

MINUTES
MAY 18, 2021
BOARD OF DIRECTORS
GRTC TRANSIT SYSTEM

Members Present: Benjamin P. Campbell, Chair
Gary Armstrong, Vice Chair
Eldridge Coles, Secretary/Treasurer
George P. Braxton
Ian Millikan
Daniel K. Smith

Others: Bonnie Ashley, General Counsel
Julie Timm, Chief Executive Officer
Sheryl Adams, Chief of Staff
Adrienne Torres, Chief Development Officer
John Zinzarella, Chief Financial and Administrative Officer
Tim Barham, Chief of Transit Operations
Tony Byrd, Director of Maintenance
Anthony Carter, Director of Risk Management
Emily DelRoss, Director of Schedules and Planning
Carrie Rose Pace, Director of Communications
Rob Taggart, Director of Information Technology
Tonya Thompson, Director of Procurement
Keshia Reed, Senior Budget and Financial Analyst

The meeting of the Board of Directors of the GRTC Transit System, Old Dominion Transit Management Company (ODTMC), and RideFinders was called to order at 8AM, May 18, 2021, by the Chair, Mr. Campbell. To protect the safety of meeting attendees, this meeting was conducted through electronic communication means pursuant to and in compliance with City of Richmond Ordinance No. 2020-093, adopted April 9, 2020. This meeting was open to participation through electronic communication means by the public and closed to in-person participation by the public. Necessary GRTC Administrative Staff and presenters assembled electronically for this meeting, and all GRTC Board of Directors participated by videoconference via RingCentral. A quorum was present.

Public Comments - For the benefit of all attendees, Ms. Carrie Rose Pace explained how to participate in public comment at Board Meetings.

Video and audio of Board Meetings are streamed live online and recorded for later viewing at GRTC's YouTube channel at youtube.com/user/ridegrtc. Board Meeting notices, agendas and packets are available at GRTC's website ridegrtc.com by clicking on Stats & Reports in the top navigation bar and selecting the first option in the drop-down menu, Board Reports. Citizens are welcome to provide their comments in writing in advance to carrie.rosepace@ridegrtc.com. The person responsible for receiving comments in writing is Carrie Rose Pace, Director of Communications. All written comments received via email prior to 5:00 p.m. on the day preceding a meeting will be provided to all members of the Board the night before the meeting and will be included in the minutes of the meeting. During the Public Comments portion of the agenda, Carrie Rose Pace will read all comments received by the submission deadline, following the two-minute speaking time limit normally observed in Board Meetings.

FROM: Virginia Cowles

This letter was submitted by Ms. Cowles to Mr. Carlos Brown at the Richmond District CTB. Ms. Cowles asked this to be read at the Board Meeting.

Dear Mr. Brown:

Please support keeping sidewalk projects in the final version of the 2022-2027 Six-Year Improvement Plan, specifically any projects that would provide safe and interconnected access for bus riders, especially those with disabilities.

Districtwide sidewalk projects, such as UPC 110833 and pedestrian safety projects along GRTC routes, such as UPC 113998 and 115888, would be most helpful to those who rely on public transit for transportation to jobs, post-secondary education, groceries, or health care.

Even smaller projects, such as those along West Broad Street (UPC 11106, 115417, 118470), U.S. Route 1 (UPC 111712, 115415), Laburnum Avenue (UPC 109190, 115411, 117034, 117042, 117053), Nine Mile Road (UPC T25029, T25106), Williamsburg Road (UPC T25027), and Midlothian Turnpike (UPC 115063) would improve daily life for resident's dependent on bus service as they navigate the transit system.

Your support for these projects will be greatly appreciated.

Sincerely yours,
Virginia Cowles
Chair, Transportation Committee
League of Women Voters-RMA



Bus Stop 1313
Route 1C
ice storm
2/18/21



Walter
2/24/21

Photos courtesy of
GRTC

Approval of Minutes – Mr. Armstrong motioned to approve the April 20, 2021 Board meeting minutes, Mr. Millikan seconded, and the motion carried unanimously.

CVTA Update – Adrienne Torres

Ms. Torres presented activity highlights on the Central Virginia Transportation Authority (CVTA) for the month of April.

- The CVTA Full Authority met on April 30 and discussed FY22 revenue projections; an estimate of \$28.1M will go to GRTC for transit. The draft MOA with GRTC was approved.
- The CVTA TAC Meeting was held May 10 and moved forward with the update on the Regional Public Transportation Plan. The following was also discussed in the TAC meetings:
 - Transit Governance Report – Subcommittee meetings are biweekly. At the last meeting, the following was discussed. Phase 1 was completed (strategic assessment and stakeholder

interviews). Currently we are in the process of Phase 2 and Phase 3 and following up with DRPT on a Transportation District specific to Virginia and evaluations of GRTC to peers and strategy options. Phase 4 is reporting the draft and final report.

- Regional Project Prioritization – 35% Regional Funds
- Certification Reporting for FY21 and FY22 Spending Plan
- The CVTA Finance Committee met on April 14 and was updated on the draft MOA with GRTC, and it was approved by the full CVTA on April 30; continuing to work on FY22 revenue projections, discussed additional policies and procedures for disbursements; recommended approval for the FY22 Operating budget and it was approved by full CVTA on April 30.

GRTC Bus Advertising Renewal – Carrie Rose Pace

In May 2020, the Board approved a contract for Advertising Sales with Media Transit. The agreement is structured as a one-year contract with options for GRTC to renew for four additional periods of one-year each at the same fee. GRTC would like to renew for another year, but with language added to properly compensate Media Transit staff when performing quality control on the fleet at GRTC's request.

In Year 1, Media Transit exceeded their minimum guaranteed revenue and generated \$323,761.50 gross revenue, netting GRTC \$229,870.67 revenue. Media Transit's commission is at the rate of 29% of gross revenue, meaning they have earned \$93,890.84 through March. Although revenue expectations were exceeded, GRTC's goals for maintaining at least 60% of ad space sold were not met in Year 1. This is not a contractual requirement but serves as a goal to maximize ad placement and spur revenue generation. Media Transit's most recent reports showed 38%-42% of total space sold, down since Fall 2020 when 54%-62% of spaces were sold.

In Year 2, guaranteed minimum revenue is expected to be \$180,000 for GRTC. Based on Year 1 performance, GRTC reasonably expects Media Transit to meet and exceed this amount. GRTC plans to use available rear space in 2021 and 2022 for Now Hiring advertisements and possibly Safety messaging and explore possible art partnerships for available side space.

Staff is requesting that the Board of Directors authorizes the CEO to execute another one-year agreement for advertising sales services with Media Transit for 29% of annual gross receipts. Mr. Braxton motioned to grant staff's request, Mr. Armstrong seconded, and the motion carried unanimously.

Operating Performance – Tim Barham

- The fixed route on-time performance for the month of April was 66%. Unfortunately, there were additional detours during the month that affected several routes. As part of the initiatives for on-time performance, some administrative staff were trained to help in the radio room; they will be reviewing routes that are running early or late and working with the radio dispatchers to get information back to Operators to adjust.
- Working with the Union to make sure all the contractual changes go into effect with the June booking.
- The specialized transportation on-time performance for the month of April was 93%.
- Absenteeism has increased to 17% due to more scheduled vacations, COVID cases, contact tracing, and vaccinations.
- Currently, we have 264 full-time Operators and 19 part-time Operators. A class of three is scheduled to graduate the end of May and a class of six will start on June 7.
- Currently, we have 206 employees fully vaccinated.

Ridership Performance – Emily DelRoss

In response to the ridership impacts associated with the COVID pandemic, GRTC has reformatted its monthly ridership report formerly referred to as the “FITS.” The reformatted report, called the “Monthly Ridership Report” (MRR), includes comparisons between the ridership of the current month, prior month, year prior (during COVID pandemic), and 2 years prior (pre-COVID pandemic) to allow for a broader understanding of overall ridership trends. The MRR includes ridership data for all services GRTC offers including fixed route (local, express, and Pulse), specialized transportation (CARE, CARE Plus, and CARE On-Demand), and Vanpool. Fixed route and specialized transportation data are shown as system-wide totals as well as broken down by mode, route, and jurisdiction; each of which has an accompanying supplemental graph to aid in visualizing trends.

The total fixed route ridership for the month of April was 640,941. This is down 2.79% from March, which had a total fixed route ridership of 659,364. This slight decrease can be attributed to the month of April having one fewer weekday than March. In April we did experience a higher number of missed trips due to no operator being available as compared to March. Additionally, the month of April included the Easter Holiday and Spring Break, during which we have historically seen lower ridership. As of April, fixed route ridership is 16.45% lower than that of our pre-pandemic ridership in April of 2019.

Maintenance Performance – Tony Byrd

GRTC maintains a spare fleet ratio of 25% for fixed route and paratransit fleet. The ratio ensures a sufficient number of vehicles are available for daily service needs while vehicles are undergoing routine maintenance to more substantial repairs. The ongoing delays in parts and the periodic slowdown of maintenance repairs in house due to COVID quarantine of Maintenance staff has impacted GRTC’s ability to maintain enough vehicles for service. Currently, we have 10% of the fixed route fleet and 18% of the paratransit fleet out for service and/or parts. This is down from the peak number of vehicles out for service in early May, 18% and 23% respectively, which came very close to exceeding our spare fleet ratio. Delivery of fleet parts for GRTC from Gillig, Cummins, and other manufacturers have been fluctuating due to the unreliable availability of material. GRTC has reached out to all known sources for backup parts and supplies and through this effort we have been able to maintain service.

The Maintenance staff completed a/c checks on 100% of the fleet and continue to clean and disinfect the entire fleet daily.

Safety Performance – Tony Carter

- There were 35 external accidents during the month of April.
- There were 21 non-preventable accidents during the month of April.
- There has been a decline of accidents where the bus was rear-ended.
- Staff has been working with the Maintenance Department to make the back of the bus more visible to approaching drivers. A local vendor is building a prototype of a stop sign that is illuminated to go on the back of the bus as one possible solution.
- There was one pedestrian accident resulting from the pedestrian crossing the street, tripping, and falling into the side of the bus.

Tire Lease Services – Tonya Thompson

GRTC currently has an agreement with Michelin North America for tire lease services. Michelin provides, installs, and maintains all tires for fixed route and specialized transportation rolling stock. The

three-year base term of the contract will expire May 31, 2021. The contract includes two one-year options to renew, and staff would like to exercise the first option at this time. The contract consists of a variable rate per tire type based on actual mileage driven and a fixed rate for support personnel. Michelin subcontracts with Big Apple Tire, a certified DBE and SWAM by the Virginia Department of Small Business and Supplier Diversity, to provide on-site installation and maintenance services. The total estimated contract value for Option Year 1 is \$501,060 and staff estimates Option Year 2's total cost will be \$526,211. This contract is funded completely from the operating budget.

Staff is requesting that the Board of Directors authorizes the CEO to exercise Option Year 1 for the period of June 1, 2021, to May 31, 2022. And upon an evaluation of Michelin's performance at the end of Option Year 1, give the CEO the discretion to renew Option Year 2 for tire lease services through May 2023. Mr. Braxton motioned to grant staff's request, Mr. Smith seconded, and the motion carried unanimously.

Virginia Risk Sharing Association Insurance Policy Renewal – Tony Carter

GRTC currently has insurance coverage with Virginia Risk Sharing Association (VRSA) for Property, Boiler & Machinery Equipment Breakdown and Workers' Compensation. VRSA is a group self-insurance pool in the Commonwealth of Virginia that provides claims services to 480 Virginia local political subdivisions. VRSA is governed by a Members' Supervisory Board comprised of eight elected or appointed officials from member jurisdictions and the executive director of the Virginia Municipal League.

This proposal is coming in with a \$2,600 increase over last year's premium. This is attributed to the reinsurance and excess coverage markets hardening for both property and liability insurance, which has a direct impact on all insurance markets. With these markets hardening this causes a rise in rates and narrowing coverage terms. Public entities are under scrutiny in both areas from factors such as COVID-19, weather related property losses, complex litigation, and cyber security. Although we see an increase in premium overall, the increase is not as high as it could have been. We did have an increase in Worker's Compensation claims which is trending upward industry wide. However, the number of GRTC's claims that were compensable were low.

Staff is requesting that the Board of Directors approve the CEO to enter into policy contracts with VRSA to renew these policies based on VRSA's proposal of \$449,126. Mr. Smith motioned to approve staff's request, Mr. Braxton seconded, and the motion carried unanimously.

March Financial Report – John Zinzarella

Source of Funds – This item details GRTC self-generated funds and optional subsidies (local, state, and federal). Revenues are unfavorable versus budget by \$1.67M or 3.7% because of timing of spending and submission of expenses for federal reimbursement versus budget assumptions \$3.18M. There are favorable operating contributions from the State and higher than anticipated advertising revenue.

Operating Expenses – Operating expenses are favorable to budget by \$3.63M or 8.27% because of:

- Favorable labor expenses of \$1.35M because of favorable headcount versus budget in transportation, equipment, and facility maintenance groups, and higher than budgeted vacancy factor in the general and administrative groups.
- Favorable purchased transportation services of \$1.97M because of less demand for services due to COVID.
- Favorable purchased services of \$1.29M because of zero fares (fare collection and security) and timing of building maintenance versus budget calendarization.

- Offset by unfavorable \$1.41M in materials and supplies due to higher cleaning and sanitizing expenses due to COVID. These expenses are covered by the funds received from the CARES Act.

Recent and Upcoming Procurements – Tonya Thompson

One procurement required the Board Chair's approval and that was for the Richmond Signal System Phase III – Connections to GRTC Pulse BRT Stations in the amount of \$67,166. The completion of this project will allow seven of GRTC's Pulse BRT Stations to shift from leased communications over to the City's fiberoptic network. This will improve the reliability and reduce monthly operational costs for GRTC.

There are three new upcoming procurements: On-Call Graphic Design Services, Video Production Services, and ADA Paratransit Client Certification Services.

Enterprise Resource Planning Assessment and Status Update – Rob Taggart

In November 2020, the Board approved the award of the contract with Plante Moran to perform a current state assessment of GRTC's processes and systems in relation to enterprise resource planning (ERP), to provide recommendations on replacement systems assisting with the RFP process and acting as GRTC's advocate during the implantation of the new system if necessary. This project kicked off January 2021 with the assessment phase which is now complete. Below are the highlights of this phase of the project.

Currently, staff is using Microsoft Great Plains Software and only about 25% of the software is implemented and in use. Microsoft is designating Great Plains end-of-life and will no longer be creating updates and hotfixes for the product within the next 18 months.

Current State of Business Processes:

- Chart of accounts needs complete rework of structure.
- Many disparate places where data is recorded across the organization (i.e., spreadsheets, etc.)
- Many manual processes in place to handle daily tasks (Procurement, Payables)
- Grants Management is not tied in with financial system and cumbersome and time consuming to manage.
- Human Resources and Payroll functions are not tied together and automated.

With the assessment phase complete, and with the current ERP software (Great Plains) at the end-of-life it was recommended by Plante Moran and agreed by Staff that the best course of action was to look for replacement solutions, the project will move on to the RFP phase and begin to evaluate offerings from the best of ERP vendors, to find the best solution that will meet GRTC's needs and eliminate the many pain points and inefficiencies that exist currently.

Once the RFP process is complete, Staff will present to the Board the recommended replacement system, with projected costs, funding sources, and anticipated implementation timeline. Once funding is in place and secured then staff will be seeking Board approval to award the contract to the selected solution. Following Board approval Plante Moran will act as Project Manager and supervise the implementation of the new ERP software as well as the design, documentation, and implementation of the improved business processes.

Draft FY2022 GRTC Operations and Capital Budget – John Zinzarella / Kesha Reed

GRTC FY22 Operations – John Zinzarella

Mr. Zinzarella gave an update on the status of the GRTC FY2022 Draft Operational Budget including an update on expected changes in revenues and expenses. It is expected that this draft is close to final but is contingent on finalization of FY2022 budgets from partner agencies and jurisdictions.

The Baseline Budget for Operating Expenses for FY2022 was \$63.2M and the Revised Baseline Budget for FY2022 is \$61.2M. The Baseline Budget for Revenues for FY2022 was \$63.7M and the Revised Baseline Budget for Revenues is \$61.2M.

FY22 State Grant Application Results – Kesha Reed

In January, a list of projects was presented to the Board that GRTC wanted to move forward in an application to DRPT. The following were the results of that application:

- February 2021 - GRTC applied for \$19M in state matching funds for \$28M in FY22 projects.
- DRPT FY22 capital budget was \$84M. Requests, in excess of \$190M, were received throughout the state for matching funds.
- April 2021 - GRTC receive preliminary approval from DRPT for \$17M in state matching funds for \$26M in projects.
- \$1M in GRTC projects will be postponed until FY23 or later based on priority while another \$1M will move forward without State support and they are repair of shop floors and roof repairs, IT Software for annual maintenance, hardware replacement, and shelters & amenities.

The FY22 New Projects (\$27M) that will move forward are:

- Facility (\$649k) - includes BAS System, Bus Wash, Flush Mount, Shop Floors, Roof Repairs.
- Fleet (\$20.1M) - includes support vehicles, 30 bus replacements, 18 paratransit vans.
- Information Technology (\$1.4M) - includes Wi-Fi for fixed routes buses, annual maintenance agreements, hardware.
- Maintenance (\$339k) – includes various State of Good Repair items.
- Planning (\$4.6M) - includes BRT Station Platform, Shelters & Amenities throughout all jurisdictions, Dedicated Lane Study, Neighborhood Transit Center Study, GRTC Property Study, and next BRT Study.

GRTC FY2022 Regional Public Transportation Plan – Adrienne Torres

GRTC is now the recipient of a dedicated funding stream that was passed by the Virginia General Assembly in 2020 which created the Central Virginia Transportation Authority (CVTA). As a recipient of the funds, GRTC is required to annual submit a Regional Public Transportation Plan. The requirement is to work with the MPO. Since January, GRTC has been working with several jurisdictions, the MPO, and several transit related agencies to development this Plan. This was led by the consultants from Michael Baker and Jarrett Walker.

GRTC proposed FY2022 operational expenses equal \$63.2M and proposed Capital plan expenses equal \$30.9 M. The operational and capital expenses will be funded through revenues from Federal, State, Regional, Local, and Self-Generated sources. GRTC is still in the process of a Zero-Based budgeting process to identify new operational efficiencies prior to finalizing and adopting the FY2022 Budget and Spend Plan in June 2021.

GRTC's Regional Public Transportation Plan for FY2022 addresses the following priorities: ensure the stability and maintenance of transit operations at the levels operated in FY2021; prioritize capital requirements to maintain assets in a state of good repair and to provide targeted rider and business efficiencies and improvements; advance planning studies for operational and capital mobility priorities and needs in the RVA region; and prepare for expansion and innovation initiatives in FY2023.

In FY2021, CVTA revenues dedicated to GRTC are expected to accrue at \$20.3 million through June 30, 2021. Out of the FY2021 revenues, \$200,000 has already been approved and allocated for the development of the GRTC FY2022 Regional Public Transportation Plan. GRTC will budget the remaining \$20.1 million from FY2021 CVTA transit revenues to support GRTC's operating and capital plans in FY2022.

GRTC has estimated that the total funding need from CVTA generated revenues for FY2022 operational and capital expenses is \$21,231,485. As the total estimated FY2021 CVTA transit funding as shown in the prior paragraph is expected to fall short of this need, GRTC plans to use Federal Covid-19 relief funding to cover the difference between FY2021 CVTA Generated transit revenues and the identified FY2021 budgetary need.

Based on public feedback and in collaboration with the TPO Public Transportation Working Group and individual CVTA member jurisdictions, GRTC recommends the following priorities for investment of the CVTA Transit Funds for FY2022: Maintain Existing Fixed Route and Paratransit Services (Allocate \$20.1 million of FY2021 CVTA funds); Fund key capital needs (Allocate \$698,099 of FY2021 CVTA funds for matching federal and state grants); Fund a Regional Study of Potential On-Demand Services (Allocate \$200,000 of FY2021 CVTA funds); and FY2023 Regional Public Transportation Plan (Allocate \$200,000 of FY2021 CVTA funds to support continued regional transit planning).

Regional CVTA generated funding dedicated for transit during the FY2022 period (July 1, 2021 – June 30, 2022) is expected to be reach approximately \$28.1M. GRTC recommends restricting all FY2022 CVTA collected revenues for transit into a reserve for use in FY2023 which will then be used to maintain transit service and to strategically advance regional mobility priorities during that fiscal year. This will establish an annual rolling reserve of CVTA funds for the stability of ongoing transit services and planning year over year.

Staff is requesting that the Board of Directors support the GRTC FY2022 Regional Public Transportation Plan and direct GRTC CEO to advance the plan to the Full CVTA Board for approval of use FY2021 CVTA dollars to fund the estimated need of \$21,231,485 for operating and capital needs identified above in FY2022 and the placement of all FY2022 CVTA funds projected at \$28.08 million into a reserve for approvals by the GRTC and CVTA Boards. Mr. Armstrong motioned to grant staff's request, Mr. Smith seconded, and the motion carried unanimously.

Chief Executive Officer's Report – Julie Timm

- COVID – GRTC continues to have employees test positive for COVID, although the rate has significantly dropped; COVID is still out there. HR reports about 50% of staff have been vaccinated and that number continues to grow. Staff will continue to reach out and look for onsite vaccinations (and flu shots) for employees.
- CEO attended a press event with Bon Secours and City of Richmond Council President at one of our new Bon Secours funded shelters on the east side of Richmond. The event celebrated the investment and partnership between Bon Secours and GRTC for the purchase and construction of bus shelters. In 2018, Bon Secours did a community impact and health assessment and identified critical needs to support our communities. They independently identified the need to have better

mobility and connectivity to essential resources including jobs, healthcare, and food. As a result, they partnered with GRTC, and through that partnership they provided \$200,000 to GRTC to match other federal, state funding. With the support of Richmond City Council, the partnership located and installed 14 new shelters on the east side of Richmond.

- As you are aware, we have a great need for additional shelters and additional seating throughout our system, and I am thankful for the State's support in the effort to date. However, we did not get the state funding support requested FY2022 to add even more shelters to our system. The State has limited resources for FY2022, so GRTC will have to look internally to use our federal funds and other private partners to continue to fund and expand our shelter program.
- GRTC was not impacted by the Colonial Pipeline cyber-attack; our fleet uses diesel and CNG. Our non-revenue vehicles use gas; however, we were locked into a fixed rate and were guaranteed that rate through the shutdown. We never experienced a shortage.
- In June, the final budget document will be presented. Staff continues a zero-based budgeting process to include zero fares, current/updated salary structure, recruiting, and the use of our federal capital formula dollars to support our operations in FY2022.
- GRTC Board members will need to have a conversation regarding when would be the appropriate time for the Board to start meeting in person again. As the state mandates are lifting with social distancing and mask for vaccinated people, I would like to remind the Board that the federal requirements still have a mask mandate for public transportation until September 13 and would hesitate to suggest in person meetings while our staff and riders are still under that mandate. If you would like to come back before that time, we will look for another location so we can have proper social distancing and good ventilation to do so safely and effectively.

Chairperson Report – Ben Campbell

Mr. Campbell thanked staff for their hard work.

Other Business

There being no further business, the meeting adjourned at 9:50 a.m.

APPROVED:



Benjamin P. Campbell, Chair

June 15, 2021

Date