

**MEETING:** COTA BOARD STRATEGIC AND OPERATIONAL PLANNING COMMITTEE

**DATE:** WEDNESDAY, JULY 11, 2022

**TIME:** 4:00 PM – 5:00 PM

**LOCATION:** WILLIAM G. PORTER BOADROOM

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## MEETING MINUTES

### 1. CALL TO ORDER

Chair Marlon Moore called meeting to order at 4:02 PM.

### 2. ROLL CALL

**Board Members Present**

Marlon Moore, Chair  
Shannon Tolliver  
Kumi Walker

**Board Members Absent**

Doug McCollough

### 3. APPROVAL OF MAY 4, 2022 STRATEGIC AND OPERATIONAL PLANNING COMMITTEE MINUTES

Trustee Walker motioned to approve the May 4, 2022 Strategic and Operational Planning Committee minutes. Trustee Tolliver seconded the motion. Motion Carried.

### 4. NEW BUSINESS

#### 2023-2027 CAPITAL IMPROVEMENT PLAN – ERIN DELFFS, INTERIM CHIEF FINANCIAL OFFICER

Erin Delffs, Interim Chief Financial Officer presented the 2023-2027 Capital Improvement plan. In conjunction with the presentation, a draft of the CIP budget that provides a comprehensive view of the revenues used to fund the capital improvements, our projected use of long-term financing to fund projects, and descriptions of all projects accounted for during the five-year period was presented. Our capital projects have been broken down into five components – vehicle & equipment, facilities, technology, development and administration. The grand total over the five-year period is \$382 million.

#### Vehicle & Equipment

- Annual Coach Purchase
  - 14 coaches annually in 2023- & 2024 – BEB
  - 28 from 2025-2027
- Non-revenue vehicles

- Paratransit vehicles
- COTA//Plus vehicles
- Miscellaneous equipment
  - Facility utility carts, scrubber

## Facilities

- Annual maintenance
  - Pavement maintenance, pedestrian access/ADA connections
- Various improvements
  - Linden Transit Center facilities upgrades
  - Essex facility upgrades
  - Reynoldsburg Park & Ride
  - Whitehall & Worthington layover stops
  - Park & Ride Signage
  - Mobility Lab
  - 33 N. High Street improvements
  - Electrification initiatives
  - Shelters
  - BRT shelters & pylons
- Major renovations and programs
  - Rickenbacker Mobility Center
  - Electrification Program

## Technology

- Annual allocation for projects not yet defined
- Various system improvements/enhancements
- Annual upgrades
- Fleet security camera & recording systems

## Administration/Innovation

- Various system setup & configuration
  - Customer Experience and Marketing Tool
  - Project Management
  - Fare Management
- Data engineering & visualization

## Development

- Allocation for strategic land purchases and development opportunities
- Westside Mobility Center
- Mobility Innovation Projects

Chair Moore, asked that a clear description be given on what it is that COTA needs on the technology side. For example, cybersecurity or risk to mitigate. Trustee Walker, how many of the new coaches are part of the electrification and that number be added to the presentation.

## Proposed 2023-2027 CIP

The estimated funding sources for the 2023-2027 CIP is \$640,432,787. COTA resources includes: sales tax (10%); fund balance; transfer from Operating Fund; and interest earnings. This includes a \$46m transfer from 2022 from ARP drawdown.

So putting real numbers behind the sales tax projections over the course of the next five years, the table reflects the 10% allocated to capital each year, and the amount available to cash fund projects and pay debt service on projects. So in 2023, based on our anticipated sales tax revenue, we expect \$16.9 million in revenue for capital with \$6.8 million available for cash funding and just under \$10.1 million to pay debt service.

In looking at the other Standard COTA resources, beginning with a one-time transfer from the operating fund of \$45 million in 2021 and the previously mentioned \$46.6M in 2022, we also have interest earnings on any funds within the capital improvement fund. This amount is based on the ending balance of the prior year. Finally, we have our fund balance. During the course of the year, you have a certain amount that is received (revenue) and a certain amount spent (expenditures), the remaining amount is the fund balance which is then available to be spent in the following year. So the ending fund balance in 2023 of \$88.2 million becomes available as the beginning balance in 2024. You can see by the fund balance reducing each year of the five-year period.

Based on the schedule, this shows how the estimated annual debt service compares to the 60% allocation of our sales tax revenue dedicated to capital improvements. At the peak, with annual debt service of \$4.7 million in 2025, we will reach 42% of our capacity, which still leaves us ample room for additional projects that may come up. This will obviously change based on the timing of our bond issues and the terms of the issue including duration and interest rate. As time goes on, we will keep this updated with actual numbers as we know them.

We will always look to other funding sources first to reserve our standard funding as a last resort. Therefore, you will see a significant portion of our resources for our capital projects coming from grant revenue. We then look at projects to see if they are ones that are best suited for financing. Certainly, we are limited in our ability to make significant capital investment if we constrain ourselves to only using cash on hand to fund projects. There are a few projects over the course of the five-year period in which debt financing will be recommended.

Finally, there will be projects in which other funding sources may be identified, or, projects in which other funding is yet to be identified, but COTA doesn't expect to fund the entire project. Those amounts are reflected on the 'other sources'.

Trustee Walker, are there many changes to the budget due to inflation? Andy Biesterveld, Chief Engineering and Mechanical Officer, stated that COTA has seen the impact in the Rickenbacker project and the costs have gone up tremendously. As for the McKinley Phase 3C project, did allow for some change, but has not had a major impact on its budget. Others are updated on a year-to-year basis. Joanna M. Pinkerton, President & CEO stated that COTA is seeing the impact of inflation on the operating side.

## RESOLUTIONS

- A. RESOLUTION 2022-XX – AUTHORIZING A SECOND AMENDMENT & EXTENSION TO AN AGREEMENT WITH THE CITY OF WESTERVILLE FOR THE CONTINUATION OF THE COTA PLUS OPERATING ZONE – KIM SHARP, SENIOR DIRECTOR OF DEVELOPMENT

It was recommend by the committee that the resolution be added to the Consent agenda.

- B. RESOLUTION 2022-XX – AUTHORIZING A REVISED FARE STRUCTURE – ERIN DELFFS, INTERIM CHIEF FINANCIAL OFFICER

It was recommended by the committee that the resolution be added to the Consent agenda.

- C. RESOLUTION 2022-XX – AUTHORIZING AN AMENDMENT W/THE SHORT NORTH ALLIANCE OF COLUMBUS, OHIO FOR THE SHORT NORTH C-PASS PILOT PROGRAM – ERIN DELFFS, INTERIM CHIEF FINANCIAL OFFICER

It was requested by Chair Moore that the data regarding the ridership for the Short North C-Pass program be sent to the Strategic and Operational Planning Committee. It was recommended by the committee that the resolution be added to the Consent agenda.

- D. RESOLUTION 2022-XX – AUTHORIZING THE ADOPTION OF THE 2023-2027 CIP – ERIN DELFFS, INTERIM CHIEF FINANCIAL OFFICER

It was recommended by the committee that the above resolutions go to the Consent agenda.

## 5. ADJOURNMENT

Chair Moore motioned to adjourn the Strategic and Operational Planning Committee meeting. It was moved by Trustee Tolliver, seconded by Trustee Walker. Meeting adjourned at 4:36 p.m.

**Next Meeting:** 9:00 AM, Wednesday, September 7, 2022

Adopted: \_\_\_\_\_ **September 7, 2022**

Signed: \_\_\_\_\_

Chair, Strategic and Operational Planning Committee

Attest: \_\_\_\_\_

President/CEO

## Strategic and Operational Planning Committee Members

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Marlon Moore, Chair  
Doug McCollough  
Shannon Tolliver  
Kumi Walker

