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Greater Cleveland Regional Transit Authority
Quarterly Management Report
Third Quarter, October 2016





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From the CEO



The third quarter opened with a flurry of activity highlighted by the Republican National Convention. RTA assisted in the design and implementation of a transportation system that, by all accounts, exceeded the expectations of both delegates and guests alike. A very special thanks to the many staff members who volunteered their time to provide assistance and information to our important visitors. The special RNC - 7 day pass was a big success,

RTA made strides to be in for forefront of today's technology with the launching of the 'RTA CLE' mobile ticketing app for smartphones. Users can remotely purchase and download RTA tickets and passes as well view and select travel options.

The third quarter was also marked with the final planning and implementation of the service and fare changes approved by the Board of Trustees in June. While fares, bus route changes and revised Paratransit policies were put into effect in August, changes to the Green and Waterfront rail services were made effective in September. A major information campaign effectively communicated impact to our customers.

Once again, RTA was recognized by the Council on Economic Inclusion for the diversity of our workforce.

The enclosed report details the activity and operating results of RTA through the third quarter of 2016. 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, and a status update on our Engineering and Construction activities.

The intent of the Quarterly Management Report is to provide information to assist you in carrying out your oversight role and statutory responsibilities as the Governing Board of the Authority.

Sincerely,

Joseph A. Calabrese, CEO

General Manager/Secretary-Treasurer

Financial Analysis

The 2016 budget approved by the GCRTA Board of Trustees in December 2016 included a \$7 million adjustment to revenues and service levels to maintain an acceptable year-end balance. Public meetings held in April and May enabled decisions to be made to institute both a fare increase, the first in 7 years, and a 3 percent service reduction of RTA's least utilized services.

Operating Revenues were budgeted at \$289.1 million. With an estimated carryover of \$25.9 million of revenue at the end of 2015, Total Resources 2016 were budgeted at nearly \$315.0 million. Due to \$4 million of unanticipated health care costs received in December along with a reduction in revenues in the fourth quarter, the actual 2015 ending balance dropped to \$16.9 million. As a result, total resources for 2016 are now projected to end the year at \$308.5 million.

Operating expenses have been closely monitored and controlled throughout the year. Prior-year encumbrances are being closed and funds set aside. Personnel expenditures are projected to end the year at \$188.8 million, 2.0 percent below budget primarily due to an increase in vacancies. Fringe Benefits are projected to end the year at \$52.0 million, \$1.3 million over budget, due to an increase in healthcare claims. Savings in Liabilities and Fuel & Utilities have also helped to lower operating expenses by year-end. Total Operating Expenses are projected to end the year at \$252.1 million, 5.8 percent, or \$15.5 million below budgeted levels.

The End of Year Balance is projected at \$22.0 million. This is a significant improvement versus the 2016 budget, due to a one-time reduction in the General Fund Transfer to Capital, an amended Tax return for a major Medicaid Health Care provider in mid-2016 resulting in higher than expected Sales & Use Tax revenue, and lower than programmed Operating costs. Of concern is the on-going reductions in Passenger Fare Revenue this year that has made it imperative that Operating Expenditures are tightly monitored to help end the year with a 1.0 month reserve.

Capital expenditures: Through the third quarter, activities within the Authority's capital programs generated \$53.7 million of expenditures, a decrease from 2015 capital expenditures of \$65.1 million. The decrease between the two years is primarily due to the delivery and expenditure a large number of 40 foot CNG buses in 2015.

Most of the capital expenditures through the Third Quarter were expensed on Bus Improvement projects at \$7.1 million for the purchase of 12 Trolley buses and 20 MV1's for Paratransit, \$2.2 million for Facility Improvements replacing two sets of escalators, at Tower City, rehabilitation of Hayden and Central Bus Maintenance CNG fueling station and maintenance at \$3.3 million, and a

combined \$7.1 million for ongoing reconstruction at Brookpark Station and track rehabilitation of Tower City Track 7 & 8.

The Authority's focus continues to be on achieving a State of Good Repair (SOGR), capital projects have been programmed for the current budget year that will significantly increase expenditures in Rail Projects, Bus Improvement Program and Facilities Improvement categories. The Authority continues to make progress on funding projects included in the Capital Improvement Plan (CIP) and will continue to target both non-traditional as well as formula grant funding sources in the future.

Financial Indicators

Measures of budget compliance are the performance of the six financial policy objectives. This chart compares the 2016 Third Quarter actuals to the budget as it relates to these policy goals. The indicators, which are an important measure of our financial condition, apply to the following areas:

Operating Efficiency

An Operating Ratio of at least 25 percent is the policy goal. The budget assumed that operating revenue (fares, advertising, and interest income) would equal 19.9 percent of the total operating expenses. A 25-cent base fare increase was executed in August 2016 with a 3 percent service reduction executed between August and September. Through the Third Quarter, receipts are now estimated at \$44.3 million, \$7.1 million below budgeted levels and 8.4 percent below 2015. The Operating Ratio for the Third Quarter is projected at 18.3 percent due to Passenger Fares decreasing.

The Cost per Hour of Service is to be maintained at or below the level of inflation (under 2 percent). In 2016, the budgeted Cost per Hour of Service is \$134.3, with an estimated growth per year of 9.2 percent over 2015. Operating Expenses were projected to increase by 2.7 percent, compared to 2015 actuals. An annualized 3.0 percent service reduction and 25-cent base fare increase was executed in August. As service hours have been adjusted during the Third Quarter, the Cost per Hour of Service is now projected at \$133.5, or a 4.5 percent decrease from 2015. The Federal Reserve Bank of Cleveland calculates the inflation rate to remain between 1.7-2.0 percent for the next ten years. The projected Growth per Year for 2016 at a minus 4.5 percent, compared to 2015; therefore this indicator is projected to be met.

Board policy targets a one-month (1.0) Operating Reserve, or the unrestricted cash equivalent of one month's operating expenses, with a stretch goal of 1.5 months. For the 2016 Budget, a one-month reserve equals \$20.9 million. At the end of the Third Quarter, operating expenses have been tightly controlled and the projected ending balance is \$22.0 million, which equals a 1.0 month operating reserve. This indicator is projected to be met.

Capital Efficiency

The Debt Service Coverage ratio compares total operating resources, (net of operating costs and transfers to the Insurance, Capital, and Pension Funds), with the Authority's debt service needs. For 2016, this indicator is expected to complete the year at 2.1, which is higher than the budgeted amount of 1.32 and above the goal of 1.5 due to projected improvements in the Operating Budget Revenues, which in turn will increase total operating resource available for debt service coverage.

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 10 – 15 percent. For 2016 this indicator is projected to finish the year at 14.4 percent, within the policy goal. The decrease in this measure, relative to budget is due to the \$12.52 million increase in revenues from the Sales & Use Tax relative to capital growth. Despite the continued rebound in Sales & Use Tax revenue, which has continued for the last several years, this indicator will likely remain within the Board Policy Goal in the near future due to the Authority's aggressive Capital program aimed at achieving a State of Good Repair (SOGR) throughout its capital assets.

At 96.3 percent, the Capital Maintenance Outlay to Capital Expansion Outlay ratio remains outside of the 75-90 percent range outlined in the Board Policy goal, though close to the FY 2016 budgeted level of 94.2 percent. This measure continues to show the Authority's focus remains first on the maintenance or SOGR of its current assets rather than on the expansion of service levels. Given the financial constraints of recent years, this continues to remain the best course available as the Authority continues on its five-year bus replacement program, equipment upgrades and infrastructure improvements.

In summary, four of the six financial indicators meet the Board Policy Goals. In recent years, RTA has generally met three of the goals. Once again, the hard work put forth through the Third Quarter has helped to maintain a strong financial position and sustainable budget.

End of Year Funds

RTA made a calculated decision to reduce PM Reimbursement and increase Capital expenditures as transit is a capital-intensive business. In recent years, the Authority addressed some deferred capital needs to improve the state of good repair of its assets. In spite of these efforts there are well over \$260 million of identified capital projects that need to be funded in the future. Costs continue to rise and RTA must maintain a reasonable ending balance of at least 30 days operating reserve to maintain the equilibrium between operating levels and capital needs. The increase to a \$22.0 million balance helped to meet the goal in maintaining a 30-day balance in 2016.

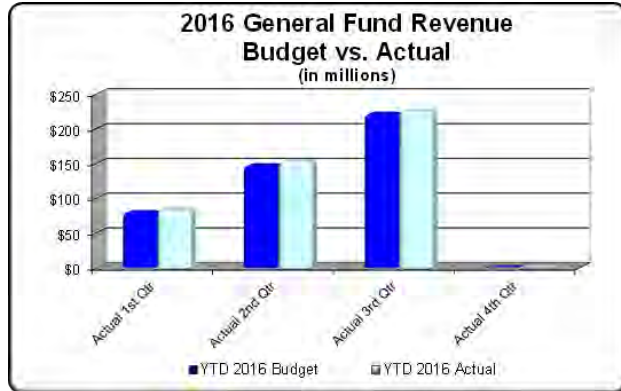
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General Fund Balance Analysis

	2014 Actual	2015 Actual	2016 Budget	2016 Estimate	Variance
Beginning Balance	38,394,322	27,116,140	25,894,064	17,143,130	(8,750,934)
Revenue					
Passenger Fares	49,085,267	48,419,211	51,475,500	44,346,663	(7,128,837)
Advertising & Concessions	1,488,870	1,442,677	1,420,000	1,450,000	30,000
Sales & Use Tax	197,118,146	205,843,321	212,243,660	218,360,330	6,116,670
CMAQ Reimbursement for 2012 Trolleys	704,063	533,478	0	0	0
Operating Assistance - Paratransit Operations	4,057,815	3,125,000	0	0	0
Operating Assistance - Trolley Operations	0	0	640,000	640,000	0
Access to Jobs Program	2,470,656	920,570	0	0	0
Investment Income	169,211	153,534	200,000	70,000	(130,000)
Other Revenue	1,470,683	1,254,771	1,100,000	1,640,000	540,000
Reimbursed Expenditures	17,570,406	19,720,588	22,000,000	24,864,091	2,864,091
Total Revenue	274,135,117	281,413,150	289,079,160	291,371,084	2,291,924
Total Resources	312,529,439	308,529,289	314,973,224	308,514,214	(6,459,010)
Operating Expenditures					
Personnel Services	181,305,658	186,608,791	192,616,439	188,562,760	(4,053,679)
Diesel Fuel	14,335,896	10,804,133	9,274,280	8,718,658	(555,622)
Natural Gas	957,626	1,119,725	1,707,000	1,165,167	(541,833)
Other Expenditures	51,458,576	53,128,282	64,075,686	53,701,937	(10,373,749)
Total Operating Expenditures	248,057,756	251,660,931	267,673,405	252,148,522	(15,524,883)
Transfer to the Insurance Fund	900,000	1,500,000	1,200,000	500,000	(700,000)
Transfer to the Pension Fund	100,000	100,000	100,000	100,000	0
Transfers to Capital					
Bond Retirement Fund	20,480,914	22,615,956	23,006,085	21,882,300	(1,123,785)
Capital Improvement Fund	15,874,629	15,509,273	15,579,812	9,472,060	(6,107,752)
Total Transfers to Capital	36,355,543	38,125,229	38,585,897	31,354,360	(7,231,537)
Transfer to Rolling Stock Reserve Fund	0	0	741,392	2,441,133	1,699,741
Total Expenditures	285,413,299	291,386,160	308,300,694	286,544,015	(21,756,679)
Available Ending Balance	20,216,140	17,143,130	6,672,530	21,970,199	15,297,669

2016 3rd Quarter						
Financial Policy Objectives						
		Goal	2014 Actual	2015 Actual	2016 Budget	2016 Estimate
Operating Efficiency	Operating Ratio	> 25%	20.6%	19.9%	19.9%	18.3%
	Cost/Hour of Service		\$123.6	\$139.8	\$134.3	\$133.5
	Growth per Year	< Rate of Inflation	-4.2%	13.1%	9.2%	-4.5%
	Operating Reserve (Months)	> 1 month	1.3	0.8	0.3	1.0
Capital Efficiency	Debt Service Coverage	> 1.5	2.38	1.80	1.32	2.10
	Sales Tax Contribution to Capital	10% - 15%	18.4%	18.5%	18.2%	14.4%
	Capital Maintenance to Expansion	75% - 90%	95.7%	98.9%	94.2%	96.3%

Operating Revenues



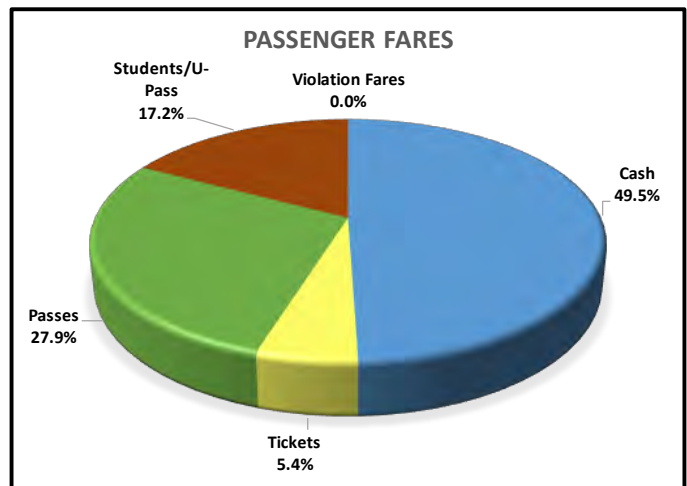
The pie chart to the right, and the bar graph at the left, visually portray the revenue status. The General Fund revenue received through the Third Quarter totaled \$225.5 million, 2.0 percent more than budget and 5.9 percent greater than 2015. Ridership has continued to decline throughout the year as gas prices have remained low and choice riders chose to drive and Passenger Fare revenue ended the Third Quarter at nearly \$34.0 million, \$6.2 million, or -15.5 percent, below budget. Sales & Use Tax, the largest source of local revenue, ended the Third Quarter 3 percent above budgeted levels, at \$164.7 million.

The following section provides a more detailed account of each of the revenue streams.

Passenger Fares

Actual Passenger Fare revenue received through the Third Quarter of 2016 was \$34.0 million. This is 15.5 percent, below budget, and 11.1 percent below the same period in 2015.

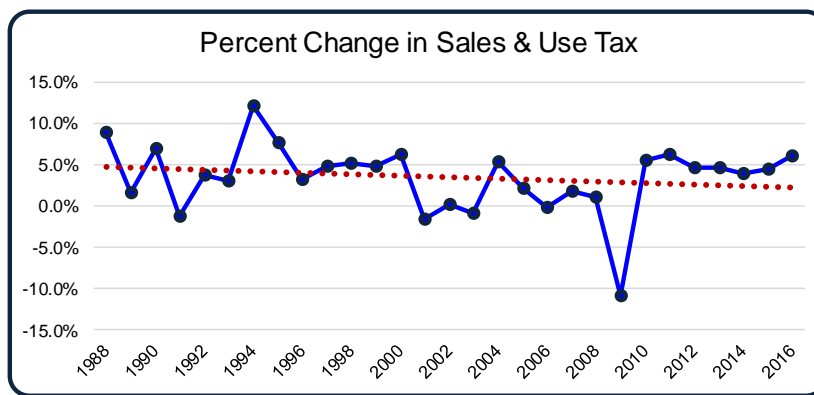
RTA provided transportation to special events, including the CAVS championship games and parade and RNC. Ridership increased on the Heavy and Light Rail trains during these events, but decreased on the buses. Passenger Fare revenue was originally budgeted at \$51.5 million for 2016, but was revised to \$49.3 million in the Second Quarter and adjusted again for the Third Quarter to \$44.3 million as ridership continued to decline. The Board of Trustees approved a base fare increase of 11 percent, or 25-cents, effective August 2016.



Advertising and Concessions

Revenue received from Advertising and Concessions includes advertising on the buses and trains, concession income, and naming rights funding for the HealthLine and CSU Line. Funding received through the Third Quarter totaled \$1.1 million, which is 4.4 percent below budget, mainly due to timing of payments for the naming rights. The year-end estimate for this category is slightly above budgeted levels, \$1.5 million.

Sales & Use Tax



For 2016, Sales & Use Tax collections are budgeted at \$212.2 million. Through the Third Quarter, Sales & Use Tax totaled \$164.7 million, 3 percent above budgeted levels and the year-end estimate was increased to \$217.0 million. With October receipts 7.6 percent higher than budget

and 8.4 percent higher than 2015, the year-end estimate was increased to \$218.4 million, \$6.1 million over budgeted levels and 6.1 percent over 2015 receipts.

Since 2009, the Ohio Legislatures have increased the Sales & Use Tax base to cover Medicaid Managed Health Care services and other services. The Federal government ordered Ohio Legislatures to comply with the new regulations by June 30, 2017, prohibiting taxing a subset of Managed Health Care (Medicaid). Although discussions have continued a decision has yet to be made. Removing Medicaid Managed Health Care services from the Sales & Use Tax base will result in an estimated \$4.5 million drop in Sales Tax revenue in 2017 and over \$18 million in 2018.

Investment Income

Through Third Quarter 2016, Investment Income earned totaled \$34,391. This is 81 percent below budget and 75.7 percent below Third Quarter 2015. To date, the Authority has received 0.46 percent interest return on its investments. This is further amplified by the declining balance of the General Fund. The 2016 budget is \$200,000. With the declining balance and reduced receipts in the first quarter, the year-end estimate for this category has been reduced to \$70,000.

Other Revenue

This revenue category is difficult to project as it consists of various claim reimbursements, rental income, salvage sales, and identification card proceeds. Receipts for Other Revenue received through the Third Quarter 2016 totaled \$1.6 million, 77.0 percent above 2015 levels. The budget for this category was \$1.1 million. Based on funding received through the Third Quarter, the year-end estimate for this category has been increased to \$1.6 million.

Reimbursed Expenditures

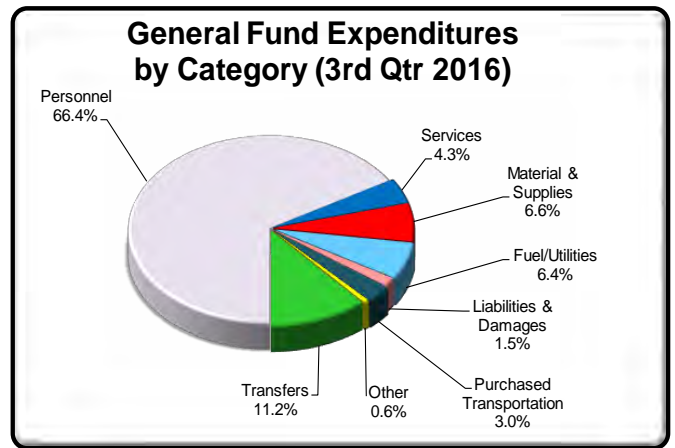
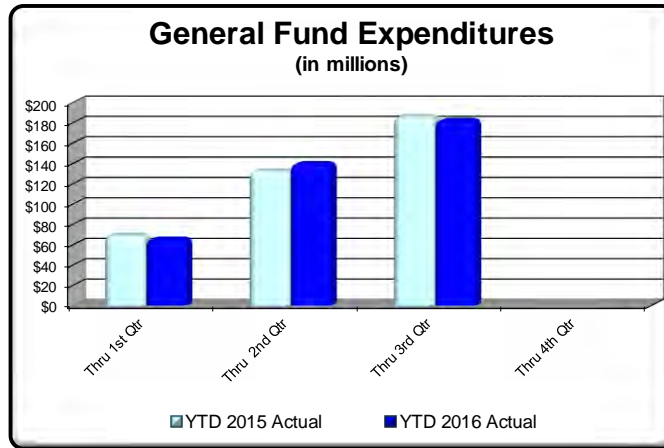
Reimbursed Expenditures category includes reimbursements for preventive maintenance, fuel tax, force account labor, as well as other state, federal, and local reimbursements. In prior years, other reimbursements included Paratransit Operating Assistance, and CMAQ Trolley Reimbursements.

Reimbursed Expenditures were budgeted at \$22.0 million. Reimbursements for Fuel Tax and Labor were programmed at \$1.3 million and \$1.7 million, respectively. The remaining budgeted \$19.0 million was for grant-funded preventive maintenance reimbursements to the operating budget. Through the Third Quarter, \$21.2 million has been received for preventive maintenance, just over \$1 million for fuel tax reimbursement, and \$750,000 for reimbursed labor. The year-end estimate for this category is \$24.9 million, \$2.9 million, or 13 percent, above budgeted levels.

Operating Expenditures

The chart to the right itemizes the major cost categories and compares projected costs with the current budget. The 2016 Operating Budget (not including transfers) includes \$267.7 million originally adopted for 2016 plus prior year rollover encumbrances of \$7.9 million for a total budget of \$275.6 million. Please note: this presentation differs from the expenditure number appearing in the fund balance statement on page 4 because it includes prior year encumbrances. Expenditures, net of prior year encumbrances, are further highlighted with the bar graph and the pie chart below.

2016 3rd QTR ACTUALS BY CATEGORY CURRENT BUDGET vs. ACTUAL COMMITMENTS				
Category	Current Budget	Projected Expenses	Variance vs. Current Budget	
Personnel Services	192,639,008	188,586,997	4,052,011	2.10%
Services	17,968,192	14,788,093	3,180,099	17.70%
Material & Supplies	22,278,742	20,787,476	1,491,266	6.69%
Fuel/Utilities	23,870,454	20,250,213	3,620,241	15.17%
Liabilities & Damages	5,912,850	4,121,312	1,791,538	30.30%
Purchased Transportation	10,234,255	9,716,949	517,306	5.05%
Other	2,718,018	1,842,895	875,123	32.20%
Transfers	40,627,289	31,954,360	8,672,929	21.35%
	316,248,808	292,048,295	24,200,513	7.65%



Through the Third Quarter, \$182.0 million was expensed in the Operating Budget, which is 5.8 percent below budget. Expenses are further detailed in the following categories:

Personnel Services

Personnel Services are budgeted at \$192.6 million. This included Operator, Hourly, and Salary labor, overtime, and Fringe Benefits. This category is projected to end the year at \$188.8 million, \$3.8 million, or 2.0 percent, under budget. ATU personnel received a 3 percent wage increase in February 2016 based upon the contract agreement in November 2015. FOP personnel received a 3.189 percent wage increase for 2016 based upon the revenue formula. Non-Bargaining wage increases were delayed until July and were tiered based on grade levels. The EMT (Executive Management Team) received no pay increases in 2016.

With the changes to health benefits nationwide, especially health care and prescription costs, the Fringe Benefits category has been difficult to project. The budget for Fringe Benefits is \$50.7 million. Through the Third Quarter, \$35.9 million has been expensed. A large claim was received early in the Fourth Quarter and Fringe Benefits is projected to end the year \$1.2 million, or 2.4 percent, over budget.

Services

Expenditures for Services totaled \$8.3 million through the Third Quarter. This category includes general services, advertising fees, vendor services for the NAPA contract, shelter cleaning, and other maintenance and administrative costs. By year-end, expenses are projected at \$14.8 million, \$0.6 million under budget. Maintenance contracts have been executed well and are projected to end the year 9.0 percent below budget, and the NAPA contract is projected to end the year 13.5 percent under budget.

Material and Supplies

Material and Supplies expenses totaled \$13.4 million through the Third Quarter. This category includes Inventory, postage and duplicating expenses, office supplies, NAPA parts, and other miscellaneous parts. The largest expense for Material and Supplies is Inventory where \$10.4 million was expensed through the Third Quarter and is projected to end the year at budgeted levels. The Predictive Maintenance Program, which encompasses maintenance plans for CNG buses, HealthLine, and certain NABI fleets, has \$2.5 million budgeted in Inventory. Parts through the NAPA contract are projected to end the year about 0.3 million under budgeted levels. These parts are for the non-revenue vehicles and with leasing many of these vehicles, parts needed have lessened. This category is projected to end the year at \$18.8 million.

Fuel/Utilities

The balance of 2016 is hedged at an average price of \$2.44/gal. The budget for fuel is \$9.3 million and the current projection is \$8.8 million, 5.3 percent under budget, as the newer CNG buses are being utilized more than the diesel buses.

Electrical costs were budgeted for 2016, factoring a potentially large utility rate increase. One specific rider (RRS) was originally approved by the PUCO and was later essentially repealed by the FERC. If FERC's decision stands, we will end the year under budget. A supply contract was secured in April 2016 for the period of June 2017 through May 2019. The rate contracted will result in 5.3% lower electrical supply expenses, or \$0.2 million under budget, projected to end the year at \$2.0 million.

Natural gas prices have been locked in through mid-2017. An RFP was issued on July 18th to contract the next 2 years. Compressed Natural Gas for the CNG buses had an average pre-tax and credit cost of \$0.98/Diesel Gallon Equivalent (DGE) and after tax and credit cost of \$0.42/DGE. This is well below the costs we had estimated. CNG and Natural Gas are projected to end the year at \$2.4 million, which is about 28 percent under budget.

Liabilities & Damages

This category includes workers' compensation claims and payments, liability and property claims and damages, and insurance premiums under \$1 million. Safety initiatives implemented have helped the Authority become a safer system and decreased claims for injuries and damages. Through the Third Quarter, the expenses for this category totaled \$3.4 million. This category is projected to end the year at \$4.1 million, or 30.3 percent under budget, mainly due to lower than budgeted insurance premiums and claims. Physical damage insurance was 14.4 percent under

budget and the workers' compensation administrative fee is projected to be 8.8 percent under budget.

Purchased Transportation

The two major components in this category are the ADA Purchased Transportation program and Operating Assistance for Brunswick and Medina. ADA purchased transportation was budgeted at \$8.5 million. By year end, costs are expected to total \$9.1 million, or 7.6 percent above the current budget appropriation, as needs for ADA services have increased.

Pass-Through payments for Brunswick are expected to end the year at \$0.6 million, \$40,000 under the budgeted level. Medina Pass-through funding will not be needed and a savings of \$248,883 will be available at year-end.

Other

The Other Expense category includes tuition reimbursement, property tax, leases and rentals, and other miscellaneous expenses such as travel and training costs, which makes this category difficult to project. The Other Expenses category is expected to end the year at \$1.8 million, or 23.6 percent, under budget. Property taxes, meals & concessions, and other miscellaneous expenses are projected to end the year below budgeted levels. Tuition Reimbursement is projected to end the year at the budgeted level of \$80,000. Leases and Rentals will end the year slightly over budget as a new lease contract for legal documents was entered at a slightly higher cost than expected.

Transfers to Other Funds

Transfers from the General Fund to the other Funds of the Authority are made periodically during the year to establish payments for catastrophic losses, benefits for certain retired employees, local funding and local match for capital projects, and principal and interest payments on issued bonds. These funds include the Insurance Fund, Pension Fund, Capital Fund, and Bond Retirement Fund. The transfer to the Supplemental Pension Fund of \$100,000 was completed in the First Quarter, which met the budgeted level. This fund was established for assets held by the Authority in a trustee capacity for payments of benefits relating primarily to certain retired employees of the Authority and its predecessor transit systems.

A \$1.2 million transfer was budgeted in 2016 for the Insurance Fund, however, with lower claims and insurance premiums, a transfer of only \$500,000 was needed in the First Quarter to maintain the ending balance at \$5.0 million.

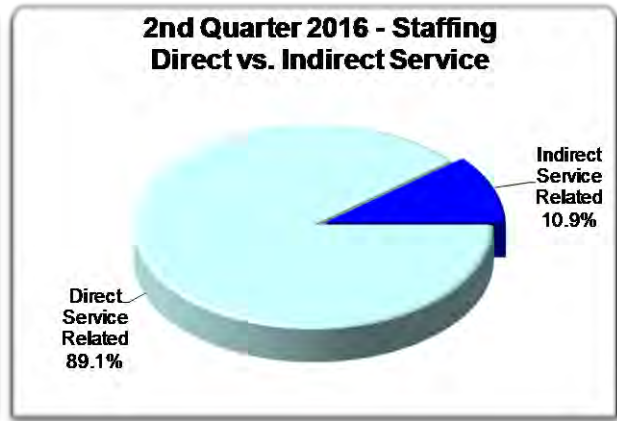
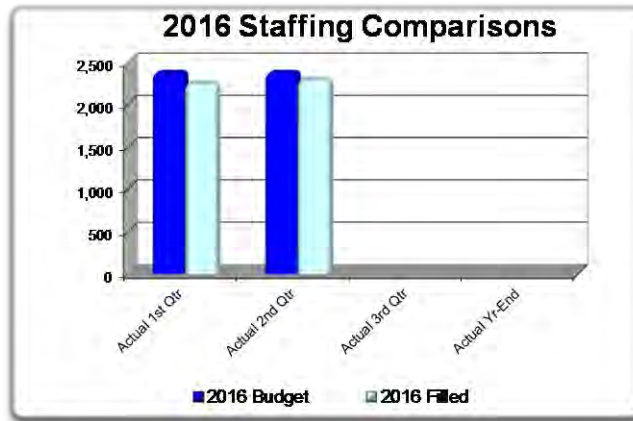
The Bond Retirement Fund transfer is the debt service less the investment income earned in the Bond Retirement Fund. The interest and principal payments on outstanding debt are taken from debt amortization scheduled. For 2016, a transfer of \$13.6 million has been made and an additional \$8.3 million is to be transferred in the Fourth Quarter. Total transfers of \$21.9 million are projected by year-end to maintain the needed balance. This is \$1.1 million below budget due to refinancing a debt issuance.

The transfer to Capital Improvement Fund covers 100 percent locally funded Asset Maintenance and Routine Capital projects in the RTA Capital Fund, as well as, required local matches for most grant-funded projects in the RTA Development Fund. In 2016, transfers of \$15.6 million were budgeted, of which \$7.2 million was transferred by the end of the Third Quarter. The year-end estimated transfers are \$9.5 million, \$6.3 million under the budgeted level to reduce the local fund balance in the RTA Development Fund.

Staffing

The charts below summarize staffing at the end of the Third Quarter of 2016. The bar chart shows the comparisons between budgeted and actual filled positions. The pie chart demonstrates the relationship between indirect and direct service-related positions. The 2016 approved Operating Budget funded a combined 2361.8 full- and part-time Full-Time Equivalent (FTE) positions. At the end of the Third Quarter, a total of 2,192.8 positions were filled, consisting of 2,069 full-time and 123.8 part-time positions.

Please note that since an operational FTE count for full- & part-time positions is not available, filled positions represent a head-count of all Authority employees rather than a representation of actual hours paid converted to an FTE measure as reflected in the budgeted numbers.



Bond/Insurance/Supplemental Pension/Law Enforcement Funds

In 2016, as a result of the Authority refinancing debt in 2015 and 2016, the Authority's debt-service ratio improved and the transfer to the Bond Retirement Fund was reduced by \$1,123,785. The transfer from the General Fund to the Insurance Fund was completed during the 1st Quarter at \$0.5 million, under the budgeted amount of \$1.2 million. There has been no other activity in the Law Enforcement, Bond Retirement, Insurance, or Pension Funds other than budgeted increases, scheduled set asides, activities on prior year encumbrances, and budgeted expenditures.

Capital Commitments and Expenditures

Commitments by Capital Category

The current combined capital budget appropriation within the Authority's 2016 capital program of \$323.71 million includes the original Fiscal Year (FY) 2016 Capital Budget approval of \$56.69 million plus \$11.06 million Amended Budget and \$255.96 million of carryover capital budget appropriations from prior years.

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

At the end of September, the combined capital project commitments total \$276.70 million including \$207.35 million of ITD expenditures and \$69.35 million of current encumbrances resulting in a positive variance of \$47.0 million, or 14.5%, relative to the combined capital budgets. At the end of third quarter, \$56.03 million of the current expenditures were expensed on Bus Improvements at \$7.66 million, Preventive Maintenance (PM) and other reimbursements to the Operating Budget at \$21.3 million and Rail project at \$15.9 million. All other capital activities during the third quarter were mainly continuation of projects that began in prior fiscal years and continued progression throughout FY 2016 construction schedule and maintaining a 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 2016 will result in estimated total commitments of \$284.18 million and a positive year-end variance of \$39.54 million, or 12.2% 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 the expected closeout of remaining budget appropriation in projects that were completed under budget, to the timing of anticipated grant awards delaying some budgeted capital activities until next year, to multi-year budgeted projects compared with the annual draws for project activities during the year, and to unanticipated cost increases in several construction projects that will now likely be delayed until next year due to a lack of funds.

PROJECTED YEAR-END CATEGORY CAPITAL COMMITMENTS

Category	Current Budget	Current Commitments	Projected Year-End	Proj. Variance vs. Current Budget	
Bus Garages	\$9,960,634	\$9,403,560	\$9,459,367	\$501,267	5.0%
Bus Improvement Program	\$72,495,970	\$71,303,019	\$71,378,019	\$1,117,951	1.5%
Equipment and Vehicles	\$17,414,045	\$15,246,241	\$16,764,284	\$649,761	3.7%
Facilities Improvements	\$23,389,757	\$18,085,648	\$19,631,900	\$3,757,857	16.1%
Other Projects	\$8,340,130	\$1,548,971	\$1,966,523	\$6,373,607	76.4%
Preventive Maint./Operating Reimb.	\$24,036,086	\$22,660,624	\$22,727,595	\$1,308,491	5.4%
Rail Projects	\$144,142,812	\$115,681,895	\$119,478,607	\$24,664,205	17.1%
Transit Centers	\$23,933,454	\$22,768,946	\$22,768,946	\$1,164,508	4.9%
Grand Total	\$323,712,888	\$276,698,904	\$284,175,241	\$39,537,647	12.2%

Current Year Expenditures by Capital Category

The chart below lists year-to-date (YTD) category expenditures and their related percentage of total capital expenditures for the current year through the end of the third quarter and compares them with the two previous years at the same point in time. So far, capital expenditures have decreased compared to the two prior years; this is due to delays in FTA's required environmental

studies, pending bus orders and delays in construction startup, which will delay various projects until next year due to the lack of funding.

Most of the capital expenditures in the third quarter were within, Bus Improvement at \$7.66 million, or 13.7%, Rail Projects category generating \$15.96 million, or 28.5%, and Preventive Maintenance/Operating Expense Reimbursements at \$21.31 million or 38.0%, representing a combined 80.2% of capital expenditures. The balances of expenditures are in much smaller amounts in remaining categories.

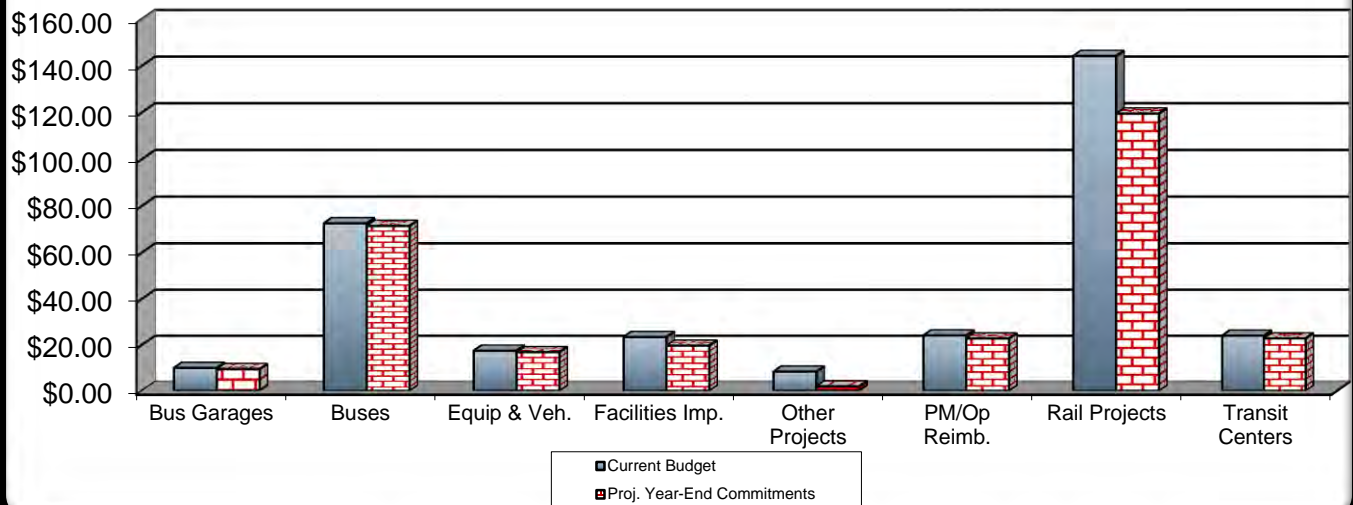
During the remainder of the year programmed capital activities will increase expenditures in Facilities Improvement and Rail Projects categories. Such projects include reconstruction of the Brookpark Red Line Station, completion of Lee/Shaker Green Line Station, rehabilitation of E. 116th Street Station, track rehabilitation of three Light Rail Crossings and Track Bridge projects to reconstructed East Boulevard Track Bridge, Viaduct Drainage & Concrete Repairs and demolition of WB Access Road.

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

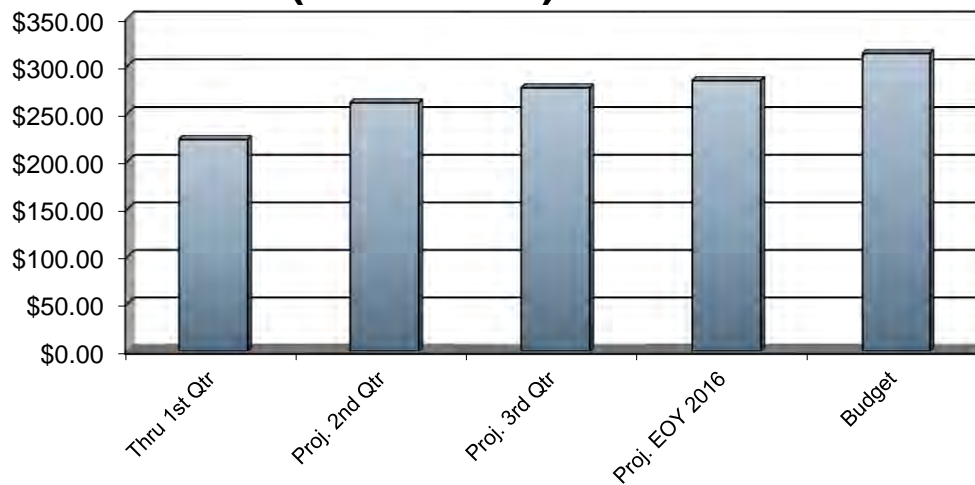
CAPITAL EXPENDITURES BY CATEGORY THROUGH THIRD QUARTER

Category	2016	%	2015	%	2014	%
Bus Garages	\$3,495,631	6.2%	\$3,580,623	5.3%	\$1,056,329	1.4%
Bus Improvement Program	\$7,658,483	13.7%	\$28,092,668	41.7%	\$16,040,223	21.3%
<i>Bus Rapid Transit</i>	\$0	0.0%	\$0	0.0%	\$0	0.0%
Equipment and Vehicles	\$2,417,071	4.3%	\$1,704,308	2.5%	\$4,146,402	5.5%
Facilities Improvements	\$3,750,228	6.7%	\$3,746,207	5.6%	\$3,675,324	4.9%
Other Projects	\$352,767	0.6%	\$1,830,253	2.7%	\$3,416,468	4.5%
Preventive Maint/Op. Reimb.	\$21,314,594	38.0%	\$16,219,854	24.1%	\$16,268,501	21.6%
Rail Projects	\$15,962,027	28.5%	\$11,571,719	17.2%	\$24,403,667	32.5%
Transit Centers	\$1,075,585	1.9%	\$622,417	0.9%	\$6,176,673	8.2%
Grand Total	\$56,026,385	100.0%	\$67,368,049	100.0%	\$75,183,587	100.0%

2016 Year-End Capital Fund Commitments vs. Category Budgets (in millions)



Total Capital Commitments (in millions)



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

Bus Garages

The primary focus within this category during 2016 has been to prepare the Hayden Garage and Central Bus Maintenance Facility for the introduction of CNG fueled buses and the Paratransit Garage for propane fueled vehicles.

At the end of third quarter, \$9.40 million of the current \$9.96 million category budget was committed leaving a positive variance of \$557,074 or 5.6%. Total category commitments include \$7.70 million of ITD expenditures and \$1.70 million of current encumbrances. At the end of third quarter, \$7.70 million in expenditures were generated in all projects within this category reflecting the continuous strides to upgrade facilities at Hayden, Triskett and Central Bus to prepare for energy efficient vehicles.

Projected commitments of \$55,807 for the remainder of the year include funding for completion of CNG building compliances and upgrades at the Hayden Garage and Central Bus Maintenance Facility (CBMF) for the operation of CNG fueled vehicles.

The positive projected variance of \$501,267 or 5.0% at the end of the year in this category is due to projected cost savings and delay in construction of Triskett Outdoor Bus Storage. All other projects within this category are expected to be completed by the end of the year near their programmed budgets.

Bus Improvement Program

The Authority's capital program in FY 2016 includes the third and fourth years of a funded five-year bus and Paratransit bus replacement program, the Authority has four separate bus orders underway. The first order of twelve (12) Trolleys arrived during second quarter, the second bus order for Paratransit 20 MV1's was delivered and placed in service during third quarter after being outfitted. The third bus order for 16 40-Ft CNG buses has been programmed for production and due for delivery first quarter of 2017. And, the fourth bus order for 24 40-Ft CNG buses is expected to be under contract with a manufacture by year end and due for delivery late 2017.

Through the end of September, category commitments total a combined \$71.31 million out of a total budget appropriation of \$72.50 million, leaving a positive variance of \$1.19 million, or 1.6%. The category expenditures of \$7.66 million at third quarter include \$6.0 million for the initial purchase of (12) Trolley buses, \$1.21 for Paratransit 20-MV1's and \$450,451 for delayed invoicing for bus purchases and various bus spare parts to help maintain the Authority's existing bus fleets in a

State of Good Repair. The upcoming delivery of 16 additional replacement 40-Ft CNG buses will impact expenditures in this category later this year and next.

Projected commitments of \$75,000 through the remainder of the year include the cost for travel and training relating to the new CNG operation, maintenance and purchase for bus spare parts. The positive variance of \$1.12 million or 1.5% is due to the cost savings and expected closeout of remaining budget appropriation within completed projects.

Equipment & Vehicles

At the end of third quarter, total commitments of \$15.25 million within this category included \$7.47 million of ITD expenditures and \$7.78 million of current encumbrances resulting in a positive variance of \$2.17 million, or 12.4%. A majority of the current encumbrances, \$5.04 million or nearly 65%, remain within the on-going Fare Collection Equipment project. Sporadic progress has occurred towards completion of outstanding items left on the contract, but completion of this project remains an open-ended issue. Remaining encumbrances within this category are concentrated within various SOGR equipment & vehicle upgrade projects throughout the Authority.

Combined category expenditures of \$2.42 million through the end of September were expended on various projects scattered throughout the category. A combined \$1.5 million on locally funded projects within RTA Capital Fund and \$872,141, in various RTA Development Fund projects. Additional commitments of \$1.52 million are projected during the remainder of the year. This amount includes a combined \$1.07 million for various information technology projects including software and hardware updates, \$100,000 for programmed replacements of non-revenue vehicles, and \$341,051 for equipment replacements and communication upgrades throughout the Authority with the balance of projected commitments scattered throughout projects within this category.

The projected year-end positive variance of \$649,762, or 3.7%, results from savings in on-going projects nearing completion, delays in project time lines for a number of budgeted IT projects, and from the expected closeout of prior year's budget authority remaining within completed projects.

Facilities Improvements

Third quarter combined commitments of \$18.09 million in this category included \$9.62 million of ITD expenditures and \$8.47 million of current encumbrances resulting in a positive variance of \$5.30 million, or 22.7%, versus the current category budget of \$23.39 million. During the third

quarter, \$3.75 million was expended on various projects throughout the Authority with \$2.27 million, or 61% on the Tower City Escalator Replacement project, with remaining capital expenditures scattered throughout the other projects in this category.

Projected commitments of \$1.55 million during the remainder of FY 2016 continue to focus on various SOGR projects throughout the Authority's facilities and bridges. Projected commitments during the remainder of the year include \$481,725 for additional asset maintenance projects throughout the Authority, a combined \$897,227 for Track Bridge rehabilitation of East Boulevard, Central Viaduct Truss, East 116th Track Bridge, and \$167,300 to reconstructed Rail Station doors.

The projected positive year-end variance of \$3.76 million, or 16.1%, for this category is due to cost savings in various capital projects and construction delays due to pending insurance verification.

Other Projects

The Other Projects category includes capital projects for pass-thru grants to other entities and other miscellaneous capital projects that don't fit into the seven remaining capital categories. At the close of third quarter, this category has combined project commitments of \$1.55 million out of the category budget of \$8.34 million resulting in a positive variance of \$6.79 million or 81.4%.

During the third quarter, a combined \$352,767 of expenditures was generated by various projects within this category. A combined \$116,588 for dues and legal services, \$77,843 for Transit Police Emergency Preparedness, \$5,000 for Transit Planning Studies, \$100,348 for both of the Continued Education Programs, Career Pathway and Pull-In & Pull-Out Process Improvements and \$52,988 from the pass-thru grant award for Senior Transportation Connection.

Projected commitments of \$417,553 during the remainder of the year include \$286,243 for the TP Canine Unit, \$15,000 for Transit Oriented Development activities, \$77,500 for continued educational programs, \$15,953 for pass-thru grant award for Senior Transportation Improvement and \$22,857 for RTA Capital projects.

The positive year-end variance of \$6.37 million, or 76.4%, versus the current category budget results from several factors including the closeout of remaining unfunded budget appropriation left from completed projects throughout the RTA Development Fund and due to the timing of commitments in the pass-thru award for the Senior Transportation Connection (STC).

Preventive Maintenance/Operating Expense Reimbursements

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

It is important to note, both for the current and future budget years that several of the non-formula reimbursement awards expired sometime during the prior fiscal year. These include a separate grant award for the JARC/Work Access program which was eliminated by Congress in the MAP-21 legislation and the CMAQ award for reimbursement of Trolley expenses expired at the end of third quarter last year. In addition, 2015 was the last committed year of grant funding for the annual ADA reimbursement award which reimbursed the General Fund \$3.125 million annually for ADA service delivery.

Third quarter activities resulted in total commitments of \$22.66 million, all ITD expenditures, against a category budget of \$24.04 million creating an end of quarter positive variance of \$1.38 million, or 5.7%. During the third quarter, a combined \$21.31 million of expenditures were generated by projects within this category to reimburse costs incurred within the Operating Budget. This includes \$21.20 million for preventive maintenance activities, and \$115,747.00 to support the Authority's ADA services for supplemental Non- ADA Paratransit and Travel Trainer program.

Projected commitments of \$66,971 during the remainder of the year include additional draws for the cost of providing New Freedom Supplemental trips. The projected positive variance of \$1.31 million, or 5.4%, is due to the multi-year budgeted project for the New Freedom program that cannot be drawn before the deadline.

Rail Projects

At the end of September, \$115.68 million of the \$144.14 million budget for the Rail Projects category was committed creating a positive variance of \$28.46 million or 19.7%. Total commitments within this category consisted of \$84.75 million of ITD expenditures along with \$30.93 million of current encumbrances.

During the first three quarters of the year, \$15.96 million was expended on various Rail system projects. Some of the major projects include \$4.91 million for construction activities at Brookpark Station, \$2.22 million on rehabilitation of Tower City Track 7 & 8 which is on schedule for completion later this year, \$1.1 million for the completion of S-Curve to W.117th Station, \$848,413

for rehabilitation of Warrensville-Shaker Station and \$952,489 for Shaker Square Junction & Crossings. 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 \$3.80 million during the remainder of the year include \$1.6 million for Phase II of Light Rail grade crossing at Courtland, Kenmore and Onaway, \$384,000 for overhauling Light Rail Vehicles roofing & flooring, \$284,330 to reconstruct the Light Rail Signalization from E. 79th to Shaker Square, and a combined \$438,915 to begin engineering and design of Farnsleigh Station and W.30th –W. 74th track reconstruction.

The projected positive variance of \$24.66 million, or 17.1%, versus the current category budget at the end of the third quarter is primarily due to cost savings in capital projects currently underway, the closeout of budget authority remaining in completed projects, and delays in anticipated grant awards that will likely push programmed budgeted commitments into 2017.

Transit Centers

At the end of third quarter, the category commitments included \$22.62 million ITD expenditures and \$148,947 of current encumbrances, leaving a total commitment of \$22.77 million out of the approved current budget of \$23.93 million resulting in a positive variance of \$1.16 million, or 4.9% at the end of the third quarter.

Through September, \$1.08 million was expended on capital projects within this category; \$308,055 was expensed towards Parking Lot Improvements and \$732,637 for outstanding items that remained on the Clifton Blvd. Enhancement project which opened in FY2014.

Many of the projects with in this category have been completed, except for the remaining construction work to be reimbursed on the pass thru Intermodal Station with Cleveland Museum of Art.

The projected positive variance of \$1.16 million, or 4.9%, at the end of the year is primarily due to delays in final draw for the pass-thru grant award for the Cleveland Museum of Art, and projected savings for project within this category scheduled for completion this year.

Performance Measure

Performance Measure	2016 Target	1 st Quarter	2 nd Quarter	3 rd Quarter
Passenger Per Vehicle/Car Hour:				
Bus	26	25	25	25
Rail	64	63	70	67
Total	30	29	29	29
Revenue Vehicle Cost Per Mile: (Maintenance & Fuel)	\$2.35	\$1.67	\$1.87	\$1.71
% of Scheduled Maintenance Completed: (Revenue Vehicles)				
Bus	100%	93%	87%	84%
Rail	100%	99%	95%	97%
Paratransit	100%	100%	98%	98%

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 2016 is 1.40. The 2016 YTD PCR through September 30, 2016 is 1.69, which is 20.7% higher than the TEAM goal and 1% better than the 1.70 PCR for the same period in 2015. Total preventable collisions decreased 2.6% to 302 from 310, as mileage decreased 2%.
Total Collision Rate	The GCRTA Total Collision Rate (TCR) for the 2016 YTD through September 30, 2016 is 4.14, which is 9.6% lower than the 4.58 TCR for the same period in 2015. Total collisions decreased 11.3% to 742 from 836.
Injury Collision Rate	The GCRTA 2016 TEAM Injury Rate Goal is 10. The 2016 YTD through September 30, 2016 Injury Rate of 10.06 is 0.06% above the TEAM Goal and 5.7% above the 9.52 Injury Rate for the same period in 2015. Total injuries increased 4% to 141 from 135.
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 2016, the YTD figure for No. of Miles Between Service Interruption was 12,567 miles, as compared to 6,966 miles for 2015, which represents an 80.40% improvement 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 2016 for bus, light rail, and heavy rail was approximately 67%, as compared to 68% for 2015, representing a 1.47% decline in this TEAM measure.
Ridership	<ul style="list-style-type: none"> • Year to Date Ridership through the first three quarters is down 7.4% as ridership continues to decrease system-wide due in part to lower gas prices. • The mobile fare payment app, RTA CLE, continues to grow with nearly 8,000 year-to-date fare media transactions and \$90,000 in total sales. For September, 2,620 fare media items were sold totaling more than \$31,000 in sales.

Ridership Cont'd	<ul style="list-style-type: none"> • Rail - Year-to-date ridership on Rail remains marginally off last year's performance, down only 2%. Through September, nearly 6.5 million trips have been taken on the Red, Blue, and Green Lines combined. • Summer construction season continued with rail shutdowns on the west side Red Line (2 days), east side Red Line (2 days), Green Line (2 days), and single tracking on the east side Red Line (5 days). Rail service was also impacted by continuing construction on the westbound track through Tower City. This work is scheduled to be completed by Thanksgiving. • On Sunday, September 11, rail service modifications took effect as a result of the public hearings from earlier this year. Green Line service now ends at 9:00 PM and Waterfront Line service ends at 7:00 PM seven days a week. Waterfront Line mid-day frequency was also affected.
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Third Quarter Initiatives and Special Promotions to Increase Ridership

During September, these new clients signed up for the Commuter Advantage program: Cleveland Water Department, CBS Radio, and the Education Law Association.

RTA and the Cleveland Browns have once again teamed up for tailgating in Muni Lot. This was created to encourage fans to ride RTA to Browns games. The Waterfront Line is the easiest and most direct way to get to FirstEnergy Stadium, with a stop at the West 3rd Street Station.

In addition to the regularly scheduled concerts at Quicken Loans Arena, House of Blues and the Wolstein Center, RTA supplied rides to events such as the Cleveland National Air Show, Cleveland Indians games, and the Browns home opener.

During September, RTA participated in several community events throughout the Greater Cleveland area, including speaking engagements and informational sessions at Doan Apartments, Notre Dame Apartments, Shaker Community Center, Alexia Lourexia Apartments, Mother Theresa Manor, Westside Community House, CMSD Multicultural/Multilingual Office, Campbell Courts, River Park Apartments, Kirby Manor Apartments, Lakewood Senior Center, Fairhill Partners Kinship Group, Quarrytown Apartments, University Towers Apartments, Wade Chateau Apartments, Severance Towers Apartments, Warrensville Community Apartments, Fairview Park Senior Center, Wipsinger Apartments, St. Timothy Manor, Willowood Apartments, St. Richards Apartments, Franciscan Village Apartments, Ivy Plaza, VA Hospital Cancer Fair, NEORSD Annual Community Open House, and Collaborative Meetings in the following communities: Central to Central, Euclid, Harvard/Union, and Glenville. By design, these events increase RTA's presence within the Greater Cleveland community and enhance public transit awareness.

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 43,200 customers was received for the third quarter of 2016, as compared to one request for approximately every 24,458 customers received for the same period in 2015, representing a 76.63% improvement 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 2016, the unscheduled absence percentage was 5.83% which, when compared to 6.0% for 2015, shows a 2.83% improvement in attendance.

DBE Participation/Affirmative Action

The DBE program is administered on a federal fiscal year (FFY) that runs from October 1 – September 30. The Overall DBE Participation Goal on federally assisted contracts of \$25,000 and above for FFY 2016 - 2018 is 21.3%. Per federal regulations, the calculation of Overall DBE participation excludes real estate transactions and the procurement of Transit Vehicle Manufacturers (typically buses and Paratransit vehicles).

The performance period of July 1, 2016 – September 30, 2016 represents the fourth quarter of FFY 2016. 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 the quarter totaled \$374,341 or 29.0% on total contracts of \$1,292,628. DBE dollar and percent participation on contracts greater than \$100,000 for 2016 FFY totals \$5,052,108 or 29.6% on contracts of \$17,071,309.

QUARTERLY - PARTICIPATION OF DBE FIRMS BY CLASSIFICATION (October 1, 2015 – September 30, 2016)

Classification	1 st . Quarter Oct. 1 – Dec. 31		2 nd Quarter Jan. 1 – Mar. 31		3 rd Quarter April 1 – June 30		4 th Quarter July 1 – Sept. 30	
Caucasian Female	\$1,184,997	61.5%	\$1,118,696	62.6%	396,291	41.1%	\$49,341	13.0%
Hispanic	0	0	\$373,548	20.9%	\$350,150	36.3%	0	0
African American	\$741,850	38.5%	\$279,807	15.7%	\$187,887	19.5%	0	0
Asian	0	0	\$14,250	.8%	\$30,291	3.1%	\$325,000	87.0%
TOTAL	\$1,926,847	100.0%	\$1,786,301	100.0%	\$964,619	100.0%	\$374,341	100.0%

QUARTERLY MANAGEMENT REPORT OCTOBER 2016

Current Quarter – DBE Performance by Contract Category*

(July 1, 2016 – September 30, 2016)

	Construction	Professional Services	Equipment & Supply	Total
DBE Dollars	\$325,000	\$49,341	0	\$374,341
All Dollars	\$1,197,360	\$95,268	0	\$1,292,628
% DBE Participation	27.1%	51.8%	0	29.0%

Year-to-Date – DBE Performance by Quarter

(October 1, 2015 – September 30, 2016)

	Total Contracts	DBE Participation	% DBE Participation
1st Qtr.	\$4,733,518	\$1,926,847	40.7%
2nd Qtr.	\$7,708,292	\$1,786,301	23.1%
3rd Qtr.	\$3,336,871	\$964,619	63.7%
4th Qtr.	\$1,292,628	\$374,341	28.0%
TOTAL FFY	\$15,248,838	\$5,052,108	29.6%

Office of Business Development Activities

Outlined below are selected efforts undertaken during the fourth quarter of FFY 2016

Selected Certification Activities during the quarter include:

New Certifications: 3

Re-Certifications: 14

On-Site Visits: 7

Selected Contract Compliance Activities during the quarter include:

Completed 2 Goal Settings

Conducted 4 Field site monitoring reviews

Reviewed 38 Certified Payrolls

Selected Outreach Efforts during the quarter include:

- Participated on conference call with ODOT regarding DBE files
- Attended COMTO 45th National Meeting and Training Conference in Dallas
- Attended Annual Airport Diversity Conference at Cleveland Convention Center
- Attended American Contract Compliance Association Conference in Chicago
- Attended 2016 Burke Corporate Aviation Expo
- Attended the first NOACA Long-Range Transportation Plan meeting
- Attended the 2016 Congressional Black Caucus in Washington
- Participated on Fatherhood Steering Committee

QUARTERLY MANAGEMENT REPORT OCTOBER 2016

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	2015 -2017 Target		2015 Total		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		3-Year Total Target to Date	
	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female
Affirmative Action:	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female
Officials/Administrators	N/A	4	N/A	3	N/A	0	N/A	0	N/A	1	N/A		N/A	3
Professionals	N/A	28	N/A	22	N/A	4	N/A	2	N/A	5	N/A		N/A	28
Technicians	N/A	29	N/A	7	N/A	1	N/A	0	N/A	0	N/A		N/A	8
Protective Services	N/A	4	N/A	4	N/A	0	N/A	0	N/A	0	N/A		N/A	4
Administrative Support	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A
Semi & Skilled Craft	N/A	20	N/A	1	N/A	0	N/A	0	N/A	0	N/A		N/A	1
Service Maintenance	N/A	106	N/A	201	N/A	33	N/A	32	N/A	26	N/A		N/A	266
Total	N/A	191	N/A	238	N/A	*38	N/A	34	N/A	32	N/A		N/A	310

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

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

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

PROJECT	DESCRIPTION	STATUS
BRIDGES		
Rehabilitation of Transit Track Bridge over East Blvd/MLK Design (27S)	Track bridge rehabilitation design Consultant: Euthenics Design Cost: \$165,452	Contract awarded May 20, 2008 and notice to proceed issued July 10, 2008. Euthenics has completed the design and construction documents. Project awarded at April 26, 2016 Board. Notice to Proceed June 21, 2016. Consultant is providing construction administration services.
Rehab of Transit Track Bridge over East Blvd./MLK Construction (27S)	Contractor: Suburban Maintenance & Construction Construction Cost: \$1,893,000	Board awarded contract on April 26, 2016. Notice to Proceed issued June 22, 2016.

Rehabilitation of E. 81 & E. 83 St Track Bridges on Shaker Line (27V)	Track bridges rehabilitation design Consultant: TranSystems Design Cost: \$178,954	Board awarded contract on December 20, 2011. Notice to proceed issued January 20, 2012. Project construction contract awarded at the April 21, 2015 Board meeting. Consultant providing construction closeout services. Construction complete June 26, 2016.
Construction of E. 81 st & E. 83 rd Street Track Bridges on Shaker Line (27V)	Contractor: Schirmer Construction Construction Cost: \$2,196,000	Notice to Proceed issued May 18, 2015. Construction complete. Closeout underway.
CSX/E. 92 nd Track Bridge Rehabilitation Design (27W)	Design for truss bridge rehabilitation; timbers and track previously replaced Consultant: TranSystems Design Cost: \$275,299	Board awarded contract on October 21, 2014. Construction Notice to Proceed issued June 22, 2016. Consultant is providing construction administration services.
CSX/E. 92 nd Track Bridge Rehabilitation Construction (27)	Contractor: Suburban Maintenance a& Construction Construction Cost: \$2,030,000	Board awarded contract on May 10, 2016. Notice to Proceed issued June 22, 2016.

Trunk Line Retaining Walls (14.97)	Rehabilitate guard walls along Shaker Blvd. between Buckeye-Woodhill & Shaker Square Consultant: ms consultants Design: \$262,261	Board awarded contract on October 21, 2014. First construction phase to be rebid in third quarter 2016. A/E authorized May 12, 2016 to proceed with Phase II plans.
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TRACK & SIGNAL

Trunk Line Signaling (12D)	Design for Trunk Line (E. 79 to Shaker Sq. Station) Signal System Replacement Estimate: \$8,000,000	Design being completed in-house by GCRTA Engineering Department. Project reviewed by On-Call Rail Consultant. Design suspended pending hire of new Signal Engineer. Vacant position is advertised.
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Red Line West 117 th Station to S. Curve Construction (52H)	Reconstruct Track and Drainage Contractor: Railworks Construction Cost: \$1,160,913	Construction documents completed and bid. Contract awarded at July 28, 2015 Board Meeting and Notice to Proceed issued on August 24, 2015. Construction completed, closeout underway.
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Nine Light Rail Grade Crossings Design (23V5)	Engineering services for reconstruction of nine Light Rail grade crossings Consultant: TranSystems Design Cost: \$546,394	Request for proposal issued. Proposals received January 7, 2014. Board awarded project March 18, 2014. Notice to Proceed issued April 4, 2014. Recommendations report received June 2014. Designer is completing 3 construction packages of 3 crossings per package. The first package construction has been completed. The second package was bid and awarded at the March 22, 2016 Board Meeting. Consultant is providing constructions services.
Nine Light Rail Grade Crossings Construction (23V5 Phase 1)	Reconstruction of Three of Nine Grade Crossings Contractor: Delta RR Construction Cost: \$3,049,341	NTP issued April 13, 2015. The construction of the South Park crossing on the Green Line was completed in August. The two Waterfront Line crossings were completed in October. Construction completed and closeout underway.
Nine Light Rail Grade Crossings Construction (223V5 Phase 2)	Reconstruction of Three of Nine Grade Crossings Contractor: Delta RR Construction Cost: \$2,114,523	Notice to Proceed issued April 8, 2016. Waterfront Line Main Avenue crossing completed June 20, 2016.
West 65 Substation Replacement (23Z)	Furnish and Install Modular Substation Consultant: TBD Estimate: \$110,000	RFP to be re-advertised third quarter 2016.

Puritas Substation Replacement	Furnish and Install Modular Substation	RFP to be re-advertised third quarter 2016.
Design (60A)	Consultant: TBD Estimate: \$110,000	
Warrensville/Van Aken Substation Replacement (16.36)	Furnish and Install Modular Warrensville/ Van Aken Substation Consultant: TBD Estimate: \$110,000	RFP to be re-advertised third quarter 2016.

PASSENGER FACILITIES

Rapid Stations

Brookpark Rapid
Transit Station
Design
(24J(c))
ARRA

A/E services for design of
Brookpark Station
Consultant: Bialosky +
Partners
Cost: \$1,329,098

Contract awarded June 30, 2009 and Notice to Proceed issued September 30, 2009. Brook Park Planning Commission approved design and project presented to Cleveland's local design committee. 90% design received on March 20, 2013, including value engineering. Change order for separate parking lot plans approved in 2013. NEPA documentation completed. Phase I East Parking Lot completed. Station construction project awarded at the March 24, 2015 Board meeting to Mid-American Construction. Consultant providing construction administration services.

NTP issued May 11, 2015. New platform installed. East parking lot completed. Tunnel shot-creted and water proofed. New precast elevator core and platform installed. Westbound track ties replaced and surfacing completed. Headhouse and new east entry building framing completed. New east entry building and bus canopy roof installed and exterior masonry completed. Interior masonry work continuing.

Brookpark Rapid
Transit Station
Construction
(24J(c))

Reconstruction of the
Brookpark Station
Contractor: Mid-American
Construction, LLC
Cost: \$12,176,043

Cedar-University Station Reconstruction (24K)	Reconstruction of Red Line rapid station Contractor: McTech Corporation Cost: \$15,929,049	Contract awarded June 18, 2012 and Notice to Proceed issued July 10, 2012. Groundbreaking ceremony September 19, 2012. Ribbon cutting ceremony held on August 28, 2014 and the rail and Bus Stations completed and opened for service. Contractor missed the final completion date of December 16, 2014. Work finally completed May 29, 2015. Lien resolution needed for closeout.
Little Italy -University Circle Station Design (24P)	ADA rehabilitation of station and transit track bridge reconstruction Consultant: City Architecture Design Cost: \$1,806,015	Contract awarded July 15, 2008 and Notice to Proceed issued August 22, 2008. Project at 60% design when Norfolk Southern review resulted in decision to go to center platform design. FONSI received from FTA April 4, 2013. Tiger III (\$12.5M) funding obtained and grant agreement executed on May 31, 2013. Property acquisition agreement signed and approved by Board April 16, 2013 and FTA concurrence on May 21, 2013. Consultant providing construction support. Consultant has submitted 100% construction documents for Mayfield Road sidewalk improvements. Project 24P-2 awarded at June 14, 2106 Board Meeting.
Little Italy -University Circle Station Construction (24P)	ADA rehabilitation of station and transit track bridge reconstruction Contractor: McTech Corporation Cost: \$11,555,471	Contract awarded September 17, 2013. Notice to proceed issued October 14, 2013. Held groundbreaking October 22, 2013. Track outage began on June 7, 2014 and ended August 28, 2014 with return to service on August 29, 2014. Station opened on August 11, 2015 and substantial completion reached on August 13, 2015. Contractor working on warranty items.

Mayfield Road Pedestrian Enhancements (24P-2)	Lighting, railing, signage and sidewalk improvements Contractor: EnviroCom Cost: 1,309,000	Project awarded at June 14, 2016 Board Meeting. Contract preparation underway.
E. 120 St. Station Demolition (24P-3)	Demolition of existing station when Little Italy opens Contractor: Purple Orchid Cost Estimate: \$423,967	Construction documents completed and bid awarded at the July 28, 2015 Board meeting. Notice to Proceed issued on August 31, 2015. Water infiltration issue. Base contract work completed.
E. 116 Station Design (24R)	ADA reconstruction of E. 116 Light Rail station Consultant: City Architecture Design Cost: \$537,490	Request for Proposals received January 3, 2014. Board awarded contract to City Architecture March 18, 2014. Notice to Proceed issued April 24, 2014. Design proceeded to 100% and completed City Design Review and Planning Commission review process. Project was bid and bids were over budget. A/E is revising the design and project will be re-advertised third quarter 2016.
Lee/Van Aken Station Rehabilitation Construction (24S)	ADA rehabilitation of Blue Line station Contractor: Schirmer Construction Cost: \$6,079,386	Bids received on March 19, 2014. Contract awarded April 15, 2014 and Notice to Proceed issued May 15, 2014. Station opened on December 22, 2015. Ballast cleaning issue to be resolved third quarter.

Lee-Shaker Station ADA Design (24T)	<p>ADA rehab. of Lee-Shaker Station</p> <p>Consultant: CHA</p> <p>Cost: \$166,719</p>	<p>Make station accessible under the ADA, restore platform and track, and update signage and lighting. Consultant contract approved at January 20, 2015 Board meeting. Design complete, project advertised June 27, 2016.</p>
Warrensville-Shaker and Lee- Shaker Station Environmental Documentation (24T-EA)	<p>Completion of Section 106 Environmental Document</p> <p>Cost: \$46,318</p> <p>Consultant: Lawhon & Associates</p>	<p>Completion of Section 106 Environmental Documentation required for stations. NTP issued March 13, 2015 to complete by August 2015. Public meeting for Warrensville-Shaker held on July 22, 2015 at Shaker Heights City Hall. Final concurrence received. Lee-Shaker is completed and Public Meeting for Lee-Shaker held on December 17, 2015 at Shaker Heights City Hall. Final concurrence received. This is final report.</p>
Warrensville-Shaker Station Reconstruction (31F) Design (14.50 - Task 4)	<p>ADA rehabilitation of Blue Line station</p> <p>Consultant: HWH Engineering</p> <p>Cost: \$104,232</p>	<p>Design prepared by On-Call Architect/Engineer. Design completed, construction underway.</p>
Warrensville-Shaker Station Reconstruction (31F)	<p>Contractor: Shirmer Construction</p> <p>Construction Cost: \$1,848,274</p>	<p>Phase I construction of platform, walls and walks complete. Phase II work underway.</p>

<p>Tower City Track 7 Platform and Track 8 Replacement (52F)</p>	<p>Design of Track 7 Platform upgrades and replacement of Track 8 Consultant: TranSystems Cost Estimate: \$797,397</p>	<p>NTP issued April 9, 2015. Design completed, construction underway. A/E is providing construction support services.</p>
<p>Track 7 Auxiliary Platform and Station Egress Rehabilitation (52F-BP 1)</p>	<p>Contractor: EnviroCom Constr., Inc. Construction Cost: \$1,026,824</p>	<p>Board awarded contract on January 26, 2016. Notice to Proceed issued on February 22, 2016. Demolition work and extension of the Light Rail Platform complete. Elevator/stair tower work complete. Heavy rail raised platform and ramps final railing installation underway. New turnstile and ADA gate installation underway.</p>
<p>Track 8 Reconstruction and Track 7 Rehabilitation (52F-BP 2)</p>	<p>Contractor: Delta Railroad Construction Construction Cost: \$5,203,835</p>	<p>Board awarded contract on January 26, 2016. Notice to Proceed issued on February 2, 2016. Track 7 drainage and track rehabilitation completed and awaiting final testing.</p>
<p>Tower City Escalator Replacement (54)</p>	<p>Replace Four Tower City Station escalators Contractor: KONE Construction Cost: \$2,870,000</p>	<p>Project bid was awarded at April 21, 2015 Board Meeting. Notice to Proceed issued May 13, 2015. KONE has completed two long escalators. Replacement of two short escalators underway.</p>

Transit Centers

Park-N-Rides

Enhancements

PLANNING

Clifton Blvd. Transit
Enhancement Public
Art
(51-PA)

Solicitation for decorative
poles and gateway elements

Artist: TBD

Estimate: \$75,000

Public art call advertised February 14, 2014. Fifteen responses received for evaluation. Committee selected artist but concept was not viable. Artwork was re-solicited with responses received on April 13, 2015. 3rd call for artists was limited to lighting professionals. Have accepted the design concept of the artist, are beginning the contracting phase. In contracting phase with artist. Received preliminary approval from Cudell. Design review district.

HealthLine/Red Line
Extension Analysis
(55)

Alternative Analysis for
HealthLine/Red Line Corridor

Consultant: AECOM

Cost: \$1,100,000

Study of a major transportation improvement on HealthLine/Red Line Corridor. Contract awarded March 19, 2013. Notice to Proceed issued April 12, 2013. One preferred build alternative presented to the Board and public in May 2014. Second round of meetings held. Consultant now continuing ridership modeling using NOACA's Regional demand model which was provided in late June. Final round of meetings completed. Final report has been submitted. Awaiting final Executive Summary.

NOACA Five County On-Board Ridership Modeling (58)	Computer modeling work Consultant: Parsons Brinckerhoff Cost: \$248,974	Contract awarded September 18, 2012. Notice to proceed issued November 26, 2012. Consultant is working on the mode choice model. Data received from NOACA's Household Survey contract, which had encountered issues affecting project schedule. The model is now complete. Final documentation is completed. Project in closeout.
LEED Commissioning for Station Projects (13.33)	Review station design drawings and materials for environmental impact to meet LEEDS certification Consultant: Karpinski Engineering Co. Cost: \$54,170	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 has commenced.
Red Line Public Art Project (16.55)	Public art installations along the Red Line Contractor: LAND Studio Various Artists Cost: \$357,263	Public art installations along the Redline to beautify the rail right-of-way before the RNC. RTA art will be at Tower City, W 25th, West Blvd., and Airport Tunnel. Additional installations on ODOT property. Murals @ Tower City completed. Schedule to install at Airport and West Blvd. in early July.
E. 116 th Street Public Art (16.95)	Artist to be selected for Public Art Cost: \$34,000	Public art installation at E. 116 th Street in concert with Neighborhood Progress & Land Studio.

MAINTENANCE FACILITIES

Infrastructure Upgrades @ Hayden & CBMF for CNG & Propane (61B)	Upgrade facilities for CNG and Propane fueling at Hayden and CBMF Consultant: Wendel Estimate: \$489,383	Board awarded contract on October 21, 2014. Design completed. Support to Construction of improvements continuing.
CNG Heavy Maintenance Infrastructure Upgrades at Hayden & CBMF (61B-c)	Contractor: EnviroCom Constr., Inc. Construction Cost: \$2,455,000	Board awarded contract on November 17, 2015. Notice to proceed was issued on December 22, 2015. Ductwork demolition has begun at Hayden. New ductwork being installed at both facilities. Work at CBMF 75% complete and at Hayden 35% complete.
CNG Backup Generator at Hayden (61B-d)	Contractor: RWJ Wiring Construction Cost: \$380,000	Board awarded contract on November 17, 2015. Notice to proceed was issued on December 11, 2015. Generator installed. Generator tie-in work underway.
CNG Tail Pipe Exhaust System Upgrades at Hayden & CBMF (61B-e)	Contractor: North Bay Construction Construction Cost: \$995,061	Board awarded contract on January 26, 2016. Notice to proceed issued on February 23, 2016. Work at CBMF 80% complete, work at Hayden 50% complete.
CNG Backup Generator at CBMF (61B-f)	Contractor: Einheit Electric Construction Co. Construction Cost: \$631,672	Board awarded contract June 14, 2016. Contract preparation underway.

Rail Car Shop Wash Track and Transfer Table Track (14.87 and 14.88)	Design Replacement of tracks in the rail car shop Consultant: Transystems Cost: \$118,227	Designs complete and construction contract awarded at May 19, 2015 Board meeting. Construction complete, closeout underway.
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Rail Car Shop Wash Track and Transfer Table Track (52G)	Construction of Replacement of tracks in the car shop Contractor: RailWorks Track Services Cost: \$697,184	Contract awarded at May 19, 2015 Board meeting. Notice to Proceed issued on July 13, 2015. Construction complete, closeout underway.
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