

Minutes

Greater Dayton RTA Board of Trustees Public Board Meeting

February 7, 2018

- Trustees: Adrienne L. Heard, President
Sharon Hairston, Vice President
Sharon Howard
John Lumpkin
Belinda Matthews-Stenson
David P. Williamson
- Excused: Vince Corrado
Franz Hoge
Thomas Weckesser
- Staff: Mark Donaghy, Chief Executive Officer
Daron Brown, Chief Maintenance Officer
Roland Caldwell, Director, Operations
Joyce Carter, Interim Director, Human Resources
Cathy Garner, Sr. Executive Administrative Assistant
Jonathan Hollingsworth, Hollingsworth & Washington, L.L.C.
Deborah Howard, Procurement Manager
Nikol Miller, Manager, Community Relations
Brandon Policicchio, Chief, Customer and Business Development Officer
Bob Ruzinsky, Chief Capital Officer
Mary Stanforth, Chief Financial Officer
- Others: Interested citizens (see attached sheet)

Call Meeting to Order

Ms. Heard called the meeting to order at 3:00 p.m. A quorum was present and proper notice of the meeting had been given.

PLEDGE OF ALLEGIANCE

Ms. Heard led attendees in reciting the Pledge of Allegiance.

Greater Dayton Regional Transit Authority

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ROLL CALL

Roll call was taken:

Mr. Corrado	Excused	Mr. Lumpkin	Yes
Ms. Hairston	Yes	Ms. Matthews-Stenson	Yes
Ms. Heard	Yes	Mr. Weckesser	Excused
Mr. Hoge	Excused	Mr. Williamson	Yes
Ms. Howard	Yes		

APPROVAL OF CONSENT AGENDA

Ms. Heard stated Greater Dayton RTA (RTA) By-Laws require Board approval of today’s Meeting Agenda. Ms. Heard explained the Agenda was mailed in advance and asked if there were any corrections to the Agenda? Upon hearing no requests or corrections, Ms. Heard DECLARED APPROVAL of today’s Meeting Agenda.

APPROVAL OF JANUARY 2, 2018 BOARD MEETING MINUTES

Ms. Heard asked if anyone desired a reading of the minutes or if there were any corrections to the minutes? Upon hearing no requests or corrections, Ms. Heard DECLARED ACCEPTANCE of the January 2, 2018 Board Meeting Minutes.

EMPLOYEE RECOGNITION

Mr. Donaghy stated that the employee to be recognized is running a little late. Mr. Donaghy requested this Agenda Item be deferred until later in the meeting.

Ms. Heard agreed with Mr. Donaghy’s request.

FINANCE/PERSONNEL COMMITTEE REPORT (JOHN LUMPKIN)

Mr. Lumpkin stated the Finance/Personnel and Planning Committees met for a jointly held meeting on January 16, 2018 and as a result the Finance/Personnel Committee is recommending three (3) Action Items for approval by the Board of Trustees.

ACTION ITEM #2 – PURCHASE OF ENGINE LUBRICATING OIL

Mr. Lumpkin stated the purpose of this procurement is to purchase engine lubricating oil for RTA’s diesel fleet. Engine lubricating oil is used on a daily basis by the

Maintenance Department as part of preventive maintenance of the diesel fleet. This project is consistent with RTA's core values of Safety and Stewardship as we work to continuously maintain RTA's fleet in excellent condition.

MOTION MADE by Mr. Lumpkin and SECONDED by Ms. Hairston to AWARD a CONTRACT to Apollo Oil, LLC for the Purchase of Engine Lubricating Oil based on an estimated usage of 12,000 gallons per year for three (3) years totaling \$171,000. The actual award amount will vary based upon usage. This procurement is funded entirely with operating funds.

MOTION CARRIED by voice vote.

Ayes: Six

Nays: None

ACTION ITEM #3 – LEGAL SERVICES

Mr. Lumpkin stated recently RTA solicited proposals for Legal Services for General and Corporate Affairs, Labor, Workers' Compensation, EEO, Miscellaneous and Litigation. This procurement falls under the Core Value of Stewardship.

Requests for proposals were sent to forty-three (43) firms. The proposals were reviewed by the Evaluation Committee based upon the following criteria:

- Proven experience and staffing resources to carry out a multitude of litigation action in the public sector, including a regional transit organization
- Experience associated with labor, collection, EEO, and claims law for counsel assigned to RTA
- Comprehensiveness of firm's available legal services
- Reasonableness of cost
- The firm's philosophy / guiding principles
- The firm's Overall history and background including references
- The Quality of proposal presentation

MOTION MADE by Mr. Lumpkin and SECONDED by Ms. Matthews-Stenson to AWARD a CONTRACT to the Baker & Hostetler Legal Firm and the Coolidge Wall Legal Firm for a total Contract Award of \$502,497. This amount has previously been appropriated by the Board of Trustees for 2018 legal services. The Budgeting process, as

completed each calendar year, will dictate spending amounts after 2018.

MOTION CARRIED by voice vote.

Ayes: Four

Nays: One – Mr. Lumpkin

Abstain: One - Mr. Williamson

ACTION ITEM #4 – STATE OF OHIO AUDIT SERVICE FEES

Mr. Lumpkin stated that during 2018 the Ohio Auditor of State will perform Audit Services for RTA. Based upon the previous two (2) years, Staff estimates a total cost for services not-to-exceed \$40,000. The fees relate to the 2017 Financial Statements Audit as well as Agreed Upon Procedures for RTA's 2017 National Transit Database Report.

MOTION MADE by Mr. Lumpkin and SECONDED by Ms. Howard to APPROVE a not-to-exceed amount of \$40,000 to the Treasurer of the State of Ohio for 2017 Audit Service Fees.

MOTION CARRIED by voice vote.

Ayes: Six

Nays: None

Discussion Items to Mention

December 2017 Financial Statements

Mr. Lumpkin stated the details associated with the December 2017 financial statements were not available for the Committee Meeting. The December 2017 statements will be available at the February 20, 2018 Committees Meeting.

PLANNING COMMITTEE REPORT (SHARON HOWARD)

Ms. Howard stated the Finance/Personnel and Planning Committees met for a jointly held meeting on January 16th and the Planning Committee has no Action Items to present today, however, there are important informational items to share.

Ms. Howard stated that Mr. Policicchio provided a summary document of recent activities in the Customer and Business Development Department. Highlights of this month's report included RTA's own "Dayton Santa," Operator John Kern. For the past several years, John has been the friendly face of Christmas at RTA, serving as the resident Santa on the holiday bus and meeting children at Wright Stop Plaza. Recently, Dayton.com recognized John as their Daytonian of the Week which included an article featuring John's "other" career during the holiday season, which has spanned the past 12 years. RTA recognized John, who was accompanied by his family, at a recent First Friday meeting.

In addition, Ms. Howard stated the update included information on RTA's Maintenance Open House. For much of 2017, the Maintenance garage on Longworth Street was under major renovations. On December 16, 2017 the new area was unveiled with an Open House event for maintenance staff, RTA employees and their families. Over 100 people came to the event which included food, kid activities, door prizes, bus wash rides and shop tours.

INVESTMENT ADVISORY COMMITTEE REPORT – (DAVID WILLIAMSON)

Mr. Williamson stated the Investment Advisory Committee met on January 18th for an informative financial presentation from RTA's recently appointed Investment Advisory Firm, Meeder Investment Management. Mr. Williamson stated that while the Committee is not bringing forth Action Items today, the Committee does have informational items to share.

Meeder Investment Management

Mr. Williamson commented that at the Committee meeting, he introduced Mr. Jason Headings, Senior Vice President Public Funds, Director Fixed Income, who is primarily responsible for overseeing RTA's investment program. Mr. Headings has been with Meeder for twelve (12) years and has extensive experience working in the Public Funds sector, including the State's STAR Ohio investment program.

Also present at the Committee Meeting was Ms. Eileen Stanic, Senior Public Funds Advisor, who will serve as RTA's primary day-to-day contact. Ms. Stanic has been

with Meeder for three (3) years, however she has worked in the Public Funds sector for over fourteen (14) years.

Meeder's Financial Presentation - RTA's Portfolio Summary

At the Committee Meeting, Mr. Headings started his presentation with an Economic Update. With regard to U.S. Domestic Growth, the Gross Domestic Product (GDP) forecast indicates growth of 2% for 2018. This is fairly steady in comparison to recent years.

With regard to Oil and Diesel Fuel pricing, currently we are seeing \$50-\$60 per barrel. Future overseas production will be directly tied to keeping oil pricing relatively stable.

The Federal Open Market Committee raised rates three (3) times during 2017. During 2018 we can expect two (2) to three (3) rate increases. During 2018 the RTA can expect a 2-3% rate of return on *new investments*. With time, RTA's overall portfolio yield should increase closer to 2%.

Ms. Stanic reviewed RTA's investment portfolio. She stated the transfer of records from Raymond James to Meeder Investment is nearly complete. Currently Meeder is going through a final review process regarding the Custody transfer.

Currently, RTA's investment portfolio is \$34.45 Million and has a weighted average maturity of 2.5 years. The weighted average yield on securities is 1.47% and 2018 Estimated Annual Interest Income is \$499,491.

Meeder's recommendations to the Committee include:

- The Federal Reserve appears poised to raise the Federal Funds Target Rate in March 2018. Given the outlook for rates to continue to rise slowly, Meeder recommends extending the duration of the portfolio.
- Callable securities are currently offering value over securities with non-callable structures (of 20-25 basis points). Meeder favors a blend of call protections ranging from 3 months to 2 years.
- Inside of 3 years, Commercial Paper continues to add value over Agency and Treasury Securities. Meeder recommends building the allocation to Commercial Paper.

Committee members Agreed with Meeder's recommendations.

Discussion Item – Montgomery County Sales Tax Receipts

Ms. Stanforth reported October 2017 Sales Tax receipts equal \$2,956,538 and State of Ohio Transitional Aid is \$383,788. The Grand Total of \$3,340,326 reflects a 3.6% or \$115,000 increase versus October 2016.

Year-to-Date (YTD) October 2017 Sales Tax receipts equal \$32,820,297 and State of Ohio Transitional Aid is \$1,535,151. The YTD Grand Total of \$34,355,448 reflects a 0.8% or \$269,000 increase versus YTD October 2016. As compared to YTD Budget, we see a \$1.2 Million shortfall.

Committee members discussed Motor Vehicle Sales Tax Receipts and Non-Managed Care Sales Tax Receipts. The January - October 2017 Non-Managed Care and Non-Motor Vehicle Sales Tax Increase equals 2.3%. In comparison, RTA projected 2% growth for the 2018 Sales Tax Budget.

Mr. Tim Nolan, Advisory member, confirmed that Montgomery County also used a 2% growth factor for their 2018 Sales Tax Budget.

In conclusion, Mr. Williamson advised that the next Investment Advisory Committee meeting will be held on April 19th, and all Board Members are welcome to attend.

CHIEF EXECUTIVE OFFICER'S (CEO) REPORT

Mr. Donaghy commented that he had a few informational items to share. Mr. Donaghy stated that during the last few weeks Management Staff finalized the first production order of (26) twenty six NexGen Buses. Mr. Donaghy was pleased to be able to say that most of the production units will have their final assembly in Dayton, Ohio at the Longworth Campus.

Mr. Donaghy stated that a debriefing meeting was held with RTA's Management Team and other Key players regarding the infrastructure work that has been performed in the

Westwood Neighborhood. Mr. Donaghy stated he believes all will be pleased with the final report. More importantly RTA has invested several million dollars in this neighborhood and it has truly changed the street scape. Mr. Donaghy commented there is a little bit more cleanup work to be done there, however the project is for the most part complete. Kudo's to RTA's Line Crew for the great work they did on this project!

Mr. Donaghy stated the Greater Dayton RTA along with Cleveland, Columbus, and the Ohio Public Transit Association, is helping to sponsor some work by the Greater Ohio Policy Center. The study is aimed at finding a method to dedicate funding for transit at the State level. Mr. Donaghy stated that he will be serving on the Committee responsible for this Study. The first Committee meeting is scheduled in just a few weeks.

Mr. Donaghy has also been asked to serve on the Transportation Research Cooperative Program Review Committee (TCRP), in Washington, DC. This Committee determines what transit studies receive funding in the coming years.

Mr. Donaghy stated that he wanted to give everyone a heads up that at least one Board Member received a fictitious email from Mr. Donaghy's email address authored by Ms. Cathy Garner. Mr. Donaghy stated the email's contents made no sense however, should any Trustee receive anything as such going forward please let him know. Mr. Donaghy stated that RTA's Information and Technology Department is aware and Staff are investigating the matter to determine how this could have occurred.

Mr. Donaghy introduced Mr. Skip Dunkel as RTA's Director of Safety, Security and Training. Mr. Donaghy commented that Mr. Dunkel has more than 25 years in the industry and most recently worked at the Ohio Department of Transportation (ODOT) as their Public Transit Manager. Mr. Donaghy is excited about Mr. Dunkel's arrival to RTA and looks forward to working with Mr. Dunkel!

Mr. Donaghy also introduced the President of the Amalgamated Transit Union, Mr. Gerald Duncan. Mr. Donaghy commented that he welcomes the opportunity to

work with Mr. Duncan and thanked him for attending today's meeting.

**EMPLOYEE RECOGNITION
- CONTINUED**

Mr. Donaghy stated that he knows that many great things happen every day here at RTA but often you may not hear about them. Well today, Mr. Donaghy wanted to inform everyone that he recently received a letter of recognition regarding one of RTA's Bus Drivers. Mr. Donaghy then invited Mr. Roland Caldwell, Director, Operations and Mr. Gerald Duncan, ATU President to the podium where Ms. Kelly Mullenex was awarded a "Be the One" award.

OLD BUSINESS

None

NEW BUSINESS

None

PUBLIC COMMENT

Ms. Mary Miller - 27 S. Fairgreen Drive – Trotwood, Ohio, 45426. Ms. Miller stated that she is concerned about her current pending "conditional" PMOB status. Ms. Miller stated that she has not heard back from RTA. Additionally, Ms. Miller is concerned about additional bus services being cut due to the Managed Care Sales Tax (MCO) being taken away and asked what is RTA doing to replace the funding loss?

Mr. Donaghy replied to Ms. Miller as to the first part of the question Ms. Sally Brown will meet with Ms. Miller after the Board meeting. Regarding the second part of Ms. Miller's question, RTA has been in the process of seeking other solutions primarily at the State level to try and come up with a more permanent solution with the loss in sales tax dollars. Mr. Donaghy stated this is going to be a slow and long battle but RTA is doing everything it can to seek alternative options.

**BOARD MEMBER COMMENTS
- ANNOUNCEMENTS**

Mr. Williamson and with the entire RTA Board, thanked Mr. Johnathan Hollingsworth on providing RTA with an exceptional working relationship and expressed their best to Mr. Hollingsworth on his future endeavors. Mr. Williamson stated that Mr. Hollingsworth service, advice and confidence has been exceptional and very much appreciated.

Mr. Donaghy also expressed his well wishes to Mr. Hollingsworth. Mr. Donaghy stated it has been his pleasure working with Mr. Hollingsworth.

Ms. Howard wanted to reiterate what Mr. Donaghy said earlier about the spam email she received. Ms. Howard stated that the email appeared real with real names and RTA's company logo attached to it.

Mr. Donaghy again stated that RTA's Information Technology department is looking into the matter.

EXECUTIVE SESSION

None

ADJOURNMENT

MOTION MADE by Ms. Hairston and SECONDED Matthews-Stenson to ADJOURN the meeting.

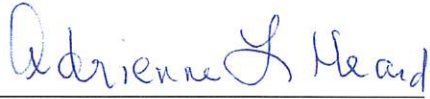
MOTION CARRIED by voice vote.

Ayes: Six

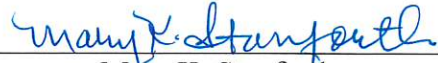
Nays: None

The meeting adjourned at 3:35 p.m.

ATTEST



Adrienne L. Heard
President
RTA Board of Trustees



Mary K. Stanforth
Secretary/Treasurer
RTA Board of Trustees

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