

**Minutes**

Greater Dayton RTA Board of Trustees  
Public Board Meeting

May 1, 2018

- Trustees: Adrienne L. Heard, President  
Sharon Hairston, Vice President  
Vince Corrado  
Franz Hoge  
Sharon Howard  
John Lumpkin (arrived at 3:11 p.m.)  
Belinda Matthews-Stenson  
Thomas Weckesser  
David P. Williamson
- Staff: Mark Donaghy, Chief Executive Officer  
Chris Cole, Chief Operating Officer  
Chris Conard, Coolidge Wall Co., L.P.A.  
Cathy Garner, Sr. Executive Administrative Assistant  
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.

**ROLL CALL**

Roll call was taken:

Mr. Corrado	Yes	Mr. Lumpkin	Excused
Ms. Hairston	Yes	Ms. Matthews-Stenson	Yes
Ms. Heard	Yes	Mr. Weckesser	Yes
Mr. Hoge	Yes	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 are any corrections to the Agenda? Upon hearing no requests or corrections, Ms. Heard DECLARED APPROVAL of today’s Meeting Agenda.

**APPROVAL OF AND APRIL 3, 2018, 2018 BOARD MEETING MINUTES**

Ms. Heard asked if anyone requests a reading of the minutes or if there are any corrections to the minutes? Upon hearing no requests or corrections, Ms. Heard DECLARED ACCEPTANCE of the April 3, 2018 Board Meeting Minutes.

**FINANCE/PERSONNEL COMMITTEE REPORT (SHARON HAIRSTON AND JOHN LUMPKIN)**

Ms. Hairston stated the Finance/Personnel and Planning Committees met for a jointly held meeting on April 17, 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 – AS NEEDED ELECTRICAL SERVICES FOR RTA FACILITIES AND PROPERTIES**

Ms. Hairston stated the purpose of this procurement is for Greater Dayton RTA to contract with qualified contractors for as needed electrical services for RTA facilities and properties. This project is consistent with RTA’s core values of Safety, Stewardship and Quality Service as we demonstrate our commitment to maintain our facilities in a state of good repair and make our customers a priority.

MOTION MADE by Ms. Hairston and SECONDED by Mr. Hoge to AWARD a contract to Calvin Electric and

Kastle Electric, for three (3) years of as needed electrical services for a project total of up to \$750,000 and for two (2) option years for a project total of up to \$500,000 for a total of \$1,250,000 for as needed electrical services over the five (5) year period. Work can be assigned to the individual firms based on availability, specialization, and job price. Annual blanket PO's will be maintained with each firm for routine jobs and other work will be handled with additions to the blankets or through standard purchase orders. Total spending will not exceed \$750,000 for the base period and \$500,000 for the option period, but may be less based on actual need. The MOTION includes RATIFICATION of \$85,000 spent under small purchasing procedures, for a Grand Total Award of \$1,335,000. This procurement will be funded 80% through Federal grant funds.

MOTION CARRIED by voice vote.

Ayes: Eight

Nays: None

### **ACTION ITEM #3 – GENFARE SOFTWARE SUPPORT AGREEMENT**

Ms. Hairston stated up until two years ago, Genfare provided ongoing support of their fare boxes and associated server systems at no charge. They would help troubleshoot issues, assist with limited repairs, and help change fare sets on fare boxes, Ticket Vending Machines (TVMs) and Printing and Encoding Machines (PEMs).

Genfare now charges an annual fee for their support. The fee covers minor version data system upgrades and patches, and grants priority issue resolution. Additional benefits under the agreement include:

- 5% discount off of OEM spare parts, repairs, software upgrades, system support services outside the scope of this agreement, and some types of training
- One (1) system-wide fare structure update per year
- One (1) Data System database rebuild per year

This procurement is being brought to the Board at this time because it supports RTA's core value of good Stewardship.

MOTION MADE by Ms. Hairston and SECONDED by Mr. Weckesser to AWARD a contract to Genfare, a Division of SPX Corporation, in the total amount of \$39,500 for a one (1) year software maintenance agreement, plus \$40,685 for one (1) option year for a Grand Total Award amount not to exceed \$80,185. The Genfare software maintenance agreement will be funded with 100% operating funds.

MOTION CARRIED by voice vote.

Ayes: Eight

Nays: None

**ACTION ITEM #4 – RETIREE DEATH BENEFIT PLAN ACTUARIAL STUDY**

Ms. Hairston stated Board Trustees established a Life Insurance Trust in 1986 for the purpose of setting aside funds to pay death benefits to the estates of former employees retired from the Greater Dayton RTA.

As part of the 2017 year-end audit, Madison Consulting Group has concluded a Central Estimate of Discounted Benefits of \$1,027,938 to fund \$2,152,500 in death benefits for 382 retirees. A discount rate of 5% was assumed in making the calculations.

MOTION MADE by Ms. Hairston and SECONDED by Ms. Howard to INCREASE the Life Insurance Trust by \$127,878 to fund the December 31, 2017 Life Insurance Trust obligation.

MOTION CARRIED by voice vote.

Ayes: Eight

Nays: None

Ms. Heard stated that additional information regarding this Action Item was placed at each Trustees seat today from Ms. Mary Stanforth.

Mr. Lumpkin arrived at 3:11 p.m.

**Board Discussion Items to Mention**

**January 2018 Sales Tax Update**

Mr. Lumpkin stated that at the Committee meeting Ms. Stanforth reported January 2018 receipts are \$3,000 lower than budget. This difference is very small and essentially after one month of receipts we are on target with budget.

**March 2018 Financial Statements**

In addition, Mr. Lumpkin stated Ms. Stanforth reported that RTA's March 2018 Net Income after Local Depreciation is \$345,216 compared to Budgeted Income of \$310,804. March 2018 Year-to-Date Net Loss after Local Depreciation is \$330,626 compared to a Year-to-Date Budgeted Loss of \$671,507. The details associated with the financial statements are included in the Committee Package. After three (3) months of Operations, RTA realized a \$340,881 positive variance as compared to budget.

**PLANNING COMMITTEE REPORT (SHARON HOWARD)**

Ms. Howard stated the Finance/Personnel and Planning Committees met for a jointly held meeting on April 17<sup>th</sup> and the Planning Committee is recommending One (1) Action Item for approval by the Board of Trustees.

**ACTION ITEM #5 – TRANSIT FARE ADJUSTMENTS – PARATRANSIT MONTHLY PASS**

Ms. Howard stated the purpose of this action item is for the RTA to improve accessibility and expand payment options for Connect – Paratransit customers by introducing a monthly pass to the existing fare payment structure. This action item supports RTA's core value of Quality Service.

The monthly pass will cost \$115 per month and is eligible for use in the calendar month the pass is identified for. The discounted value of the paratransit monthly pass is equivalent to that of RTA's reduced fare monthly pass.

Customers will be able to purchase the monthly pass from select RTA Transit Centers or by calling the RTA Finance Department to purchase by phone. Travel under the monthly pass is available for both complementary ADA and countywide services.

MOTION MADE by Ms. Howard and SECONDED by Mr. Lumpkin to APPROVE the Paratransit Monthly Pass to become effective on June 1<sup>st</sup>, 2018 and that the Chief Executive Officer be authorized to carry out all actions necessary to make these changes.

MOTION CARRIED by voice vote.

Ayes: Nine

Nays: None

**Planning Discussion Items to Mention**

In addition, Ms. Howard communicated that Mr. Policicchio provided a summary document of recent activities in the Customer & Business Development Department.

The highlight of the meeting was a presentation of RTA's Transit Network Redesign project, presented by Project Manager, Mr. John Hoff. Mr. Hoff discussed RTA's vision which will focus on providing more frequent, accessible and reliable services. The overall goal of the redesign is to deliver to our region a mobility network that is accessible and easy to use for all. Over the coming year, RTA will conduct extensive outreach to employees, customers and community stakeholders throughout the region.

**INVESTMENT ADVISORY COMMITTEE REPORT (DAVID WILLIAMSON)**

Mr. Williamson stated the Investment Advisory Committee met on April 19<sup>th</sup> for an informative session regarding RTA's investment portfolio, current topics in the investment arena, sales tax and fuel hedging. Mr. Williamson commented that the Committee is bringing forth One (1) Action Item today for the Board's consideration.

**ACTION ITEM #6 – REVISED RTA INVESTMENT POLICY**

The Committee brings forth the following Investment Policy revisions:

- Removal of the reference to Student Loan Marketing Association which is no longer a governmental agency or instrumentality.
- Expansion of the definition of certificates of deposit or deposit accounts to include a reference to the Ohio Revised Code (ORC) section 135.354 which

incorporates FDIC insured certificates of deposit, CDARS and STAR Plus.

- Removal of the provision for municipal bonds issued by political subdivisions to be located in the county. This provision is no longer in ORC 135.35.
- Expanded maximum percent permissible to be invested in commercial paper to 40% and maximum maturity to 270 days. Include limitation of 5% per issuer. Language will now be aligned with ORC 135.35.
- Removed requirement that bankers' acceptances be eligible for purchase by the Federal Reserve as this requirement is no longer in ORC 135.35.
- Added language to permit investment in corporate bonds, with a maximum maturity of 2 years. Language is aligned with ORC 135.35
- Modified collateral requirement for pooled collateral to align with ORC 135.182.
- Replaced reference to National Association of Securities Dealers to current regulatory agency, Financial Industry Regulation Authority.

MOTION MADE by Mr. Williamson and SECONDED by Ms. Hairston to APPROVE the Revised RTA Investment Policy as detailed in today's Board Package.

Mr. Lumpkin communicated that one correction should be noted as the correct agency title as listed above should be referred to as Financial Industry National Regulation Authority (FINRA) *not (FIRA)*.

MOTION CARRIED by voice vote.

Ayes: Nine

Nays: None

### **Investment Advisory Discussion Items**

#### **Meeder Investment Financial Presentation – RTA's Portfolio Summary**

Mr. Williamson communicated that Ms. Eileen Stanic started her presentation with an Economic Update. With regard to U.S. Domestic Growth, the Gross Domestic Product forecast indicates an increase of about 2.5% for 2018. This is comparable to growth seen mid to late 2017.

With regard to Oil and Diesel Fuel pricing, since January's Investment Advisory Committee meeting, prices have continued to rise. Currently we are seeing about \$69 per barrel. The Syrian war as well as possible Russian sanctions may cause further pricing escalation.

The Federal Open Market Committee (FOMC) decided to raise the target range for the Fed Funds rate to 1.50 - 1.75%. This was the first meeting with the new Fed Chairman, Mr. Jerome H. Powell. Information received since January indicates the labor market and economic activity has continued to strengthen. Market-based measures of inflation compensation have increased in recent months but remain low. The actual path of the Fed Funds rate will depend on the economic outlook as informed by incoming data. The FOMC continues to expect inflation to remain moderate, allowing the Committee to continue on a gradual path of policy normalization.

Mr. Williamson stated that the 4.1% Unemployment rate is unchanged since January's meeting. This is considered a full employment state with employers finding it difficult to find qualified employees.

In addition, Mr. Williamson stated that Ms. Stanic reported RTA's investment portfolio is \$38.24 Million and carries a weighted average maturity of 2.1 years. The weighted average yield on the portfolio is 1.58% and 2018 estimated Annual Interest Income is \$604,018. Since last quarter, the Annual Interest Income projection has increased \$104,000.

Meeder's recommendations to the Committee include:

- The Federal Reserve appears poised to raise the Federal Funds Target Rate two (2) more times in 2018. Following those rate hikes, the market is only pricing 1 to 2 more increases over the next 5 years. Given the outlook for rates to increase in the short-term, Meeder recommends shortening the portfolio.
- Commercial paper continues to add value over all products with a maturity of less than one (1) year. Meeder recommends continuing to build the allocation to commercial paper.
- Callable securities are currently offering value over securities with non-callable structures (+20 to 25



basis points). Meeder favors a blend of call protections ranging from 3 months to 2 years.

Committee members unanimously agreed with Meeder's above stated recommendations. This will be the path followed until the next Committee meeting.

#### Fuel Futures Update

Mr. Williamson stated that Ms. Stanforth reported 2017 Fuel Hedging Realized Losses total \$175,612. At March 31, 2018 Unrealized Gains equal \$134,270. RTA continues to unwind the fuel hedging activities, and all contracts will be sold by October 31, 2018.

#### Other Business

In conclusion, Mr. Williamson stated the next Committee meeting is tentatively scheduled for Thursday, July 19, 2018. There is a possibility the meeting date may be changed or cancelled.

### **CHIEF EXECUTIVE OFFICER'S (CEO) REPORT**

Mr. Donaghy commented that he had a few informational items to share. Mr. Donaghy stated that he wanted to highlight and thank Mr. Nathan Owens and other RTA Staff members, along with their families that came out and helped in the annual Rebuilding Together Dayton Program event. Mr. Donaghy stated that Mr. Owens led the effort this past Saturday as RTA adopted a house in the Carillon neighborhood. The homeowner was very appreciative of everyone's efforts! It was a great turnout, with lots of hard work, but very rewarding for all that participate.

Mr. Donaghy stated that at each Board Member's seat is a copy of a memo that Ms. Stanforth sent to Mr. Donaghy, as a follow-up to some of the questions the Board had during the last Jointly Held Committees Meeting regarding the Retiree Death Benefit Fund and the fact that RTA self-funds this policy.

In closing, Mr. Donaghy stated the Board approved last year that RTA could begin selling Semester Passes during summer months to Sinclair College Students at a reduced price. However, due to some oversight, that has not happened yet this year. Mr. Donaghy stated that he is asking the Board to Approve a New Business Item in

regards to Sinclair Community College, Summer Semester Pass Discount.

**OLD BUSINESS**

None

**NEW BUSINESS ITEM # 1 – SINCLAIR COMMUNITY COLLEGE, SUMMER SEMESTER PASS DISCOUNT**

Ms. Heard stated that in March 2017, the RTA Board of Trustees approved the creation of the Sinclair Community College Semester Pass Pilot Program, which started in 2017 for the Fall Semester and will run through the 2018 Fall Semester.

In order to ensure the pass is properly priced for the 2018 Summer Semester, which is shorter than other semesters, the RTA recommends reducing the price point from the current price of \$175 to \$110. This is a 30-percent discount which is representative of the discount available for the other semesters based on the days of usage.

Sinclair's Summer Semester runs from May 14<sup>th</sup> – August 5<sup>th</sup> and the pass would be valid May 13<sup>th</sup> – August 10<sup>th</sup>. The discount would only be applied to the 2018 Summer Semester and would resume being sold at the \$175 price point for the 2018 Fall Semester.

It is the Chief Executive Officer's recommendation that the Board of Trustees approve and adopt this one-time discount for the 2018 Sinclair Summer Semester Pass, at a price of \$110 per pass.

MOTION MADE by Mr. Hoge and SECONDED by Ms. Matthews-Stenson to APPROVE the adoption of this one-time discount for the 2018 Sinclair Summer Semester Pass, at a price of \$110 per pass.

MOTION CARRIED by voice vote.

Ayes: Nine

Nays: None

**BOARD MEMBER COMMENTS  
- ANNOUNCEMENTS**

Ms. Matthews-Stenson commented that she is thankful that Spring has arrived.

Ms. Heard thanked RTA Staff for their participation in helping the Dayton Community with their volunteerism with regards to Rebuilding Dayton.

**EXECUTIVE SESSION**

None.

**ADJOURNMENT**

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

MOTION CARRIED by voice vote.

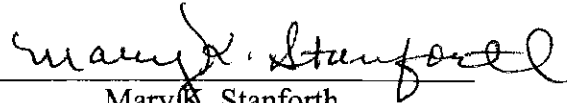
Ayes: Nine                      Nays: None

The meeting adjourned at 3:32 p.m.

**ATTEST**



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Adrienne L. Heard  
President  
RTA Board of Trustees



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Mary G. Stanforth  
Secretary/Treasurer  
RTA Board of Trustees

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