Regional Transit Authority
Board Report

VIRTUAL MEETING

VIRTUAL MEETING AGENDA

The New Orleans Regional Transit Authority does hereby certify that it is unable to hold a commission meeting under regular quorum requirements due to Covid-19. On authority of the Governor under Section 2 of Proclamation Number 84 JBE 2020, the next Commission meeting will be held via telephone and/or video conference on Tuesday, January 25, 2022 at 10:00 am. All efforts will be made to provide for observation and input by members of the public.

Speaking on an Agenda Item

If you wish to provide public comment, please let us know using the chat function in Zoom meeting tool. Comments will be limited to three minutes.

Speaking During the Public Comment Period
If you wish to provide public comment, please let us know using the chat function in Zoom meeting tool. Comments will be limited to three minutes.

Agenda

1. Call to Order

2. Roll Call

3. Consideration of Meeting Minutes

[Board Meeting Minutes – December 14, 2021]

4. Reports

A. RTA Chairman's Report

B. Operations & Administration Committee Chairman's Report

C. Finance Committee Chairman's Report

D. Jefferson Parish Report

E. RTA General Counsel's Report

F. RTA Chief Executive Officer's Report

RTA

4. Reports

A. RTA Chairman's Report

4. Reports

B. Operations & Administration Committee Chairman's Report

4. Reports

C. Finance Committee Chairman's Report

RTA

4. Reports

D. Jefferson Parish Report

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4. Reports

E. RTA General Counsel's Report

4. Reports

F. RTA Chief Executive Officer's Report

5. Financial Statements

[Financial Statements]   22-007
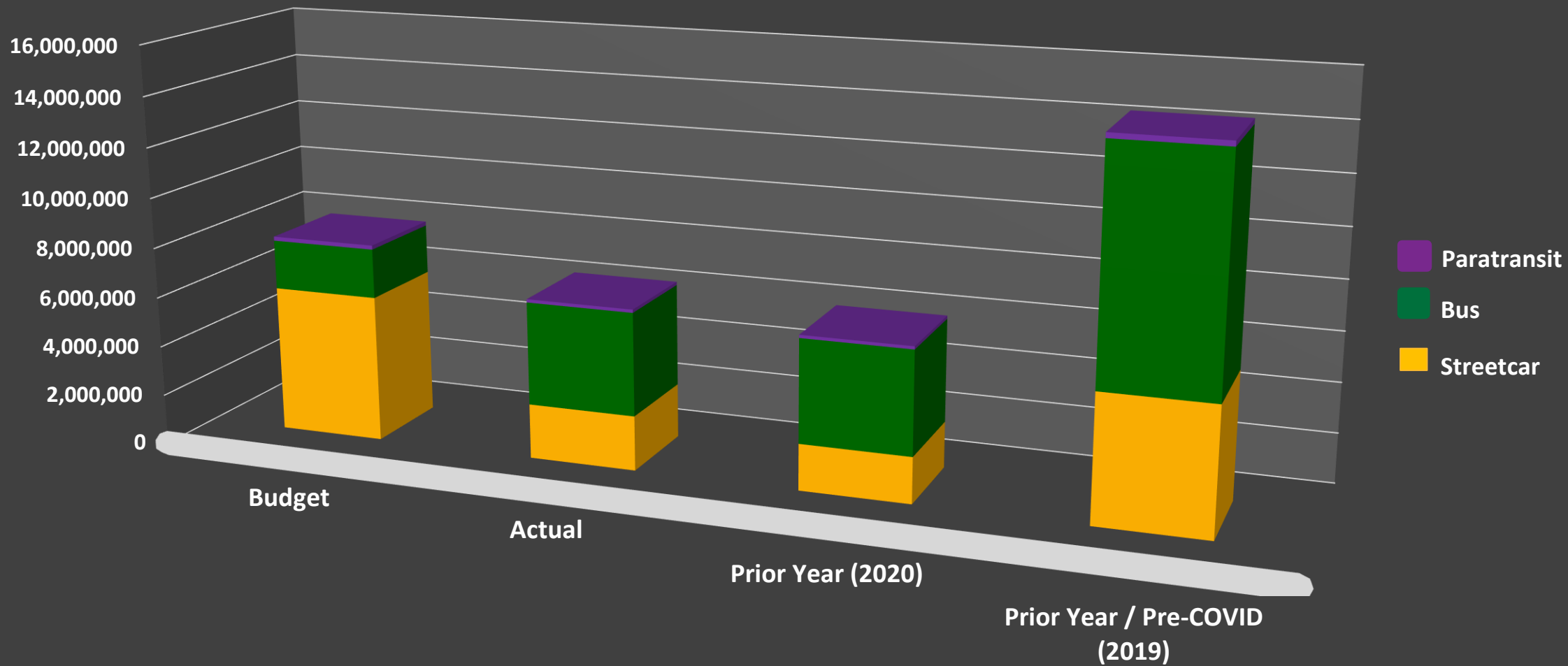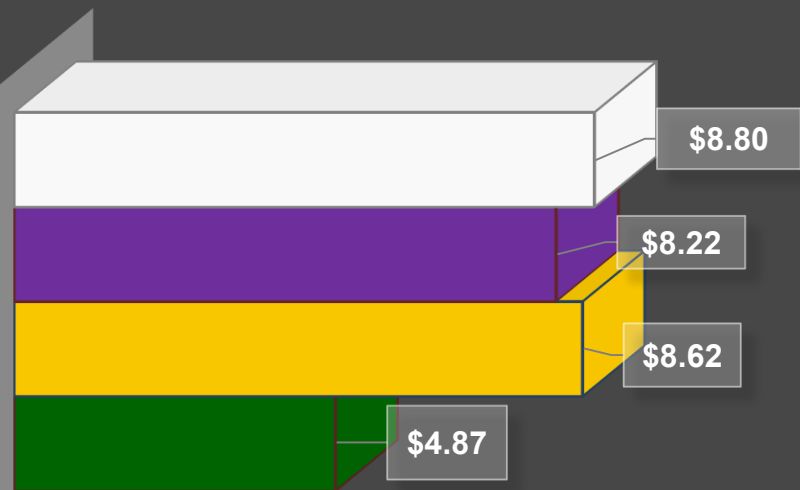
RTA

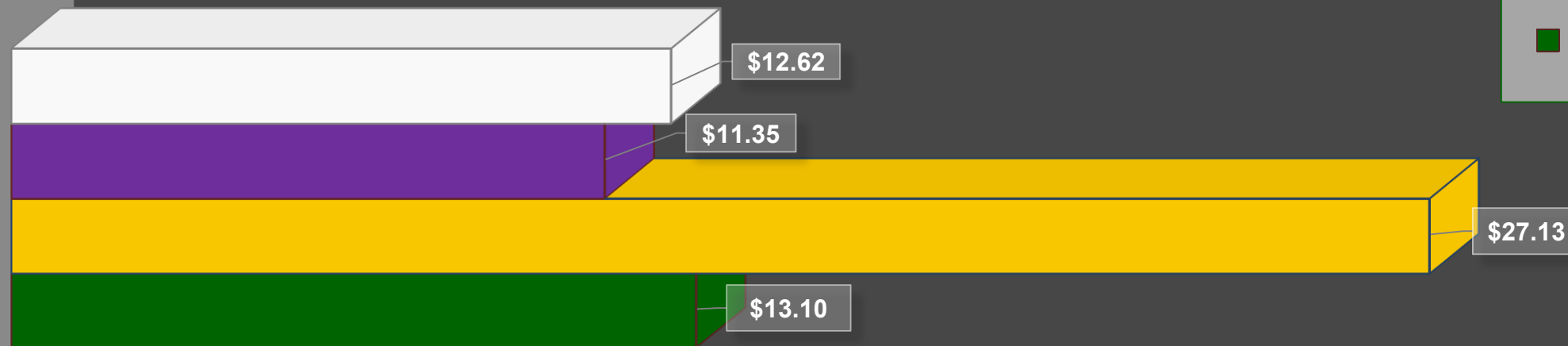# *Regional Transit Authority*

November 2021 Financials

Ridership

November's ridership of 593K fell short of the budget by 335K passengers. This is largely due to a slower than expected pandemic recovery. Hurricane Ida and the Hard Rock Hotel collapse continue to have smaller and waning negative effects. Year-to-date comparisons to November actuals (6.4M riders through Nov) how mixed results across the spectrum - when compared to the budget (-19.6%), 2020 actuals (+5.5%) and 2019 pre-COVID actuals (-55.4%).

Operating Cost per Unlinked Passenger Trip

2021 vs. 2019 (Pre-COVID)

The cost per passenger trip for the month of November increased from October by $1.27. The continuing recovery from Hurricane Ida accounts for the fluctuation in operating costs.

Chart data:

2019
- November: $8.80
- October: $8.22
- September: $8.62
- August: $4.87

2021
- November: $12.62
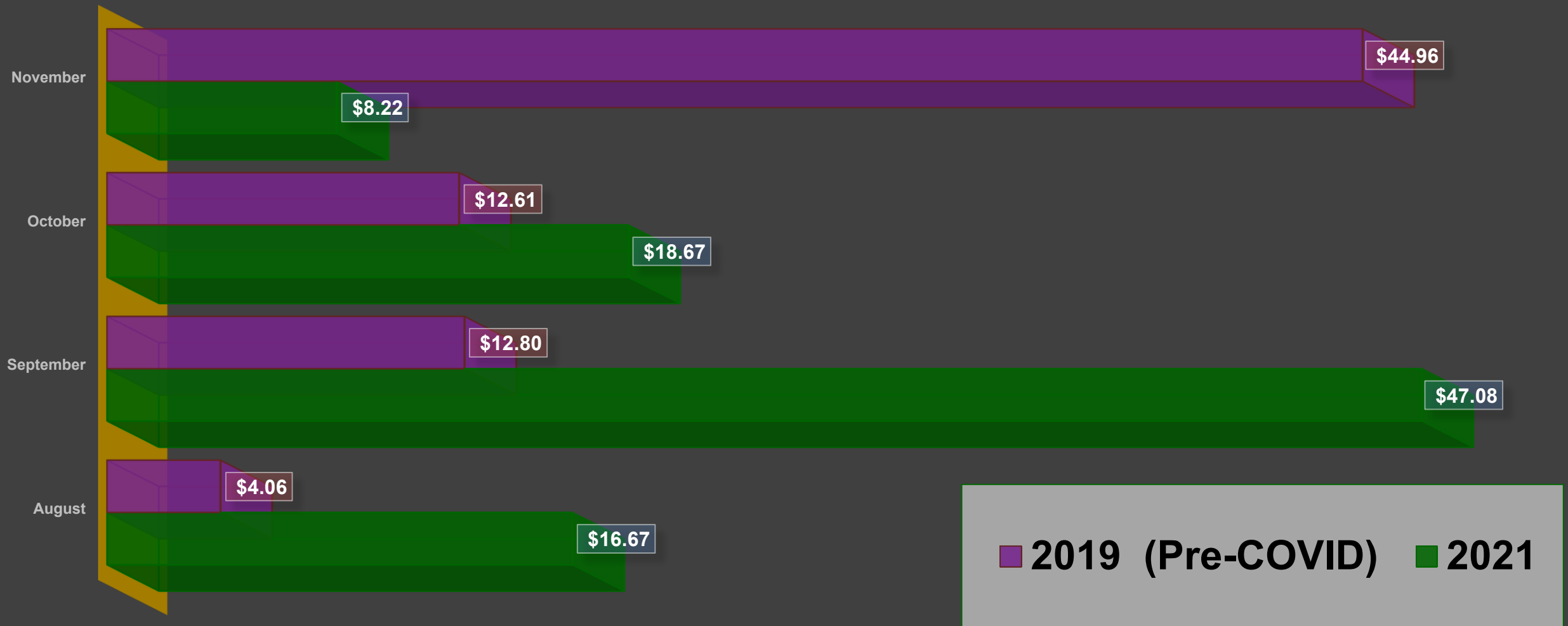- October: $11.35
- September: $27.13
- August: $13.10

Legend:
- November
- October
- September
- August

# Ferry - Operating Cost per Unlinked Passenger Trip
2021 vs. 2019 (Pre-COVID)

Ferry cost per passenger trip dropped by $18.67 to $8.22 in November, making it another large decrease in operating costs this month. This can be attributed to the reclassification of $254k in expenses related to Hurricane Ida.

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CY 2021 Total Operating Expenses, Farebox Revenue & Farebox Recovery
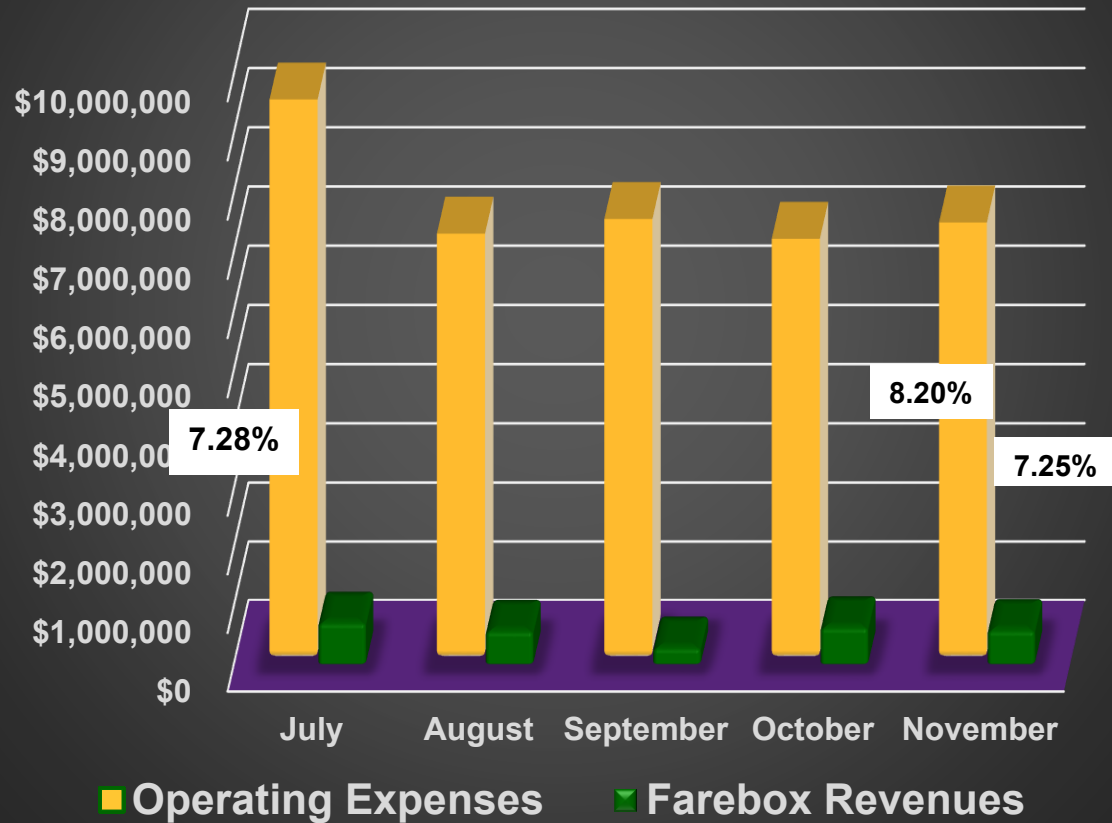
Farebox Recovery Rates 2021 vs 2019 (Pre-COVID)
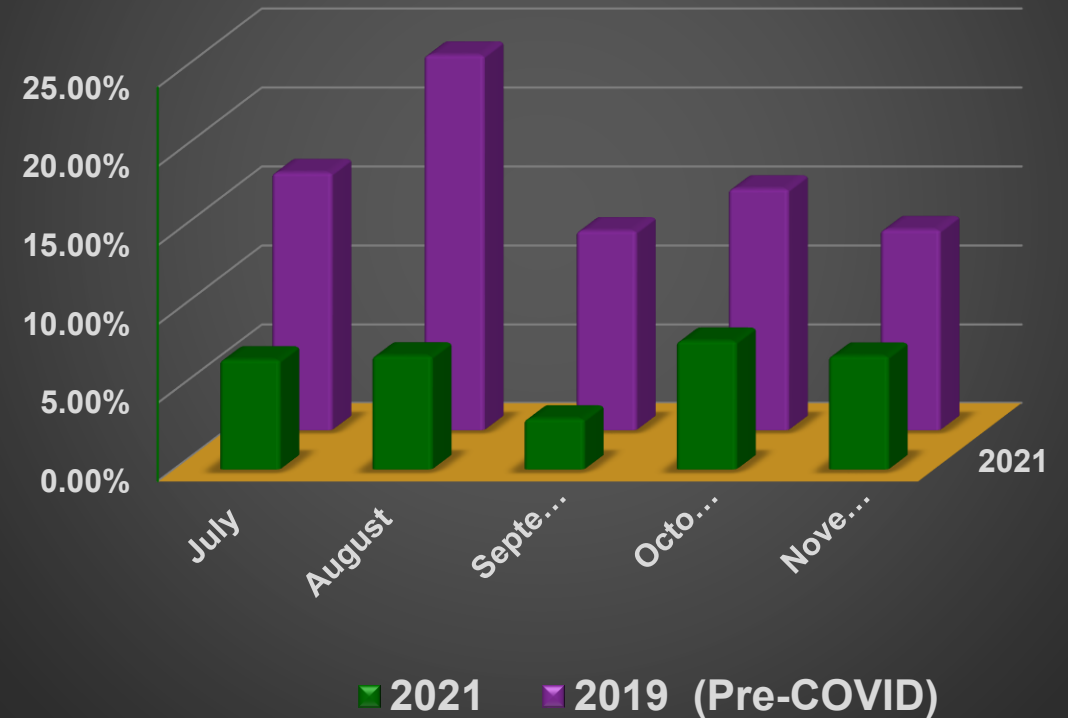
Farebox Recovery Rates
2021 vs. 2019 (Pre-COVID)

Fare revenue continues to offset a significantly lower percentage of operating expenses as ridership struggles to rebound. November's farebox recovery decreased to 7.25% from 8.20% in the prior month.
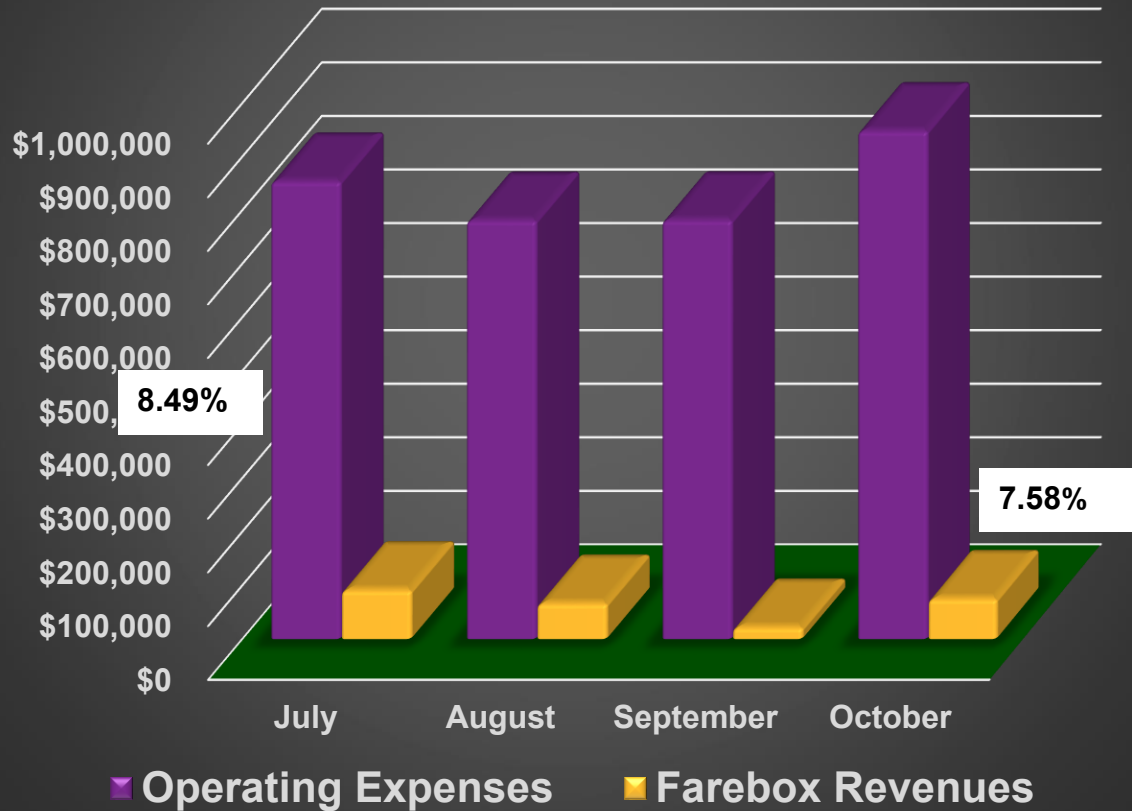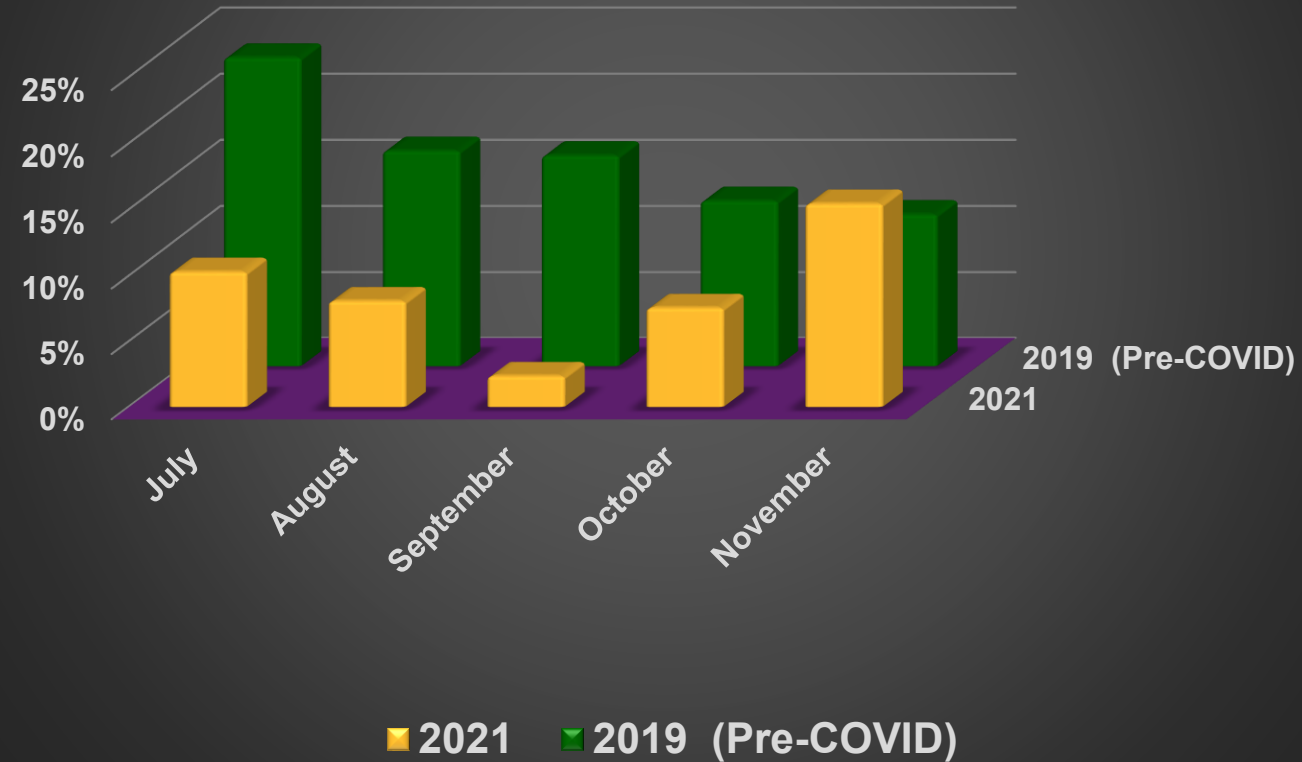
**FERRY- Farebox Recovery Rates
2021 vs. 2019 (Pre-COVID)**

The increase in farebox recovery from 7.58% in October to 15.47% in November is largely due to the reclassification of expenses related to Hurricane Ida. This accounts for most of the decrease in operating expenses from $944k in September to $463k in November.

Operating Revenues (Budget, Actual & Prior Year)

Overall, Operating Revenues display positive results for the month when compared to the prior year due to strong Sales Tax Revenues. Passenger Fares, however, when compared to the budget, fared unfavorably by $417k or 43.5%.
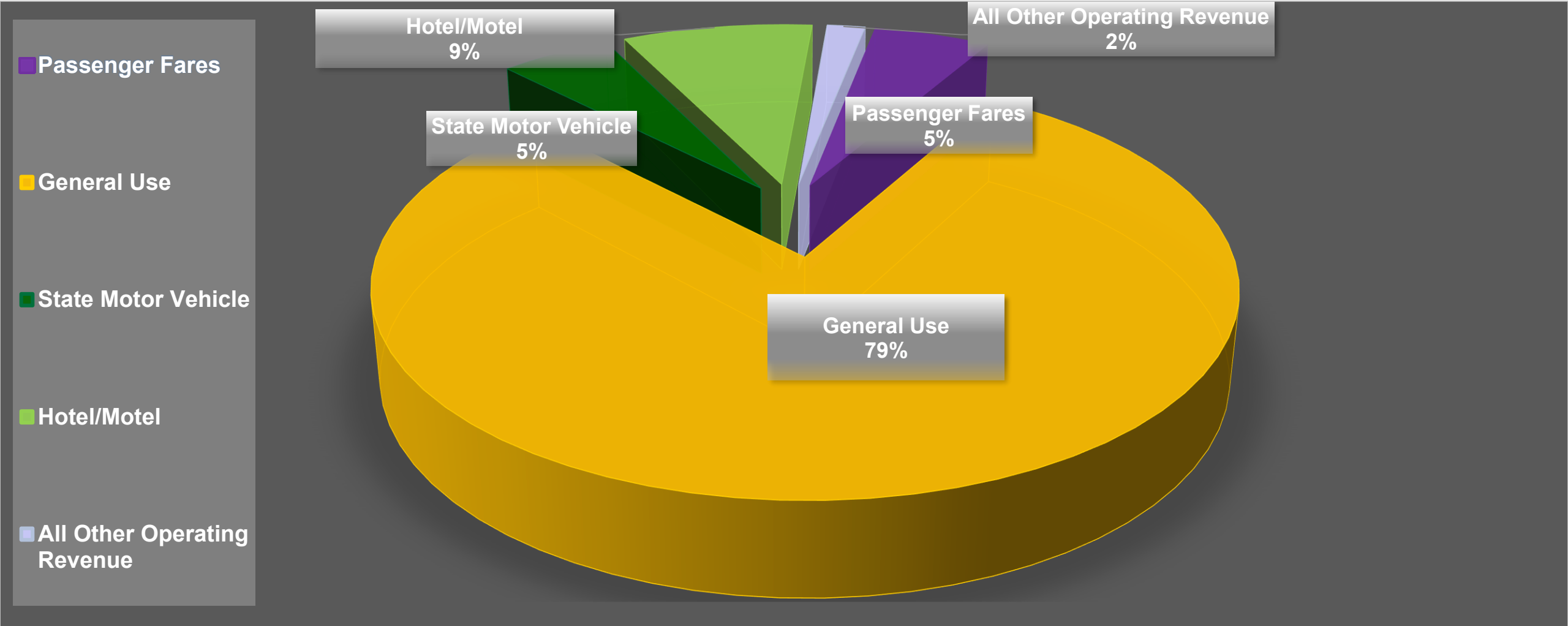
Operating Revenues (Actual)

Of the $10.3m in Operating Revenues, 79% or $8.2m is derived from General Use Sales Taxes.

Operating Expenses (Actual - $7,483,424)

Legend: ■ Budgets ■ Actuals ■ Prior Year
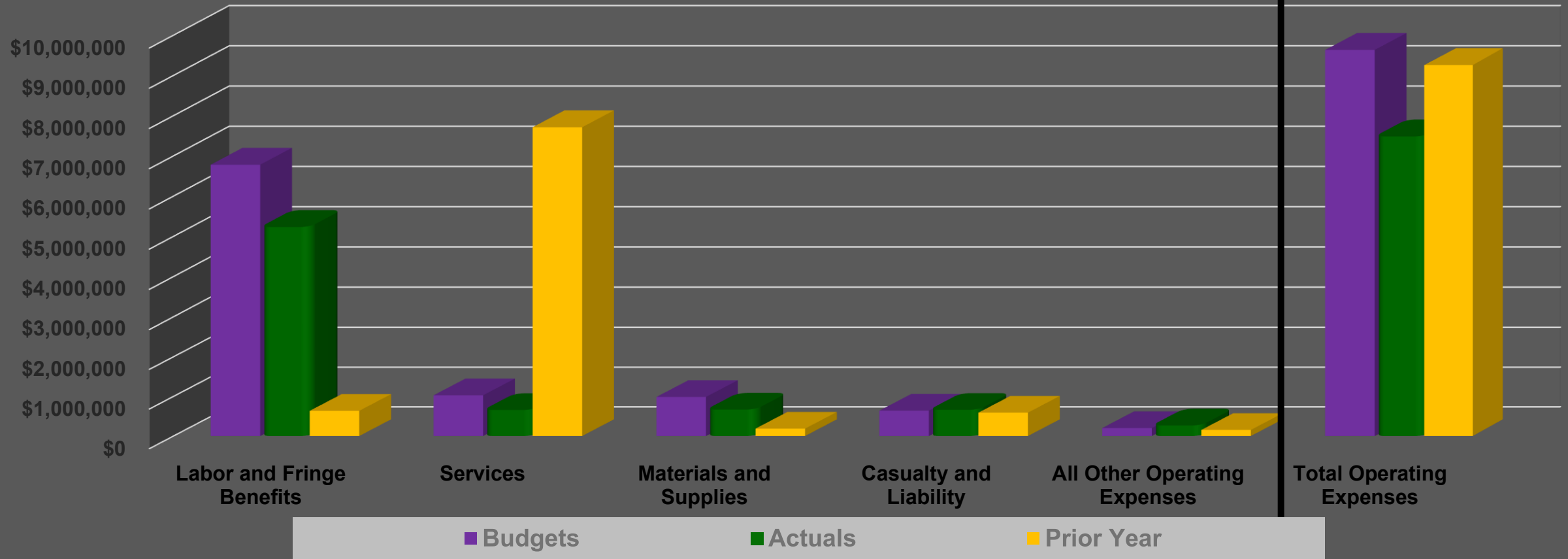
Operating Expenses

Labor and Fringe Benefits, the largest expenditure at $5.2M, comprised 69.9% 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 22.3% or $2.1m positive variance.

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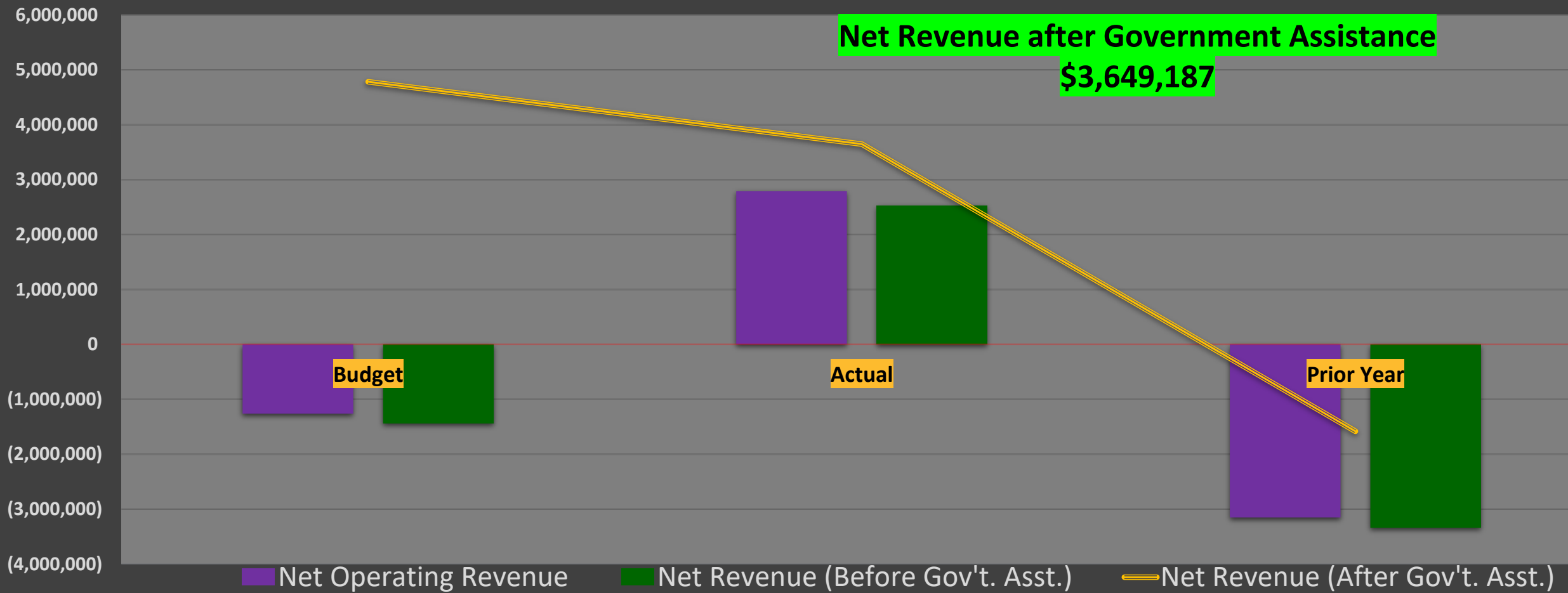
Net Revenue (Before and After Government Assistance)

Net Revenue (Before Government Assistance) is $2.5m for the month of November. This positive position is largely attributable to $2.7m in Net Operating Revenue for the month. After applying the month's $1.1m in Government Operating Assistance, Net Revenue increased to $3.6m.

Restricted Operating / Capital Reserve
$2,875,048

| 0 | 2,000 | 4,000 | 6,000 | 8,000 | 10,000 | 12,000 | 14,000 | 16,000 | 18,000 |
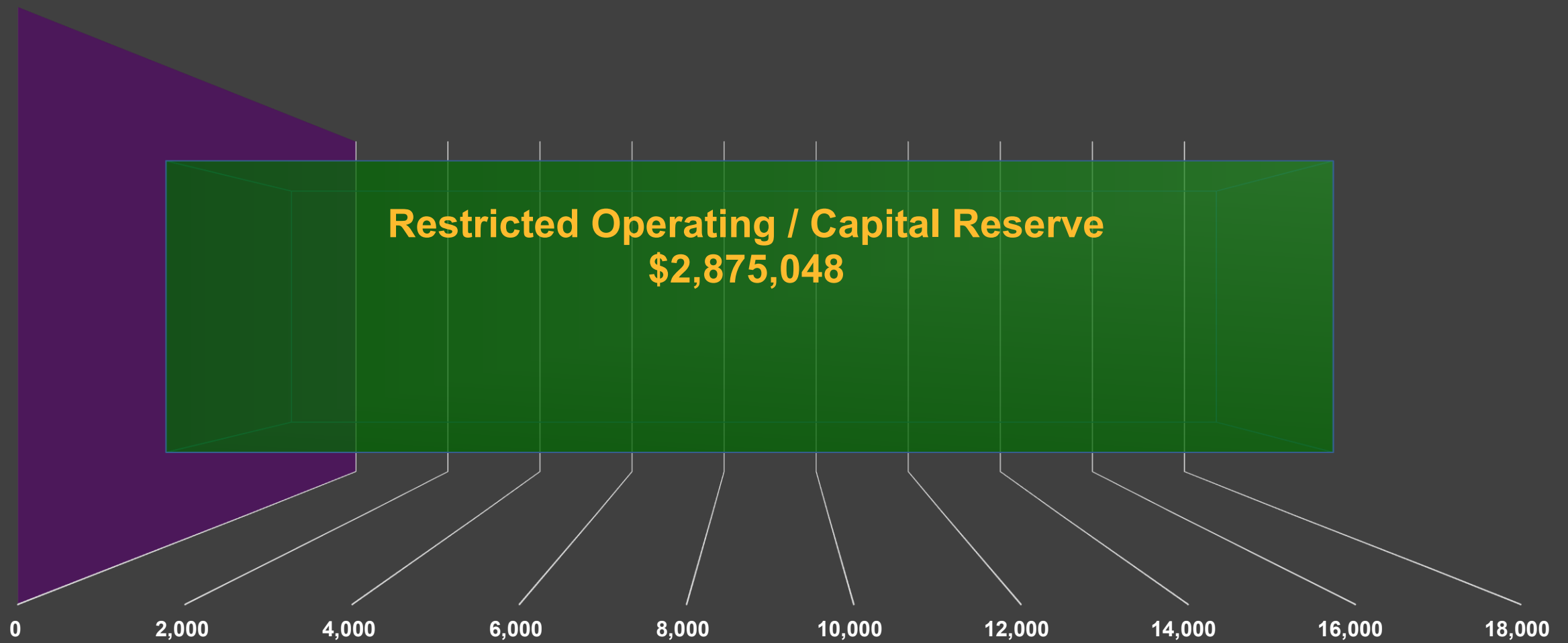
Operating Reserve

The strong positive variance from Net Revenue $3.6m (After Government Assistance) was offset by $776k in Debt Service, resulting in approximately $2.9m in Restricted Operating/Capital Reserve.

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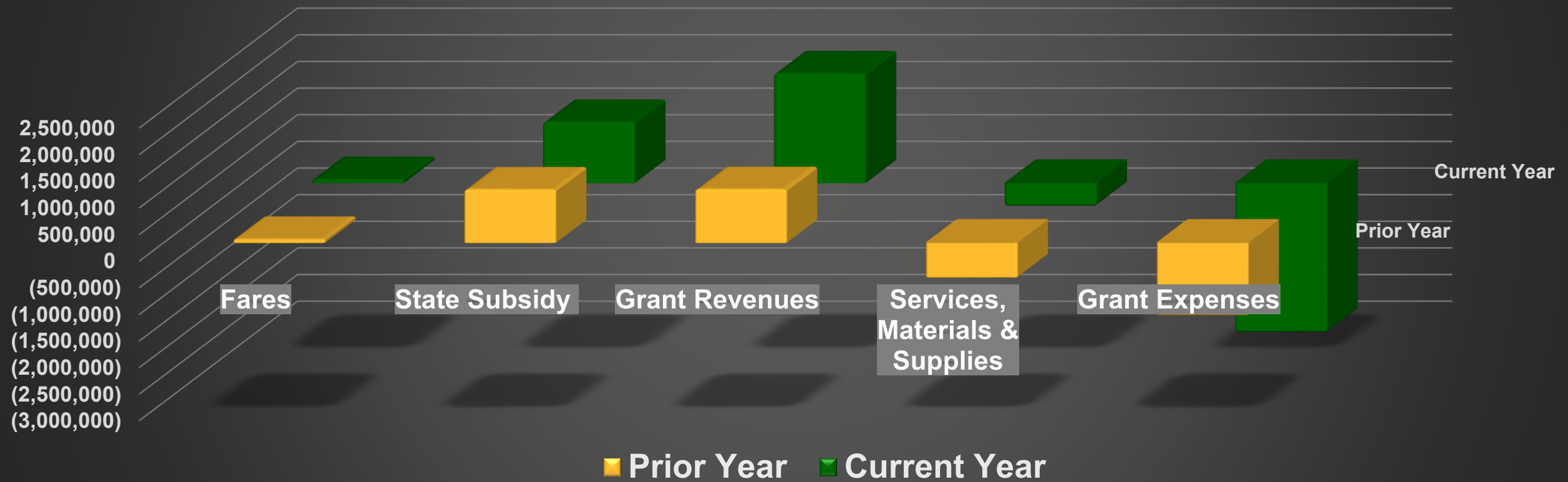
Maritime Operations

Passenger fare revenue for ferry operations remained flat at $72k when compared to the prior month and the prior year. November 2021 operating expenses, however, were under budget by $111k and down by $239k from the prior year due to the reclassification of hurricane-related expenses.

November 2021 Summary of Sources

NOVEMBER 2021 SUMMARY OF SOURCES

Nov-21

	Current Month					YTD	
	Budget	Actual	$ Variance	%Variance		YTD Budget	YTD Actual
Sales Tax	7,269,702	9,554,066	2,284,364	31%		70,877,769	73,736,559
Government Assistance	6,221,703	1,124,445	(5,097,257)	-82%		45,453,166	29,575,203
Sales Tax & Government Assistance	**13,491,405**	**10,678,512**	**(2,812,892)**	**-21%**		**116,330,935**	**103,311,762**
						-	-
Passenger Fares	960,223	542,569	417,653	-44%		8,569,460	6,372,265
Other Operating Revenues	141,112	178,013	36,901	26%		1,434,439	1,535,698
Subtotal Transit Operations	**1,101,335**	**720,583**	**(380,751)**	**-35%**		**10,003,899**	**7,907,964**
Total Operating Revenues	**14,592,740**	**11,399,095**	**(3,193,644)**	**-22%**		**126,334,834**	**111,219,726**
			-			-	-
Capital Funding	1,423,983	304,066	(1,119,916)	-79%		23,950,061	12,784,057
Investment Income	4,000	2,561	(1,438)	100%		20,000	42,076
Subtotal Capital & Bond Resources	**1,427,983**	**306,628**	**(121,354)**	**-79%**		**23,970,061**	**12,826,133**
						-	-
Total Revenue	**16,020,723**	**11,705,723**	**(4,314,999)**	**-27%**		**150,304,895**	**124,045,859**
Operating Reserve							
	(4,109,952)	(2,875,048)	1,234,903	-30%		(16,795,603)	(9,982,239)
Total Sources	**11,910,771**	**8,830,674**	**(3,080,096)**	**-26%**		**133,509,292**	**114,063,620**

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November 2021 Summary of Uses

NOVEMBER 2021 SUMMARY OF USES

	Budget	Actual	$ Variance	%Variance		YTD Budget	YTD Actual
Transit Operations	99,632,655	7,483,424	2,149,230	22%		100,208,085	89,766,420
TMSEL Legacy Costs	177,350	266,483	(89,133)	-50%		1,951,650	3,176,920
Maritime Costs	0	0	0	0%		0	0
Capital Expenditures	1,301,429	298,415	1,003,013	77%		23,014,453	13011283
FEMA Project Worksheets Expenditures	127,567	5,651	121,916	95%		945,634	226,307
Debt Service	671,770	776,699	(104,929)	-15%		7,389,470	7,882,690
Total Expenditures	11,910,771	8,830,674	3,080,096	26%		133,509,292	114,063,620
Operating Reserve	0	0	0	0		0	0
Total Uses	11,910,771	8,830,674	3,080,096	26%		133,509,292	114,063,620

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Thank You!

Agenda

6. DBE Report

Disadvantaged Business Enterprise Program

January 25, 2022
Adonis C. Expose'
DBE/SBE Liaison Officer III

Contract Awards December 2021

$20,177,770 in contracts were awarded

- $7,321,457 was awarded to DBE firms.

- Of the DBE contracts $7,321,457 was awarded to DBE Prime Contractors and $78,902 was awarded to SBE Prime Contractors.

Total DBE participation (commitment) is 37%.

7,321,457 (37%)   **20,177,770** (100%)

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Agenda

Current DBE Projects

Project	Contract Amount	DBE Goal	DBE Goal	% Goal Achieved	Tentative Completion Date
CMAR – Canal Street Ferry Terminal (Construction)	$22,928,667	$7,004,708	30.55%	4%	01/2023
DBE Consulting Services	$181,682	$181,682	100%	41%	6/2022
Website Enhancement Services	$100,000	$100,000	100%	100%	COMPLETED
Security Services	$1,008,920	$231,546	23%	8%	06/2024
Disaster Recovery Grants Management and Administration	$137,888	$67,565	49%	11%	09/2022
Riverfront Trackwork & Overhead Catenary	$650,000	$91,000	14%	67%	3/2022

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Current DBE Projects

Project	Contract Amount	DBE Goal	DBE Goal	% Goal Achieved	Tentative Completion Date
Transit Ferry Services	$8,442,843	$842,442	10%	100%	01/2022
East New Orleans Maintenance Building	$737,577	$737,577	100%	31%	03/2022
St. Charles Streetcar Line Downtown Loop Pavement Replacement	$733,666	$283,268	38.61%	0%	03/2022
OCS Pole Replacement	$303,818	$45,572	18%	0%	03/2022
Business Intelligence & Data Management Reporting System	$331,497	$331,497	100%	0%	10/2024
On Call Technical Safety Support	$300,000	$300,000	100%	0%	10/2024

Current DBE Projects
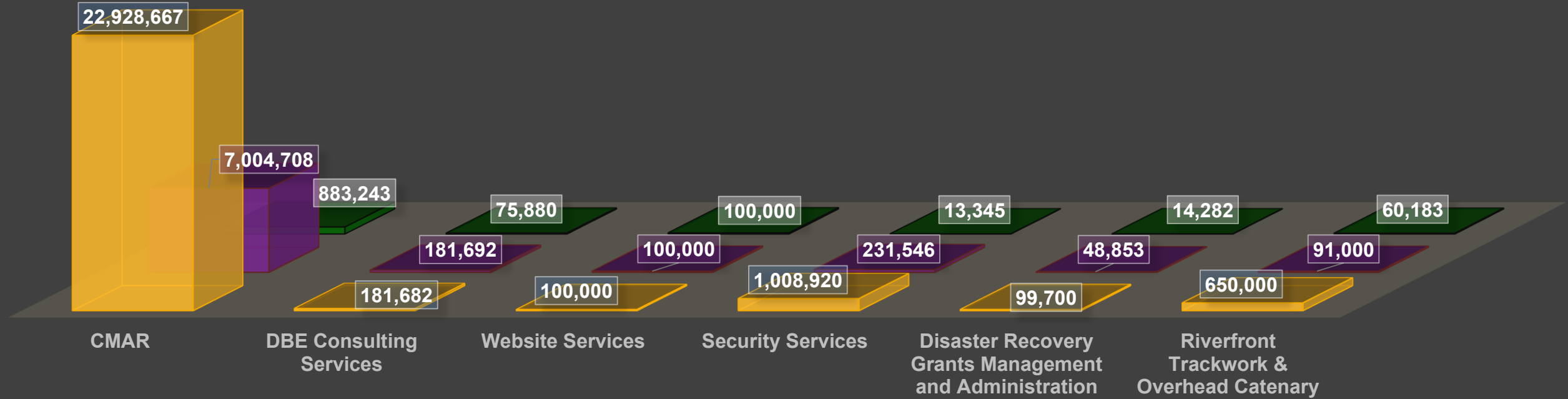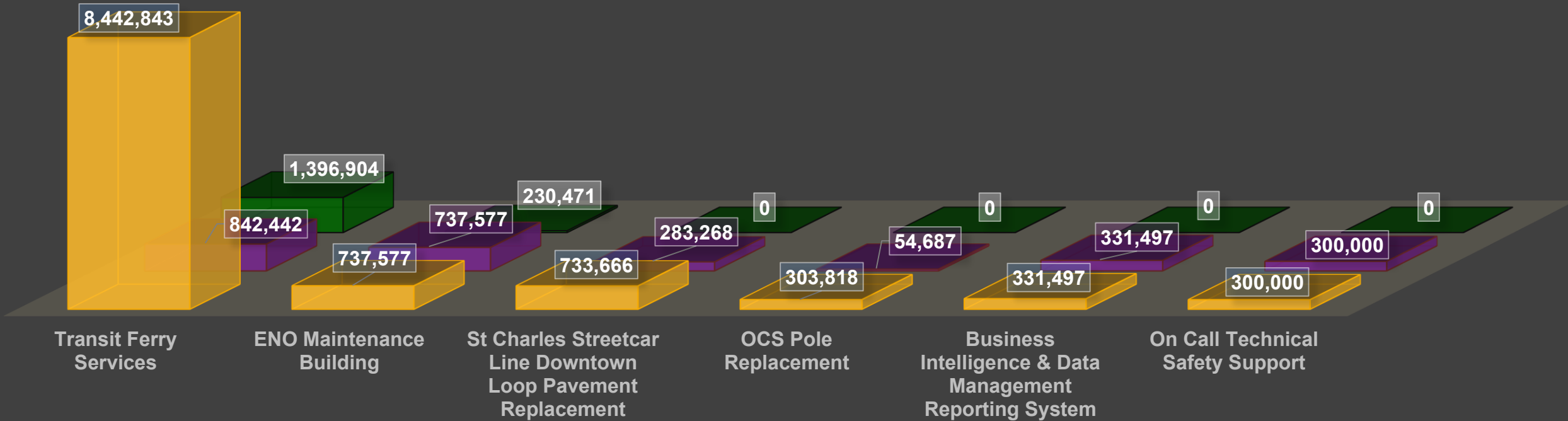
Current DBE Projects

Current SBE Projects

Project	Contract Amount	SBE Goal
Construction Cost Audits	$78,902	$78,902
Temporary Staffing-Surveyors	$50,000	$50,000
Repair Broken Sewer Lines	$238,795	$238,795
On Call A&E Services (Pending Approval of Task Order for Design of Interim Downtown Transit Hub)		

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Agenda

Upcoming DBE/SBE Projects

	DBE/SBE Goal
RFP 2021-025 Facility Maintenance & Construction Support Services (TEC Meeting held on 1/13/2022)	100% SBE
RFP 2021-027 Leadership & Change Management Training	100% SBE
RFP 2021-028 Classification, Compensation, Health & Retirement Benefits Consultant (TEC Meeting held on 1/19/2022)	100% SBE

DBE/SBE
2021 Outreach Events

April 2021
Virtual Outreach
"Doing Business with RTA" DBE & Procurement Process

August 2021
Virtual Outreach
RTA's DBE Opportunity Conference along with City of New Orleans, Ernest Morial Convention Center, Port of New Orleans and NOLA Public Schools"

October 2021
Doing Business with RTA Live Webinar with the New Orleans Regional Black Chamber of Commerce

November 2021
DBE On-Site Opportunity Meeting for the Napoleon Facility Renovation & Upgrade

December 2021
Virtual Outreach
Urban League of Louisiana Opportunities Outlook 2022 along with RTA and a host of of other agencies

Agenda

Questions?

Adonis C. Expose', DBE/SBE Liaison Officer III

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7. Presentation of Audits Completed 2021 4Q

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New Orleans Regional Transit Authority

Office of Internal Audit and Compliance

Audit Update and 2022 Work Plan

January 2022

About the OIAC

Immediately following the RTA's transition to in-house operations in December 2020, the CEO established the Office of Internal Audit and Compliance. The objectives of the Office include:

- Assess and audit agency business processes, internal controls and compliance with agency policies and industry best practices

- Identify and address areas of risk to the agency

- Ensure transparency with the Board of Commissioners and the public

The Office is an **independent and objective assurance and consulting office within RTA** with conducts Internal Audit, Internal Consulting, and Compliance/Reporting activities.

The Office is presenting audits completed in 4Q 2021. These are the first completed audits by the Office since its establishment by the CEO in December 2020.

OIAC 2021 Activities

Activity	Function
FTA NTD Reporting Process Design	Compliance / Reporting
Fare Study for Temporary Fare Structure	Internal Consulting
Coordinated Fare Modernization Initiative	Internal Consulting
Pass Sales Process Redesign	Internal Consulting
Standard Operating Procedure Baseline	**Internal Audit**
On-Time Performance Reporting Audit	**Internal Audit**

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OTP Process Audit Objectives

- **<u>Objective 1:</u>** To determine whether RTA has effective policies, processes, and procedures for collecting data, performing calculations, and reporting metrics related to OTP.

- **<u>Objective 2</u>**: To determine whether the appropriate organizational controls exist to ensure proper reporting of OTP data, and to limit conflicts of interest.

- **<u>Objective 3:</u>** To determine whether RTA utilizes industry standards for analyzing and reporting OTP metrics, and whether appropriate metrics are being utilized to gauge RTA performance. This analysis will include an examination of factors that impact OTP that are within and without of RTA control, and whether they should be utilized in OTP calculations.

- **<u>Objective 4:</u>** To determine whether historic reporting of OTP has been consistent with RTA's own procedures for calculating and reporting OTP.

<u>REMINDER</u>: OIAC did <u>not</u> analyze the factors that impact OTP or determine areas for OTP improvement. OIAC's audit focused solely on the policies and procedures for calculating and reporting OTP.

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OTP Calculation Process Audit Findings

1 — OTP has been established as a key metric without creating guardrails around which the metric is calculated, and without including other metrics which offer necessary context for levels of service.

2 — RTA requires formalized, documented policies or procedures for calculating and reporting OTP.

3 — RTA's process for calculating OTP features several manual data adjustments, resulting in the potential for inconsistent monthly reporting of OTP.

4 — Formal organizational roles and responsibilities for calculating OTP need strengthening to reduce the risk of controls issues and conflicts of interest.

5 — RTA requires strengthened Agency-wide data integrity policies, to reduce potential risks around re-creating or backing up historic calculations.

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SOP Baseline Overview

- The OIAC met with each Department at the RTA to determine the following:

  o The existing Policies and Procedures for each Department, and the last time those policies and procedures were updated

  o External rules and regulations that govern the Department

  o The extent to which each Department has identified missing Policies and Procedures and has developed a roadmap for updating this key documentation

  o If and in what document the core roles and responsibilities for each Department are formally documented to ensure existing Policies and Procedures are aligned

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SOP Baseline Findings

1 During the transition, most RTA Departments developed a formal list of missing policies and procedures, and have begun the process of creating new documentation

2 A number of formal high-level policies at RTA still require accompanying tactical processes and procedures for implementation and administration

3 RTA has a central repository and format for policies, but not for processes and procedures

4 While Departments can easily articulate core roles and responsibilities, those roles and responsibilities are often not documented in a departmental charter

5 Several Departments still utilize working procedures from Transdev, which require update

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OIAC Planned 2022 Audits

- Service Planning

- Inventory Management

- Procurement

- Time Tracking

8. Coordinated Fare Modernization Initiative

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New Orleans Regional Transit Authority

Coordinated Fare Modernization Initiative

Board of Commissioners Update

January 2022

Overview

I. Fare Study – Major Findings

II. RTA Fare Modernization Roadmap

III. Next Steps

Fare Study Overview

What We Studied

- Fare Policy
- Fare Structure and Pricing
- Organizational Structures
- Marketing and Access
- Fare Technology
- Fare Enforcement

How We Studied

- Comprehensive Data and Policy Analysis for each Peer
- Peer Interviews
- Review of Industry Research

Who We Studied

- **Domestic Peers**
  - JTA (Jacksonville)
  - GoMetro (Cincinnati)
  - Hampton Roads Transit
  - IndyGo (Indianapolis)

- **Domestic Aspirational Peers**
  - TriMet (Portland)
  - King County Metro (Seattle)
  - MBTA (Boston)
  - Port Authority (Pittsburgh)

- **International Peers**
  - IVB (Innsbruck)
  - TAO (Orleans, France)

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Fare Study Major Findings

Fare Policy

- Major agencies both domestically and internationally are focused on **creating and updating fare policies**

- Fare policies **establish the strategic direction** for fare elements, and orient decision-making around broader Agency goals and priorities

- Development of fare policies allows Agencies to be **less reactive** in making critical decisions about fares

- Fare innovation is an **iterative process** and is dependent on success across other Agency initiatives

Fare Structure and Pricing

- Focus from transit agencies on **expanding reduced fare categories** and increasing reduced fare discounts

- **Simplification** of structure (including regional and modal integration) to enhance ease of use for riders

- More Agencies pursuing **fare capping** to ensure best possible fare price for riders

- Focus on longer-term passes at steeper discounts (including annual passes)

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Fare Study Major Findings

Marketing and Fare Access

- Agencies are most focused on **expanding partnerships with local retailers** given their ability to increase access at a low cost to the Agency

- Deploy **"lower overhead" TVM's** that have lower maintenance costs

- Emphasis on **employer benefit programs** to drive sales

- **Local partnerships** can drive greater participation in reduced fare programs and result in more passengers signed up for programs and passes

Organizational Change

- Most agencies have created a specific **Fare Department** separate from existing Departments to establish a single point of contact for fares.

- New Department manages fare technology, enforcement, infrastructure, and planning.

- Establish **regular reporting requirements** for far-related initiatives and programs

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Fare Study Major Findings
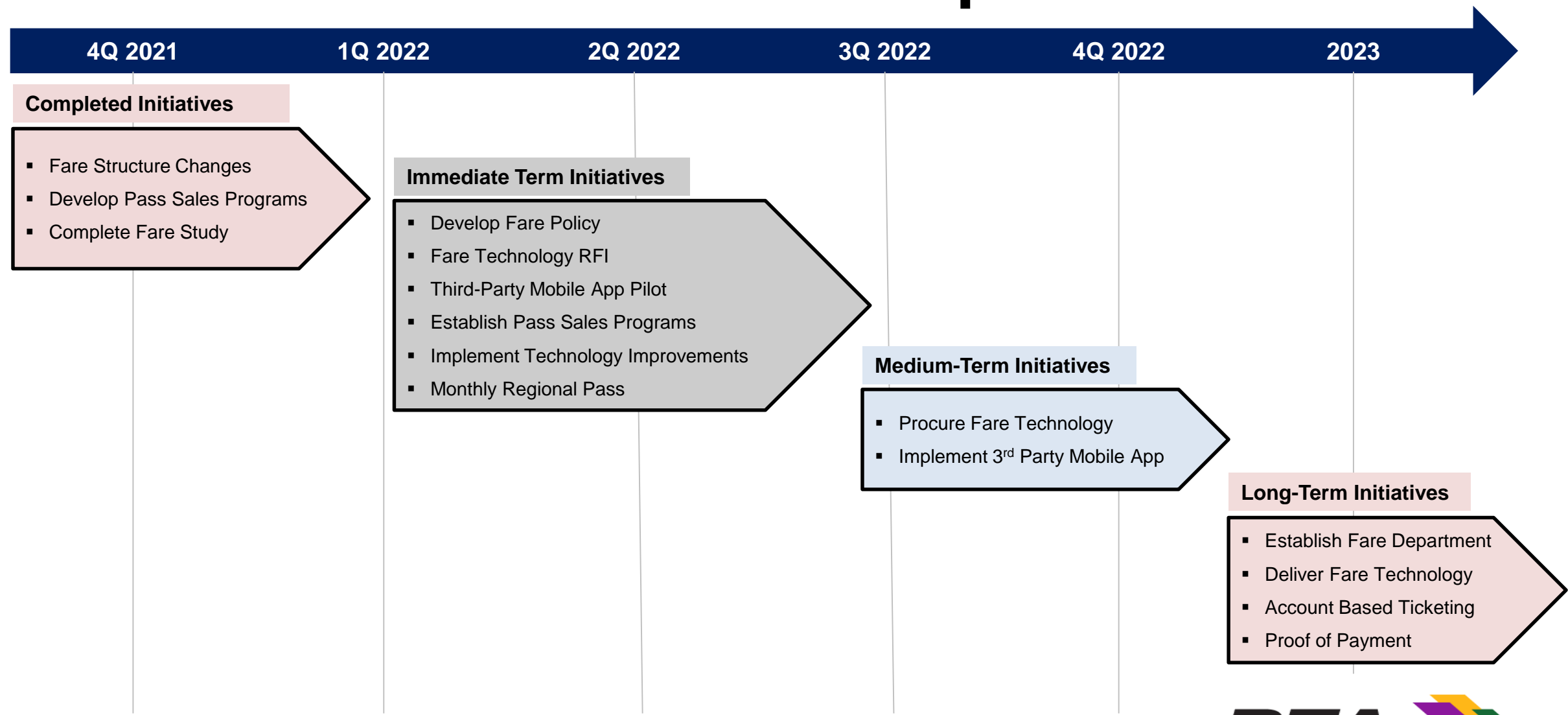
Fare Technology

- **Diverse technology deployment** with numerous purchase options

- **Tap Cards have become more ubiquitous** in the US

- Agencies are increasingly utilizing **third party mobile applications**

- Increasing use of **"integrators"**

- Create **open, flexible systems** that can respond to innovation and allow for cross-system collaboration

- Focus on simple, **user-friendly systems**

Fare Enforcement

- More and more agencies are utilizing a **proof of payment** or pre-paid fare system

- Equity-led fare enforcement begins with a **thoughtful fare policy**

- Most Agencies are **removing all aspects of fare enforcement from operators** to enhance on-time performance and system efficiency

- Agencies are utilizing staff not simply for fare enforcement but also for **code enforcement** to improve rider experience

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Fare Modernization Roadmap

4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	2023

Completed Initiatives

- Fare Structure Changes
- Develop Pass Sales Programs
- Complete Fare Study

Immediate Term Initiatives

- Develop Fare Policy
- Fare Technology RFI
- Third-Party Mobile App Pilot
- Establish Pass Sales Programs
- Implement Technology Improvements
- Monthly Regional Pass

Medium-Term Initiatives

- Procure Fare Technology
- Implement 3rd Party Mobile App

Long-Term Initiatives

- Establish Fare Department
- Deliver Fare Technology
- Account Based Ticketing
- Proof of Payment

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Next Steps

1Q 2022 Initiatives

- Draft Fare Policy

- Request for Information (RFI) for Fare Technology

- Implementation of Near-Term IT Infrastructure Upgrades

- Third Party Mobile Application Pilot

Agenda

9. Consent Agenda

5339 Bus and Bus Facilities Large Urban Area

21-216

Crowd Control Change Order Canal Street Ferry   **22-001**

2022 Agency Safety Plan   **22-002**

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Agenda

10. Procurement Items

Agenda

10a. Temporary Janitorial Services Contract 22-006

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11. 2022 Cooperative Endeavor Agreement 22-011

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Agenda

12. New Business (UNAMIOUS VOTE REQUIRED TO CONSIDER)

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13. Audience Questions and Comments

PLEASE NOTE: Persons wishing to submit public comments must either enter their full name in the chat sections of the Zoom meeting to provide comments during the meeting or email your comments to **rtaboard@rtaforward.org** to have your comments read aloud at the meeting.

14. Executive Session (2/3rds VOTE to Consider)

Agenda

15. Adjournment