



2817 Canal Street
New Orleans, LA 70119

New Orleans Regional Transit Authority Finance Committee

Meeting Minutes

Thursday, June 10, 2021

11:00 AM

RTA Board Room

The New Orleans Regional Transit Authority does hereby certify that it is unable to hold a committee 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 committee meeting will be held via telephone and/or video conference on Thursday, June 10, 2021 at 11:00 am. All efforts will be made to provide for observation and input by members of the public.

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

[Finance Committee Minutes - May 13, 2021]

[21-091](#)

Commissioner Wegner moved and Commissioner Tillery seconded to approve the minutes of the May 13, 2021 Finance Committee Meeting. The motion was approved unanimously.
approved

- 4. Committee Chairman's Report**

No Report.

- 5. Chief Executive Officer's Report**

Alex Wiggins reported that staff was working to meet the June 20, 2021, deadline for the return to full service and staff was currently working on the new schedules. There were still some limitations with staffing and staff was working on mitigating any missed trips with overtime and having extra staff on standby. Staff was working aggressively to hire additional operators to meet the needed expectation of the riders.

Alex Wiggins reported that he spoke at the APTA-UITP Conference which focused on "How Agencies Can Bring Riders Back" and the RTA was in line with the rest of the country dealing with the decline in ridership and revenue and a lesson learned from COVID for the transit

industry was how to deal with its customers and to better acknowledge and prioritize the employees.

In response to Commissioner Walton, Alex Wiggins stated that the APTA Annual Conference will be a live event.

6. Chief Financial Officer's Report (April Financial Statements)

[April Financials]

[21-094](#)

Gizelle Banks reported on the April Financials.

Gizelle Banks reported that Ridership - April's ridership of 672K underperformed the budget by 14.8% or 117k passengers. When compared to prior months, April's results modestly exceeded March's total by 6.3% or 40k riders, but outpaced February's ridership by 97k riders, almost 2.5 times the prior month variance. Year-to-date comparisons to April actuals show negative results across the spectrum - when compared to the budget (11.5%), 2020 actuals (29.2%) and 2019 pre-COVID actuals (59.4%).

Gizelle Banks reported that - Operating Cost per Unlinked Passenger Trip 2021 vs. 2019 (Pre-COVID)

There was a modest increase in the cost per passenger trip for the month of April when compared to March. However, like the prior month, April's cost showed a reduction from January's and February's results.

Gizelle Banks reported that - Ferry - Operating Cost per Unlinked Passenger Trip 2021 vs. 2019 (Pre-COVID)

Ferry operations have also experienced significantly higher operating costs per passenger trip since the onset of the pandemic. While March marked the most notable decrease in cost per passenger trip so far this year, it is encouraging to note that April yielded only a slight increase from the prior 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. However, despite the amount of inclement weather throughout the month, April's farebox recovery rate dipped less than 1% from March's year-high performance and tracked higher than January and February's farebox recovery rates.

Gizelle Banks reported that - Ferry- Farebox Recovery Rates 2021 vs. 2019 (Pre-COVID) - Likewise, ferry ridership has dropped drastically because of the pandemic, causing fare revenue to offset a significantly lower percentage of operating expenses. On a positive note, though, April's farebox recovery rate for ferry operations fell short of March's year-high results by less than 1% and markedly exceeded the results for January and February.

Gizelle Banks reported that - *Operating Revenues (Budget, Actual & Prior Year)*

- Overall, Operating Revenues display positive results for the month when compared to the budget and prior year. (Note that fare collections were suspended in April 2020.) Passenger Fares continued to struggle, falling short of projections by 14.4% for the month. CNO sales tax collections through March have been received, exceeding expectations for the first quarter by \$1.7m or 11.9%.

Gizelle Banks reported that - Operating Revenues (Actual) - Of the \$9.4m in Operating Revenues, 82% or \$7.7m is derived from General Use Sales Taxes.

Gizelle Banks reported that - Operating Expenses - Labor and Fringe Benefits, the largest expenditure at \$4.9M, comprised 67% of this month's actual expenses. Staff's 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 6.7% or 532k positive variance.

Gizelle Banks reported that - Net Revenue (Before and After Government Assistance) - Net Revenue (Before Government Assistance) is \$1.7m for the month of April. This strong position is largely attributable to the \$2.0m in Net Operating Revenue for the month. After applying the month's \$1.2m in Government Operating Assistance, Net Revenue increased to \$2.9m.

Gizelle Banks reported that - Capital Expenditures and Debt Service - As result of the bond refinancing in September 2020, Debt Service was dramatically reduced by \$397k from prior year actuals for the month and by \$2.3m year-to-date.

Gizelle Banks reported that - Operating Reserve - The positive variance that resulted from Net Revenue (After Government Assistance) added \$2.1m to Restricted Operating/Capital Reserve after accounting for the payment of \$783k in Debt Service.

Gizelle Banks reported that - Maritime Operations - Passenger fare revenue for ferry operations increased by \$7k over the prior month. This represents the second straight month of positive results, further indication of possible recovery. Recall that fare collections were suspended in April 2020 system-wide. April 2021 operating expenses reflected positive results as well, down by \$219k from the prior year.

Gizelle Banks reported that the RTA's expenses were approximately \$17m in comparison to the revenue of \$19m there was a \$2.1m Operating Surplus for the month and for the year \$595,000.

Gizelle Banks reported that as the RTA return to full service the expenses will increase so the expenses will start to catch up with the revenues.

Alex Wiggins reported that the RTA has not drawn down the current CARES Act funding. The RTA received \$59m this year to cover operating expenses.

7. Infrastructure & Planning Report

June Capital Projects Report

Lona Hankins reported that the RTA has about \$35.4m in open contracts and currently there are four projects in various stages of procurement:

1. The Canal Streetcar Restoration
2. Napoleon Facility Renovations
3. St. Charles Streetcar Downtown Loop
4. Rampart Restoration Project

Lona Hankins reported that the Ferry Project was 60% completed with demolition and demolition has started with the arcade wall and 15% of the work was completed on the temporary birthing.

Lona Hankins reported that the RTA was starting to feel the impact of cost escalation due to COVID with the shortage of steel and this was also starting to affect the Maintenance Department.

Lona Hankins reported that the FEMA Grant was submitted to the FTA and staff was anticipating to hear back around September 21, 2021 and the Federal Government has not published when they will award the Low and No Emission Grant.

Lona Hankins reported that regarding the RAISE Grant the RTA was eligible to submit multiple grants so staff was going to submit one to improve Neighborhood Transfer Points with Comfort Stations and the other for Fare Technology Replacements.

Lona Hankins reported that she wanted to change the Scope of the Work on one of the RAISE Grants to study the Safe and Efficient Transit Corridors to make them safe for pedestrian.

8. DBE Report

Keziah Lee reported that contract awards through the month of May increased slightly from \$2.9m to \$4.9m of that amount \$1.7m was awarded to DBE firms and \$1.8m was awarded to both DBE and SBE firms as prime contractors. The DBE and SBE participation was at 37% participation.

Keziah Lee reported that last month two projects were awarded with DBE Participation those projects were Insurance Coverage was awarded \$1.2m and that contract was 100% participation. The other contract was a SBE at 100% was awarded \$78,902.

In response to Commissioner Walton, Keziah Lee reported that A&E Services was On-Call Engineering Services.

Keziah Lee reported that the RTA has ramped up the Outreach and staff was planning to have an event in August.

9. Procurements

9a. Egle' Janitorial On-Site COVID Cleaning [21-063](#)

Commissioner Walton moved and Commissioner Tillery seconded to approve the Egle' Janitorial On-Site COVID Cleaning. The motion was approved unanimously.

In response to Commissioner Walton, Alex Wiggins stated that the changes were made to clean the buses twice a day.
approved

Enactment No: 21-042

9b. NEOGOV Change Order [21-079](#)

Commissioner Wegner moved and Commissioner Walton seconded to approve the NEOGOV Change Order. The motion was approved unanimously.

In response to Commissioner Wegner, Alex Wiggins stated that the number of employees increased so this amendment was to support the additional employees.

approved

Enactment No: 21-043

9c. General Bus Parts [21-081](#)

Commissioner Tillery moved and Commissioner Wegner seconded to approve the General Bus Parts. The motion was approved unanimously.

In response to Commissioner Raymond, Thomas Stringer stated that this was for parts to maintain the fleet in service.

In response to Commissioner Walton, Thomas Stringer stated that these are existing vendors.

approved

Enactment No: 21-044

9d. On-Call Architectural/Engineering Services - Small Business Enterprise [21-083](#)

Commissioner Walton moved and Commissioner Wegner seconded to approve the On-Call Architectural/Engineering Services - Small Business Enterprise. The motion was approved unanimously.

In response to Commissioner Walton, Lona Hankins reported that more engineers were needed in the pool for On-Call Architectural/Engineering Services.

approved

Enactment No: 21-045

9e. ENO Maintenance Building - Exterior Envelope Repair

[21-084](#)

Commissioner Wegner moved and Commissioner Tillery seconded to approve the ENO Maintenance Building - Exterior Envelope Repair. The motion was approved unanimously.

approved

Enactment No: 21-046

9f. Canal Street Ferry Terminal Project Amendment Request to Woodward-APC's Contract

[21-086](#)

Commissioner Tillery moved and Commissioner Wegner seconded to approve the Canal Street Ferry Terminal Project Amendment (Jackson Avenue Barge). The motion was approved unanimously.

approved

Enactment No: 21-047

9g. Canal Street Ferry Terminal Project Amendment Requesting Woodward-APC's Contract

[21-087](#)

Commissioner Tillery moved and Commissioner Walton seconded to approve the Canal Street Ferry Terminal Project Amendment (Permanent Barge). The motion was approved unanimously.

approved

Enactment No: 21-048

9h. Cintas Uniforms

[21-088](#)

Commissioner Walton moved and Commissioner Tillery seconded to approve the Cintas Uniforms. The motion was approved unanimously.

Alex Wiggins reported that these uniforms are used by the Maintenance Department and these uniforms are cleaned and delivered to the employees for 3 years and the uniforms are specialized uniforms.

approved

Enactment No: 21-049

CY 2020 Single Audit Acceptance

21-089

Deferred.

CY 2020 Financial Audit Acceptance

21-090

Deferred.

10. New Business

None.

11. Audience Questions & Comments

Valerie Jefferson stated that the operators appreciate staff cleaning the buses and she also appreciates staff ordering the necessary bus parts to keep the buses running.

Andrew Herbert with Infinity Engineers wanted to know where he could find the list for the On-Call Architectural/Engineering Services - Small Business Enterprise.

Alex Wiggins stated that this information will be posted on the website.

12. Adjournment

Commissioner Wegner moved and Commissioner Sarwar seconded to adjourn the Finance Committee Meeting of June 10, 2021. The motion was approved unanimously.
adjourned