



2817 Canal Street  
New Orleans, LA 70119

## **New Orleans Regional Transit Authority Finance Committee**

### **Meeting Minutes**

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**Thursday, October 14, 2021**

**11:00 AM**

**Virtual**

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The New Orleans Regional Transit Authority's Board of Commissioners hereby certifies that it will convene a meeting on Thursday, October 14, 2021 electronically via Zoom in accordance with the provisions of La. R.S. 42:17.1(A)(2)(a)-(c).

- 1. Call To Order**
- 2. Roll Call**
- 3. Consideration of Meeting Minutes**

[Board Meeting Minutes from August 12, 2021]

[21-152](#)

Commissioner Walton move and Commissioner Tillery seconded to approve the minutes of the Finance Committee Meeting on August 12, 2021. The motion was approved unanimously.  
approved

- 4. Committee Chairman's Report**

Commissioner Raymond stated that during the month of September there was no committee meetings due to Hurricane Ida. He stated that staff was moving forward with the funding initiatives for the Downtown Transit Hub and discussions are going to take place today regarding the 2022 Budget and the Board of Commissioners will hold a Board Retreat on December 11, 2021.

- 5. Chief Executive Officer's Report**

Alex Wiggins reported that the RTA was experiencing challenges related to the supply chain for the buses such as engine oil, anti-freeze and cooling and these issues have affected some bus service.

- 6. Chief Financial Officer's Report**

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[August 2021 Financials]

[21-155](#)

Gizelle Banks reported that Ridership - August's ridership of 557k fell short of the budget by 14% or 91k passengers. This is largely due to the suspension of service (eff. Saturday, August 28) because of Hurricane Ida. It represents a 16% decline when compared to July's ridership. Year-to-date comparisons to August actuals show improved but mixed results across the spectrum - when compared to the budget (-6.8%), 2020 actuals (+6.8%) and 2019 pre-COVID actuals (-55.2%).

Gizelle Banks reported that - Operating Cost per Unlinked Passenger Trip 2021 vs. 2019 (Pre-COVID) for the first time since May, there was a drop in the cost per passenger trip for the month of August, down by \$1.32 from the prior month.

In response to Commissioner Raymond, Gizelle Banks reported that ridership was down compared to pre COVID.

Gizelle Banks reported that - Ferry - Operating Cost per Unlinked Passenger Trip 2021 vs. 2019 (Pre-COVID) -Ferry cost per passenger trip climbed by \$2.16 in August, making it second to the largest increase, which occurred last month

Gizelle Banks reported that - Farebox Recovery Rates 2021 vs. 2019 (Pre-COVID) -Fare revenue continues to offset a significantly lower percentage of operating expenses. August's farebox recovery remained relatively flat, increasing by only .25%.

Gizelle Banks reported that - Ferry - Farebox Recovery Rates 2021 vs. 2019 (Pre-COVID) - Ferry ridership has dropped dramatically because of the pandemic, causing fare revenue to offset a significantly lower percentage of operating expenses. After reaching a year-high mark in June, the farebox recovery rate for ferry operations slid for the second consecutive month; this time by 2.22%.

Gizelle Banks reported that - Operating Revenues (Budget, Actual & Prior Year) - Overall, Operating Revenues display positive results for the month when compared to the prior year. (Note that fare collections were suspended in April 2020.) Passenger Fares especially took a hit in August because of Hurricane Ida, falling short of the budget by \$194k or 26.8%. When compared to July's fare collections, August's actuals fell by 21%. CNO sales tax collections through July have been received, exceeding the 7-month projections by \$8m or 22.5%.

Gizelle Banks reported that - Operating Revenues (Actual) - of the \$7.9m in Operating Revenues, 79% or \$6.3m is derived from General Use Sales Taxes.

Gizelle Banks reported that Operating Expenses - Labor and Fringe Benefits, the largest expenditure at \$4.5M, comprised 61.5% of this month's actual expenses. Staff's massive post-transition payroll analysis and true-up continue. The contrast in 2020 and current year results for Labor and Fringe Benefits and

Services is directly related to the transition from the O & M contractual arrangement with Transdev to 100% in-house operations. In total, Operating Expenses for the month compared favorably with the budget with a 25.7% or \$2.5m positive variance.

Gizelle Banks reported that - Net Revenue (Before and After Government Assistance) - Net Revenue (Before Government Assistance) is \$346k for the month of August. This positive position is largely attributable to the \$650k in Net Operating Revenue for the month. After applying the month's \$1.6m in Government Operating Assistance, which included \$491k in CRSRSAA Act funding, Net Revenue increased to \$1.9m.

Gizelle Banks reported that - Capital Expenditures and Debt Service - As result of the bond refinancing in September 2020, Debt Service was dramatically reduced by \$388k from prior year actuals for the month and by \$3.9m year-to-date.

Gizelle Banks reported that - Operating Reserve - The positive variance that resulted from Net Revenue (After Government Assistance) added \$1.1m to Restricted Operating/Capital Reserve after the offset of \$774k in Debt Service.

Gizelle Banks reported that - Maritime Operations - Passenger fare revenue for ferry operations decreased by \$25k from the prior month. This drop is largely due to the suspension of service beginning August 28 as a result of Hurricane Ida. August 2021 operating expenses, however, produced mixed results - over budget by \$241k and down by \$183k from the prior year.

Gizelle Banks reported that the total Operating Revenue that was budgeted was \$14.5m and the month ended at \$9.5m so the agency was under budget.

Gizelle Banks reported that the total usage budgeted was \$12.6m and came in at \$8.4m which left a variance of \$4.2m. Year-to-date budget was \$97.5m and actually spent \$79m.

## 7. Review of RTA's Cash Reserves Policy

[Cash Reserves Policy Framework]

[21-164](#)

Gizelle Banks reported that Commissioner Raymond and Alex Wiggins wanted to strengthen the agency policy on the Cash Reserves Policy.

Gizelle Banks presented the Board with the framework at this meeting.

### **Purpose**

The purpose of the fund is to help to ensure the long- term financial stability Position the organization to respond to varying economic conditions and changes affecting our financial position and ability to carry out our mission

### **Objectives**

To sustain operations through delays in payments of committed funding and to

accept grants and reimbursable contracts without jeopardizing ongoing operations to ensure the long-term sustainability of the organization by preventing chronic cash flow crises

To create an internal line of credit to manage cash flow and maintain financial flexibility

**Cash Reserve Fund Balance**

Establish amount for the fund and method / rationale for determining the amount  
Planned additions to the reserve using identified grant money and any required matching money

The timeline and incremental plan for reaching the desired ultimate fund balance

**Use of Cash Reserve**

Describe terms and use of the fund

The threshold requiring a higher level of authorization

The standard expectation for repayment of accessed funds

**Management of Cash Reserve**

Who is responsible for managing the fund?

Who may open and/or monitor bank accounts?

Establish Accounting procedures, reporting requirements, and procedures for disposition of any interest income

Liquidity requirements for funds comprising the reserve, and whether and how they can be invested

**Authorization of Cash Reserve Draw-Down**

Establish terms and conditions for drawing down the fund for operating purposes in the case of a financial emergency

Procedures for replenishment of the fund

Time frame for restoring the Board Restricted Cash Reserve to target level

In response to Commissioner Walton, Gizelle Banks stated that the agency did not have an outline for cash reserve.

Commissioner Raymond stated that the agency has been working on a Cash Reserve Policy for a couple of years.

Commissioner Walton stated that this was an important policy for the agency.

Commissioner Daniels stated that the Board has been wanting to move this policy forward. He stated that the urgency around the Investment Policy being developed parallels the Restricted Cash Reserve Policy.

Commissioner Daniels stated that the agency was going to be bold and aggressive in making sure that we have the top notch Financial Management which includes the Cash Reserve Policy to make sure the riders don't go without when the agency finds themselves in a crises.

## 8. DBE Report

[DBE Presentation 10.14.21]

[21-165](#)

Adonis Expose' reported that contracts awarded for the month of September was \$14,565,788 and \$7,279,878 was awarded to DBE Firms and \$78,902 was awarded to SBE Prime Contracts. The total DBE Participation was 49%.

Adonis Expose' reported that the Website Enhancement Services - 95% of their DBE Goal was achieved and the Disaster Recovery Grants Management reached their DBE Goal of 100%.

Adonis Expose' reported that the Transit Ferry Services has reach 91% of its 10% Goal.

Adonis Expose' reported that the Upcoming DBE/SBE Projects are Napoleon Facility Renovation & Upgrade and the Current Solicitations are System Advertising Right to Advertise, Facility Maintenance & Construction Support Services, Preplaced Construction Contractor for Emergency Purpose, Leadership & Change Management Training and Classification, Compensation, Health & Retirement Benefits Consultant.

Adonis Expose' reported that the DBE/SBE Outreach Events were going to be held on October 21, 2021 with the New Orleans Black Chamber at 12 noon.

Alex Wiggins reported that a DBE Firm was a Prime Contractor on the BRT Project.

Commissioner Daniels requested at the Board Retreat the Board would like to have more detailed information regarding the DBE/SBE Contractors.

## **9. Infrastructure & Planning Report**

[Infrastructure & Planning Presentation 10.14.21]

[21-166](#)

Lona Hankins reported that the External Sewer Line Project was completed. The temporary barge for the Canal Street Ferry should arrive next week. The recovery for the Rampart Streetcar should start on October 18, 2021 and construction will last until November. The long lead items for the second phase of the project was ordered such as the polls and they are scheduled to arrive in January, 2022.

In response to Commissioner Walton, Lona Hankins reported that the Engineers were finalizing their report this week for the project.

Lona Hankins reported that regarding the Algiers Ferry Terminal the FTA has given the RTA approval to modify the existing grant and the current grant will be used for construction renovation for the Ferry Terminal Building only. The goal is to house administration space, as well as some potential other space for small businesses such as shopping malls and kiosks.

Lona Hankins reported that the State has strongly hinted that they will have

some leftover money from Katrina/ Rita for the agency to use to purchase new buses.

Lona Hankins reported that staff submitted an application for the Areas of Persistent Poverty Program (Replace HOPE) and also a grant was submitted for the 5307 Passenger Ferry. She stated that this grant will assist with the purchase of the landing barge and pay for the drydock of the Armature and the Levy Ferry Boats and also staff was also making this request on the State Outlay because the agency inherited these boats from the State and they are at the end of their useful life cycle.

Commissioner Walton stated that the State still has CARES Act Funding that could possibly cover some transportation cost of the ferry.

Lona Hankins reported that staff was also exploring the Route Restoration Grant to use for planning and/or increase Community Engagement.

In response to Commissioner Walton, Lona Hankins stated that all the Grants came from the Department of Transportation except the American Rescue Planning Act Grant.

## 10. Procurements

Napoleon Avenue Stabilization Project

[21-146](#)

Deferred.

tabled

CDW-East New Orleans Facility Exterior Envelope Repair

[21-147](#)

Commissioner Walton move and Commissioner Tillery approve the motion for the CDW-East New Orleans Facility Exterior Envelope Repair. The motion was approved unanimously.

approved

Enactment No: 21-078

FY 2021 Bus and Bus Facilities Grant Application

[21-150](#)

Commissioner Tillery move and Commissioner Walton seconded to approve the motion for the FY2021 Bus and Bus Facility Grant Application. The motion was approved unanimously.

approved

Enactment No: 21-079

## 11. New Business

None.

## 12. Audience Questions & Comments

Valerie Jefferson stated that the operators in training that just turned over had no uniforms and were driving the buses in their black and white training uniforms.

Valerie Jefferson would like to know if the Management Training was just for management.

Valerie Jefferson reported that some operators were tested positive for COVID and what is the policy for the operators to continue to get paid.

Valerie Jefferson asked why are the Operators doing surveys.

Vic- wanted to know why was the Napoleon Avenue out for re-bid for the 3rd time.

Lona Hankins reported that this project was funded with FEMA funds and that required all bids to be competitive and that the bids meet the estimates of the engineers and there was only one bidder and that bidder was still higher than the engineers estimate in order to make sure that the agency does not lose the funds we need multiple bidders.

### **13. Adjournment**

Commissioner Tillery moved and Commissioner Walton seconded to adjourn the Finance Committee Meeting of October 14, 2021. The motion was approved unanimously.  
adjourned