

SORTA FINANCE COMMITTEE MEETING

TUESDAY, NOVEMBER 10TH 2020 - 8:30 A.M.

General Items:

Call to order

Pledge of Allegiance

1. Approval of Finance Committee Minutes: October 13th, 2020

Briefing Items

2. Fuel Hedging Report: Q3 (*Michelle Jeng*)
3. Quarterly Internal Audit:Q3 (*Michelle Jeng*)
4. Financial Reports for October 31st, 2020 (*Michelle Jeng*)

Action Items

5. Investment of Funds Report as of October 31st, 2020 (*Michelle Jeng*)
6. Proposed Motion: Approval of Legal Expenditures with for Vorys, Sater, & Pease LLC (*Donna Adkins*)
7. Proposed Motion: Approval of Legal Service Expenditures with Dinsmore & Shohl, LLP (*Donna Adkins*)
8. Proposed Resolution: Approval of 2021 Insurance Program Renewal (*Michelle Jeng*)

Other Items:

Adjournment

The next regular meeting of the Finance Committee has been scheduled for
November 10th, 2020 at 8:30 a.m.

FINANCE COMMITTEE
TUESDAY, OCTOBER 13TH, 2020 – 8:30 A.M.

COMMITTEE/BOARD MEMBERS PRESENT: Heidi Black, Blake Ethridge, Roderick Hinton, , Pete McLinden, and Mary Miller

COMMITTEE MEMBERS ABSENT: Robert Harris and Thaddeus Hoffmeister

STAFF MEMBERS PRESENT: Darryl Haley, Pat Giblin, Adriene Hairston, Brandy Jones, Caprice Jones, Maria Jones, Michelle Jeng, Jeff Mundstock, John Ravasio, Shannel Satterfield, Sherri Shultz, and Khaled Shammout

OTHERS PRESENT: Kim Schaefer (Vorys, Sater, Seymour & Pease, LLP), Joe Schmidt and Sara Sumner (Clark Schaefer Consulting, LLC)

1. **Call to Order**

Ms. Black called the meeting to order.

2. **Pledge of Allegiance**

The Pledge of Allegiance was recited.

3. **Approval of Minutes of September 8th, 2020**

Ms. Black moved and Mr. Hinton seconded that the minutes of the August 11th, 2020 meeting be approved as previously emailed.

4. **Internal Audit: Safety**

Mr. Schmidt and Mr. McNamee from Clark Schaefer Consulting, LLC presented the Internal Audit on Maintenance which was conducted for the period August 24th through September 7th, 2020. The audit resulted in one (1) finding: Access to Bond Hill Garage. Mr. McNamee also reviewed risk (from moderate to low risk), recommendations, and management responses.

The Committee accepted the report as presented.

5. **Financial Reports for September 30th, 2020**

Ms. Jeng presented the September financial reports. Total revenues were \$7.7 million, which is unfavorable to budget by \$450,000. Total expenses were \$8.2 million, which is favorable to budget by \$429,000 or 5.5%. The final result was a net unfavorable variance of \$21,000 for the month. Fare revenue was unfavorable to budget by \$684,000. Ms. Jeng then reviewed the contributing factors to these variances.

The Committee accepted the report as presented.

6. **Investment of Funds as September 30th, 2020**

Ms. Jeng presented the report noting the yield decrease to 0.21% compared to the prior month of 0.26% for the month of September.

The Committee approved the report as presented.

7. **Proposed Resolution: Approval of 2021 Healthcare Plan**

Ms. Hairston and Ms. Shultz presented an overview of the proposed 2020 Healthcare Program plan to the Committee and requested approval to execute one (1) year contracts with Humana, SA Benefit, and Enrollment Management Services (EMS) on behalf of SORTA.

The Committee agreed to recommend this resolution for approval to the full Board on the consent agenda.

8. **New Business**

The next regular meeting of the Finance Committee has been scheduled for Tuesday, November 10th 2020 at 8:30 A.M.

9. **Adjournment**

The meeting adjourned at 9:05 A.M.

November 2020

BRIEFING ITEM – DIESEL FUEL HEDGING REPORT – AS OF OCTOBER 31ST, 2020

STRATEGIC PLAN GOAL / OBJECTIVE

- Organizational Sustainability

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

- SORTA spends approximately 7% of its annual budget on diesel fuel.
- In May 2006 by Resolution 2006-21, the SORTA Board approved an Energy Forward Pricing Strategy (EFPS) which authorized staff to hedge SORTA's fuel supply for up to 18 months in an effort to reduce uncertainty regarding the cost and price risk associated with purchasing diesel fuel to operate the system.
- In November 2008 by Resolution 2008-62, the SORTA Board amended the EFPS to authorize hedging up to 90% for 24 months and up to 50% for 25-36 months.
- SORTA's Energy Forward Pricing Strategy ("EFPS") was developed to:
 - Increase probability to remain within approved energy cost budget
 - Reduce the volatility of energy costs
 - Achieve a lower overall long-term fuel cost
 - Achieve time diversification/dollar cost averaging
 - Apply a dynamic strategy that balances risk and opportunity
 -
- Attached is SORTA's Diesel Fuel Hedging Report as of October 31st, 2020.

SUBMITTED BY:



Michelle Jeng
CFO/Sr. Vice-President, Finance

Southwest Ohio Regional Transit Authority
 Diesel Fuel Hedging Report
 As of September 30, 2020

	Year to Date	
	<u>Total</u>	<u>Per Gallon</u>
Fuel Purchased	\$2,189,250	\$1.38
Hedging Gains / (Losses)	(1,276,420)	(\$0.80)
Net Fuel Cost	<u>3,465,670</u>	\$2.19
Budget	3,956,098	\$1.99
Variance Favorable / (Unfavorable)	<u>\$490,428</u>	12.4%

<u>Future Hedges:</u>	<u>Gallons Hedged</u>		<u>Average Cost per Gallon</u>	<u>Unrealized Gain/(Loss)</u>
	<u>Total</u>	<u>Percent</u>		
2020	462,000	82%	\$1.78	(\$286,776)
2021	2,772,000	104%	\$1.71	(\$1,280,152)
2022	1,554,000	59%	\$1.51	(\$255,549)
2023	420,000	31%	\$1.34	\$30,761
				<u>(\$1,791,716)</u>

<u>Hedging Policy</u>	<u>Policy</u>	<u>Hedged</u>	<u>Prior Qtr Hedged</u>
0 - 24 Months	90%	89%	97%
25 - 36 Months	50%	29%	32%

Historical Performance

	<u>Fuel Purchased</u>	<u>Realized Gain / (Loss)</u>	<u>Net</u>	<u>Budget</u>	<u>Variance</u>
2011	9,055,222	\$2,597,327	6,457,895	6,180,421	(277,474)
2012	9,372,628	\$1,319,310	8,053,318	8,209,351	156,033
2013	9,132,996	\$372,338	8,760,658	9,210,597	449,939
2014	8,830,791	(\$117,562)	8,948,353	9,345,585	397,232
2015	5,074,405	(\$3,021,063)	8,095,468	8,958,919	863,451
2016	4,065,532	(\$2,721,152)	6,786,684	7,162,468	375,784
2017	4,915,044	(\$1,114,172)	6,029,216	6,213,987	184,771
2018	6,325,084	\$845,763	5,479,321	5,229,423	(249,898)
2019	5,534,869	150,141	5,384,728	5,355,630	(29,098)
YTD 2020	2,189,250	(\$1,276,420)	3,465,670	3,956,098	490,428
Aggregate:	<u>\$64,495,821</u>	<u>(\$2,965,491)</u>	<u>\$67,461,312</u>	<u>\$69,822,479</u>	<u>\$2,361,167</u>

November 2020

BRIEFING ACTION – QUARTERLY INTERNAL AUDIT SUMMARY UPDATE

STRATEGIC PLAN GOAL / OBJECTIVE

- Operational Excellence

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

- Internal audits are conducted by Clark Schaefer on SORTA's behalf
- All findings are followed up on to assure compliance with the recommendations
- A quarterly report updating the Finance Committee is attached

SUBMITTED BY:



Michelle Jeng
CFO

AUDIT REPORT FINDINGS

This summary is provided as an overview of both internal and external audit work performed covering the period of 2017-2020 to date that have items not completed. The intent of this report is to provide Management and Board members with an executive level review of the key findings, audit recommendations, as well as a summary of Management’s response to the findings.

The status of these findings is color coded to the following scale:

Management has communicated that the finding has been remediated.
Management provided an expected date for remediation of the finding and that date has not yet arrived or has been legitimately extended due to needs of the business.
Management provided an expected date for remediation of the finding and that date has passed without remediation occurring or no remediation plan currently exists.

No.	Date	Audit Team	Audit	Finding	Observation	Recommendation	Management Response	Owner	Status
1	Dec. 2017	Clark Schaefer	Human Resources	Lack of succession planning for key roles	SORTA does not have formally documented succession planning for key roles.	Establish a formal written succession plan for key roles.	HR will design and implement an annual Talent Management/ Succession Planning process for key roles by December 2018.	<i>Adriene Hairston</i>	<i>Nov. 2020 UPDATE The Talent Management and Succession Planning process is in the design phase and will be implemented in Q1 2021. This has been pushed back by a quarter due to COVID</i>
2	Dec. 2017	Clark Schaefer	Human Resources	Bargaining unit employees do not receive key company policies	SORTA does not currently provide the administrative employee handbook to bargaining unit employees.	Provide all bargaining unit employees the administrative employee handbook and require a signed acknowledgement.	HR will create an employee handbook for bargaining unit employees by December 2018.	<i>Adriene Hairston</i>	<i>Nov. 2020 UPDATE Handbooks for Administrative employees are completed and under review. Bargaining unit handbook to be completed by 12/31/2020. These will be printed and distributed as soon as the final review is complet; est. to be Q1 2021. This has been pushed back by a</i>

AUDIT REPORT FINDINGS

									<i>quarter due to COVID</i>
3	Nov. 2018	Clark Schaefer	Storeroom	Physical Storeroom Access	Badge access to the storeroom is not limited to employees with a business purpose. At Bond Hill it was noted a lock on an interior door leading to the storeroom did not remain secured if pressure as applied to the handle.	Ensure storeroom assets are safeguarded through appropriate badge access and operating locks. Individuals without a business purpose should not be granted badge access to the storeroom. The badge access process should be reviewed.	SORTA has engaged multiple function groups to determine appropriate policies and procedures that address facility access to high risk areas. In addition, the Inventory Manager will perform a quarterly review of reports to ensure appropriate access is in place. A request form will be developed and provided to all managers to be completed during the onboarding process of new employees. All to be completed by 3/31/19.	<i>Mary Moning</i>	<i>Nov. 2020 UPDATE Procedures and forms are being finalized and are expected to be complete by the end of Q4 2020.</i>
4	April 2019	Clark Schaefer	Vendor Management	Documenting Monitoring Activities	There is no formalized documentation of monitoring activities performed by SORTA to ensure contract terms and responsibilities are being met by the vendor.	Inspections performed for monitoring activities should be tracked and documented to provide an audit trail for future use.	SORTA will develop a process to document all required contract deliverables to include changes to work scopes, quantity or quality of goods, or timeline within which deliverables are required. Development and implementation of this process by 7/31/19.	<i>Mary Moning</i>	<i>Nov. 2020 UPDATE Procedures are being developed and will be reviewed as part of SORTA's process improvement project in Q1 2021.</i>
5	April 2019	Clark Schaefer	Vendor Management	Remediation Process for Non-Compliant Vendors	There is not a consistent process for addressing vendors not in compliance with the original contract terms. These issues are handled at the Project Manager level and then escalated to the procurement	Introduce procedures and policies surrounding the issues process. This would allow Project Managers to have direction in handling the various types of issues arising from a lack of compliance from	SORTA will develop a policy that requires project managers to escalate issues of noncompliance to the Procurement Department for formal procurement mitigation. These procedures will include formal notification to the vendor, instructions for actions required, and	<i>Mary Moning</i>	<i>Nov. 2020 UPDATE Procedures are being developed and will be reviewed as part of SORTA's process improvement project in Q1 2021.</i>

AUDIT REPORT FINDINGS

					department if warranted.	vendors.	consequences for failure to cure. This will be complete by 7/31/19.		
6	June 2019	Clark Schaefer	Attendance and Leave Policies	Vault Puller Attendance Policies	Vault pullers do not have an existing attendance policy.	Ensure all employees are subject to written attendance requirements. HR and Operations should jointly create policies for any group of employees not currently subject to them.	HR will partner with Operations to develop a Vault Puller Attendance Policy by 8/31/19.	<i>Adriene Hairston</i>	<i>Nov. 2020 UPDATE HR and Ops will work to create a Vault Puller Attendance Policy for implementation. This is part of Labor Negotiations and may be delayed until negotiations are complete.</i>
7	March 2020	Clark Schaefer	IT Infrastructure & Vulnerability Assessment	Network Vulnerabilities	Multiple vulnerabilities were identified, each of which was assigned a severity level categorized by the security risk associated with its potential exploitation.	Systems and programs should be periodically reviewed to help ensure the proper configuration and patch levels to safeguard SORTA's systems. A plan should be implemented to evaluate and remediate the identified vulnerabilities in severity order. It is recommended that SORTA implements its own internal vulnerability scanning in addition to periodic third-party assessments.	We have secured our external access to limit potential vulnerabilities as seen in the CS findings. We are currently working through the scoping and procurement of an ITSM (IT Service Management) tool to provide SORTA with the ability to perform its own Vulnerability scanning, and to address many of the other observations. We will procure this tool in 2020, with implementation scheduled into 2021.	<i>Pat Giblin</i>	<i>Nov. 2020 UPDATE IT Service Management tool has been procured and we are on track. Tool to be setup in 2020 with scanning to begin in 2021. Complete</i>
8	March 2020	Clark Schaefer	IT Infrastructure & Vulnerability Assessment	High Risk Network Protocols	While some vulnerable services have continuing utility, legacy services such as Telnet on TCP port 23 were	Management should investigate discontinuing the use of risky network protocols inside of the SORTA environment. These	We are working to upgrade or replace these applications to more secure protocols for more secure information transfer and mitigate the vulnerabilities as	<i>Pat Giblin</i>	<i>Nov. 2020 UPDATE On Track, these protocols are removed through application upgrades. These are expected to be completed at end</i>

AUDIT REPORT FINDINGS

					fundamentally unsafe from their inception.	protocols should be replaced with more secure technologies such as SSH, SFTP, VPN, or TLS.	identified. Current 2020 IT projects include the conversion to SFTP from FTP.		<i>of 2020.</i>
9	March 2020	Clark Schaefer	IT Infrastructure & Vulnerability Assessment	SSL Sessions & Strength	During vulnerability scans, multiple hosts were found using weak encryption algorithms, low prime numbers, or weak cipher suites.	Management should adopt a standard for their encryption. After an encryption standard is adopted, management should ensure that it is implemented on all systems across the company.	We are working to upgrade or replace these applications, upgrade to more secure protocols for more secure information transfer and mitigate the vulnerabilities as identified.	<i>Pat Giblin</i>	<i>Nov. 2020 UPDATE On Track, these encryption methods are removed through multiple project and application upgrades.</i>
10	March 2020	Clark Schaefer	IT Infrastructure & Vulnerability Assessment	End-Of-Life Systems	A single instance of the Windows Server 2003 operating system was identified during our assessment. Vendor support for this operating system, ended in 2014. Additionally, a number of hosts were found to be running Windows Server 2008 R2 or Windows 7. Windows Server 2008 R2 and Windows 7 will reach end-of-line on January 14, 2020 after which security updates will no longer be offered.	A plan should be developed to have all remaining Windows Server 2003, Windows Server 2008 R2, and Windows 7 systems upgraded to newer, supported, operating systems.	The risks of end of life systems, including the legacy Windows Servers and Windows 7 PC's are addressed in multiple projects currently scheduled, or already in progress for 2020.	<i>Pat Giblin</i>	<i>Nov. 2020 UPDATE Servers and Windows 7 upgrades will be completed in 1st Qtr. 2021. We currently have over 50% of our systems upgraded to Windows 10.</i>

AUDIT REPORT FINDINGS

11	March 2020	Clark Schaefer	IT Infrastructure & Vulnerability Assessment	Default or Guessable SNMP Community Names	During external vulnerability scans, hosts were found to have an SNMP community string that is set to "public".	If SNMP is not needed management should investigate the possibility of disabling it for externally facing devices. If this is not possible the community string should be set to something other than "public" as this community sting is easily guessed.	The ITSM management tool we are procuring provides systems monitoring and log management functionality. We will procure the tool in 2020, with implementation into 2021. This implementation will result in the upgrading and reconfiguration to a secure model of the SNMP environment.	<i>Pat Giblin</i>	<i>Nov. 2020 UPDATE On Track, we will complete in 2021.</i>
12	March 2020	Clark Schaefer	IT Infrastructure & Vulnerability Assessment	Documentation	Documentation that was provided as part of the Network Infrastructure Audit was limited, due to not having been developed. The absence of well-documented controls leads to gaps in the security risk control processes. This creates a security environment that is difficult to monitor or measure and can lead to non-compliance or data breaches.	SORTA management should investigate implementing policies, procedures, or guidelines that address at minimum the following concerning network infrastructure. SORTA management should also ensure that network diagrams are comprehensive in nature and not limited to a few network segments.	Documentation is an ongoing challenge based on the historically poorly staffed IT department. As systems are upgraded better documentation will be developed and maintained.	<i>Pat Giblin</i>	<i>Nov. 2020 UPDATE On Track / complete. The tool has been acquired and we will be continuously using it for building and updating our documentation..</i>
13	March 2020	Clark Schaefer	IT Infrastructure & Vulnerability Assessment	Logging and Network Management Tools	SORTA does not currently have a system in place to effectively manage their network environment or	SORTA should investigate implementing a security information and event management tool to assist with the aggregation of security	The ITSM management tool we are procuring provides systems monitoring and log management functionality. We are procuring the tool in	<i>Pat Giblin</i>	<i>Nov. 2020 UPDATE On Track, system was procured with the ITSM tool, and deployment work will begin later in 2020 for completion in</i>

AUDIT REPORT FINDINGS

					conduct log aggregation.	logs and monitor network security. In addition, SORTA should also investigate tools that will facilitate making changes to a large number of devices easier for SORTA employees to manage.	2020, with implementation into 2021.		2021.
14	March 2020	Clark Schaefer	IT Infrastructure & Vulnerability Assessment	Ticket System	During the network infrastructure audit, it was discovered that a ticketing system does not exist to track network related issues.	SORTA should investigate implementing a ticketing system for information technology related issues	The ITIL based ITSM management tool we are procuring will provide Ticketing functionality. We will procure the tool in 2020, with implementation scheduled into 2021.	Pat Giblin	Nov. 2020 UPDATE On Track, system was procured with the ITSM tool, and deployment work will begin later in 2020 for completion in 2021.
15	Sept. 2020	Clark Schaefer	Maintenance Audit	Estimated Labor Costs	Estimated labor hours are not included in work orders due to the difficulty in managing labor cost for jobs that go over or under that estimation.	SORTA should resume the inclusion of estimated labor hours for work orders once Union discrepancies have been resolved	In the public transit, use of estimated labor hours for individual work orders is not common practice. SORTA will reach out to other transit systems to discern any best practices they have developed and implemented. This would lead us to being able to better estimate and budget for labor hours.	Jeff Mundstock	Nov. 2020 UPDATE: Due to Covid-19, our quarterly OPTA Maintenance meeting for Q3 was canceled. Q4 2020 we will contact other transit authorities in the OPTA Maintenance Group via email and telephone in an effort to gather information on their best practices.

AUDIT REPORT FINDINGS

16 	Sept. 2020	Clark Schaefer	Maintenance Audit	Policy & Procedure Review	Management does not have an established periodic review cadence of their policies and procedures. Review and updates are performed on an as-needed basis. Policies and procedures should be reviewed on a regular basis.	SORTA should perform a review of policies and procedures as frequently as Management deems necessary to maintain the most up-to-date versions.	While we do have policies and procedures in place, a regular review of these policies and procedures is not conducted on a regular basis. We will make this a priority moving forward as a team, and also establish a better SOP program for accomplishing day-to-day tasks.	Jeff Mundstock	Nov. 2020 UPDATE: We will implement a monthly review team beginning in Q1 of 2021 to start a regular review/update process of all SOP's and policies.
17	Sept. 2020	Clark Schaefer	Maintenance Audit	Foreman & Mechanic Training	Training records for foreman and mechanics are currently not recorded in a way that allows a view of each individual's history and completion date.	Consolidate a detailed training history that lists the classes attended and completion date for each individual, including a note whether that individual's requirements are met to-date or not.	We have investigated an automated system to streamline the tracking process to assist with this process. We will make this a priority moving forward, even if the program is as simple as a spreadsheet or Access Database until a more robust system is in place.	Jeff Mundstock	Nov. 2020 UPDATE: As part of our contract negotiations, we are investigating new training programs and tracking systems to implement for training records. This will be an ongoing process that will evolve throughout 2021.

November 2020

BRIEFING ITEM – MONTHLY FINANCIAL REPORTS – AS OF OCTOBER 31ST, 2020

STRATEGIC PLAN GOAL / OBJECTIVE

- Operational Excellence

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

- As part of the monthly closing of the general ledger, the Accounting Department prepares various financial reports.
- One of the key reports is the Statement of Revenues and Expenses, also known as an Income Statement.
- This report gives summary information about how actual SORTA revenues and expenses in the newly closed month (as well as calendar year-to-date) compare with budgeted and prior year values.
- A separate Executive Summary is also prepared to give narrative descriptions behind key favorable and unfavorable actual results compared with budget values.
- Attached are Monthly Financial Reports for SORTA and the Connector as of October 31st.2020.

SUBMITTED BY:



Michelle Jeng
CFO/Sr. Vice-President, Finance



SOUTHWEST OHIO REGIONAL TRANSIT AUTHORITY
Monthly Financial Report
Executive Summary
October 2020

SORTA's financial report for the ten months ending October 31, 2020 is attached.

- Total Revenue of \$3.1 million was unfavorable to budget by \$(5,081,000) or (61.9%).
- Total Expense of \$8.4 million was favorable to budget by \$234,000 or 2.7%;
- Operating deficit for the month before using CARES funds to balance was \$(5,268,000).
- Funds from the CARES Act of \$5,268,000 were used to balance the operating results in October and \$13,113,000 year to date.
- Total operating results before balancing with available funds were unfavorable \$(4,847,000) for the month and unfavorable \$(8,903,000) year to date.
- Estimated \$7,139,000 from the Sales Tax Revenue were recorded as Capital Revenue in order to build the capital reserves needed to cover the capital deficit. The estimated sales tax revenue was provided by the UC Economics Center.

Below is a summary of the most significant factors driving the results for October:

- **Fare Revenue**: Unfavorable to budget by \$(621,000) or (40.9%). Metro fare revenue was unfavorable to budget by \$(570,000) as a result of a 43.0% fixed route regular ridership decline directly related to COVID-19. The fare box recovery ratio of 12.4%, unfavorable to budget by (7.7%), was due to unfavorable Metro fare revenue slightly offset by favorable operating expense.
- **CPS Contract Revenue**: Unfavorable to budget by \$(333,000) or (35.6%) due to the delay of in classroom learning by CPS and virtual learning on Mondays.
- **Non-Transportation Revenue**: Unfavorable to budget by \$(105,000) or (59.0%) primarily due to investment income of \$(54,000) and advertising income of \$(41,000).
- **Transit Fund**: Unfavorable to budget by \$(3,887,000) or (94.7)% due to the transition of funding from City funding to the County sales tax.
- **Employee Wages & Benefits**: Favorable \$76,000 or 1.1% primarily due to lower operator wages as a result of reduced hours directly tied to the delay of in classroom learning by CPS.
- **Capital Reserves**: 100% of the estimated County sales tax revenue was recorded as capital revenue in order to reduce the capital deficit by setting up a capital reserve for bus and infrastructure expenditures.

**Southwest Ohio Regional Transit Authority
2020 Profit & Loss Statement**

10 Months Ended October 31, 2021 (\$ In Thousands)	Month				Year to Date				
	Actual	Budget	Fav(Unfav)		Actual	Budget	Fav(Unfav)		Prior Year
Ridership									
Fixed Route	551,789	968,148	(416,359)	(43.0%)	5,777,469	9,019,585	(3,242,116)	(35.9%)	9,556,114
CPS	22,420	269,832	(247,412)	(91.7%)	546,460	1,663,180	(1,116,720)	(67.1%)	1,602,310
Access	8,518	20,585	(12,067)	(58.6%)	87,601	194,917	(107,316)	(55.1%)	191,959
Total Ridership	582,727	1,258,565	(675,838)	(53.7%)	6,411,530	10,877,682	(4,466,152)	(41.1%)	11,350,383
Recovery Ratio	12.4%	20.2%		(7.7%)	12.9%	19.0%		(6.1%)	20.4%
Revenue									
Metro Fares	\$ 862	\$ 1,432	\$ (570)	(39.8%)	\$ 8,573	\$ 13,217	\$ (4,644)	(35.1%)	\$ 14,603
Access Fares	35	86	(51)	(59.3%)	353	812	(459)	(56.5%)	794
Total Fares	897	1,518	(621)	(40.9%)	8,926	14,029	(5,103)	(36.4%)	15,397
CPS Contract	602	935	(333)	(35.6%)	2,870	5,750	(2,880)	(50.1%)	6,270
Other Contract Revenue	107	171	(64)	(37.4%)	1,476	1,686	(210)	(12.5%)	1,789
Non Transportation	73	178	(105)	(59.0%)	905	1,802	(897)	(49.8%)	2,288
Transit Fund	218	4,105	(3,887)	(94.7%)	43,235	44,823	(1,588)	(3.5%)	47,483
Federal Subsidies	997	1,049	(52)	(5.0%)	10,335	10,491	(156)	(1.5%)	9,938
State Subsidies	234	253	(19)	(7.5%)	2,237	2,467	(230)	(9.3%)	1,383
Total Revenue	3,128	8,209	(5,081)	(61.9%)	69,984	81,048	(11,064)	(13.7%)	84,548
Expenses									
Employee Wages & Benefits	6,679	6,755	76	1.1%	65,783	66,486	703	1.1%	60,854
Fuel & Lubricants	437	492	55	11.2%	4,070	4,655	585	12.6%	4,642
Parts & Supplies	555	519	(36)	(6.9%)	4,807	5,219	412	7.9%	5,177
Casualty & Liability	59	128	69	53.9%	706	1,276	570	44.7%	3,907
Other	666	736	70	9.5%	7,731	7,622	(109)	(1.4%)	12,517
Total Expenses	8,396	8,630	234	2.7%	83,097	85,258	2,161	2.5%	87,097
Deficit Before Available Funds	\$ (5,268)	\$ (421)	\$ (4,847)	(1151.3%)	\$ (13,113)	\$ (4,210)	\$ (8,903)	(211.5%)	\$ (2,549)
Use of Designated Reserves	-	152	152	100.0%	-	1,517	1,517	100.0%	2,335
Use of Prior Year(s) Surplus	-	269	269	100.0%	-	2,693	2,693	100.0%	945
CARES Act	5,268	-	(5,268)	n/a	13,113	-	(13,113)	n/a	-
After Application of Funds	\$ -	\$ -			\$ -	\$ -			\$ 731
Capital									
County Sales Tax Revenue	\$ 7,139				\$ 7,139				
Capital Reserve	(7,139)				(7,139)				
Remainder Used for Operating	\$ -				\$ -				



Financial Results

Ten Months October 31, 2020



- Capital revenue of \$7.1 million in estimated County Sales Tax Revenue used to build the capital reserves needed to reduce the capital deficit
- CPS service began the second week of October
- The City of Cincinnati passed an ordinance for free fare day for November 3rd, election day

- As COVID cases continue to rise, it creates uncertainty for CPS “in classroom” learning and their school service route needs
- Investment income is expected to remain unfavorable due to lower than anticipated interest rates
- Advertising revenue will continue to be unfavorable to budget until the bench and shelter advertising recover from COVID downturn



10 Months Ended October 31, 2021
(\$ In Thousands)

Ridership

	Month			
	Actual	Budget	Fav(Unfav)	
Fixed Route	551,789	968,148	(416,359)	(43.0%)
CPS	22,420	269,832	(247,412)	(91.7%)
Access	8,518	20,585	(12,067)	(58.6%)
Total Ridership	582,727	1,258,565	(675,838)	(53.7%)

Recovery Ratio

12.4%	20.2%	(7.7%)
--------------	--------------	---------------

Revenue

Metro Fares	\$ 862	\$ 1,432	\$ (570)	(39.8%)
Access Fares	35	86	(51)	(59.3%)
Total Fares	897	1,518	(621)	(40.9%)
CPS Contract	602	935	(333)	(35.6%)
Other Contract Revenue	107	171	(64)	(37.4%)
Non Transportation	73	178	(105)	(59.0%)
Transit Fund	218	4,105	(3,887)	(94.7%)
Federal Subsidies	997	1,049	(52)	(5.0%)
State Subsidies	234	253	(19)	(7.5%)
Total Revenue	3,128	8,209	(5,081)	(61.9%)

Expenses

Employee Wages & Benefits	6,679	6,755	76	1.1%
Fuel & Lubricants	437	492	55	11.2%
Parts & Supplies	555	519	(36)	(6.9%)
Casualty & Liability	59	128	69	53.9%
Other	666	736	70	9.5%
Total Expenses	8,396	8,630	234	2.7%

Deficit Before Available Funds \$ (5,268) \$ (421) \$ (4,847) (1151.3%)

Use of Designated Reserves - 152 152 100.0%

Use of Prior Year(s) Surplus - 269 269 100.0%

CARES Act 5,268 - (5,268) n/a

After Application of Funds \$ - \$ -

Capital

County Sales Tax Revenue	\$ 7,139
Capital Reserve	(7,139)
Remainder Used for Operating	\$ -

Year to Date

	Year to Date			Prior Year
	Actual	Budget	Fav(Unfav)	
	5,777,469	9,019,585	(3,242,116)	9,556,114
	546,460	1,663,180	(1,116,720)	1,602,310
	87,601	194,917	(107,316)	191,959
Total	6,411,530	10,877,682	(4,466,152)	11,350,383

12.9%	19.0%	(6.1%)	20.4%
--------------	--------------	---------------	--------------

\$ 8,573	\$ 13,217	\$ (4,644)	(35.1%)	\$ 14,603
353	812	(459)	(56.5%)	794
8,926	14,029	(5,103)	(36.4%)	15,397
2,870	5,750	(2,880)	(50.1%)	6,270
1,476	1,686	(210)	(12.5%)	1,789
905	1,802	(897)	(49.8%)	2,288
43,235	44,823	(1,588)	(3.5%)	47,483
10,335	10,491	(156)	(1.5%)	9,938
2,237	2,467	(230)	(9.3%)	1,383
69,984	81,048	(11,064)	(13.7%)	84,548

65,783	66,486	703	1.1%	60,854
4,070	4,655	585	12.6%	4,642
4,807	5,219	412	7.9%	5,177
706	1,276	570	44.7%	3,907
7,731	7,622	(109)	(1.4%)	12,517
83,097	85,258	2,161	2.5%	87,097

Deficit Before Available Funds \$ (13,113) \$ (4,210) \$ (8,903) (211.5%) \$ (2,549)

- 1,517 1,517 100.0% 2,335

- 2,693 2,693 100.0% 945

13,113 - (13,113) n/a -

\$ - \$ - \$ 731

\$ 7,139
(7,139)
\$ -

October 2020

Statement
Of
Operations



Thank You



November 2020

ACTION ITEM – INVESTMENT OF FUNDS REPORT – AS OF OCTOBER 31ST, 2020

STRATEGIC PLAN GOAL / OBJECTIVE

- Operational Excellence

RECOMMENDATION

This item requires Finance Committee approval.

BUSINESS PURPOSE

- Ohio Revised Code Section 135.14 states, "Whenever, during a period of designation, the treasurer classifies public moneys as interim moneys, he shall notify the governing board of such action. Such notification shall be given within thirty days after such classification . . ."
- This report is prepared by the Treasury department at the end of each month.
- The report provides a summary of overnight and long-term investment balances, as well as interest rates, purchase dates and maturity dates.
- In addition, it provides a weighted interest rate yield by investment type.
- Attached is SORTA's Investment of Funds Report as of October 31st, 2020.

SUBMITTED BY:



Michelle Jeng
CFO/Sr. Vice President, Finance



Investment of Funds Report
Oct-20

	Principal Amount	Maturity Date	Purchase Date	10/31/2020 Yield	Sec Days	Days to Maturity
<u>Overnight Investments</u>						
STAR Ohio	\$ 39,935,477			0.14%		
Fifth Third Bank Concentration Account	\$ 239,674			0.00%		
Subtotal Overnight Investments / Average Rate	<u>\$ 40,175,151</u>			0.14%		
<u>Securities & CD's</u>						
Fifth Third Bank Custody Account:						
Commercial Paper	\$ 998,550	03/01/21	09/02/20	0.29%	180	121
Commercial Paper	\$ 997,767	05/28/21	09/02/20	0.30%	268	209
Commercial Paper	\$ 998,448	07/09/21	10/16/20	0.21%	266	251
Commercial Paper	\$ 998,443	07/13/21	10/19/20	0.21%	267	255
Subtotal Securities & CD's / Weighted Yield / Maturity	<u>\$ 3,993,208</u>			0.25%	245	209
Total All Securities (10/31/2020) / Weighted Yield / Maturity	<u>\$ 44,168,359</u>			0.15%		20
Total All Securities (09/30/2020) / Weighted Yield / Maturity	<u>\$ 53,201,657</u>			0.21%		8
Funds provided by (required for) Operations during October	\$ (8,955,048)			Monthly Investment Income \$ 6,485		
Funds provided by (required for) Capital during October	\$ (78,250)			Year to Date Investment Income \$ 165,086		
Change in Cash during OCTOBER 2020	<u>\$ (9,033,298)</u>					
Total All Securities (10/31/2019)	<u>\$ 26,367,784</u>					

Reviewed and Approved by:

Michelle Jeng

 Michelle Jeng
 CFO



Attachments: Action Item

BOARD OF TRUSTEES
SOUTHWEST OHIO REGIONAL TRANSIT AUTHORITY
MOTION

APPROVAL OF LEGAL SERVICE EXPENDITURES DINSMORE & SHOHL LLP

I move that the CEO/General Manager/Secretary-Treasurer or the Interim CFO be authorized to approve a purchase order for legal services with Dinsmore & Shohl LLP for the time period of January 1, 2021 through December 31, 2021 at the rates set forth in the engagement letter at a cost not to exceed \$100,000.

November 2020

ACTION ITEM - APPROVAL OF LEGAL SERVICE EXPENDITURES DINSMORE & SHOHL LLC

STRATEGIC PLAN GOAL / OBJECTIVE

- Operational Excellence

RECOMMENDATION

Approval of expenditures for legal services for the period of January 1, 2021 through December 31, 2021 with Dinsmore & Shohl LLP.

FINANCIAL CONSIDERATIONS

- Funding for these services is provided in the 2021 operating budget at \$100,000.
- This agreement will began January 1, 2021 and continue through December 31, 2021.
- The expenditure will be funded with local operating money.

BUSINESS PURPOSE

- Legal services have been provided by Dinsmore & Shohl since 1983 including labor and employment advice and employment litigation defense services and other matters.
- The current engagement letter is attached covering the calendar year 2021, at an estimated annual cost of \$100,000, requiring SORTA Board approval.

PROCUREMENT CONSIDERATIONS

- Legal services are exempt from the competitive bidding requirements of the Ohio Revised Code.

BDE/M/WBE CONSIDERATIONS

- None

LEGAL CONSIDERATIONS

- None

APPROVAL OF LEGAL SERVICE EXPENDITURES



Donna Adkins
Chief Administrative Officer



Legal Counsel.

DINSMORE & SHOHL LLP
255 E. Fifth St., Suite 1900
Cincinnati, OH 45202
www.dinsmore.com

Allison L. Goico
(513) 977-8613 (direct) · (513) 977-8141 (fax)
allison.goico@dinsmore.com

Admitted in Ohio and Illinois

October 27, 2020

Via e-mail: jravasio@go-metro.com

Mr. John Ravasio
Chief Operations Officer
Southwest Ohio Regional Transit Authority/Metro
602 Main Street, Suite 1100
Cincinnati, Ohio 45202

Dear John:

Thank you for selecting Dinsmore & Shoehl LLP (the "Firm") to represent the Southwest Ohio Regional Transit Authority a/k/a Metro. This letter will confirm our discussion regarding your engagement of the Firm and will describe the basis upon which we will provide legal services to you. Attached to this letter are the Dinsmore & Shoehl LLP Statement of Engagement Terms (the "Terms and Conditions") that are a part of this letter. By signing below, you agree to those terms and conditions.

You have engaged us to provide labor and employment advice, arbitration representation, and employment litigation defense.

Our legal services will be billed to you at a blended attorney hourly rate of \$320.00 for the period January 1, 2021 through December 31, 2021. It is anticipated that Allison Goico will supervise this engagement with various attorneys performing the legal services. Any estimate we furnish of the amount of fees and costs likely to be incurred in this matter will be based on our professional judgment, taking into account a variety of factors that affect the cost, such as the scope and complexity of the matter. Those factors can change over the course of the matter resulting in the estimate not representing the amount actually charged. Any estimate is not a maximum or fixed fee quotation. The payment of our fee is not contingent on outcome or success.

To enable us to represent you effectively, you agree to cooperate fully with us in all matters relating to your case, and to fully and accurately disclose to us all facts and documents that may be relevant to the matter or that we may otherwise request. You also will make yourself reasonably available to attend meetings, discovery proceedings and conferences, hearings and other proceedings.

Mr. John Ravasio
Page 2

Please review this letter and the Terms and Conditions carefully. If it meets with your approval, please sign it and return it with the required retainer, if any, so that we may begin work. If you do not agree with one or more of the provisions of this letter or the Terms and Conditions, please contact me so that we can try to address your concerns.

Again, let me thank you for retaining us in connection with this matter. I look forward to working with you.

Sincerely,



Allison L. Goico

ALG/slc

AGREED AND ACCEPTED:

Southwest Ohio Regional Transit Authority

Date

1. Engagement of Our Services

The law firm of Dinsmore & Shohl LLP (the “Firm”) has undertaken to represent you and to act on your behalf. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment and are not guarantees. Also, our opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed.

2. The Scope of Our Representation

Our clients in this matter are the persons or entities identified (“client” or “clients”) in our engagement letter (“engagement letter”) to which this Statement of Engagement Terms is attached. Unless specifically identified in the engagement letter, our representation of the client does not include representation of (i) parent companies or other owners of the client, (ii) subsidiaries or other affiliates of the client, (iii) partners of the client, (iv) family members of the client, or (v) beneficial owners of the client. The clients are hiring the Firm to represent them in connection with issues or claims arising out of the matters identified in the engagement letter, and only those matters unless specifically agreed in a writing signed by the Firm. We will provide services of a strictly legal nature related to the matters described in the engagement letter. You will provide us with the factual information and materials we require to perform such services, and you will make such business or technical decisions and determinations as are appropriate. You will not rely on us for business, investment or accounting decisions, unless otherwise specified in the engagement letter.

3. Relationships With Other Clients

In representing you, it is important that you receive advice from lawyers who are free from conflicts of interest. We represent a diverse group of clients on a variety of legal matters. Accordingly, it is possible that we represent current clients or may be asked in the future to represent new clients in the same general field of interest or business. We have conducted an internal review and have not identified any conflict of interest implicated by our common representation of you and any other existing client of the Firm. We have specifically considered any persons and business you have identified as being adverse in this matter, if any, and found no conflict. However, conflicts of interest are at times difficult to identify and can sometimes arise as a result of client activities or other developments of which we may be unaware. We will make reasonable efforts to identify and resolve those conflict situations and to establish appropriate mechanisms to safeguard your interests. In an appropriate situation, we may provide you with full information regarding a potential conflict of interest and ask you to waive the potential conflict.

4. Who Will Provide the Legal Services

The principal attorney contacts for this matter are identified in the engagement letter. Subject to the decision of these principal attorneys, your work or parts of it may be performed from time to time by other lawyers and legal assistants in the Firm. Such delegation may be for the purpose of involving lawyers or legal assistants with special expertise in a given area or for the purpose of providing services on the most efficient and timely basis..

5. Responsibilities of the Parties

The Firm will provide those legal services reasonably required to represent the clients and will take reasonable steps to keep clients informed of progress and developments, and to respond promptly to inquiries and communications. The clients agree to cooperate with the Firm, to keep the Firm informed of any information and developments which may come to clients' attention, and to abide by these terms. The clients agree to appear at all legal proceedings when the Firm deems it necessary, and generally to cooperate fully with the Firm in all matters related to the preparation and presentation of the clients' claims. If the clients believe that any portion of the fees payable to the Firm may be covered by a policy of insurance, it is the responsibility of clients to bring such policy to the attention of the Firm for review.

6. Legal Fees

Time spent on a project is recorded on a daily basis. Such time may include research, investigation, telephone calls, travel, conferences, court appearances, preparation, drafting, correspondence and organizing evidence and materials.

7. Costs and Litigation Expenses

Charges, in addition to time charges, will be made for certain items. Examples include charges for travel, postage related to mass mailings or related to certified or registered mail, overnight delivery, deposition or transcript fees, witness fees, filing fees, court costs, messenger service, and secretarial overtime. To aid in the preparation and presentation of the clients' case, it may be necessary to hire expert witnesses, consultants and/or investigators. The Firm will select any expert witnesses, consultants or investigators to be hired, after consultation with clients. The Firm requires that you pay all third-party vendors for goods and services directly for any charges in excess of \$1,500.

8. Payment Terms

Statements for fees and disbursements will be sent monthly. Payment is due upon receipt. If any balance remains unpaid for more than thirty (30) days, and no arrangements have been made in writing to pay the balance, we reserve the right to postpone or defer providing additional services or to discontinue our representation if your matter and/or case has not reached its conclusion. We may have performed certain legal services and incurred charges before you sign the engagement letter. If so, we will bill for these services and charges in our first statement. We reserve the right to charge a service fee of one percent (1%) per month with respect to any fees and expenses not paid within thirty (30) days.

9. Confidentiality and Related Matters

As a matter of professional responsibility, we are required to preserve the confidences and secrets of our clients. This professional obligation and the legal privilege for attorney-client communications exist to encourage candid and complete communication between a client and his or her lawyer. We can perform at our best only if we are aware of all information that may be relevant to our representation of you. Consequently, we trust that our attorney-client relationship with you will be based on mutual confidence and unrestrained communication. Additionally, you should be aware that, in instances in which we represent a corporation or other entity, our client relationship is with the entity and not with its individual executives, shareholders, members,

directors, managers, partners, trustees or persons or business organizations that have a relationship to you. Of course, we sometimes also represent individuals and persons related to an entity client in matters that we believe do not conflict with the interests of the entity, but any such representation will be the subject of a specific, separate engagement letter.

10. Use of E-mail to Transmit Documents

The Firm may use unencrypted e-mail to transmit client documents, believing that e-mail offers a reasonably secure, efficient means of transmitting information. Please advise us if you have highly sensitive information you do not want transmitted in such a manner.

11. Use of Your Name

Subject to any limitations you communicate to us in writing, you agree that we may describe, using solely public information, cases and other matters in which we have acted as your counsel, in informational material, including the Firm's web sites. We will not use your name in any such description without your advance consent.

12. Termination

Either clients or the Firm may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional conduct. In the event of termination of our engagement, we will, at your request, return whatever papers and property you have provided to us. Additionally, we will deliver to you all of the other material in our files relating to our representation of you, to which you are entitled under the applicable rules of professional conduct, provided that we reserve the right to make and retain a copy, at your expense, of all material delivered to you.

Circumstances and types of conduct which may require us to withdraw from representing a client or which will clearly be a basis for our withdrawal include, for example, breach of these terms, client's refusal to cooperate with the Firm or to follow the Firm's advice on a material matter, or any other fact or circumstance that would render the Firm's continuing representation unlawful or unethical. We try to identify in advance and discuss with our clients any situation which may lead to withdrawal, and if withdrawal ever becomes necessary, we will immediately give you written notice of our withdrawal. If permission for withdrawal is required by a court, we will promptly apply for such permission and you agree to engage a successor counsel to represent you.

Unless previously terminated, our representation of you will terminate upon our completion of any services that you have retained us to perform. Following such termination, any otherwise non-public information you have supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. If you later retain us to perform further or additional services, our attorney-client relationship will be revived subject to these terms of engagement, as they may be supplemented at that time. You agree that unless you engage us after completion of a matter to provide additional advice on issues arising with respect to that matter, the Firm has no continuing obligation to advise you in connection with future legal developments pertaining to the matter.

Notwithstanding the Firm's withdrawal or the clients' notice of discharge, and without regard to the reasons for the withdrawal or discharge, clients, jointly and severally, will remain obligated to pay

the Firm for all costs incurred prior to the termination and, in the event that there is any net recovery obtained by clients after conclusion of the Firms' services, clients remain obligated to pay the Firm for all services rendered prior to the date of withdrawal or discharge.

13. Retention of Files

For various reasons, including the minimization of unnecessary storage expense, the firm generally retains client files for six years after termination of the engagement. After six years, we may destroy or otherwise dispose of any such document or other material without additional notice to you.

BOARD OF TRUSTEES
SOUTHWEST OHIO REGIONAL TRANSIT AUTHORITY
MOTION

APPROVAL OF LEGAL SERVICE EXPENDITURES FOR VORYS, SATER, SEYMOUR &
PEASE LLC

I move that the CEO/General Manager/Secretary-Treasurer or the CFO be authorized to approve a purchase order for legal services with Vorys, Sater, Seymour and Pease, LLP for the time period of January 1, 2021 through December 31, 2021 at the rates set forth in the engagement letter at a cost not to exceed \$250,000.

November 2020

ACTION ITEM-APPROVAL OF LEGAL SERVICE EXPENDITURES FOR VORYS, SATER, & PEASE LLC

STRATEGIC PLAN GOAL / OBJECTIVE

- Operational Excellence

RECOMMENDATION

Approval of expenditures for legal services for the period of January 1, 2021 through December 31, 2021 with Vorys, Sater, Seymour and Pease LLP.

FINANCIAL CONSIDERATIONS

- Funding for these services is provided in the 2021 operating budget at \$250,000.
- This is a one year agreement beginning January 1, 2021 through December 31, 2021.
- The expenditure will be funded with local operating money.

BUSINESS PURPOSE

- Legal counsel services have been provided by Vorys, Sater, Seymour and Pease since 2008 including general legal services, litigation, contract, real estate, procurement, and other matters.

PROCUREMENT CONSIDERATIONS

- Legal services are exempt from the competitive bidding requirements of the Ohio Revised Code.

D/M/WBE CONSIDERATIONS

- None

LEGAL CONSIDERATIONS

- None

APPROVAL OF LEGAL SERVICE EXPENDITURES



Donna Adkins
Chief Administrative Officer



Attachments:
Action Item
Presentation

BOARD OF TRUSTEES
SOUTHWEST OHIO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 2020-XX

APPROVAL OF 2020-2021 GENERAL LIABILITY INSURANCE PROGRAM RENEWAL

WHEREAS:

1. SORTA currently has a program in place for liability insurance covering: general liability, automobile liability, public officials' liability, cyber liability and crime.
2. SORTA is self-insured with respect to Workers' Compensation claims and currently has a program for excess workers' compensation and property coverage (buses are insured only while at the bus garage, not when in service).
3. SORTA staff recommends a one (1) year contract with the Ohio Transit Risk Pool (OTRP) at a cost not to exceed \$660,705 for liability insurance program covering: General Liability, Automobile Liability, Public Officials Liability, Cyber Liability and Crime.
4. The expenditure has been budgeted for 2021 and will be funded with local funds.

THEREFORE, BE IT RESOLVED:

5. The Board authorizes the CEO/General Manager/ Secretary-Treasurer or CFO to issue purchase orders for the liability insurance program on behalf of SORTA at a total cost not to exceed \$660,705.

November 2020

ACTION ITEM- APPROVAL OF 2020-2021 GENERAL LIABILITY INSURANCE PROGRAM RENEWAL

STRATEGIC PLAN GOAL / OBJECTIVE

- Operational Excellence

RECOMMENDATION

Approval of a resolution authorizing the CEO/General Manager or the CFO to execute a one (1) year renewal of the current eleven (11) month program that expires on November 30, 2020 with the Ohio Transit Risk Pool (OTRP) on behalf of SORTA for general liability insurance for the period of December 1, 2020 through November 30, 2021, at a cost not to exceed \$660,705.

FINANCIAL CONSIDERATIONS

- The liability insurance program is a 12-month program that includes General Liability (includes Cyber and Crime), Automobile Liability and Public Official's Liability with a total expenditure of \$660,705.
 - 7% Premium increase due to:
 - Loss history
 - Significant reserves in a few particular cases
 - Overall market conditions
- The expenditure has been budgeted for 2021 and will be funded with local funds.

BUSINESS PURPOSE

- In an effort to mitigate identified risks, SORTA staff is requesting continuing membership in the Ohio Transit Risk Pool for a liability program covering these areas: General Liability, Automobile Liability, Public Officials Liability, Cyber Liability and Crime.

PROCUREMENT CONSIDERATIONS

- N/A

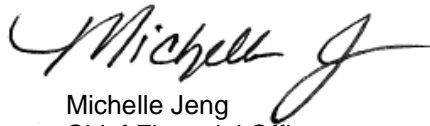
D/M/WBE CONSIDERATIONS

- N/A

LEGAL CONSIDERATIONS

- Section 306.43 of the Ohio Revised Code authorizes SORTA to contract for the provision of goods and services.

SUBMITTED BY:

A handwritten signature in black ink that reads "Michelle J". The signature is fluid and cursive, with a long, sweeping tail on the letter "J".

Michelle Jeng
Chief Financial Officer

A handwritten signature in black ink that reads "Darryl Haley". The signature is cursive and somewhat stylized, with a prominent loop on the "H" and a sharp, downward-pointing end on the "y".

Darryl Haley
CEO/General Manager



Risk Management General Liability Insurance Renewal



Objectives

- Review the areas of risk mitigated by Metro's current risk management program
- Make recommendation to renew participation in the Ohio Transit Risk Pool (OTRP) for consideration/approval

2020 Risk Management Program

SORTA currently has the following insurance policies in place:

- General Liability
- Automobile Liability
- Public Officials Liability
- Cyber Liability
- Crime
- Excess Worker's Compensation
- Property coverage (buses are insured only while at the bus garage, not when in service)

Policy Structure

- The Liability Policy groups several areas of coverage into a single policy
 - The following coverages are all included in the Premium and Self-Insured Retention (“SIR”) information for the “Liability Program” offered through the OTRP:
 - General Liability
 - Automobile Liability
 - Public Officials Liability
 - Cyber
 - Crime
- Individual stand-alone policies (renew at year end):
 - Property
 - Excessive Workers Comp

2020-2021 Program Cost Summary

Coverage Line	2020	2021	Difference	%
Liability Program	\$ 549,779 *	\$ 585,705	\$ 35,926	7%
Stop Loss Fund (OTRP, 1 yr premium over 7 yrs.)	\$ 75,000	\$ 75,000	\$ -	
Crime (included in OTRP premium)	\$ -	\$ -	\$ -	0%
Cyber (included in OTRP premium)	\$ -	\$ -	\$ -	0%
Total Liability Premiums	\$ 624,779	\$ 660,705	\$ 35,926	6%



METRO

*OTRP has a 12/1 renewal date, the pro-rated premium for 11 months in 2020 was \$503,964

General/Auto Liability Commentary

- Continue membership in the Ohio Transit Risk Pool (OTRP)
- \$10M in coverage provides an appropriate amount of risk protection based on our size and claims history
- SIR (Deductible) of \$1.0M is in line with peer data
- 7% Premium increase due to:
 - Loss history
 - Significant reserves in a few particular cases
 - Overall market conditions

Ohio Transit Risk Pool

- Risk Sharing Pool
 - Formed in the early 1990's
 - Currently has 12 member transit agencies in Ohio
- Shock Loss Fund equal to one-year premium
 - Can fund up over a 7-year period (\$75k/year)
- If a Loss Year has a surplus, funds are returned after the Loss Year is closed
- Self-Insured Retention can be adjusted lower at renewal time
 - As low as \$5k/per occurrence

Questions?

