTA Operational Planning & Infrastructure Committee

9:00 a.m. July 9, 2024

**Committee Members:** Welch (Chair), Love, Sleasman

**Other Board Members:** Lucas, McPherson, Pacetti, Weiss

**Not present:** Biasiotta, Koomar, Mersmann

**Staff:** Agnew, Birdsong Terry, Burney, Capek, Caver, Coffey, Dangelo, Davidson, Dimmick (Drew), Dimmick (Kirk), Fesler, Fields, Flannery, Fleig, Freilich, Garofoli, Gautam, Jupina, Laule, Lawson, Martin, McGervey, Mothes, Neinke, Palmer, Rusnov, Schipper, Schultz, Shaffer, Sutula, Talley, Togher, Walker-Minor, Woodford, Young

**Public:** Gibbons, Hill

The meeting was called to order at 9:00 a.m. Three (3) committee members were present.

#### IFB Procurement for Main Office Roof Replacement

Brian Schultz, Construction Engineer and Jonathan Laule, Program Contract Manager, Procurement gave the presentation.

The Main Office roof is located at the current location off W. 6<sup>th</sup> Street. The Main Office aka the Roof McBride building was constructed circa 1884. The existing roof is over 25 years old, has leaks, and holds subsurface moisture. The metal roof and four skylights were installed when the existing roof was installed.

#### *Project Objectives:*

- This project will install a layover roof system, replace four skylights, recover metal roof, and replace all other roofing accessories.
- Once all five new HVAC units (Project 19.14) are placed on the roof the roof replacement project will start work.
- Replacement will be targeted for Summer 2025.

#### *Procurement Overview*

The Invitation for Bid (IFB) was issued April 29, 2024. It was accessed on the GCRTA website by 9 interested parties. Four (4) firms submitted a bid. The lowest responsive and responsible vendor is Warren Roofing & Insulating, LLC. A 14% DBE participation goal was assigned to this project and will be achieved through the use of All Contractors Supply. Warren Roofing & Insulating, LLC has successfully completed projects for NASA, Ford Motor Company, Progressive Field, Chardon Local Schools, and the City of Cleveland, among others.

Staff requests that the Operational Planning and Infrastructure Committee recommend award to Warren Roofing & Insulating, LLC for the replacement of the roof on the Main Office Building. The contract is in an amount not to exceed \$940,000.00.

It was moved by Mr. Love, seconded by Mr. Sleasman and approved to move to the full Board.

### IFB Procurement for Main Office HVAC Replacement

Brian Schultz, Construction Engineer and Jonathan Laule, Program Contract Manager, Procurement gave the presentation.

The Main Office HVAC is located at the current location off W. 6<sup>th</sup> Street. This project encompasses work on the roof. The HVAC units will be replaced and the control systems will be updated.

#### *Work History:*

- Root McBride building constructed circa 1884.
- All five of the Heating, Ventilating, and Air Conditioning (HVAC) units installed circa 1997.
- The American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) recommends replacing units older than 15 years.

#### *Project Objectives:*

- Install five new units, update the Building Automation System (BAS) that controls all the units, and other accessories to attain proper temperature control throughout the building.
- Unit deliveries are anticipated to be six months or more and will require a large crane and shutdown of W 6<sup>th</sup> Street to replace them.
- Roof replacement project will start work once all five units are installed.
- Replacement will be targeted for Spring 2025 when heating and cooling demands are minimal.

#### *Procurement Overview*

The Invitation for Bid (IFB) was issued April 29, 2024. It was accessed on the GCRTA website by 10 interested parties. Three (3) firms submitted a bid. The lowest responsive and responsible vendor was CRS Metalworx, Inc. A 19% DBE participation goal was assigned to this project. CRS Metalworx, Inc. completed the good faith effort process to support a DBE participation of 0%. This was reviewed and approved by the Office of Business Development. CRS Metalworx, Inc. has successfully completed projects for the City of Cleveland, City of North Olmsted, City of Westlake, Akron Children's Hospital, and the City of Akron, among others.

Staff requests that the Operational Planning and Infrastructure Committee recommend award to CRS Metalworx, Inc. for the replacement of the HVAC on the Main Office Building. The contract is in an amount not to exceed \$1,575,000.00.

Mr. Love asked if building systems and energy efficiency factored in the identification of the type of HVAC system. Mr. Schultz said a study on capacity and efficiency was done on the current units. They found that the current unit capacity is sufficient. Mr. Sleasman asked why the vendor could not reach the DBE goal. CRS was unable to contract with subcontractors who were ready and able to do the work due to capacity and labor issues. If a contractor can't meet the goal, FTA requires good faith documentation of why they couldn't support the goal. OBD reviewed the documentation from CRS and deemed it in compliance.

It was moved by Mr. Sleasman, seconded by Mr. Love and approved to move this to the full Board.

### RFP Procurement for Red Line Station Platform Modifications

Kirk Dimmick, Engineer Project Manager, Bridges and Jonathan Laule, Program Contract Manager – Procurement gave the presentation. This contract is for the modification of 22 of the 25 RTA station platforms. The remaining three (Superior, Cedar/University East and West Park) will be under a separate contract.

Heavy Rail Platform extensions are required for new narrower rail fleet vehicles. The extension will provide an acceptable 2" +/- threshold gap for revenue trains. Platform extension designs will vary based

upon existing platform conditions and materials. The design focus is on platform extension not replacement. Some platforms are in worse shape than others. Some are supported by steel. Others by concrete. They will cluster the work to keep similar platforms together.

Six station platform designs for the Red Line east extensions and ten station platform designs for the Red Line west extensions will be respectively combined for construction contracts. The remaining six Joint Territory platforms will be combined in a separate construction contract for when the existing light rail trains are retired. The different groups are managed due to how the old fleet is managed compared to the new fleet. There will be two phases. Phase 1 includes repair details to improve existing platform components and new anchorage details to accept modular edge width extensions (8" +/-). They will run the current fleet during these repairs. Phase 2 entails a multiple station segment shutdown to install new edge width extensions; once installed, new fleet can be operational on that segment of the Red Line. They can run the new fleet to the east by 2027. The old fleet will be decommissioned before they can run service to the west. Remaining Red Line stations at Superior, Cedar/University East and West Park, in a separate contract, will require a complete platform replacement due to deterioration.

#### *Procurement Overview*

The Request for Proposal (RFP) was issued on April 15, 2024. It was accessed on the GCRTA website by sixteen (16) interested parties. Two (2) firms submitted a proposal. Two (2) firms were interviewed. The evaluation panel consisted of several RTA departments using evaluation criteria. The most technically qualified vendor was Osborn Engineering. A 11% DBE goal was assigned to this project and will be met by utilizing G&T Associates, Somat Engineering, Inc. and Denise's Flagging and Construction Services, Inc. Osborn Engineering has successfully completed projects for Greater Cleveland RTA, Decatur Public Transit System, Cuyahoga County, ODOT, and the Cleveland Guardians, among others. Osborn Engineering has a knowledgeable staff, is familiar with GCRTA rail needs, and has provided quality deliverables on past projects.

Staff requests that the Operational Planning and Infrastructure Committee recommend award to Osborn Engineering for Engineering Services for the Red Line Station Platform Modifications. The contract is in a negotiated amount not to exceed \$861,676.92.

Mr. Sleasman asked for the timing of the shutdown. Mr. Dimmick said it could last 10 days or more depending on the complexities. They will work with the staff to determine the timing. Dr. Caver added that the eastside will shut down first. That will allow the current Heavy Rail trains to run from E. 55<sup>th</sup> going west. The old cars will be taken to Brookpark. There will be replacement bus service during this time. Engineering is preparing to minimize the shutdown. Mr. Love asked if there was a facilities audit of the current platforms to determine an extension versus a replacement. Mr. Dimmick confirmed that was done for the Heavy Rail and Light Rail. Three platforms were determined not to be able to extend without a replacement.

It was moved by Mr. Love, seconded by Mr. Sleasman and approved to move this to the full Board.

#### RFP Procurement for Design Modifications to the Central Rail Maintenance Facility for New Railcars

Mike Capek, Engineering Project Manager, Facilities and Jonathan Laule, Program Contract Manager – Procurement gave the presentation.

#### *Project Overview*

Unlike the existing fleet, the new Railcars have equipment mounted on top of the car that will need periodic maintenance. To support that, the following modifications will be made at CRMF:

- Add three service balconies (in addition to the one existing pantograph balcony).
- For each balcony add a 1-ton trolley hoist and elevate the catenary to provide adequate clearance for the rooftop equipment.

- Provide auxiliary power connections for the top of the cars.
- In addition, the new Railcars have a hydraulic braking system, requiring an isolated environment than normally found in the Rail Shop. Consequently, a separate room with a separate ventilation system will be designed for brake system repairs.
- The new cars also have a shroud around the rooftop equipment. A snow melting system will be designed to address possible accumulations of snow or ice.

### *Procurement Overview*

The Request for Proposal (RFP) was issued on April 15, 2024. It was accessed on the GCRTA website by thirteen (13) interested parties. One (1) firm submitted a proposal. One (1) firm was interviewed. The evaluation panel included various RTA departments using evaluation criteria. The most technically qualified vendor is Richard L. Bowen and Associates. A 13% DBE goal was assigned to this project and will be met by utilizing 2BEngineering LLC. and G. Stephens, Inc. Richard L. Bowen and Associates has successfully completed projects for Greater Cleveland RTA, Norfolk Southern Railroad, Amtrak, Central Ohio Transit Authority, and Akron Metro, among others. Richard L. Bowen and Associates has qualified and knowledgeable personnel, familiarity with GCRTA, and provides quality deliverables.

Staff requests that the Operational Planning and Infrastructure Committee recommend award to Richard L. Bowen and Associates for Design Services for the Central Rail Maintenance Facility Modifications for the New Railcars. The contract is in a negotiated amount not to exceed \$472,484.95.

Mayor Weiss asked if hydraulic brakes are a new feature on the railcars that we don't currently have. The hydraulic brakes will be new to the fleet. Siemens recommended the isolated area due to tighter precision and tolerances from temperature fluctuations. The current fleet has air brakes. It was moved by Mr. Sleasman, seconded by Mr. Love and approved to move this to the full Board.

### Change Order to the Trunk Line Signal System

The presenters included Kathleen McGervey, Project Manager – Track, Jenn Martin, Contract Manager, Procurement, Mike Schipper, DGM – Eng. & Proj. Management and Melinda Dangelo, Director of Procurement, gave the presentation.

### *Project Overview*

This project was originally approved by the full Board via Contract 2022-122 awarded to Bison Rail Systems on March 31, 2023, by Resolution No. 2023-2, for construction of a new modern signaling system on the light rail Trunk Line from East 79<sup>th</sup> St. Station to Shaker Square in an amount not to exceed \$4,464,789.20. The Trunk Line system is in the center of the rail system. It runs from E. 79<sup>th</sup> Street to Shaker Square. It will replace the existing signal system built in 1920. Work will take place during an 8-week shutdown. The original schedule project completion was July 2024. The proposed new project completion in Fall 2025. One (1) no-cost, time extension change order has been issued.

### Original Timeline:

- March 31, 2023- Notice to Proceed was issued.
- May 20, 2023 - Bison Rail Systems proposed an alternate technical solution that would upgrade the signal communication system to current, modern technology using fiber optics.
- Since June 2023, staff has been reviewing the proposed solution to determine the cost and available funding.
  - Funding for the purchase and installation of fiber became available which enabled RTA to pursue the new communications technology.
  - Internal technical review was conducted and several third-party consultants were engaged.

### Proposed New Technical Solution:

- Original design called for PSO 4000 Audio Frequency Track Circuits. (1960's technology.)

- New technical solution will provide 60Hz vane power frequency track circuits that will enable communications via fiber. (2000's technology.)
- Fiber will be installed under a separate project.
- Will provide superior shunting sensitivity and broken rail detection.
- Will provide better protection against broken down insulated joints.
- This system is preferred by GCRTA's Power and Way Dept. because it will provide a modern communication signal system.

Proposed Change Order:

- The Proposed Change Order of \$1,129,068.56 will include all costs for the new proposed solution as well as the new construction schedule, adding 442 days to the schedule.
- The proposed technical solution represents approximately \$400,000.00 of the change order cost, with the remaining amount due to the delay.
- Based on the ODOT method for pricing delay costs, the overhead costs are fair and reasonable to compensate for the new Fall 2025 construction schedule.
- The Change Order Committee reviewed and approved this proposed change order.

DBE Goal:

- Bison Rail Systems, a self-performing DBE contractor, remains committed to achieving the 17% DBE participation goal that was assigned to this project.

Going Forward:

- Utilize GCRTA's On-Call Signal Engineering consulting firm, Mott MacDonald LLC, to provide signal engineering services for the duration of this project.
- Utilize GCRTA's On-Call Scheduling and Cost Control consulting firm, Construction Support Solutions, Inc. to provide support for the project schedule.

Engaging the two consultants will provide RTA with advance signal expertise and will ensure continuous progress on the project. Their expertise will support RTA with the implementation of the new rail signal system, enhancing overall efficiency of transit operations and safety.

Staff requests that the Operational, Planning & Infrastructure Committee recommend approval of the proposed change order to Bison Rail Systems in a negotiated amount not to exceed \$1,129,068.56 resulting in a new total contract amount not to exceed \$5,593,857.76. This change order will also reinstate the General Manager's change authority to \$250,000.00.

Ms. Welch asked about the budget to support the change order. Ms. Terry asked staff to provide some history and supporting information on this project. Dr. Caver said the current system is older and transmits over copper wire. The new technology transmits over fiber which will modernize the system. This will allow us to expand when technology changes and will be like what we have on the Red Line. It will enhance safety and improve traffic control. Mr. Schipper said this system will be able to expand to the Blue and Green Lines signal system. The project had a \$6 million budget so the money is available for the change. Talks are in progress with FTA on the funding split of federal grants and local money. This contract went through multiple procurements. It is now caught up with our fiber projects in the capital budget. We don't have an inhouse signal engineer so we rely on consultants. Ms. Melinda added that Bison Rail Systems is ready to staff up to meet the new deadlines. The on-call contractors are on deck and ready to move forward.

Mayor Weiss asked if the only area without an updated signal system spans from Shaker Square to the ends of the Green and Blue Lines. Mr. Schipper confirmed that. Those areas are in a visual area. It has a push button system dating back to the 1920's. A few other capital projects must be completed before these lines get up to standard. The rail needs to be replaced and it needs a fiber optic system. Mr. Sleasman asked why we don't have a signal engineer. Mr. Schipper said they are very expensive, approx. \$250K/year. We use consultants since we don't do signal projects frequently. We've advertised the position in the past but were unsuccessful in attracting anyone.

It was moved by Mr. Sleasman, seconded by Mr. Love. Ms. Welch asked for a roll call. There were three (3) ayes and none opposed to moving this to the full Board.

### CMSD Agreement

John Togher, Director of Accounting gave the presentation. Ms. Welch recused herself from this discussion. Mayor Weiss was designated to preside over this agenda item and to provide a quorum for the vote.

Since 2006, CMSD has partnered with GCRTA to purchase discounted student fares. CMSD wants to make public transportation available to its enrolled students in Grades 9-12. The agreement term is for the 2024-2025 school year. The estimated value of this contract is \$2,500,000 for 1,515,000 rides. It is based on the projected rides from the 2023-2024 school year. This agreement will only apply to students with the CMSD/GCRTA school passes. GCRTA provides magnetic stripe farebox compatible picture ID cards. Like the 2023-2024 school year, there will be no blackout periods. CMSD will pay for each ride with the swipes.

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### Highlighted Terms:

- 12,000 student ID cards/passes will be issued for student use on GCRTA vehicle as proof of payment.
- CMSD will make 10 monthly installment payments of \$250,000 each.
- GCRTA will provide CMSD a reconciliation of actual student rides and bill/credit CMSD on a quarterly basis at \$1.65 per ride.
- Any student tickets provided for services over and above this agreement will be at \$1.75/ride.

Staff requests that the Operational Planning & Infrastructure Committee recommend to the Board of Trustees the approval of the Intergovernmental Student Transportation Agreement with CMSD for the 2024-25 school year.

Ms. Pacetti asked how the children outside the scope of this agreement get to school. Mr. Togher said CMSD provides them with transportation on the yellow buses. Mr. Gautam added that in the negotiations over the last two years, the model was changed due to improved ridership data. The standard rate is \$1.75. This agreement has a 5% discount. CMSD is the largest volume customer. They requested there be no blackout dates. This works since they are now paying per ride.

Mr. Love asked if the pass can be used on the weekends. That was confirmed. Mr. Togher said in the past there were weekend and holiday blackouts. Last year was the first year with no blackouts. They receive a monthly report of all rides and who is riding. Ms. Terry said this supports after school programs, economics, and safety. Rev. Lucas added that this is a great program. Mr. Sleasman asked if account-based ticketing could be integrated into this program in the future. Mr. Togher said they slide the pass in the farebox for tracking. The pass is also their ID. At some point when the technology is in place, they can use it.

It was moved by Mr. Sleasman, seconded by Mr. Love. Mayor Weis asked for a roll call. There were three (3) ayes and one (1) abstention from Ms. Welch.

### Tax Budget – Proposed for FY 2025

Kay Sutula, Director of the Office of Management and Budget gave the presentation. The Tax Budget is the initial step and valuable tool in the budget process. It is a forward-looking document that estimates revenues for the next fiscal year. Today's presentation will cover the budget schedule and assumptions.

### *Budget Schedule*

In May 2024, the 2025 Capital Improvement Plan was adopted by the Board. The capital budget was submitted earlier in the year to align with NOACA, ODOT, and FTA planning schedule. The Capital Improvement Budget will be amended later in the year so we can purchase the next set of Rail Cars. Today, we are presenting the 2025 Tax Budget and will request that the Committee recommend to the full Board for adoption on July 30<sup>th</sup>.

Next month, in August, we will begin the Operating Budget Development process for Fiscal Year 2025. In November, we will present the 2025 Budget, which includes the Operating Budget and Transfers to other Funds to the Operational Planning & Infrastructure Committee. We will also have a public hearing on the 2025 Budget. In December, we will present again the 2025 Budget and hold a 2<sup>nd</sup> public hearing at the Committee meeting. We will recommend the committee present the budget to the Full Board for adoption on December 17, 2024.

### *2025 Economic Assumptions*

The authority continues to manage the effects of inflation and supply chain issues; we continue to monitor the economic conditions. The Federal Open Market Committee (FOMC) has kept interest rates steady as they monitor the rate of inflation. The FOMC is forecasting a slow decline in inflation in 2025. Ridership, Passenger Fares, and Sales & Use Tax are projected to increase at modest rates in 2025. Currently, the Authority has received an average yield of 4.48% on its cash investments. Wage increases, which are largely contractual (ATU and FOP), are projected for FY 2025.

We are projecting conservative growth for our two largest sources of revenue. Sales Tax (1.8%) and Passenger Fares (2.5%). Preventive Maintenance will be kept low at \$1 million, enabling the Authority to use grant funds toward unfunded capital projects. We are transferring \$4.5 million from the Reserve Fund for the 27<sup>th</sup> pay for hourly employees. This occurs every 11-12 years. We are estimating needing a transfer of \$36.5 million from the Reserve Fund for Revenue Stabilization, to maintain a 1-month operating reserve, adhering to the current financial policy. Total Revenues for the FY 2025 Tax Budget are estimated at \$352.2 million.

The two largest revenue categories are Sales & Use Tax receipts at 77% and Passenger Fares at 8.6%. Under the Reserve Fund, there is \$4.5 million transfer for the 27<sup>th</sup> Pay and \$36.5 million transfer for Revenue Stabilization.

### *General Fund Expenditures*

The projected expenditures for the 2025 Tax Budget are \$350.8 million. Total Personnel costs include Salaries and Overtime at \$173.2 million and Payroll Taxes & Fringes at \$61.5 million. There will be a 27<sup>th</sup> pay for hourly employees in 2025. The next three largest categories for operating expenditures include Services, Materials & Supplies at \$26.2 million, Purchased Transportation at \$15 million and Fuel & Utilities and Inventory, both at \$13 million. Transfers to other funds total \$41.1 million. These are for specific set-asides for insurance, the capital program, debt services, pension, and reserve funds. Total Personnel costs are 67.7% of total expenditures. This includes Salaries & Overtime at 50.0% and Payroll taxes and fringes at 17.7%. The next largest categories are Services, Materials & Supplies at 7.6%, Purchased Transportation at 4.3% and Inventory at 3.8%.

### *2024 Tax Budget*

For the FY 2025 Tax Budget, total revenues are estimated at \$352.2 million. Total Expenditures are estimated at \$350.8 million. The estimated ending balance is \$26.2 million – maintaining a 1-month reserve. For 2026 and 2027, we are planning on transfers from the Revenue Stabilization Fund of \$31.5 million and \$32.5 million, respectively to maintain the 1-month reserve.

Mr. Sleasman asked how much longer the revenue stabilization fund can last before it is depleted. Mr. Gautam said we transferred \$135 million into the fund over a two-year period. With the investment earnings, it is now over \$142 million. This is the first time in the history of RTA that there was such a fund. Some transfers have been projected to be transferred from the fund to the General Fund. Up until this point, no funds have been moved. That evaluation will be made towards the end of the year. It depends on the revenue projections and expense monitoring. If nothing changes, it could run out between 2028-2030. Mr. Sleasman commended the staff for their financial management. He also asked about the Growth and Cost Per Hour Service of \$169.83 which was 5.5% above the 2024 estimate. He asked about the drivers for that metric and why we're above the estimate. Ms. Sutula said the 27<sup>th</sup> pay is between \$4.5 - \$5 million. Purchase transportation, salaries, parts, materials and supplies have increased. Ms. Terry suggested this be discussed at the upcoming retreat. Mr. Sleasman has a few metrics he'd like to suggest.

Mr. Love asked if the 25% Operating Ratio and other Board policy goals could be reviewed with the Board during the budget process. Ms. Sutula said the policies are best practice and consistent with other transit authorities. Mr. Sleasman asked where the best practice data comes from. Dr. Caver said the policies were last updated at least 10 years ago. It may be a good idea to review those goals.

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*Suspend Committee Meeting*

10:18 a.m. - Ms. Welch asked for a motion and second to suspend the meeting to hold the Public Hearing. It was moved by Mr. Sleasman, seconded by Mr. Love and approved to suspend.

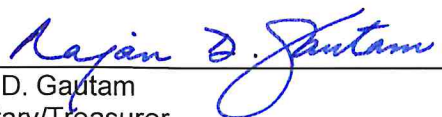
*Reconvene Committee Meeting*

10:22 a.m. – It was moved by Mr. Sleasman, seconded by Mr. Love and approved to reconvene the committee meeting.

*Recommendation*

Staff requests that the Operational Planning & Infrastructure Committee recommend the FY 2025 Tax Budget to the Full Board for approval. It was moved by Mr. Sleasman, seconded by Mr. Love and approved to move this to the full Board.

The meeting was adjourned at 10:22 a.m.

  
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Rajan D. Gautam  
Secretary/Treasurer

  
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Theresa A. Burrage  
Executive Assistant