



2817 Canal Street
New Orleans, LA 70119

New Orleans Regional Transit Authority Finance Committee

Meeting Minutes - Final

Thursday, February 10, 2022

11:00 AM

Virtual

The New Orleans Regional Transit Authority's Board of Commissioners hereby certifies that it will convene a meeting on Thursday, February 10, 2022 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

Not a member of the Finance Committee, Commissioner Fred Neal was in attendance.

Present: Mark Raymond, Art Walton, Walt Tillery and Sharon Wegner

Absent: Mostofa Sarwar

3. Consideration of Meeting Minutes

[Finance Minutes - January 13, 2022]

[22-022](#)

A motion was made by Commissioner Tillery, seconded by Commissioner Wegner, and approved. The motion carried by the following vote:

Aye: Raymond, Walton, Tillery and Wegner

Absent: Sarwar

4. Committee Chairman's Report

Commissioner Mark Raymond introduced a directive for RTA to conduct an accessibility and feasibility study of all modes of transportation and all stops to understand existing inequities, underscoring the challenge transportation poses for the disabled.

Commissioner Raymond introduced a directive for RTA to engage with Jefferson Parish to determine how to better serve paratransit riders, and improve upon Alex Wiggins' directive for paratransit riders from Orleans Parish to be dropped off at any destination in Jefferson Parish. The goal would be to provide truly regional paratransit services for seniors and the disabled.

The motion to proceed with these two directives was put to a vote as New Business during the February 10, 2022 Finance Committee Meeting.

Mr. Wiggins expressed his support for Commissioner Raymond's proposed directives to resume the accessibility and feasibility study with a focus on transit equity for the disabled, and to engage with Jefferson Parish to provide truly regional paratransit services.

5. Chief Executive Officer's Report

Mr. Wiggins reported the Omicron COVID-19 variant's impact had considerably decreased as of December 2021, normal operations resumed with minimal service impacts, and only 50 staff members affected.

Mr. Wiggins reported the TSA Mask Mandate remains in effect through March 22, 2022, and likely continue through the Spring.

Mr. Wiggins expects a prompt return to pre-COVID ridership and service delivery. He reported that mask mandate enforcement remains a challenge, cited an incident of assault on an operator and underscored the role of the Public Safety department to prevent and address such incidents.

Mr. Wiggins reported a very positive February 9, 2022 Quarterly Business Meeting, at which it was determined to focus on generating revenue in ridership in 2023 and 2024 - post-COVID. He expressed his optimism that ridership numbers will increase and return to pre-COVID numbers, given the rider profile, as soon as the agency can meet riders' needs.

6. Chief Financial Officer's Report

[December 2021 Financials]

[22-025](#)

Chief Financial Officer Gizelle Banks presented the December 2021 financials.

Ms. Banks reported that ridership for December 2021 fell short of the budget by 311K passengers largely due to slower than expected pandemic recovery; however, Year-to-Date comparisons to 2020 actuals indicate the agency has exceeded ridership by 6.2%. Year-to-Date comparisons to pre-COVID 2019 actuals indicate ridership was down 54.4%, and was attributed to the impact of Hurricane Ida, Delta and Omicron COVID variants.

Regarding Operating Cost per Unlinked Passenger Trip: 2021 vs. 2019 (Pre-COVID), Ms. Banks attributed a slight \$0.32 increase from November 2021 to December 2021 to fuel costs.

Regarding Ferry Operating Cost per Unlinked Passenger Trip: 2021 vs. 2019 (Pre-COVID), Ms. Banks attributed the significant reduction in operating cost between December 2019 (Pre-COVID) and December 2021 to the investment that was made to maritime operations in 2019. Ms. Banks reported Ferry cost per passenger trip increased from \$8.22 in November to \$12.59 in December 21 due to the sizable increase in operating costs this month.

Regarding Farebox Recovery Rates: 2021 vs. 2019 (Pre-COVID), Ms. Banks reported that fare revenue continues to offset a significantly lower percentage of operating expenses as ridership struggles to rebound. However, December's farebox recovery increased from 7.25% for November 2021 to 9.24% for December 2021. Ms. Banks attributed the lower than usual 3.24% farebox recovery for September 2021 to the impact of Hurricane Ida on service.

Regarding Ferry Farebox Recovery Rates 2021 vs. 2019 (Pre-COVID), Ms. Banks reported the decrease in farebox recovery from 15.47% in November 2021 to 9.51% in December 2021, attributed it to little change in passenger revenue and an increase in operating expenses. Regarding farebox recovery rates for December 2019 Pre-COVID, Ms. Banks attributed the farebox recovery rate of zero to vessels being out of service for repairs.

Regarding Operating Revenues (Budget, Actual, Prior Year) overall, Ms. Banks reported Operating Revenues displayed positive results for December 2021 when compared to December 2020 due to strong sales tax revenues. Passenger fare actuals, however, when compared to the budget for December 2021, fared unfavorably. Ms. Banks reported positive growth in Hotel/Motel sales when comparing what was budgeted vs. actuals for December 2021.

Commissioner Walton asked if the process of reconciling actuals with the state was ongoing, to which Ms. Banks replied the process is ongoing, and reported a lag in reporting for October 2021 and November 2021 actuals.

Year-over-Year, Ms. Banks reported that despite the opportunity for growth regarding ridership, there was positive growth of approximately \$2.2M for December 2021 when compared to December 2020. Year-to-Date, Ms. Banks reported actuals to be within 1% of total overall operating revenue budget.

Regarding Operating Revenues (Actual), Ms. Banks reported that of the \$9.2M in Operating Revenues, 77% or \$7.1M was derived from General Use Sales Tax, and that passenger fares increased from previous months.

Regarding Operating Expenses, Ms. Banks reported Labor and Fringe Benefits, the largest expenditure at \$5.6M, comprised 69.6% of this month's actual expenses. 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 25.3% or \$2.7M positive variance.

Net Revenue (Before Government Assistance) is \$943K for the month of December 2021. This positive position is largely attributable to \$1.3M in Net Operating Revenue for the month. After applying the month's \$1.2M in Government Operating Assistance, Net Revenue increased to \$2.2M.

Regarding Operating Reserve, Ms. Banks reported the strong positive variance from Net Revenue \$2.2M (After Government Assistance) was offset by \$777K in Debt Service, resulting in approximately \$1.4M in Restricted Operating/Capital Reserve.

Regarding Maritime Operations, passenger fare revenue for ferry operations remained flat at \$77K when compared to the prior month and the prior year. December 2021 operating expenses, however, were over budget by \$275K and down by \$834K from the prior year due to the reclassification of hurricane-related expenses.

Ms. Banks reviewed the December 2021 Summary of Sources and attributed most of the variance between Total Revenue budgeted Year-to-Date and Year-to-Date Actuals to government assistance and timing of capital project funds. She confirmed that revenue will increase after that remaining COVID funds are drawn down. Operating Reserve and Total Sources for Year-to-Date Actuals compared to Year-to-Date Budget were both reported under budget.

Ms. Banks concluded by reviewing the December 2021 Summary of Uses, and reported Total Expenditures -Year-to-Date Actuals were less than the Year-to-Date Budget amount. The agency will end the year with approximately \$17M positive Operating Reserve due primarily to the fourth quarter's government assistance that remains from which to draw down.

Alex Wiggins pointed out an impressive trend in monthly pass sales despite the challenges of Hurricane Ida, Omicron and Delta COVID-19 variants to be reviewed in detail at the February 2022 Board of Commissioners Meeting.

7. DBE Report

Adonis Expose' presented the Disadvantaged Business Enterprise report.

Regarding DBE Contracts awarded through January 2022, he reported that \$20,177,770 in contracts were awarded, and \$7,321,457 was awarded to DBE firms. Total DBE participation (commitment) remains 37%.

Mr. Expose' reviewed current DBE projects. He reported that the CMAR - Canal Street Ferry Terminal is making progress for which he is awaiting a report for January. Regarding the Riverfront Trackwork and Overhead Catenary, Mr. Expose reported a change from 67% to 76% of the goal achieved. Regarding the Transit Ferry Services project, Mr. Expose' reported that 100% of the goal had been achieved and he expects an increase. Regarding the St. Charles Streetcar Line Downtown Loop Pavement Replacement, he reported the DBE goal of 38.61% had been exceeded and 55% achieved. Regarding the OCS Pole Replacement project, Business Intelligence and Data Management Reporting System project, and On Call Technical Safety Support project, Mr. Expose expects to see progress in the next month or two upon receipt of the respective invoices and payouts.

Regarding Current SBE projects, Mr. Expose' reported that Construction Cost Audits project

and Temporary Staffing-Surveyors projects are ongoing, and that the only new project is the the On Call A&E Services for Design of Interim Downtown Transit Hub.

Mr. Expose' concluded by reviewing the seven potential upcoming DBE and SBE projects that include current solicitations.

8. Infrastructure & Planning Report

Lona Edwards reviewed open projects and their current status. The Lower Algiers Car Ferry Terminal and Maintenance Barge Renovation project was reported as under discussion to utilize it as a small business incubator to generate traffic. The Bus Rapid Transit (BRT) Feasibility Study Project, currently in the planning stage, was reported as under discussion to better understand needs of community members with cognitive, physical and sensory disabilities. Commissioner Raymond and Ms. Edwards would further discuss offline.

Lona Edwards reviewed the Fiscal Year 2022 Grant Score Card and reported \$37M in carryover from 2021 were applied for, \$10.6M of which were to replace the maintenance barges at lower Algiers, and were applied for from the state. Recently federal grants were requested for two projects, including \$1.6M for the State DOTD 5339 grant and \$5M for the Katrina Rita D-CDBG grant.

Regarding the Grant Pursuit Strategy, Ms. Edwards reviewed the annual application approach that the department has instituted for recurring grants the agency pursues. She noted a new grant for Enhanced Mobility of Seniors and Individuals with Disabilities that would allow RTA to focus on universal access by replacing existing paratransit vehicles or partnering with JET to enhance that existing service.

Ms. Edwards reviewed the grant pursuit strategy for 2023, including the RAISE grant for which the agency did not apply in 2022, given it is not awarded to the same applicant two years in a row. If applied for in 2023, the RAISE grant could be applied to the Phase 2 New Links Implementation that includes transit priority, ADA, and Bus Fleet. Ms. Edwards reported that the department is awaiting more data to determine how to pursue the Low-No 5339 grant.

Ms. Edwards concluded by reviewing the Grant Pursuit Strategy for beyond 2023, noted the All Stations Accessibility Program (ASAP) grant could be applied to installing low floors on all service lines, and the careful planning approach the department will implement to ten-year infrastructure programs to ensure success.

Commissioner Walton noted that he would follow up with Lona Edwards offline.

9. Procurements

Napoleon Avenue Facility Renovation and Rebuild-403 Napoleon Avenue

[22-010](#)

Commissioner Wegner asked for the amount associated with the procurement items, to which Yolanda Rodriguez replied with the amount of \$4.7M.

A motion was made by Commissioner Walton, seconded by Commissioner Wegner, and approved to proceed to the Consent Agenda for the 2/22/2022

Board of Commissioners Meeting. The motion was carried by the following vote:

Aye: Raymond, Walton, Tillery and Wegner

Absent: Sarwar

Enactment No: 22-008

Non-Revenue Support Vehicles

[22-013](#)

A motion was made by Commissioner Wegner, seconded by Commissioner Tillery, and approved to proceed to the Consent Agenda for the 2/22/2022 Board of Commissioners Meeting. The motion was carried by the following vote:

Aye: Raymond, Walton, Tillery and Wegner

Absent: Sarwar

Enactment No: 22-009

Contract for Background Services

[22-015](#)

Commissioner Wegner asked how many employees would be included, to which Yolanda Rodriguez replied that 213 employees had been hired as of the transition.

A motion was made by Commissioner Wegner, seconded by Commissioner Tillery, and approved to proceed to the Consent Agenda for the 2/22/2022 Board of Commissioners Meeting. The motion was carried by the following vote:

Aye: Raymond, Walton, Tillery and Wegner

Absent: Sarwar

Enactment No: 22-010

Rampart Streetcar Emergency Recovery Project: Amend
AECOM's Engineering Contract

[22-016](#)

A motion was made by Commissioner Walton, seconded by Commissioner Wegner, and approved to proceed to the Consent Agenda for the 2/22/2022 Board of Commissioners Meeting. The motion was carried by the following vote:

Aye: Raymond, Walton, Tillery and Wegner

Absent: Sarwar

Enactment No: 22-011

Katrina-Rita CDBG Grant Program

[22-017](#)

A motion was made by Commissioner Tillery, seconded by Commissioner Walton, and approved to proceed to the Consent Agenda for the 2/22/2022 Board of Commissioners Meeting. The motion was carried by the following vote:

Aye: Raymond, Walton, Tillery and Wegner

Absent: Sarwar

Enactment No: 22-012

Facility Maintenance & Construction Support Services

[22-018](#)

A motion was made by Commissioner Wegner, seconded by Commissioner Walton, and approved to proceed to the Consent Agenda for the 2/22/2022 Board of Commissioners Meeting. The motion was carried by the following vote:

Aye: Raymond, Walton, Tillery and Wegner

Absent: Sarwar

Enactment No: 22-013

10. New Business

A motion was made by Commissioner Wegner and seconded by Commissioner Tillery to add new business and amend the agenda. The motion was carried by the following vote:

Aye: Raymond, Walton, Tillery and Wegner

Absent: Sarwar

A. Engage with Jefferson Parish to determine how to better serve paratransit riders

Commissioner Walton moved, Commissioner Wegner seconded, and the motion was carried by the following vote:

Aye: Raymond, Walton, Tillery and Wegner

Absent: Sarwar

B. Conduct Accessibility & Feasibility study including every mode of transportation & every stop

Commissioner Tillery moved, Commissioner Wegner seconded, and the motion was carried by the following vote:

Aye: Raymond, Walton, Tillery and Wegner

Absent: Sarwar

11. Audience Questions & Comments

None.

12. Adjournment

Commissioner Wegner moved and Commissioner Tillery seconded to adjourn the February 10, 2022 Finance Committee Meeting. the motion was carried by the following vote:

Aye: Raymond, Walton, Tillery and Wegner

Absent: Sarwar

[Finance Committee PowerPoint Presentation (02.10.22)]

[22-029](#)