


March 9, 2023

Regional Transit Authority

Finance Committee



The New Orleans Regional Transit Authority (RTA) hereby declares that, in accordance with La. R.S. 42:17.1 (A)(2)(a)-(c), a meeting will be held on Thursday, March 9, 2023, at 11:00 a.m. Please be advised that mask wearing is encouraged inside the boardroom.



Written comments on any matter included on the agenda will be accepted in the following ways:

- 1) Submission of a Speaker Card on meeting day;
- 2) Electronically by email sent to: rtaboard@rtaforward.org prior to the meeting; or
- 3) By U.S. Mail send to 2817 Canal Street, Attention: Office of Board Affairs, New Orleans, LA 70119.



Agenda

- 1. Call to Order**
- 2. Roll Call**



Agenda

3. Consideration of Meeting Minutes



Agenda

4. Committee Chairman's Report




Agenda

5. Chief Executive Officer's Report



Agenda

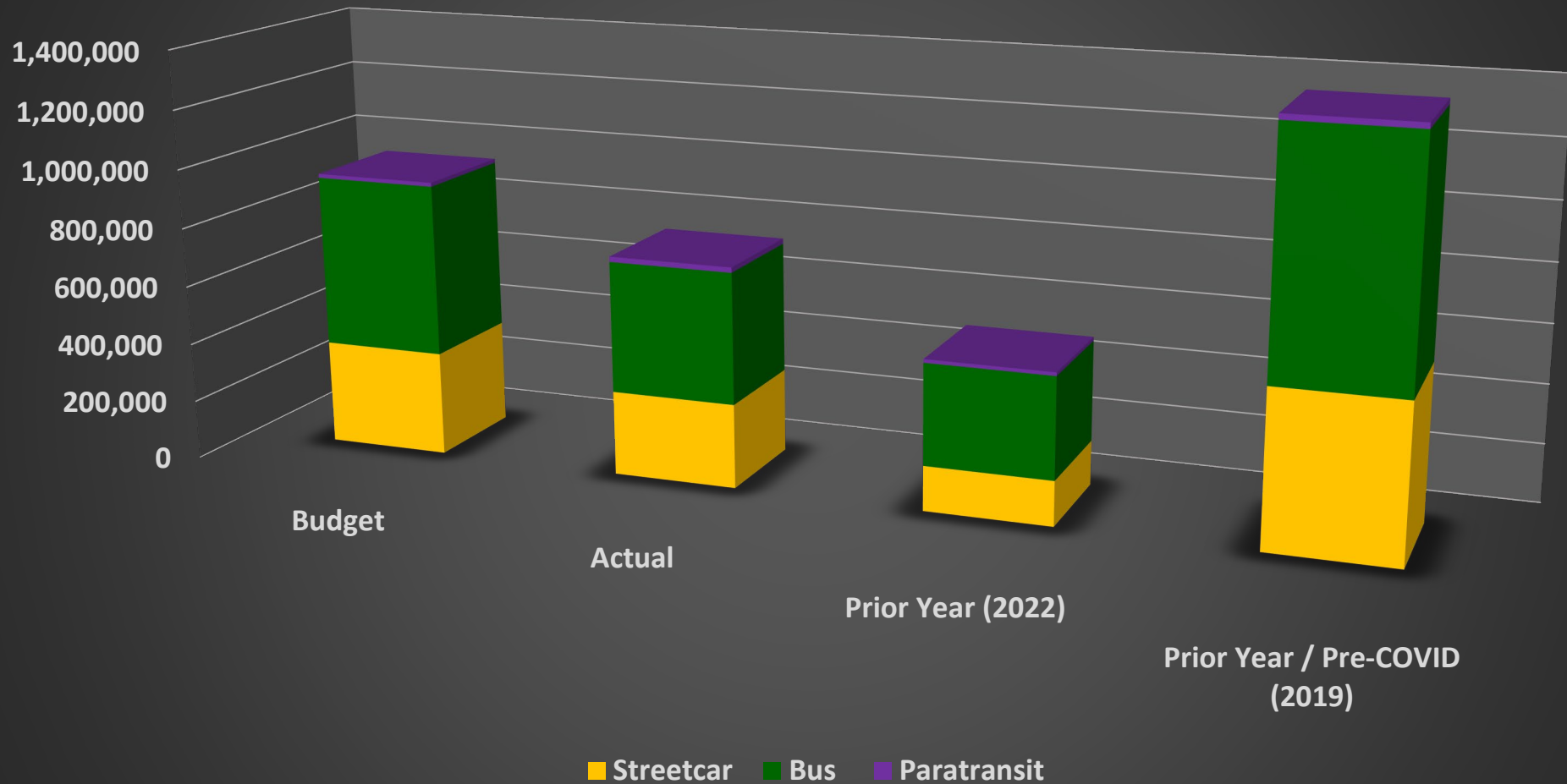
6. Chief Financial Officer's Report



03/09/2023

Regional Transit Authority

January 2023 Financials

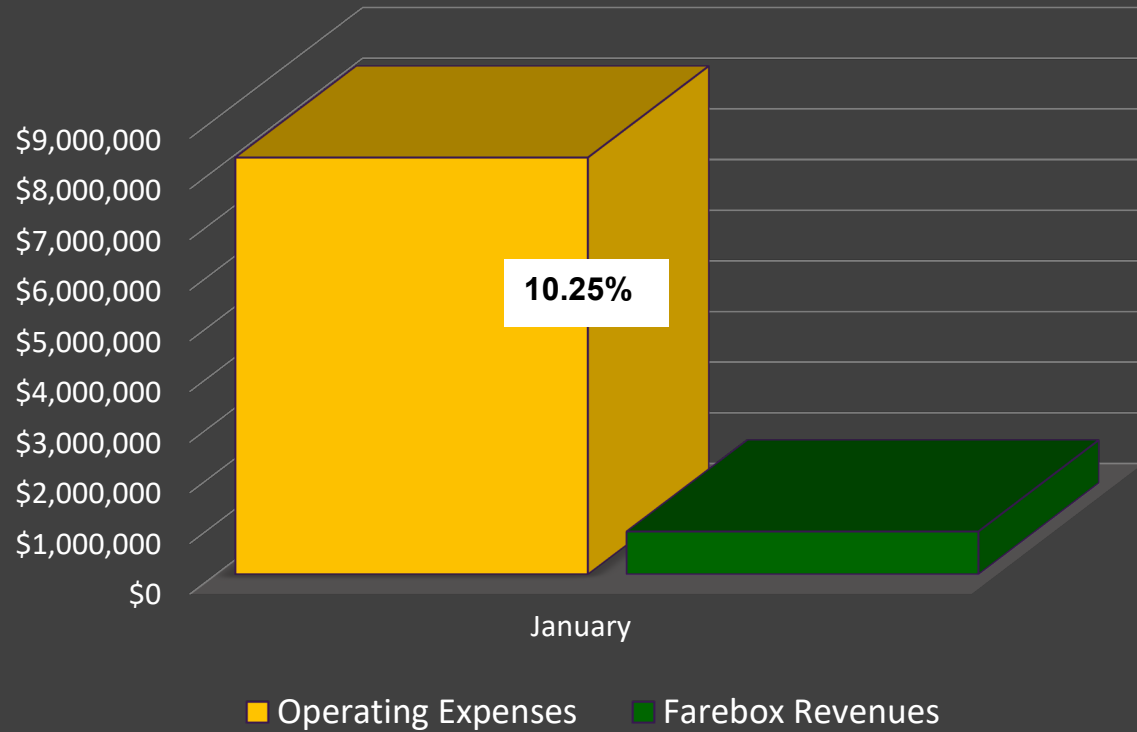


Ridership

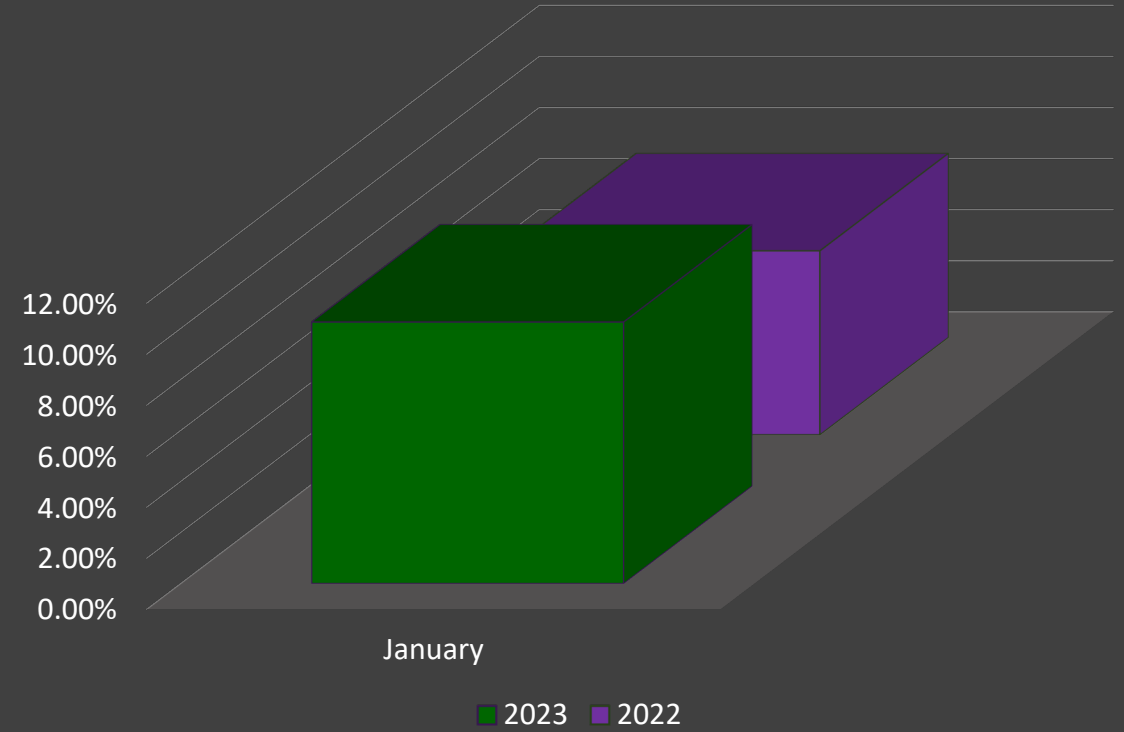
Ridership in January increased by 15.5% when compared to December 2022 actuals. In January, total system ridership (bus, streetcar and paratransit) was 748K, compared to 648K for the previous month of December. The results show improved but mixed results across the spectrum.



TOTAL OPERATING EXPENSES, FAREBOX REVENUE & FAREBOX RECOVERY



FAREBOX RECOVERY RATES 2023 vs 2022

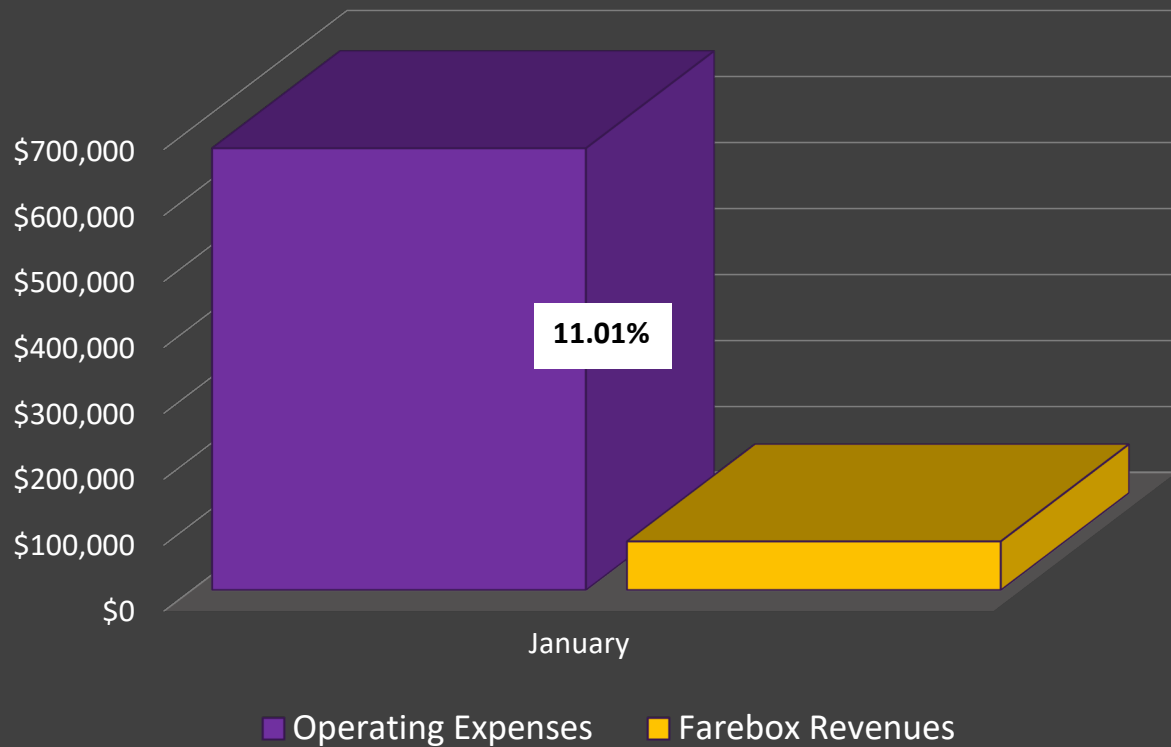


Farebox Recovery Rates 2023 vs. 2022

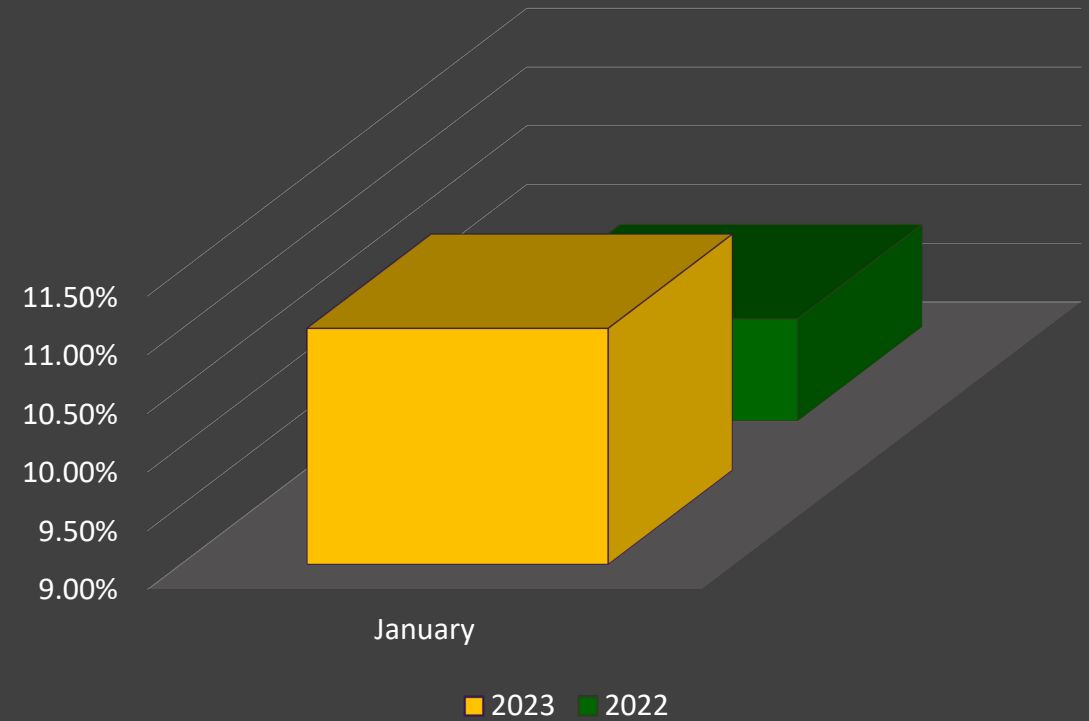
Fare revenue continues to offset a slightly modest percentage of operating expenses as ridership continues to rebound. January's farebox recovery rate increased slightly from 9.39% in the prior month to 10.25%; a total increase of 0.86%.



TOTAL OPERATING EXPENSES, FAREBOX REVENUE & FAREBOX RECOVERY



FAREBOX RECOVERY RATES 2023 vs 2022



FERRY- Farebox Recovery Rates 2023 vs. 2022

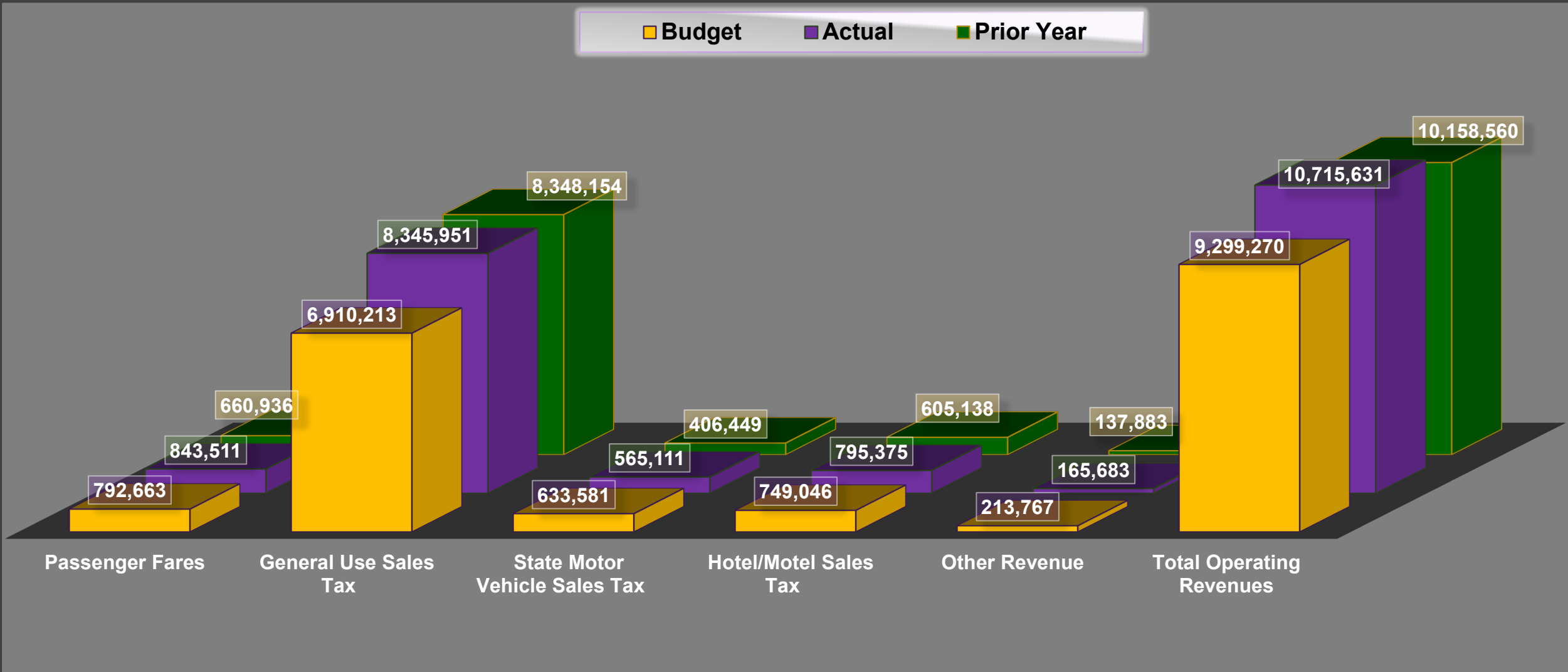
The increase in farebox recovery to 11.01% in January from 7.57% in December is a result of a decrease in operating expenses and slight decrease in passenger revenues from the prior month. Fare revenues continue to offset a small percentage of operating costs.





January 2023 Summary of Sources

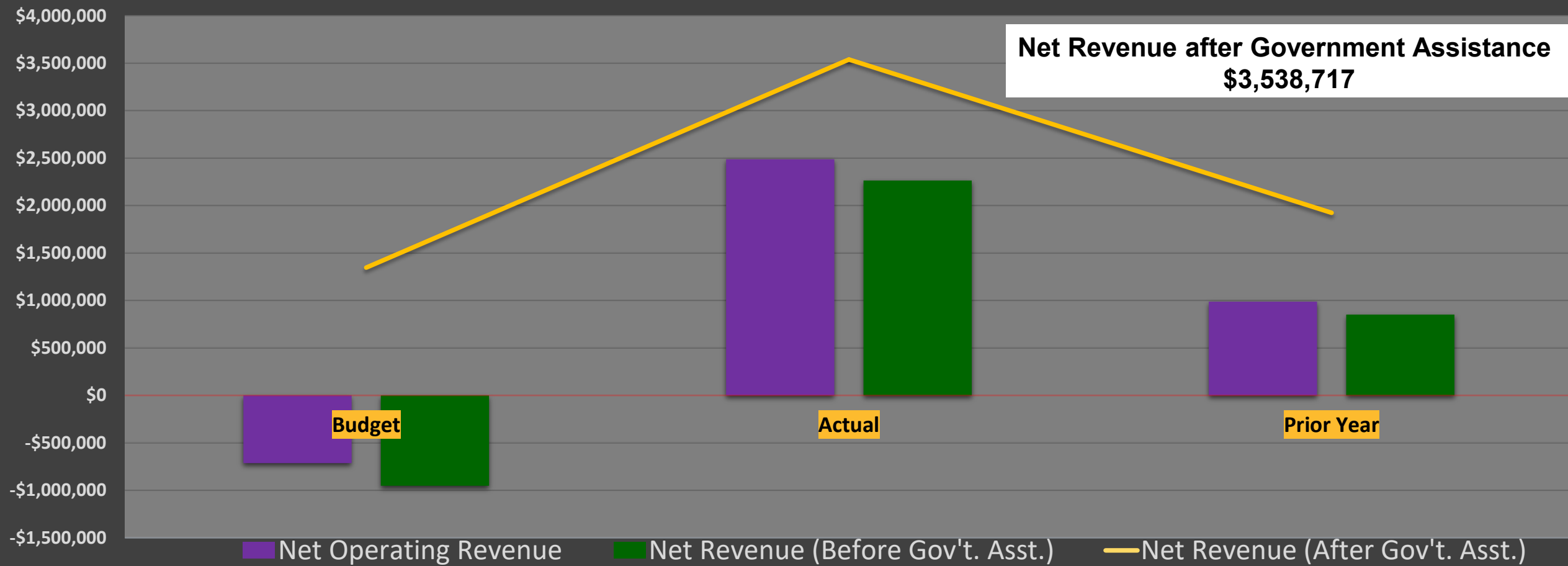
SUMMARY OF SOURCES						
	Budget	Actuals	\$ Change	% Change		
Sales Tax	8,292,840	9,706,436.47	1,413,596.47	17.05%	8,292,840	9,706,436
Government Assistance	2,848,820	1,394,641.65	(1,454,178.35)	-51.04%	2,848,820	1,394,642
Sales Tax and Government Assistance	11,141,660	11,101,078	(40,581.88)	-0.36%	11,141,660	11,101,078
Passenger Fares	792,663	843,511.14	50,848.14	6.41%	792,663	843,511
Other Operating Revenues	213,767	165,682.96	(48,084.04)	-22.49%	213,767	165,683
Subtotal Transit Operations	1,006,430	1,009,194.10	2,764.10	0.27%	1,006,430	1,009,194
Total Operating Revenues	12,148,090	12,110,272.22	(37,817.78)	-0.31%	12,148,090	12,110,272
Federal Capital Funding - RTA	2,058,594	1,117,639.53	(940,954.47)	-45.71%	2,058,594	1,117,640
Federal Capital Funding - Maritime Only	(608,083)	(1,131.06)	606,951.94	-99.81%	(608,083)	(1,131)
Investment Income	6,247	124,954.40	118,707.40	1900.23%	6,247	124,954
Subtotal Capital and Bond Resources	1,456,758	1,241,462.87	(215,295.13)	-14.78%	1,456,758	1,241,463
Total Revenue	13,604,848	13,351,735.09	(253,112.91)	-1.86%	13,604,848	13,351,735
Operating Reserve	517,715	(3,087,877.24)	(3,605,592.24)	100.00%	517,715	(3,087,877)
Total Sources	14,122,563	10,263,857.85	(3,858,705.15)	-27.32%	14,122,563	10,263,858



Operating Revenues (Budget, Actual & Prior Year)

RTA's two largest revenue sources are General Use Sales Tax (\$8.3M) and Fare Revenue (\$844K). The two combined make up 85.5% or \$9.2M of total revenue. Overall, total operating revenues for the month of January are \$10.7M.





Net Revenues (Before and After Government Assistance)

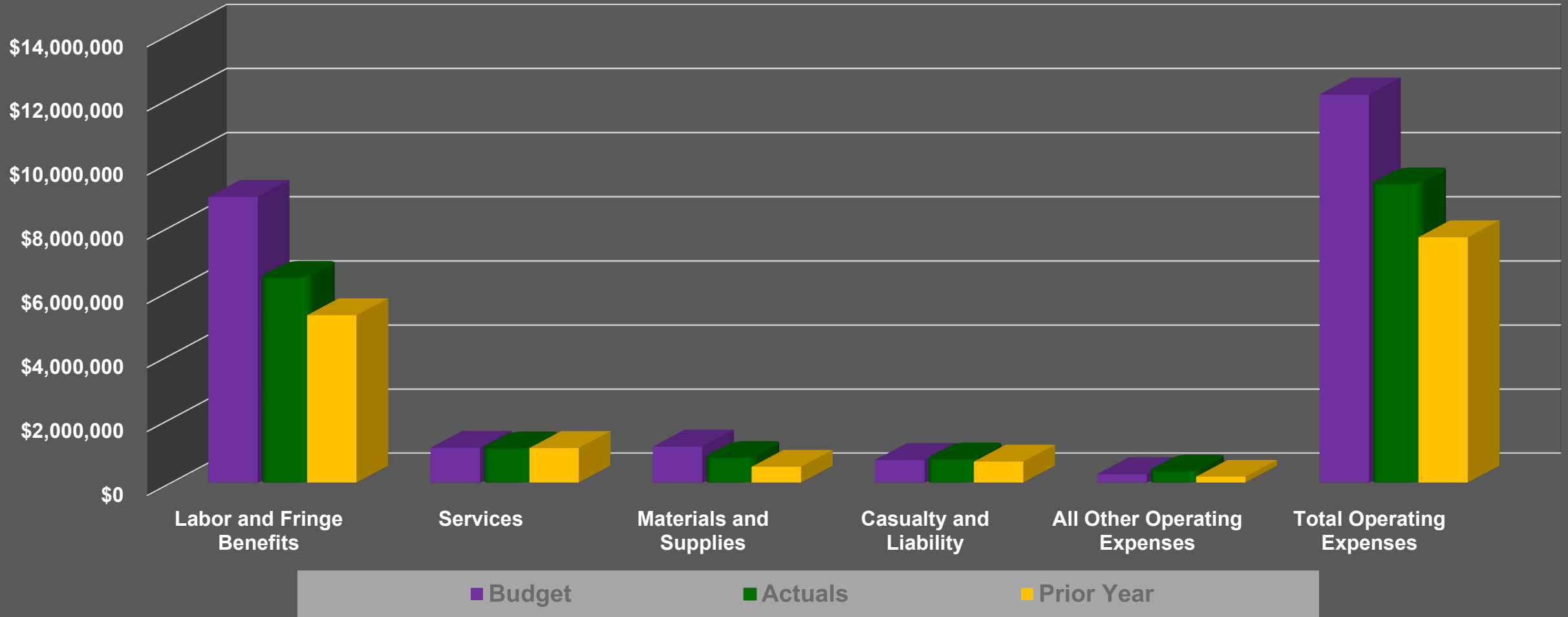
Net Revenue (Before Government Assistance) is \$2.3M for the month of January. After applying the month's \$1.4M in Government Operating Assistance, Net Revenue is \$3.5M for the month of January.



January 2023 Summary of Uses

Summary of Uses						
	Budget	Actuals	\$ Change	% Change	YTD Budget	YTD Actuals
Transit Operations	10,011,474	8,227,738.09	1,783,735.91	17.82%	10,011,474	8,227,738
TMSEL Legacy Costs	239,162	224,420.66	14,741.34	6.16%	239,162	224,421
Maritime Costs	550,977	119,396.47	431,580.53	78.33%	550,977	119,396
Capital Expenditures - RTA	3,235,256	1,117,639.53	2,117,616.47	65.45%	3,235,256	1,117,640
Capital Expenditures - Maritime Only	(586,417)	13,791.52	(600,208.52)	102.35%	(586,417)	13,792
FEMA Project Worksheet Expenditures	0	0.00	0.00	0.00%	0	0
Debt Service	672,111	560,871.58	111,239.42	16.55%	672,111	560,872
Total Expenditures	14,122,563	10,263,857.85	3,858,705.15	27.32%	14,122,563	10,263,858
Operating Reserve	0	0.00	0.00	0.00%	0	0
Total Uses	14,122,563	10,263,857.85	3,858,705.15	27.32%	14,122,563	10,263,858

Operating Expenses (Actual) \$8,227,738

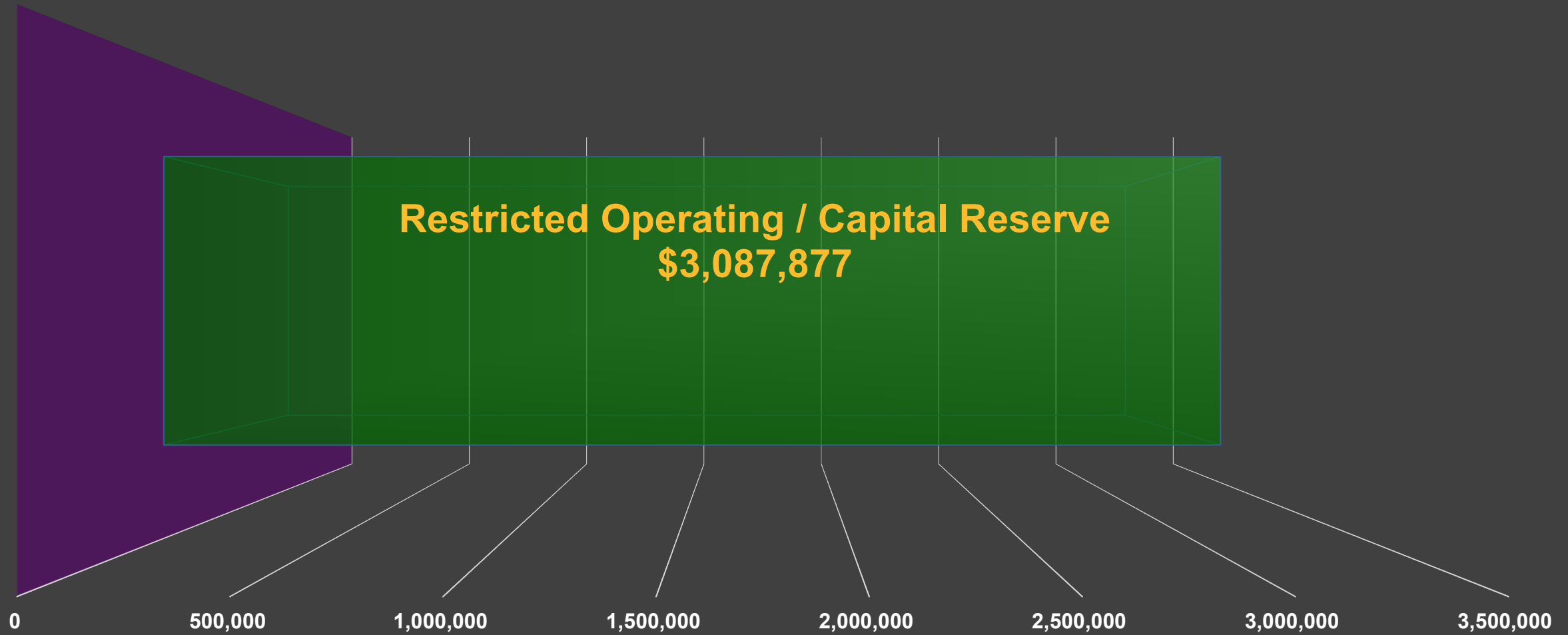


Operating Expenses

Operating Expenses for the month of January are roughly \$8.2M. Labor and Fringe Benefits, the largest expenditure at \$6.0M, comprised 72.7% of this month's actual expenses.

In total, Operating Expenses for the month of January show a decrease of 11.6% From \$9.3M in December.





Operating Reserve

The strong positive variance that resulted from Net Revenue (After Government Assistance of approximately \$1.4M) added \$3.1M to the Restricted Operating/Capital Reserve after the offset of \$561K in Debt Service.





Procurement

Purchase Orders Less than \$100K
(February 3, 2023 – March 2, 2023)

PURCHASE ORDER #	VENDOR	COST CENTER	COSTER CENTER DESCRIPTION	TRANS	REFERENCE	ORDER TOTAL
914110-003	CDW Services	1PWE010	Planning/Infrastructure	2/3/2023	CO Builder Risk Insurance	97,697.91
914757	Jasper Engines & Transmission	1450006	Bus Maintenance	2/8/2023	Engine replacement	4,697.00
914767	ADT Commercial LLC	1284302	Building Maintenance	2/14/2023	Fire Alarm Repairs	4,285.00
914773	BBG Inc	1280002	Planning/Infrastructure	2/15/2023	CSFT appraiser	5,800.00
914796	Mitchell1	1450006	Annual Subscription computer	2/24/2023	Annual Subscription	3,000.00
914803	Kenworth of Louisiana	1430002	Bus Maintenance	2/27/2023	Transmission repair/replacement	15,615.75
913533-002	Control EHS	1460002	Safety	2/27/2023	Safety Training Videos	6,000.00

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Total value

137,095.66



Questions?





Agenda

7. DBE Report



03/09/2023

Regional Transit Authority

Disadvantaged Business Enterprise Report

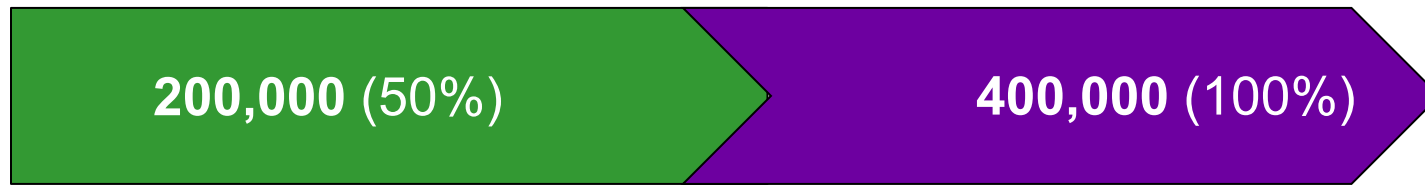


Contract Awards February 2023

\$400,000 in contracts were awarded

- \$200,000 was awarded to DBE firms.
- Of the DBE contracts \$200,000 was awarded to DBE Prime Contractors and \$200,000 was awarded to SBE Prime Contractors.

Total DBE participation (commitment) is 50%.





Current DBE Projects

Project	Contract Amount	DBE Goal	DBE Goal	% Goal Achieved	Tentative Completion Date
CMAR – Canal Street Ferry Terminal (Construction)	\$19,861,432	\$7,004,708	30.55%	14%	3/2023
Disaster Recovery Grants Management and Administration	\$137,888	\$67,565	49%	39%	9/2023
Transit Ferry Services	\$8,442,843	\$842,442	10%	26%	1/2024
East New Orleans Maintenance Building	\$737,577	\$132,763	18%	20%	5/2022



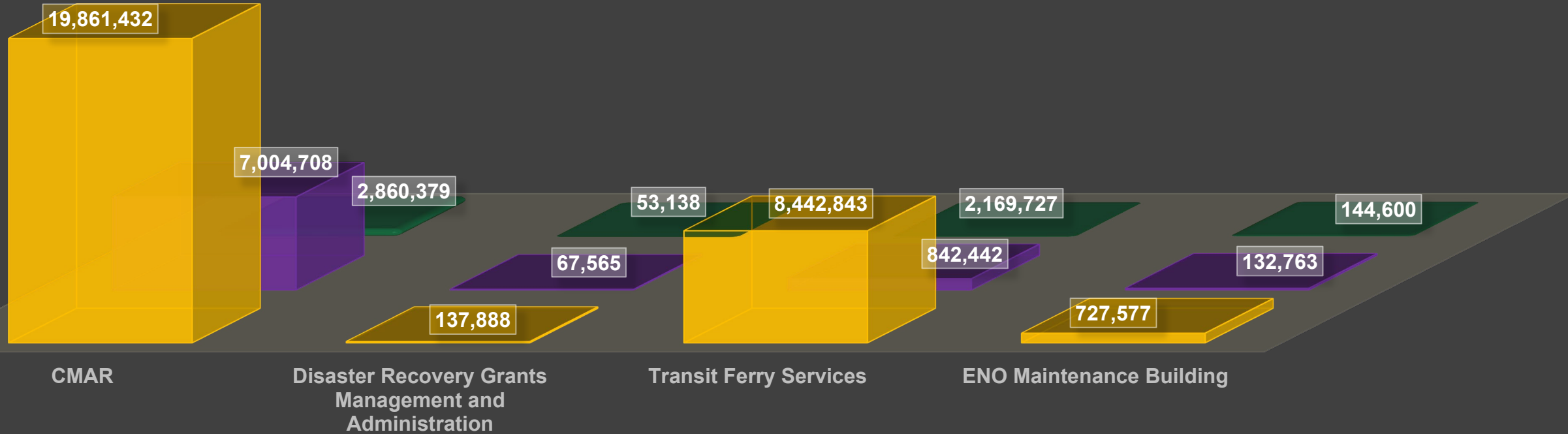
Current DBE Projects

Project	Contract Amount	DBE Goal	DBE Goal	% Goal Achieved	Tentative Completion Date
Business Intelligence & Data Management Reporting System	\$331,497	\$331,497	100%	37%	10/2024
On Call Technical Safety Support	\$300,000	\$300,000	100%	22%	10/2024
Napoleon Facility Renovation & Upgrade	\$4,921,590	\$1,460,536	30.8%	1%	6/2023
Rampart Streetcar Line: Emergency Repair Project	\$1,021,000	\$141,204	13.83%	0%	4/2023

■ Contract Amount

■ DBE Goal

■ DBE Goal Achieved



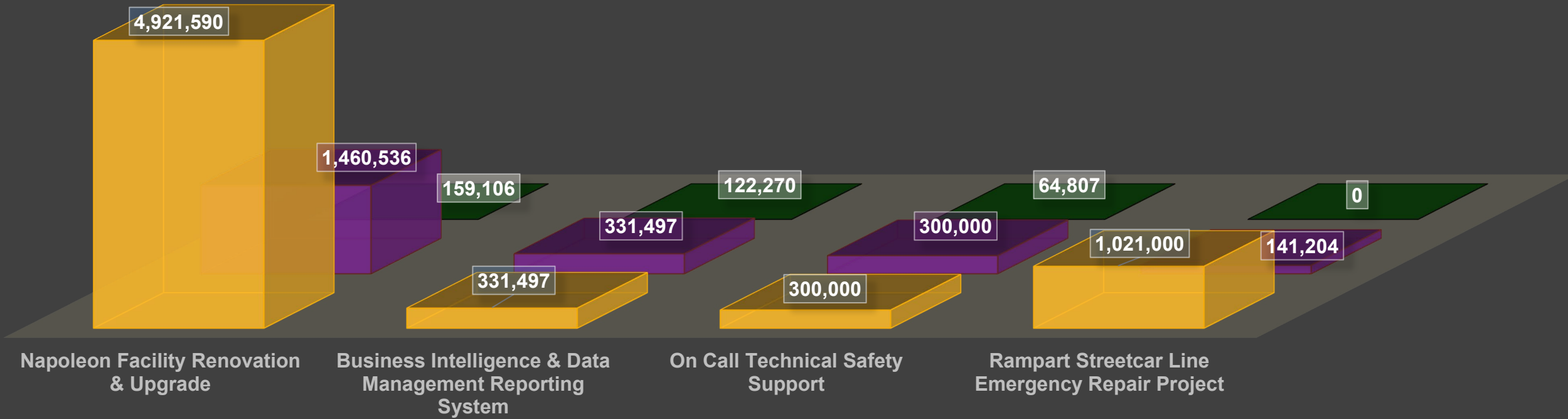
Current DBE Projects



Contract Amount

DBE Goal

DBE Goal Achieved



Current DBE Projects



Current SBE Projects

Project	Contract Amount	SBE Goal	SBE Goal	% Goal Achieved	Tentative Completion Date
DBE Consulting Services	\$181,682	\$181,682	100%	75%	3/2023
Construction Cost Audits	\$78,902	\$78,902	100%	78%	6/2023
Bus Rapid Transit Feasibility Study	\$599,949	\$599,949	100%	59%	3/2023
On Call A&E Services for Design of Interim Downtown Transit Hub	\$70,000	\$70,000	100%	98%	9/2023



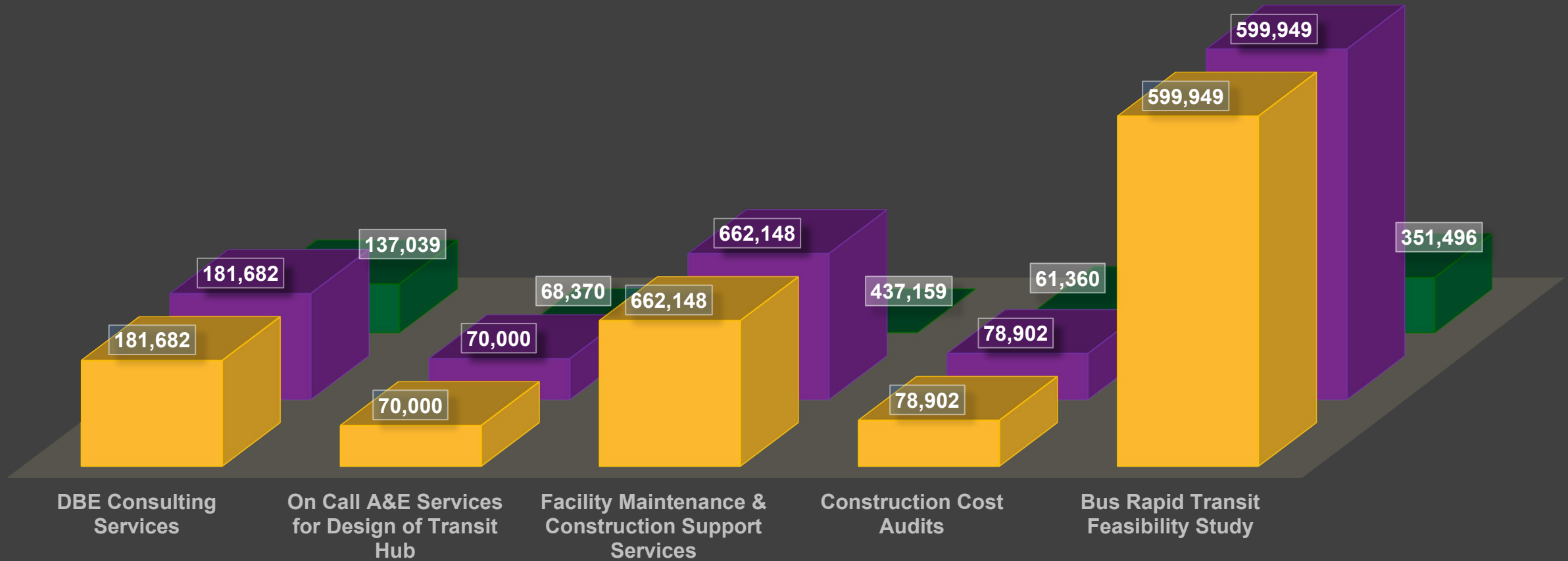
Current SBE Projects

Project	Contract Amount	SBE Goal	SBE Goal	% Goal Achieved	Tentative Completion Date
Facility Maintenance & Construction Support Services	\$662,148	\$662,148	100%	66%	3/2023
Classification and Compensation Study	\$166,000	\$166,000	100%	87%	3/2023
Leadership & Change Management Training	\$400,200	\$400,200	100%	60%	5/2023
Temporary Janitorial Services	\$578,000	\$578,000	100%	99%	11/2022
Advertising Campaigns & Media Buying Services	\$400,000	\$400,000	100%	0%	2/2024

Contract Amount

SBE Goal

SBE Goal Achieved

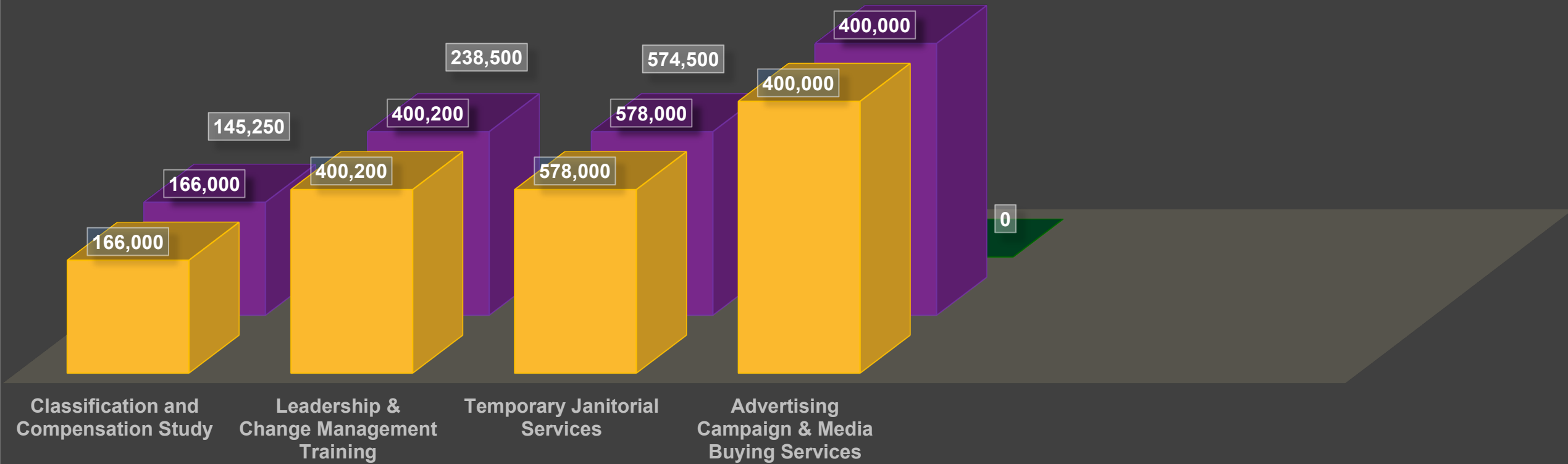


Current SBE Projects

Contract Amount

SBE Goal

SBE Goal Achieved



Current SBE Projects



Upcoming DBE/SBE Projects

DBE/SBE Goal

Current Solicitation

IFB 2022-015 Non-Advertisement Bus Shelters
(To be Awarded)

100% SBE

RFP 2023-001 Transit Security Services
(TEC scheduled for 3/14/2023)

23% DBE



DBE/SBE Outreach Events

The Office of Economic Development is planning Business Information Sessions and invites **The New Orleans Regional Transit Authority (NORTA)** to participate and provide information regarding the **Small Business Enterprise (SBE) Program**.

Topic(s): Small Business Enterprise (SBE) Program *presented by* The New Orleans Regional Transit Authority

Date & Time: Tuesday, March 14, 2023, 1:30-3:00 pm

Location: Zoom Meeting

Format: Presentations (10-20 minutes) and Q&A at the end





DBE/SBE Business Development Trainings

DBE Workshop: How to Write a Clear, Concise, and Powerful Capability Statement

In this workshop, you will learn how to write a capability statement designed to inform project owners and prime contractors of your firm's core competencies, key differentiators and competitive advantages

Tuesday, February 28, from 5:30 PM to 7:30 PM

RTA Board Room, 2nd Floor
2817 Canal Street, New Orleans





Upcoming DBE/SBE Business Development Trainings

Tuesday, March 28, 2023

Topic: "Entrepreneurial Leadership and Influence"

Tuesday, April 25, 2023

Topic: "Understanding Personal Credit and How to Fix It!"

Questions?





8. Infrastructure & Planning Report



03/09/2023

Regional Transit Authority

Infrastructure & Planning Report



Open Projects: Construction

Canal Street Ferry Terminal

Engineer: Infinity Engineering Consultants LLC

Contractor: Woodward/APC

Contracting Strategy: CMAR

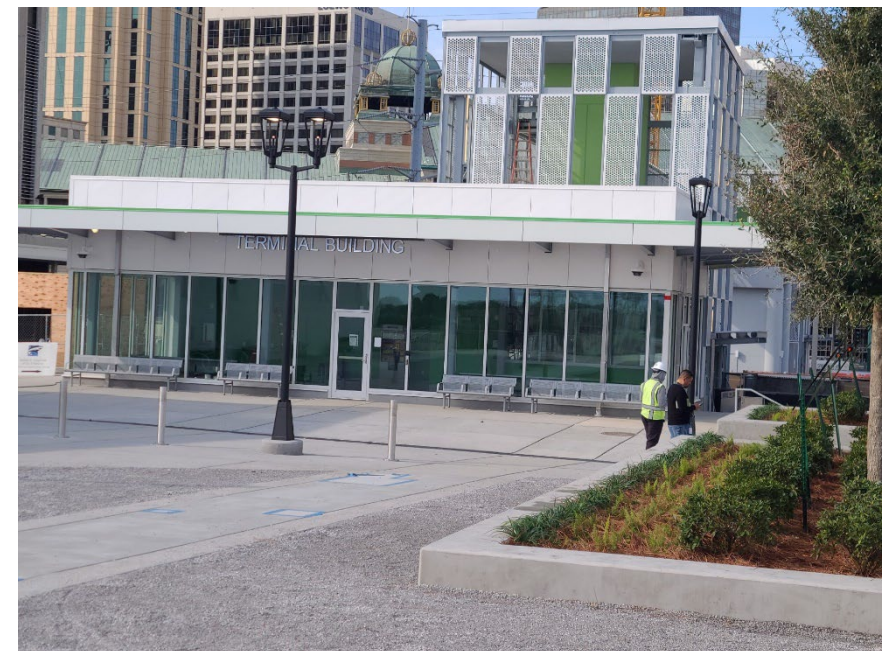
Project Costs:

Status:

- Wharf: **complete**
- Terminal Building: 99% complete
- Towers: East Tower elevator install is complete, West Tower elevator install has started; **tower access waiting for CNO permit**

Schedule:

- Permanent Barge Substantial Completion: **Complete**
- Substantial Completion: May 2023
- Audubon Riverfront Enhancements: July 2023





Open Projects: Construction

Napoleon Facility Stabilization

Engineer: Landmark

Contractor: C.D.W. Services LLC

Contracting Strategy: D/B/B

Project Costs:

- Construction: \$XXX
- Estimated \$YYY change order due to unforeseen conditions

Status:

- Additional remediation in walls required
- Utilities for sewer/water connection not in as-builts

Schedule:

- Anticipated Substantial Completion: July 2023





Open Projects: Construction

Rampart Streetcar Restoration

Engineer: AECOM

Contractor: Walter J Barnes Electric

Contracting Strategy: D/B/B

Project Costs:

- Construction: \$1.02 million

Status:

- Staging and prep underway

Schedule:

- Anticipated Substantial Completion: May 2023
- Revenue service begins: June 4, 2023





Open Projects: Procurement

2023 Shelter Installation

Engineer: Infinity

Contractor: TBD (Award on Agenda)

Contracting Strategy: D/B/B

Project Costs:

- Design: \$112,000
- Construction: \$1,062,100 (20% contingency)

Schedule:

- Anticipated construction NTP: April 2023
- Anticipated Substantial Completion: September 2023





Open Projects: Design

Algiers Ferry Terminal Revitalization

Engineer: TBD

Contractor: TBD

Contracting Strategy: D/B/B

Project Budget:

Total: \$9,635,281 (80% grant funded)

Description:

Rehabilitate and modernize the 40-year-old Algiers Ferry Terminal for modern vessels and access, add Marine administrative offices, develop concessions/public space

Schedule:

- Assign Task to On-Call A/E Firm: April 2023
- Community design input: June – September 2023
- Solicit for Construction Contractor: October 2023
- Construction NTP: December 2023
- Substantial Completion: December 2024





Open Projects: Planning

BRT: East-West Bank Corridor

Planning: ILSI/HNTB/Hawthorne

Engineer: TBD

Contractor: TBD

Contracting Strategy: CMAR

Project Budget:

Planning: \$600,000

Design/Construction: \$250-350 million

Schedule:

- Finalize LPA Adoption: April 2023
- Complete Feasibility Study: April 2023
- Submit Application to CIG: April/May 2023
- RFQ for Design/Environmental: April 2023
- NTP Design/Environmental: June 2023





Grants / Funding Request

Grant Program	Funding Request	Status	Federal Amount Awarded	Scope Request
RAISE FY23	\$24.8 million + \$5.8M RTA + \$1.4M CNO	Submitted	TBD	RTA will be lead applicant w/ CNO Downtown Transit Center + multi-modal corridor
Lo/No FY23	TBD 3/23/23	Due April 13	TBD	Facility/Fleet Transition Plan 2026 fixed-route vehicles
Capital Investment Grant (CIG)	N/A	Preparing application requirements	TBD	BRT Design/Construction

Questions?





Agenda

9. Presentations



03/09/2023

Regional Transit Authority

Compensation Study Preliminary Results

Why a comp study is conducted?

- Compensation studies analyze your current pay practices and determine if they are competitive for your industry and geographic location.
- They can also help determine if your employee's salaries are in compliance with current employment, state, and federal laws.

Market Analysis: Sources & Scopes

Salary Surveys

- Salary.com Comp Analyst
- Economic Research Institute
- Data effective as of September 1, 2022

Geography

- New Orleans, LA

Industry

- Ground Passenger Transportation

Size (Revenue)

- Directors+: Revenue \$50M-\$200M
- Remaining: All Size Average

Benchmarking: Determining Matches

Reviewed 254 job descriptions to inform initial selection of benchmark jobs from salary surveys.

Interviewed managers to determine whether matches captured what is needed for successful job performance.

- + Knowledge
- + Skills
- + Abilities
- + Other Characteristics

If initial matches were not the best fit, managers' feedback was utilized to find more appropriate matches.

Salary data from matches were used to calculate a composite market values.

- Low or minimum pay (25th percentile)
- midpoint or median pay (50th percentile)
- high or maximum pay (75th percentile)

Job Levels

- Often jobs that share a common title may have varying:
 - Levels of responsibility
 - Experiential requirements
 - Different duties that vary in complexity and amount of supervision
- In these cases, a career ladder approach is used to delineate these positions.
- RTA did an initial positioning of employees into the new job levels based on education, experience, performance, and amount of supervision needed.



Recommendation: Market Based Structure with 17 Grades

- Supports equitable pay.
 - Groups comparable jobs within the organization in the same pay grade.
- Ensures competitive pay.
 - Grades are based upon market data from benchmark positions in external organizations.
- The midpoint of each pay grade represents the composite market median salary (50th percentile).
- Jobs are placed into the grades by comparing the market median salary to the closest midpoint in the pay structure.

Pay Grade Quartiles

- Pay grades are divided into pay quartiles.
 - Helps determine the correct pay for employees based upon their ability to meet performance expectations.
- Initially, employee pay should be adjusted to at least the minimum of their identified quartile.
- Pay increases should be granted annually to progress employees through the pay grade.
 - Maintains equity in their salaries compared to new hires, thus avoiding salary compression.

Implementation: Costs

- Quartile placement data are provided for non-union employees
*not including CEO and other executives with specific compensation packages

Placement in Pay Grade					
Under Minimum	First Quartile	Second Quartile	Third Quartile	Fourth Quartile	Exceeds Maximum
28.1%	39.0%	23.3%	8.2%	1.4%	0.0%

Cost for addressing the 28.1% of non-union, non-executive employees under minimum =
\$107,855*, or 0.9% of payroll.

*Value does not include overtime nor increases in benefit costs and/or payroll taxes.

Implementation: Considerations

- Increasing pay to the minimum of employees' respective grades would ensure competitive pay in the market.
- However, there are a few issues to consider:
 - Some employees would receive significant increases whereas others might receive a minimal increase or no increase at all.
 - Salary increase projections for 2023 are the highest observed since 2001.
 - Experienced employees could earn the same salary as new hires – resulting in salary compression.

Pay Administration Guidelines

- PHRS will work with RTA to develop guidelines for administering the program during implementation.
 - New Hires
 - Employees Over Range Maximum
 - Equity Increases
 - Promotions
 - Transfer/Lateral Move
 - Transfer/Lower Grade
 - Market Adjustments
 - Annual Increases

Next Steps

- RTA Human Capital
 - Administer the communications plan to employees via letters which will include new title (if applicable), new salary, and pay grade.
 - Update Pay Bands
 - Implement Pay Grades
 - Update Respective Job Titles
 - Implement Career Paths
 - Job Description Updates

Questions?





Office of Internal Audit and Compliance

OIAC Audit Summary & 2023 Audit Workplan

March 2023



Office of Internal Audit and Compliance – Risk Assessment

Risk Assessment Overview

During each Fiscal Year, the Office shall conduct an enterprise-wide risk assessment to determine potential areas of risk to the RTA. This risk assessment will assist the Office in developing its Annual Audit Plan. Our goal during the process is to create a constructive, collaborative working relationship with each RTA department and obtain an understanding of the most significant risks impacting their area; while also determining how the OIAC can best add value.

In order to conduct the Risk Assessment, the OIAC relied on the following tools:

- Surveys
- Interviews
- Prior Audit (OIAC Audits and Safety Audits)
- Financial Statements
- Research

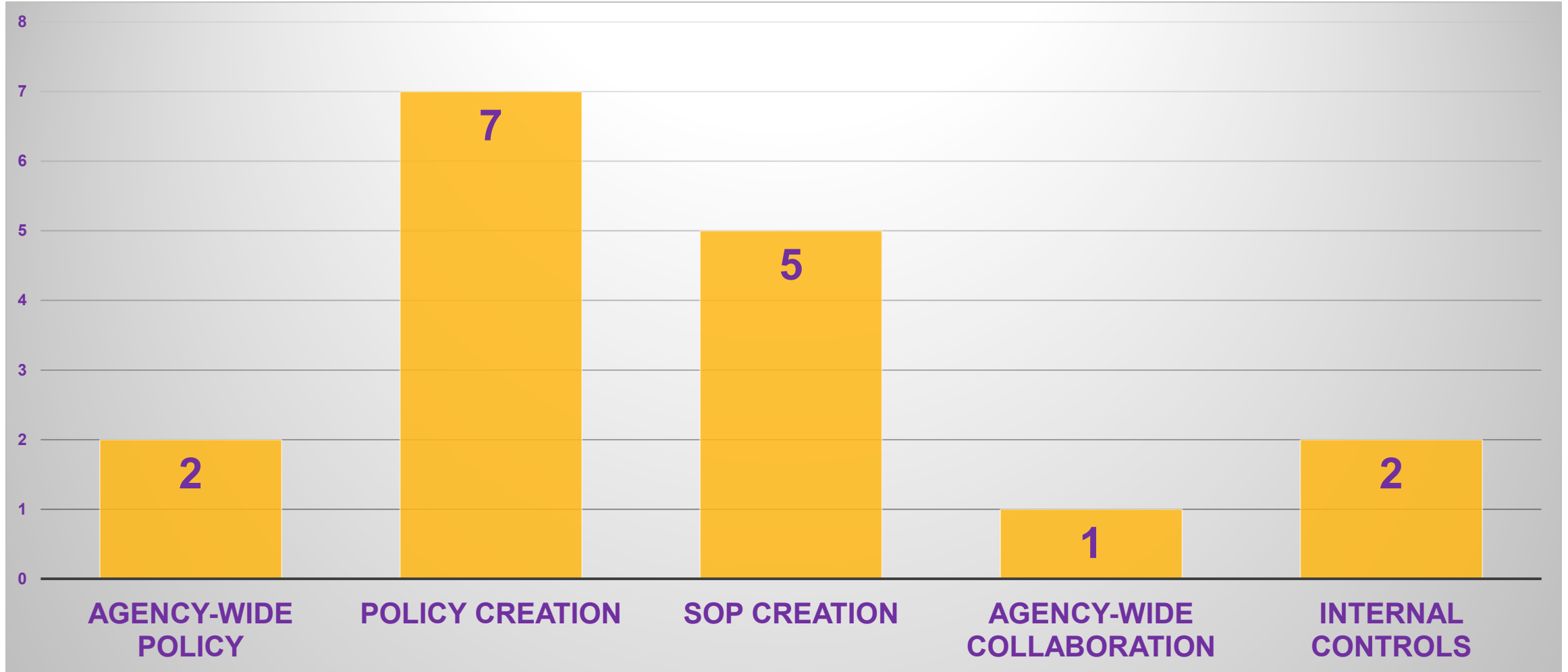


Past OIAC Audit Activity

2021 Audit Activity		
Audit	Status	Description
SOP Catalogue Inventory	Ongoing Project	OIAC is actively working with RTA management to catalogue and review departmental SOPs.
OTP Calculation and Reporting Process Audit	Completed	OIAC conducted a performance audit of OTP resulting in 5 findings.
ISMA for Safety Triennial Internal Audit	Completed	OIAC conducted this audit to address internal safety reviews required by the Agency Safety Plan (ASP) resulting in 4 findings.
2022 Audit Activity		
Audit	Status	Description
Fixed-Route Service Planning Audit	Completed	OIAC conducted an audit to processes and procedures relating to fixed-route service planning resulting in 2 findings.
Timekeeping and Payroll Management Audit	Completed	OIAC conducted an audit of timekeeping and payroll processes and procedures resulting in 6 findings.



Findings & Corrective Actions





2023 Planned Audit Activity

Activity	Audit Start Date	Description
OPED Benefits Plan Audit	2023 Q1	An audit to assess the performance and compliance of OPED Benefits with third party administrators.
Self-Insurance and Structured Settlements Audit	2023 Q1	An audit to determine if RTA's practice of Self-Insurance and Structured Settlements is effective and efficient.
ATU Contract Performance & Compliance Audit	2023 Q2	An audit to assess the performance and compliance of ATU contracts.
Maintenance Inventory Management Audit	2023 Q3	An audit to determine if RTA's Maintenance departments' inventory management is effective and efficient
IBEW Contract Performance & Compliance Audit	2023 Q4	An audit to assess the performance and compliance of IBEW Union contracts.
IT-Systems and Applications Audit	2023 Q4	An audit to determine if systems and applications are regulated, dependable, efficient, secure, and effective.



Other Planned Goals and Activities for the OIAC

1. Finalizing the Internal Audit Charter
2. Implementing a Monitoring Program for Findings and Corrective Actions
3. Formalizing Audit Procedures and Workflow
4. Continuing The SOP Cataloging Efforts



Office of Internal Audit and Compliance – Audit Process

Things to remember...

- We aim to make each audit a collaborative process
- Corrective Actions are agreed upon actions by the OIAC and Management
- We are professionally obligated to review and maintain documentation that supports our conclusions
- Timelines and accuracy are important for our audits to be relevant and impactful

Questions?





New Orleans Regional Transit Authority

Annual Fare Report

Board of Commissioners – Finance Committee

March 9, 2023



Annual Fare Report

- RTA to meet goals set out in Fare Policy
- Report outlines:
 - Gross fare revenue by mode, sales channel, and fare media
 - Time-based fare products by rider type (1-Day Jazzy Pass)
 - Fare collection costs incurred in 2022
 - Summary of pass sales programs and fare access
- Estimated gross sales, monthly by sales channel



Fare Sales Overview

Estimated Gross Sales

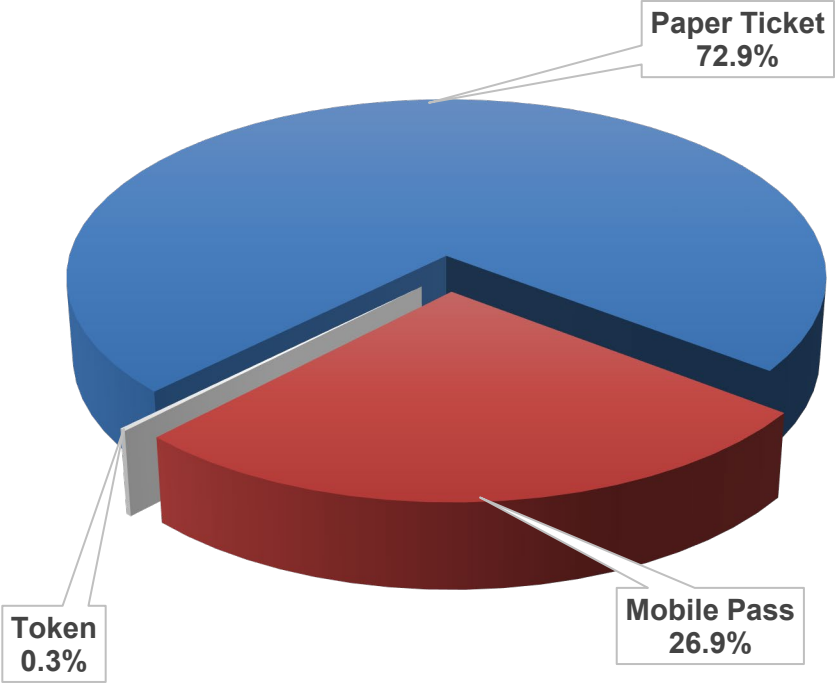
Source	Est. Gross Sales	Monthly Avg.
MB + SR Farebox	\$ 5,924,283.02	\$ 493,690.25
TVM	\$ 1,648.85	\$ 137.40
Mobile	\$ 2,792,509.75	\$ 232,709.15
In-house	\$ 491,169.15	\$ 40,930.76
E-commerce	\$ 243,542.90	\$ 20,295.24
ADA Office	\$ 50,625.90	\$ 4,219.66
Ferry	\$ 893,650.95	\$ 74,470.91
	\$ 10,397,440.52	\$ 885,857.95



Est. Fare by Mode, by Media

Mode	2022 Ridership	Est. Gross Sales	Gross \$ / Rider
Bus	5,475,451	\$ 5,359,526.73	\$ 0.98
Streetcar	3,636,900	\$ 3,789,335.19	\$ 1.04
Ferry	849,429	\$ 1,248,578.59	\$ 1.47
Total	9,961,780	\$ 10,397,440.52	\$ 1.04

Estimated Sales by Fare Media



■ Paper Ticket ■ Mobile Pass ■ Token



1-Day Jazzy Pass, Point of Sale

Total Sales by Rider Type

	Adult	Priority Rider	Youth	
Bus Farebox	222,333	268,558	81,209	572,100
Streetcar Farebox	308,119	112,312	31,829	452,260
TVM	66	-	-	66
Mobile	213,959	25,420	35,990	275,369
E-Commerce	11,560	3,818	3,644	19,022
In-House	6,813	380	29,313	36,506
ADA Office	750	626	204	1,580
	763,600	411,114	182,189	1,356,903

Questions?





Agenda

9. Procurements

A. Authorizations:

Trapeze Support Maintenance Annual Renewal	23-020
EDM Card Stock	23-022
Fare Collection Parts	23-023
RTA & The Kennedy Group Contract	23-025
Bus Shelter Construction	23-027

B. Amendments:

Amendment 9 to the CEA between DOTD & the RTA to Revise Exhibit K	23-024
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Agenda

10. Audience Questions & Comments



Agenda

11. New Business



Agenda

12. Adjournment