



2817 Canal Street
New Orleans, LA 70119

New Orleans Regional Transit Authority Board of Commissioners

Meeting Minutes

Tuesday, January 25, 2022

10:00 AM

Virtual

The New Orleans Regional Transit Authority's Board of Commissioners hereby certifies that it will convene a meeting on Tuesday, January 25, 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

Commissioner Present: Commissioner Daniels, Commissioner Raymond, Commissioner Walton, Commissioner Bryan, Commissioner Sarwar, Commissioner Tillery and Commissioner Wegner

Commissioner Neal entered the meeting at 10:45 a.m. during the Presentation of Audits Completed 2024Q

3. Consideration of Meeting Minutes

[Board Meeting Minutes - December 14, 2021]

22-014

Commissioner Tillery moved and Commissioner Wegner seconded to approve the Board Minutes of December 14, 2021. The motion was approved unanimously.
adopted

4. Reports

A. RTA Chairman's Report

Commissioner Daniels stated that the Board had a great retreat in December and decisions were on improving the agency.

B. Operations & Administration Committee Chairman's Report

None.

C. Finance Committee Chairman's Report

None.

D. Jefferson Parish Report

None.

E. RTA General Counsel's Report

None.

F. RTA Chief Executive Officer's Report

Alex Wiggins reported that the RTA was working with JT Transit to come up with a Regional Monthly Pass and this pass would allow the passengers to ride transit anywhere in the region.

Alex Wiggins reported that Moody's issued a report last week maintaining RTA's A3 rating,

Alex Wiggins reported that COVID was having an impact on staff. There was approximately 70 employees that tested positive for COVID and a couple of weeks ago there was a total of 200 employees impacted with COVID and this had an impact on the system. He stated that staff was making the working environment very safe for employees and staff was also working to make sure that passengers were not impacted.

Commissioner Walton reported that our operators are front line workers and the COVID rules that the RTA has in place was for the protection of the employees.

5. Financial Statements

Gizelle Banks reported that - 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%).

Gizelle Banks reported that - 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.

Gizelle Banks reported that - 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.

Gizelle Banks reported that - 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.

Gizelle Banks reported that - 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.

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 due to strong Sales Tax Revenues. Passenger Fares, however, when compared to the budget, fared unfavorably by \$417k or 43.5%.

Gizelle Banks reported that - Operating Revenues Actual - Of the \$10.3m in Operating Revenues, 79% or \$8.2m is derived from General Use Sales Taxes.

Gizelle Banks reported that - 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.

Gizelle Banks reported that - 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.

Gizelle Banks reported that - 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.

Gizelle Banks reported that - 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.

Gizelle Banks reported that year to date for Total Revenue budgeted was \$16m for sources and year to date actual collected was \$11.7m.

Gizelle Banks reported that Summary of Uses budgeted was \$11.9m and \$8.8m was spent and year to date \$133.5 m was budgeted for expenditures and spent \$114m.

In response to Commissioner Daniels, Gizelle Banks reported that the RTA will catch-up with the Capital Expenditures during 2022.

[Financial Statements]

[22-007](#)

6. DBE Report

Adonis Expose' reported that the RTA awarded a total of \$20,177,770 in contracts and \$7,321,457 was awarded to DBE Prime Contractors and \$78,902 was awarded to SBE Prime Contractors. The DBE participation was 37%.

Current DBE Projects:

CMAR - Canal Street Ferry Terminal (Construction) - 4%
DBE Consulting Services - 41%
Website Enhancement Services - 100%
Security Services - 8%
Disaster Recovery Grants Management and Administration - 11%
Riverfront Track Work & Overhead Catenary - 67%
Transit Ferry Services - 100%
East New Orleans Maintenance Building - 31%
St. Charles Streetcar Line Downtown Loop Pavement Replacement - 0%
OCS Pole Replacement - 0%
Business Intelligence & Data Management Reporting System - 0%
On Call Technical Safety Support - 0%

Upcoming DBE/SBE Projects:

Facility Maintenance & Construction Support Services - 100% SBE
Leadership & Change Management Training - 100% SBE
Classification, Compensation Health & Retirement Benefits Consultant - 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 other agencies

7. Presentation of Audits Completed 2021 4Q

Chase Haislip reported on the following:

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**

which 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.

OTP Process Audit Objectives

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

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

Objective 3: 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.

Objective 4: To determine whether historic reporting of OTP has been consistent with RTA's own procedures for calculating and reporting OTP.

OTP Calculation Process Audit Findings

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.

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

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

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

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

Commissioner Daniels stated that he does appreciate this Department and this report shows higher level accountability and he appreciate the honest and earnest look at creating baselines.

Alex Wiggins reported that staff has a remediation for each of the points presented and some staffing issues were made to make sure that staff was using the technology properly for reliable data and staff was currently improving the integrity of the data.

Commissioner Daniels stated that these type of conversations can be awkward but this is the kind of accountability work that need to take place.

Commissioner Wegner stated that this subject is near and dear to her heart and she has been talking about these issues for a while and ridership comes first and On-Time Performance has been so dismal for a year and a half and the dismal state of On-Time Performance will not change until there is a plan.

SOP Baseline Overview

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

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

- External rules and regulations that govern the Department

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

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

SOP Baseline Findings

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

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

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

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

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

Commissioner Neal stated that he has been communicating with staff to change the Operations Report and would like staff to take into considerations the indicators that deals with On-Time Performance and identify the other areas that the RTA was not doing well to provide the best service.

Commissioner Daniels stated that this report looks amazing and On-Time Performance is what matters to the riders.

Commissioner Tillery stated that this update was a great report.

Alex Wiggins reported that staff was dissecting On-Time Performance to figuring out all the necessary issues hampering On-Time Performance to make it work.

OIAC Planned 2022 Audits

- Service Planning

- Inventory Management

- Procurement

- Time Tracking

8. Coordinated Fare Modernization Initiative

Chase Haislip reported on the following:

Fare Study - Major Findings

RTA Fare Modernization Roadmap Next Steps

What We Studied

Fare Policy
Fare Structure and Pricing
Organization Structure
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
Domestic Aspiration Peers
International Peers

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)

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

Commissioner Daniels stated that it was a great idea to do away with the TVM's and to partner with more vendors in the community around the City.

Commissioner Neal stated that there are a high density of users of the TVM's and it would be great to have them located at the new Transit Hub and the service industry was a great place to offer the passes and Ride has been dealing with the service industry.

Chase Haislip reported that one thing that was reported from other agencies is not to tie farebox recovery but to establish targets and reporting requirements associated with fare revenue and farebox recovery.

Commissioner Wegner stated that her agency purchases bus passes and tokens and the Canal Facility is a perfect place to distribute passes and tokens.

Alex Wiggins reported that the RTA was currently selling passes at the Canal Facility.

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

4Q 2021

Completed Initiatives

Fare Structure Changes

Develop Pass sales Programs

Complete Fare Study

1Q2022- 2Q2022

Immediate Term Initiatives

Develop Fare Policy

Fare Technology RFI
Third-Party Mobile App Pilot
Establish Pass Sales Programs
Implement Technology Improvements
Monthly Regional Pass
3Q20224Q - 4Q2022
Medium-Term Initiatives
Procure Fare Technology
Implement 3rd Party Mobile Application
4Q2022 - 2023

Long Term Initiatives

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

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

Commissioner Raymond asked that this report be distributed to the Commissioners.

Commissioner Bryan stated that she looks forward to what happens this year.

9. Consent Agenda

Commissioner Raymond moved and Commissioner Wegner seconded to approve the Consent Agenda. Resolution was adopted unanimously.
adopted

5339 Bus and Bus Facilities: Large urban Areas [21-216](#)

Commissioner Raymond moved and Commissioner Wegner seconded to adopt the 5339 Bus and Bus Facilities: Large Urban Areas. Resolution No. 22-002 was adopted unanimously.

Enactment No: 22-002

Crowd Control Change Order Canal Street Ferry [22-001](#)

Commissioner Raymond moved and Commissioner Wegner seconded to adopt the Crowd Control Change Order Canal Street Ferry. Resolution 22-003 was adopted unanimously.

Enactment No: 22-003

2022 Agency Safety Plan [22-002](#)

Commissioner Raymond moved and Commissioner Wegner seconded to adopt the 2022 Agency Safety Plan. Resolution No. 22-024 was adopted unanimously.

Enactment No: 22-004

10. Procurement Items**10a. Temporary Janitorial Services Contract [22-006](#)**

In response to Commissioner Wegner, Lona Hankins reported that this contract was going to include the cleaning of the buses and the facilities.

Commissioner Wegner moved and Commissioner Tillery seconded to adopt the Temporary Janitorial Services Contract. Resolution No. 22-005 was adopted unanimously.
adopted

Enactment No: 22-005

11. RTA & City of New Orleans 2022 Cooperative Endeavor Agreement [22-011](#)

Commissioner Raymond moved and Commissioner Tillery seconded to adopt the Cooperative Endeavor Agreement between the City of New Orleans and the RTA. Resolution No. 22-006 was adopted unanimously.

Enactment No: 22-006

12. New Business (UNANIMOUS VOTE REQUIRED TO CONSIDER)

None.

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.

Valerie Jefferson stated that Yolanda Rodriguez did give her the necessary information that she requested at the last Board Meeting.

Valerie Jefferson would like to see the public review of the Audit Report and the Coordination Fare Modernization Initiative.

14. Executive Session (2/3RDS VOTE TO Consider)

None.

15. Adjournment

Commissioner Tillery moved and Commissioner Sarwar seconded to adjourn the Board Meeting of January 25, 2021. The motion was approved unanimously.
adjourned

[January 25, 2022 RTA Board Meeting PowerPoint Presentation]

22-019