

Greater Dayton RTA Board of Trustees
Public Board Meeting

November 6, 2018

- Trustees: Sharon Hairston, President
David P. Williamson, Vice President
Adrienne L. Heard
Franz Hoge
Sharon Howard
John Lumpkin
Belinda Matthews-Stenson
Thomas Weckesser
- Excused: Vince Corrado
- Staff: Mark Donaghy, Chief Executive Officer
Chris Cole, Chief Operating Officer
Chris Conard, Coolidge Wall, Co. LPA
Cathy Garner, Sr. Executive Administrative Assistant
Brandon Policicchio, Chief Customer & Business Development Officer
Bob Ruzinsky, Chief Capital Officer
Mary Stanforth, Chief Financial Officer
- Others: Interested citizens (see attached sheet)

Call Meeting to Order

Ms. Hairston called the meeting to order at 3:04 p.m. A quorum was present and proper notice of the meeting had been given.

PLEDGE OF ALLEGIANCE

Ms. Hairston 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	Yes
Mr. Hoge	Yes	Mr. Williamson	Yes
Ms. Howard	Yes		

APPROVAL OF CONSENT AGENDA

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

APPROVAL OF OCTOBER 2, 2018 BOARD MEETING MINUTES

Ms. Hairston 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. Hairston DECLARED ACCEPTANCE of the October 2, 2018 Board Meeting Minutes.

EMPLOYEE RECOGNITION

Ms. Hairston turned the microphone over to Mr. Donaghy who invited Mr. Benjamin Banning, American Cancer Society, to the podium. Mr. Banning is here today to personally thank the Board of Trustees, Mr. Donaghy and Team RTA Committee Chairs: Ms. Cathy Garner, Ms. Stacy Shern, Ms. Nikki Abbott, Ms. Michelle Garrett, Ms. Salena Saunders, Mr. Curtis Johnson, as well as, RTA employees for their generosity, support and charitable contributions for this year’s participation in Making Strides against Breast Cancer Campaign. Team RTA’s monetary goal was to raise \$2,500, however the Team exceeded their goal raising \$3,016, in addition, over 113 RTA employees showed up on the morning of Saturday, October 20th to participate in the Breast Cancer Walk. Mr. Banning stated it was great seeing that much representation from this organization and on behalf of the American Cancer Society “thank you RTA”! Mr. Donaghy invited the Committee members to come down and take a photo with Mr. Banning.

Mr. Donaghy recently received a letter from Mr. Doran J. Barnes, Chair, Leadership American Public Transportation Association, (APTA). Mr. Donaghy then invited Mr. Policicchio, Chief Customer and Business Development Officer, to the podium. Mr. Policicchio participated and was recognized as one of this year's graduates of the Leadership APTA Class at the Annual Meeting in Nashville. In Mr. Barnes' letter it reads "it was my great honor to present Mr. Policicchio with his diploma commemorating a year of hard work and dedication". Mr. Barnes went on to say that class members were featured at countless APTA Committee meetings and sessions and especially during Tuesday afternoon's special graduation program – Leadership APTA – Progressive Leaders, Extraordinary Thinkers - where class members delivered highlights of their team projects and received their certificates of completion and class pins.

Mr. Donaghy then invited Ms. Mary Stanforth, Chief Financial Officer, to the podium. Mr. Donaghy commented for the fifth year in a row the Greater Dayton RTA has been awarded the Auditor of the State Award for exemplary financial reporting in accordance with statewide principles.

Mr. Donaghy went on to say that Ohio Auditor Dave Yost personally presented the RTA Board of Trustees and leadership with the award at the RTA offices in downtown Dayton on October 10, 2018. The RTA received the award this year for its audit of the fiscal year 2017.

The Auditor of State Award is only given to a very select group of organizations across Ohio that meet strict guidelines set up by the State Auditor's office. Each year more than 6,000 state and local government agencies are audited across Ohio and only 5% of those audits qualify for the Auditor of State Award. While this is the seventh time receiving this award Ms. Stanforth and her team has received this award five times in a row for the last five years.

Ms. Stanforth stated that it is the hard work done by all RTA departments to accurately and responsibly record financial activity. This is part of what led to the receipt of this award for seven of the past eight years. Ms. Stanforth thanked her

team, Mr. Bob Ruzinsky, Chief Capital Officer, and his team. Ms. Stanforth communicated that this is a collective effort on many levels. Mr. Donaghy then invited Ms. Stanforth, her team and others to join in a group photo.

FINANCE/PERSONNEL COMMITTEE REPORT (JOHN LUMPKIN)

Mr. Lumpkin stated the Finance/Personnel and Planning Committees met for a jointly held meeting on October 16th and as a result the Finance/Personnel Committee is recommending four (4) Action Items for approval by the Board of Trustees.

ACTION ITEM #2 – MARSH & MCLENNAN INSURANCE AGENCY QUOTES

Mr. Lumpkin stated Marsh & McLennan Insurance Agency has surveyed the insurance markets over the past couple of months, on behalf of the RTA, and has identified several highly rated insurance companies to provide coverage. Today's Board package includes an Executive Summary which highlights types of coverage and the associated annual cost.

Marsh & McLennan's recommended and most cost effective insurance package is \$1.60 million annually. This cost includes average deductible and self-insured retention amounts. The cost has been flat over the past several years.

MOTION MADE by Mr. Lumpkin and SECONDED by Ms. Heard to AUTHORIZE the Chief Executive Officer to bind insurance coverage through the Marsh & McLennan Insurance Agency for the coverage year December 1, 2018 thru November 30, 2019. The coverage will include the attached coverage terms, unless a more cost effective package becomes available prior to December 1, 2018. This flexibility is necessary as it is not uncommon for insurance companies to continue competing for a contract, up until the actual date the coverage is to begin. This procurement totaling \$1.6 million will be funded with 100% operating funds.

Mr. Donaghy commented that in late 2006, he and Staff asked the Board to take a risk to leave the Ohio Transit Risk Pool and join forces with then called "Brower Insurance Agency", currently under the name Marsh and McLennan Insurance Agency. Mr. Donaghy stated that in doing so

RTA has literally saved millions of dollars in partnering with this firm. Mr. Donaghy thanked Mr. Marc Reynolds and his entire team for the great partnership!

MOTION CARRIED by voice vote.

Ayes: Seven Nays: None

Abstain: One - Mr. Hoge

ACTION ITEM #3 – GROUP MEDICAL AND PRESCRIPTION INSURANCE

Mr. Lumpkin stated RTA provides health coverage in accordance with its' labor agreements and administrative employee benefit plan. Group Medical and Prescription Insurance is coming before the Board at this time because the current contract expires December 31, 2018. Keeping the cost of health care manageable for both RTA and employees supports RTA's core value of Stewardship.

RTA has self-funded the medical and prescription drug plan since 2014. In October 2017, a contract to administer the plan and provide stop loss coverage was awarded to Medical Mutual of Ohio (MMO) for the 2018 plan year plus two one-year options. The renewal process for a self-funded plan entails the review/analysis of the underlying cost/liability components of the plan and establishing appropriate prospective premium equivalent rates to fund the costs of the plan going forward.

Employees actively enrolled in the wellness plan and who meet the plan requirements will pay 10% of the premium equivalent rates. The remaining employees will pay 20% of the premium equivalent rates.

MOTION MADE by Mr. Lumpkin and SECONDED by Mr. Hoge to APPROVE EXERCISING Option Year 1 with Medical Mutual of Ohio for self-insured medical and prescription insurance in the total estimated amount of \$7,385,714 for a one-year period. The actual total dollar amount will vary based on the census and actual claims paid under the plan. This procurement will be funded with 100% operating funds. As is typical with this procurement, work will continue to identify potential cost savings and alternative approaches deemed in the best interest of the Authority. It is understood that should significant

opportunities become a reality that the Chief Executive Officer may bring an additional action item to the board for its December meeting which would supersede this action.

MOTION CARRIED by voice vote.

Ayes: Eight Nays: None

ACTION ITEM #4 – 2019 BOARD AND COMMITTEES MEETING DATES

Mr. Lumpkin stated as set forth in the Greater Dayton RTA Bylaws, the Board of Trustees Meeting Dates occur on the first Tuesday of each month. The Finance/Personnel and Planning Committees meeting dates typically occur on the third Tuesday of each month. Lastly, the Investment Advisory Committee meets quarterly on the third Thursday during the months of January, April, July and October.

On an infrequent basis it is necessary to change a regularly scheduled meeting date.

MOTION MADE by Mr. Lumpkin and SECONDED by Ms. Heard to APPROVE the attached 2019 Board and Committees meeting dates. The Board of Trustees reserves the option to cancel/reschedule meetings based on necessity of actions by the Board of Trustees.

MOTION CARRIED by voice vote.

Ayes: Eight Nays: None

ACTION ITEM #5 – FUNDING RETIREE DEATH BEBENEFIT PLAN TRUST

Mr. Lumpkin 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 RTA. Human Resources Policy #11, Self-Insured Retiree Survivor Benefit, is included in today's Board Package as a reference.

In conjunction with RTA's financial statement audit, an actuarial study is performed to determine the appropriate funding level for the Life Insurance Trust. As of December 31, 2017, Madison Consulting Group performed an initial study and concluded RTA's Central Estimate of Discounted Benefits for 382 retirees is \$1,027,938. Board Trustees

approved a payment of \$127,878 on May 1, 2018 to fund the Life Insurance Trust to bring the balance to the Central Estimate of \$1,027,938.

As a result of implementing Governmental Accounting Standards Board Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other than Pension Plans”, to the 2017 financial statements a second actuarial study was required. The second study performed by Madison included only active employees having already met requirements of the plan. As of December 31, 2017, Madison concluded RTA’s Central Estimate of Discounted Benefits for 251 active employees is \$441,163.

At this time Staff requests funding the \$441,163 obligation for 251 active employees. The Ohio Auditor of State addressed this item recently with Board Trustees as part of the post audit meeting.

MOTION MADE by Mr. Lumpkin and SECONDED by Mr. Hoge to APPROVE increasing the Life Insurance Trust by \$441,163 to fund the December 31, 2017 obligation related to 251 active employees.

MOTION CARRIED by voice vote.

Ayes: Eight

Nays: None

Other Items to Mention:

July 2018 Sales Tax Update

July 2018 Sales Tax receipts equal \$3,126,511 and State of Ohio Transitional Aid is \$172,957. The Grand Total of \$3,299,468 reflects a 3.3% or \$114,196 increase versus July 2017.

Year-to-Date (YTD) July 2018 Sales Tax receipts equal \$21,689,395 and State of Ohio Transitional Aid is \$3,098,329. The YTD Grand Total of \$24,787,724 reflects a 3.0% or \$714,033 increase versus YTD July 2017. As compared to YTD Budget, we are down \$299,000.

September 2018 Financial Statements

At the meeting Mr. Lumpkin stated Ms. Stanforth reported that for the month of September RTA’s Net Gain after Local Depreciation is \$180,000 compared to Budgeted Net

Income of \$130,000. Positive Variances include: Operating expenses, excluding depreciation, were \$122,000 under budget. RTA Local depreciation expense was \$12,000 under budget. Negative Variances include: Operating revenues were \$2,000 below budget. Non-operating revenues were \$82,000 under budget.

RTA's YTD Net Gain after Local Depreciation is \$40,000 compared to a YTD Budgeted Net Loss of \$77,000. Positive Variances include: RTA Local depreciation expense was \$34,000 under budget. Non-operating revenues were \$81,000 above budget. Negative Variances include: Operating revenues were \$112,000 below budget. Operating expenses, excluding depreciation, were \$109,000 above budget.

PLANNING COMMITTEE REPORT (SHARON HOWARD)

Ms. Howard stated the Finance/Personnel and Planning Committees met for a jointly held meeting on October 16, 2018. The Planning Committee has no Action Items to present today, however, there are important informational items to share.

Discussion Items to Mention

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

The highlight of the meeting was the upcoming launch of the downtown circulator route, The Flyer, which kicks off this Friday, November 9. The Greater Dayton RTA will hold a kickoff event for The Flyer at Courthouse Square in downtown Dayton at 10 a.m. At this kickoff, RTA partners in the project, including Premier Health, CareSource, the University of Dayton, the Downtown Dayton Partnership and the city of Dayton will join RTA to talk about this exciting new, FREE route. The Flyer will connect dozens of destinations between RiverScape Metropark and the University of Dayton campus. This fast service will have a 10 minute or less wait time and aims to connect workers, students and visitors in downtown Dayton to area parking, restaurants and entertainment.

Another announcement included a final count of more than 13,000 books that were distributed to children and families

this summer during the Read on RTA summer reading program. These books were handed out in the five RTA transit centers between June and August.

Ms. Hairston then asked Mr. Donaghy if this would be a good time to show the following video for the Flyer Videos that RTA Staff produced.

Mr. Donaghy replied yes!

Mr. Hoge asked after the video was shown how will the bus stops be designated, will there be special signage?

Mr. Donaghy replied that the signage will indeed look different even though the bus stops will often be shared locations with regular stops. The bus stops will have the Flyer logo and will actually have the map of the flyer route on the signage. Mr. Donaghy stated that a link of other video and what the signage will look like will be sent to all Board members later today.

INVESTMENT ADVISORY COMMITTEE REPORT (TOM WECKESSER)

Mr. Weckesser stated the Investment Advisory Committee met on October 25th for an informative session regarding RTA's investment portfolio, current topics in the investment arena and sales tax revenue. The Committee does not have any action items today, however there are informational items to share.

Meeder Investment Financial Presentation - RTA's Portfolio Summary

Mr. Weckesser stated that at the Committee meeting Ms. Eileen Stanic began her presentation with an Economic Update. With regard to U.S. Domestic Growth, the Gross Domestic Product forecast indicates an increase of about 3.1% for 2018. This is somewhat higher than growth seen in 2017 and 2016. This percentage increase starts to slow moving forward with 2.5% projected for 2019 and 2.0% projected for 2020.

With regard to Oil and Diesel Fuel pricing, since April's Investment Advisory Committee meeting, prices have continued to rise. Currently we are seeing prices at about \$2.50 per gallon. At our April meeting prices averaged \$1.90 per gallon. During the second quarter of 2018 it was

projected that the Syrian war as well as possible Russian sanctions might cause pricing escalation. This has played out to be correct.

After a unanimous vote at the September 2018 Federal Open Market Committee meeting, the Fed Funds target range increased to 2.00–2.25%. The factors influencing that change included: inflation remains near 2% while longer-term inflation expectations are little changed, and increasing the target range is consistent with sustained expansion of economic activity and strong labor market conditions.

The 4.5% Unemployment rate is up only slightly from April's Committee meeting. We continue to have a full employment state with employers finding it difficult to find qualified employees. Job candidates are often times non-compliant with pre-employment drug testing.

Ms. Stanic reported RTA's investment portfolio is \$35.63 Million and carries a weighted average maturity of 1.9 years. The weighted average yield on the portfolio is 1.61%.

Meeder's recommendations to the Committee included:

- Recent trends in inflation and economic growth support the Federal Reserve policy of gradually increasing the Federal Funds Rate. The market is anticipating one (1) more rate increase in 2018, followed by additional increases in 2019. Given the outlook for rates to increase in the short-term, Meeder recommends continuing to stage investments inside one (1) year.
- Commercial paper continues to provide excess yield to the portfolio over alternative products, and Meeder recommends continuing to build the allocation to commercial paper in excess of the current allocation.
- With the rise in interest rates, Meeder favors higher coupon instruments to generate current income in the portfolio.

Mr. Weckesser stated Committee members unanimously agreed with Meeder's stated recommendations. This will be the path followed until our January 2019 meeting.

Other

Our next Committee meeting is tentatively scheduled for Thursday, January 17, 2019.

CHIEF EXECUTIVE OFFICER'S (CEO) REPORT

Mr. Donaghy commented that he had a few informational items to share. Mr. Donaghy stated it is projected RTA will spend \$1,000,000 less in 2019 on health care costs. This is definitely great news even though Staff was hoping that the savings would be more. Mr. Donaghy stated that RTA has got to continue to get people healthy! Mr. Donaghy stated he credits our wellness department for helping with those efforts.

Mr. Donaghy reported that he was asked and has accepted the role to Chair the Ohio Public Transit Association's Legislative Committee. Mr. Donaghy went on to say next year is a state budget year and this group plans to attack the short term, two year budget, as well as a longer term approach. Additionally, the group plans to partner with other organizations that are similar to transit that have felt the pinch with the Montgomery County Ohio (MCO) Sales Tax issue. Mr. Donaghy will keep everyone posted as time proceeds.

Mr. Donaghy stated that RTA was approached to support a program through Culture Works to get families with transportation challenges to see the Nutcracker event this year. RTA has committed to assisting with this need and will be working with Culture Works to make sure every family with a need of transportation can get to the theatre to see the show. Mr. Donaghy communicated that RTA has committed to transporting up to 1,000 families this year.

In closing, Mr. Donaghy stated that as everyone is aware Veterans Day is quickly approaching and each year RTA recognizes our employee Veterans. RTA's Veterans Day Celebration is next Monday at 9:00 a.m., and all are invited to join in at the Longworth Facility. Due to existing Longworth campus improvements, limited parking is available at 600 Longworth. Therefore, if you would like to attend there will be shuttle buses departing to and from Wright Stop Plaza beginning at 8:30 a.m., for this event.

OLD BUSINESS

None

NEW BUSINESS

None

PUBLIC COMMENTS

Mary Ellen Pfiel – 5760 Burkhardt Road, Dayton, Ohio. Ms. Pfiel stated it took three phone calls in order to connect with a live person. The automated systems should always have the option to speak with a live person. Ms. Pfiel stated because of coordination problems with paratransit customers, such as herself, it is a problem trying to utilize the “touch one for this and two for that” when prompted.

Ms. Mary Sones – 551 Catchem Street, Dayton, Ohio. Ms. Sones commented with RTA serving more customers it has become harder to reach a live person especially for those who have coordination problems. Ms. Sones stated that she too has coordination issues and using the automated phone system is not user friendly.

Ms. Lauren Griffen – 2330 Mundale Avenue, Dayton, Ohio. Ms. Griffen experienced a problem with a recent paratransit trip causing her to call to find out where her driver was and because it was after hours, it was difficult reaching a live person. Ms. Griffen feels that you should always have the option of reaching a live person. Ms. Griffen stated she hopes that Staff will take her comments under advisement.

Mr. Donaghy stated that he wanted Ms. Pfiel, Ms. Sones and Ms. Griffen to all speak with Mr. Roland Caldwell, Director of Operations, Mr. Brandon Policicchio, Chief Customer and Business Development Officer and Ms. Sally Brown, Manager, Alternative Transit Solutions after today’s meeting to address each of their concerns.

Mr. Ellis Hutchinson – 211 S. Wilkerson Street, Apt. 210, Dayton, Ohio. Mr. Hutchinson thanked RTA Trustees and Mr. Donaghy for providing free rides to Vote this year. Mr. Hutchinson commented that this was a very good idea! Mr. Hutchinson then communicated he is not happy with some bus riders who continue to have large baby strollers, as well

as some customers who bring non-service related animals aboard RTA buses. Finally, Mr. Hutchinson commented that he feels that there is no Board member ridership on RTA's Board and he has some concern.

Ms. Howard asked Mr. Policicchio after he meets with the three ladies that spoke today, she would like to hear a resolution to their issues.

Mr. Policicchio commented absolutely.

Mr. Hoge communicated to Mr. Hutchinson's comment to not seeing RTA Trustees onboard buses. Mr. Hoge stated that RTA Trustees do ride RTA buses, maybe not every day, but they certainly ride. Mr. Hoge went on to say that more importantly there is an Advisory Committee made up of riders that relay all rider issues to the Board's and Management's attention. Mr. Hoge commented that this information is fairly extensive and there is a great deal of feedback. The Advisory Committee brings various issues to the Board directly, so that Trustees get an understanding of the things RTA does right and concerns that require improvement.

**BOARD MEMBER COMMENTS
- ANNOUNCEMENTS**

Both Ms. Heard and Mr. Lumpkin congratulated Ms. Mary Stanforth, Chief Financial Officer, and her entire team along with the Mr. Bob Ruzinsky, Chief Capital Officer, on their accomplishment of having a clean audit.

Mr. Williamson complimented Ms. Heard and Mr. Lumpkin on remaining civil to one another in regards to the Ohio State/Michigan game held this past Saturday.

Ms. Matthews-Stenson thanked Mr. Donaghy and RTA for allowing her to attend and participate in the following events: National Association for the Advancement of Colored People (NAACP) Banquet and the National Conference for Community and Justice (NCCJ) Banquet. Ms. Matthews-Stenson stated Kudos to Mr. Donaghy because often times you do not see CEO's at these types of events.

Ms. Mathews-Stenson also wanted to congratulate Mr. Chris Cole on being selected into the Black Leadership Program.

Mr. Weckesser stated that he is looking forward to riding on “The Flyer”!

Ms. Howard commented that she, Ms. Nikol Miller and Ms. Adrienne Heard are members of Alpha Kappa Alpha Sorority, Inc. In Ms. Howard’s role in the Sorority, she explained that she is the Regional Representative of the International Connection Committee, which is the Social Action Arm. From September through today the group has been working diligently in getting people registered to vote, educating the community on how to fill out absentee ballots, and mobilizing people on how to get them to the polls. Ms. Howard stated that one of the tasks that this committee has been able to do is to cross promote free rides over all of their platforms and communicate RTA is offering free rides to the polls today. Ms. Howard stated that this has been something big that she has been able to communicate on an international level by encouraging others in her sorority to work with their local transit agencies in their states so that no one will have the excuse of having transportation to get to the polls to vote. Ms. Howard closed in stating for RTA to be a leader in this arena makes her very proud as a Board Member of Greater Dayton RTA!

Ms. Hairston addressed Ms. Pfiel, Ms. Sones and Ms. Griffen commenting it was unfortunate they had issues with calling in to our Paratransit office. Ms. Hairston stated that she was glad that each brought their concerns and suggestions for improvement to today’s meeting. Ms. Hairston stated the issue will be addressed and a resolution will be brought before the Board as to how the problem was resolved. Ms. Hairston reiterated that the Board cares about Transit and its riders. Ms. Hairston thanked each of the ladies for bringing their concerns to the Board.

Ms. Hairston replied to Mr. Hutchinson that although some Trustees may not always ride the bus as often as they like however, please know that it has nothing to do with how we as Board Members feel about transit and providing exceptional service. Ms. Hairston commented that while you can never please everybody, we will do our best to please somebody.

EXECUTIVE SESSION

None

ADJOURNMENT


Ms. Hairston declared the meeting ADJOURNED.

The meeting adjourned at 4:01 p.m.

ATTEST



Sharon Hairston
President
RTA Board of Trustees



Mary K. Stanforth
Secretary/Treasurer
RTA Board of Trustees

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