

SORTA FINANCE COMMITTEE MEETING

TUESDAY, DECEMBER 8th, 2020 - 8:30 A.M.

General Items:

Call to order
Pledge of Allegiance

1. Approval of Finance Committee Minutes: November 10th, 2020

Briefing Items

2. Financial Reports for November 30th, 2020 (*Michelle Jeng*)

Action Items

3. Investment of Funds Report as of November 30th, 2020 (*Michelle Jeng*)
4. Proposed Resolution: Approval of Extension for Billboard Advertising Leasing Agreement with Lamar Advertising Company (*Dave Etienne*)
5. Proposed Resolution: Approval of Service Contract with Butler County (*Matt Moorman*)
6. Proposed Resolution: Approval of Service Contract with Clermont County (*Matt Moorman*)
7. Proposed Resolution: Approval of Service Contract with Warren County (*Matt Moorman*)
8. Proposed Resolution: Approval of Contract for 2021 Property Insurance (*Michelle Jeng*)
9. Proposed Resolution: Approval of the 2021 Budget (*Michelle Jeng*)

Other Items:

Adjournment

The next regular meeting of the Finance Committee has been scheduled for
January 12th, 2021 at 8:30 a.m.

FINANCE COMMITTEE
TUESDAY, NOVEMBER 10TH, 2020 – 8:30 A.M.

COMMITTEE/BOARD MEMBERS PRESENT: Heidi Black, Blake Ethridge, Allen Freeman, Roderick Hinton, Thaddeus Hoffmeister, Pete McLinden, Mary Miller, Gwen Robinson and Kathleen Wyenandt

COMMITTEE MEMBERS ABSENT: Robert Harris and Thaddeus Hoffmeister

STAFF MEMBERS PRESENT: Darryl Haley, Donna Adkins, Pat Giblin, Adriene Hairston, Brandy Jones, Caprice Jones, Maria Jones, Michelle Jeng, Natalie Krusling, Kathleen McKeon, Jeff Mundstock, Matt Niehaus, John Ravasio, Cindy Resor, Shannel Satterfield, Khaled Shammout, Alan Solomon and T.J Thorn

OTHERS PRESENT: Kim Schaefer (Vorys, Sater, Seymour & Pease, LLP)

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 October 13th, 2020**

Ms. Black moved and Mr. Hinton seconded that the minutes of the October 13th, 2020 meeting be approved as previously emailed.

4. **Fuel Hedging Report: Q3**

Ms. Jeng presented the quarterly fuel hedging report which indicated that as of September 30th, 2020 fuel is favorable to budget by \$490,428.

The Committee accepted the report as presented.

5. **Quarterly Internal Audit: Q3**

Ms. Jeng presented a summary of internal and external audit findings that had been performed during the years 2017-2020 with management responses to findings on outstanding items for quarter three (3).

The Committee accepted the report as presented.

6. **Financial Reports for October 31st, 2020**

Ms. Jeng presented the October financial reports. Total revenues were \$3.1 million, which is unfavorable to budget by \$5,081,000. Total expenses were \$8.4 million, which is favorable to budget by \$234,000 or 2.7%. The final result was a net unfavorable variance of \$4,847,000 for the month. Fare revenue was unfavorable to budget by \$621,000. Ms. Jeng then reviewed the contributing factors to these variances.

The Committee accepted the report as presented.

7. **Investment of Funds as October 31st, 2020**

Ms. Jeng presented the report noting the yield decrease to 0.15% compared to the prior month of 0.21% for the month of October.

The Committee approved the report as presented.

8. **Proposed Motion: Approval of Legal Expenditures with for Vorys, Sater, & Pease LLC**

Ms. Adkins proposed a one (1) agreement with Vorys, Sater, Seymour and Pease, LLP at the rates set forth in the engagement letter at a cost not to exceed \$250,000 for legal services

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

9. **Proposed Motion: Approval of Legal Service Expenditures with Dinsmore & Shohl, LLP**

Ms. Adkins proposed a one (1) agreement with Dinsmore & Shohl, LLP at the rates set forth in the engagement letter at a cost not to exceed \$100,000 for legal services.

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

10. **Proposed Resolution: Approval of 2021 Insurance Program Renewal**

Ms. Jeng proposed 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.

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

11. **New Business**

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

12. **Adjournment**

The meeting adjourned at 9:04 A.M.

December 2020

BRIEFING ITEM – MONTHLY FINANCIAL REPORTS – AS OF NOVEMBER 30TH, 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 November 30th, 2020.

SUBMITTED BY:



Michelle Jeng
CFO/Sr. Vice-President, Finance



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

SORTA's financial report for the eleven months ending November 30, 2020 is attached.

- Total Revenue of \$1.8 million was unfavorable to budget by \$(6,241,000) or (77.9%).
- Total Expense of \$8.1 million was favorable to budget by \$288,000 or 3.4%;
- Operating deficit for the month before using CARES funds to balance was \$(6,374,000).
- Funds from the CARES Act of \$6,374,000 were used to balance the operating results in November and \$19,487,000 year to date.
- Total operating results before balancing with available funds were unfavorable \$(5,953,000) for the month and unfavorable \$(14,857,000) year to date.
- Estimated Sales Tax Revenue of \$7,139,000 was recorded as Capital Revenue for the month and \$14,278,000 year to date. The accrued revenue is being used 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 November:

- **Fare Revenue:** Unfavorable to budget by \$(431,000) or (35.6%). Metro fare revenue was unfavorable to budget by \$(385,000) as a result of a 36.1% fixed route regular ridership decline directly related to COVID-19. The fare box recovery ratio of 9.2%, unfavorable to budget by (7.6%), was due to unfavorable Metro fare.
- **CPS Contract Revenue:** Unfavorable to budget by \$(408,000) or (60.0%) due to virtual learning on Mondays and CPS's decision to return to 100% virtual learning starting November 23rd.
- **Non-Transportation Revenue:** Unfavorable to budget by \$(63,000) or (38.0%) primarily due to investment income of \$(54,000) and advertising income of \$(24,000).
- **Other Contract Revenue:** Unfavorable to budget by \$(221,000) or (129.2%). In addition to the impact of ending service to Butler County due to COVID, unfavorable adjustments were recorded in the month of November related to Butler and Warren County's share of Federal funds.
- **Federal Subsidies:** Unfavorable \$(385,000) or (36.7%) due to adjustments made from the apportionment share of Federal funds for preventative maintenance.

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

11 Months Ended November 30, 2020 (\$ In Thousands)	Month				Year to Date				
	Actual	Budget	Fav(Unfav)		Actual	Budget	Fav(Unfav)		Prior Year
Ridership									
Fixed Route	491,054	767,944	(276,890)	(36.1%)	6,268,523	9,787,529	(3,519,006)	(36.0%)	10,428,802
CPS	20,123	182,242	(162,119)	(89.0%)	566,583	1,845,422	(1,278,839)	(69.3%)	1,788,402
Access	7,393	18,066	(10,673)	(59.1%)	94,994	212,983	(117,989)	(55.4%)	209,530
Total Ridership	518,570	968,252	(449,682)	(46.4%)	6,930,100	11,845,934	(4,915,834)	(41.5%)	12,426,734
Recovery Ratio	9.2%	16.9%	(7.6%)		12.6%	18.8%	(6.2%)		20.3%
Revenue									
Metro Fares	\$ 750	\$ 1,135	\$ (385)	(33.9%)	\$ 9,322	\$ 14,352	\$ (5,030)	(35.0%)	\$ 15,915
Access Fares	29	75	(46)	(61.3%)	382	887	(505)	(56.9%)	866
Total Fares	779	1,210	(431)	(35.6%)	9,704	15,239	(5,535)	(36.3%)	16,781
CPS Contract	272	680	(408)	(60.0%)	3,142	6,431	(3,289)	(51.1%)	6,921
Other Contract Revenue	(50)	171	(221)	(129.2%)	1,426	1,858	(432)	(23.3%)	1,962
Non Transportation	103	166	(63)	(38.0%)	1,008	1,968	(960)	(48.8%)	2,572
Transit Fund	(218)	4,493	(4,711)	(104.9%)	43,018	49,316	(6,298)	(12.8%)	51,752
Federal Subsidies	664	1,049	(385)	(36.7%)	10,999	11,540	(541)	(4.7%)	11,222
State Subsidies	220	242	(22)	(9.1%)	2,457	2,709	(252)	(9.3%)	1,622
Total Revenue	1,770	8,011	(6,241)	(77.9%)	71,754	89,061	(17,307)	(19.4%)	92,832
Expenses									
Employee Wages & Benefits	6,551	6,603	52	0.8%	72,334	73,089	755	1.0%	66,931
Fuel & Lubricants	383	443	60	13.5%	4,453	5,098	645	12.7%	5,167
Parts & Supplies	506	521	15	2.9%	5,313	5,740	427	7.4%	5,646
Casualty & Liability	38	128	90	70.3%	744	1,404	660	47.0%	3,961
Other	666	737	71	9.6%	8,397	8,360	(37)	(0.4%)	14,034
Total Expenses	8,144	8,432	288	3.4%	91,241	93,691	2,450	2.6%	95,739
Deficit Before Available Funds	\$ (6,374)	\$ (421)	\$ (5,953)	(1414.0%)	\$ (19,487)	\$ (4,630)	\$ (14,857)	(320.9%)	\$ (2,907)
Use of Designated Reserves	-	152	152	100.0%	-	1,668	1,668	100.0%	2,569
Use of Prior Year(s) Surplus	-	269	269	100.0%	-	2,962	2,962	100.0%	1,027
CARES Act	6,374	-	(6,374)	n/a	19,487	-	(19,487)	n/a	-
After Application of Funds	\$ -	\$ -			\$ -	\$ -			\$ 689
Capital									
County Sales Tax Revenue	\$ 7,139				\$ 14,278				
Capital Reserve	(7,139)				(14,278)				
Remainder Used for Operating	\$ -				\$ -				

December 2020

ACTION ITEM – INVESTMENT OF FUNDS REPORT – AS OF NOVEMBER 30th, 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 November 30th, 2020.

SUBMITTED BY:



Michelle Jeng
CFO/Sr. Vice President, Finance



Investment of Funds Report
Nov-20

	Principal Amount	Maturity Date	Purchase Date	11/30/2020 Yield	Sec Days	Days to Maturity
<u>Overnight Investments</u>						
STAR Ohio	\$ 33,889,614			0.14%		
Fifth Third Bank Concentration Account	\$ 225,208			0.00%		
Subtotal Overnight Investments / Average Rate	\$ 34,114,821			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	91
Commercial Paper	\$ 998,800	05/17/21	11/18/20	0.24%	180	168
Commercial Paper	\$ 997,767	05/28/21	09/02/20	0.30%	268	179
Commercial Paper	\$ 998,448	07/09/21	10/16/20	0.21%	266	221
Commercial Paper	\$ 998,443	07/13/21	10/19/20	0.21%	267	225
Commercial Paper	\$ 1,996,129	07/30/21	11/04/20	0.26%	268	242
Subtotal Securities & CD's / Weighted Yield / Maturity	\$ 6,988,136			0.25%	242	195
Total All Securities (11/30/2020) / Weighted Yield / Maturity	\$ 41,102,958			0.16%		34
Total All Securities (10/31/2020) / Weighted Yield / Maturity	\$ 44,168,359			0.15%		20
Funds provided by (required for) Operations during November	\$ (2,917,499)			Monthly Investment Income \$ 5,455		
Funds provided by (required for) Capital during November	\$ (147,902)			Year to Date Investment Income \$ 170,541		
Change in Cash during NOVEMBER 2020	\$ (3,065,401)					
Total All Securities (11/30/2019)	\$ 27,532,577					

Reviewed and Approved by:

Michelle Jeng

 Michelle Jeng
 CFO



Financial Results

Eleven Months November 30, 2020



- Everybody Rides Metro (ERM) Board of Directors appointed November 23rd. The foundation will help those in need connect to jobs, medical and vital services. Funding for the program will begin January 2021.
- In honor of Veterans Day, November 11th, free rides were offered to military veterans and active duty personnel. On the same day, Metro launched the program Metro Veterans Program (MVP) offering half price fares to both military veterans and active duty military personnel.

- CPS returned to 100% virtual learning on November 23rd. At this time there are no plans to return to in classroom learning until the middle of January 2021.
- Investment income is expected to remain unfavorable due to lower than anticipated interest rates.



11 Months Ended November 30, 2020
(\$ In Thousands)

	Month			
	Actual	Budget	Fav(Unfav)	

	Year to Date				Prior Year
	Actual	Budget	Fav(Unfav)		

November
2020

Statement
Of
Operations

Ridership

Fixed Route	491,054	767,944	(276,890)	(36.1%)	6,268,523	9,787,529	(3,519,006)	(36.0%)	10,428,802
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Recovery Ratio

	9.2%	16.9%	(7.6%)		12.6%	18.8%	(6.2%)		20.3%
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Revenue

Metro Fares	\$ 750	\$ 1,135	\$ (385)	(33.9%)	\$ 9,322	\$ 14,352	\$ (5,030)	(35.0%)	\$ 15,915
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Total Revenue	1,770	8,011	(6,241)	(77.9%)	71,754	89,061	(17,307)	(19.4%)	92,832

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Fuel & Lubricants	383	443	60	13.5%	4,453	5,098	645	12.7%	5,167
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Other	666	737	71	9.6%	8,397	8,360	(37)	(0.4%)	14,034
Total Expenses	8,144	8,432	288	3.4%	91,241	93,691	2,450	2.6%	95,739

Deficit Before Available Funds \$ (6,374) \$ (421) \$ (5,953) (1414.0%)

\$ (19,487) \$ (4,630) \$ (14,857) (320.9%)

Use of Designated Reserves

	-	152	152	100.0%	-	1,668	1,668	100.0%	2,569
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Use of Prior Year(s) Surplus

	-	269	269	100.0%	-	2,962	2,962	100.0%	1,027
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CARES Act 6,374 - (6,374) n/a

19,487 - (19,487) n/a

After Application of Funds

	\$ -	\$ -			\$ -	\$ -			\$ 689
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Capital

County Sales Tax Revenue	\$ 7,139				\$ 14,278				
Capital Reserve	(7,139)				(14,278)				
Remainder Used for Operating	\$ -				\$ -				



COVID-19 Impact

Total impact to SORTA's Operating Expense Results is \$5.5M for the 9-month period of March-November.

- SORTA has incurred, and continues to incur, additional expenses related to COVID-19, including, but not limited to:
 - Hero Pay
 - Face Masks
 - Sanitation Spray & Hand Sanitizer
 - Antibacterial Wipes
 - Protective Shields for Operators
 - New Family First Coronavirus Response Act (new FMLA policy)
- SORTA has lost or anticipates losing revenue due to COVID-19, including, but not limited to:
 - Fare Revenue
 - CPS Revenue
 - Contract Revenue
 - City Earnings Tax Revenue

SORTA is responding to this ever-evolving pandemic with the necessary resources to protect our customers, employees and the overall health of the organization.



Thank You



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

APPROVAL OF THE 2021 BUDGET

WHEREAS:

1. In 2020, Hamilton County voters approved an eight of one percent (0.8%) sales and use tax, transforming SORTA's funding structure from the City Cincinnati to Hamilton County.
2. SORTA staff has now prepared a transit operating and capital plan for 2020 and recommends that the Board adopt the 2021 operating and capital plan, a copy of which is attached hereto and incorporated by reference herein.
3. Approval of the 2021 operating and capital plan allows staff to continue operations in 2021 at the recommended levels, including the rollout of the Reinventing Metro Plan.

THEREFORE, BE IT RESOLVED:

4. The Board hereby adopts the transit operating and capital plan for 2021 of \$155,742,000 of which \$121,509,000 is for operating and \$34,233,000 is for capital which requires funding from the estimated Hamilton County Sales Tax funds of \$92,537,000.

December 2020

ACTON ITEM - APPROVAL OF THE 2021 BUDGET

STRATEGIC PLAN GOAL / OBJECTIVE

- Operational Excellence

RECOMMENDATION

Approval of the 2021 operating and capital plan budget of \$155,742,000 (\$121,509,000 for operating and \$34,233,000 for capital).

FINANCIAL CONSIDERATIONS

- SORTA staff has prepared a transit operating and capital plan for 2021 of \$155,742,000 of which \$121,509,000 is for operating and \$34,233,000 is for capital which requires funding from the estimated Hamilton County Sales Tax funds of \$92,537,000.
- Of the \$34,233,000 capital budget, \$14,678,000 will be funded from various grants already awarded. The remaining \$19,555,000 will be funded from a combination of the estimated Hamilton County Sales Tax funds received in 2021, as well as the City of Cincinnati Transit Fund true-up.

BUSINESS PURPOSE

- Approval of the 2021 operating and capital plan allows staff to continue operations in 2021 at the recommended levels, including the rollout of the Reinventing Metro Plan.

PROCUREMENT CONSIDERATIONS

- N/A

D/M/WBE CONSIDERATIONS

- N/A

LEGAL CONSIDERATIONS

- Section 306.35 of the Ohio Revised Code (ORC) states that that a regional transit authority may maintain funds that it considers necessary for the efficient performance of its duties.

SUBMITTED BY:



Michelle Jeng
Chief Financial Officer



Darryl Haley
CEO/General Manager



2021 Budget Review



Reflection

- Good News & Highlights
- Challenges & Opportunities

Operating Budget

- Budget Assumptions
- 2021 Operating Budget

Capital Projection

- 5 Year Capital Budget
- Projected Capital Funding

AGENDA





Reflection

Good News & Highlights

- Federal and State Grants awarded to pay for a significant portion of bus purchases through 2023
- CARES Funds covered some of the operating expenses in 2020.
- Successfully relocated the Administrative Offices to the Huntington Building in April 2020, amid the start of a State-wide “Stay at Home” order
- On May 14th SORTA made history with the passing of the Sales Tax Levy
- 19 new buses were put into service in September 2020
- The Northside Transit Center opened in October 2020



Reflection

Challenges & Opportunities



- COVID's effect on ridership and the sales tax levy revenue is anticipated to continue to have a major impact in 2021
- The Fare Simplification project began with a proposal to make changes across the board that will make the bus system easier to use
- The rollout of the Reinventing Metro Plan will begin mid-year with the continued focus on increasing frequency, span, and service area; while reducing trip times for our customers

Operating Budget

2021 Budget Assumptions

- Sales Tax Levy – Metro’s portion of the sales tax levy was estimated based on data provided by the County and UC Economics Center
- Reinventing Metro –The revenue and cost of providing the new service, currently estimated to begin in the third quarter of 2021, is reflected in the 2021 Budget and 2022 Projection
- Vacancy Rate – 10% (\approx \$1.7M)
- Medical Cost – 7% increase compared to the 2020 Budget
- Strategic Plan – Operating and capital costs

2021 Operating Budget (\$ in 000's)

	2021 Budget	2021 B vs 2020 Budget			2022 P vs 2021 Budget		
		2020 Budget	H(L)	%H(L)	2022 Projection	H(L)	%H(L)
Ridership							
Fixed Route **	9,216,335	10,680,179	(1,463,844)	-14%	14,040,527	4,824,192	52%
CPS	1,581,932	2,053,972	(472,040)	-23%	2,053,972	472,040	30%
Total Fixed Route	10,798,267	12,734,151	(1,935,884)	-15%	16,094,499	5,296,232	49%
Access	150,285	231,468	(81,183)	-35%	232,429	82,144	55%
Total Ridership	10,948,552	12,965,619	(2,017,067)	-16%	16,326,928	5,378,376	49%
Revenue							
Metro Fares*	\$ 12,995	\$ 15,654	\$ (2,659)	-17%	\$ 19,797	\$ 6,802	52%
Access Fares	611	964	(353)	-37%	793	182	30%
Total Fares	13,606	16,618	(3,012)	-18%	20,590	6,984	51%
CPS Contract	7,201	7,068	133	2%	7,345	144	2%
Other Contract Revenue	1,901	2,030	(129)	-6%	1,939	38	2%
Non Transportation	747	2,150	(1,403)	-65%	896	149	20%
Sales Tax for Operating	83,779	53,900	29,879	55%	88,796	5,017	6%
Federal Subsidies	12,600	12,589	11	0%	12,978	378	3%
State Subsidies	1,675	2,955	(1,280)	-43%	1,759	84	5%
Total Revenue	121,509	97,310	24,199	25%	134,304	12,795	11%
Expenses							
Employee Wages & Benefits	90,774	79,922	10,852	14%	104,390	13,616	15%
Fuel & Lubricants	5,103	5,570	(467)	-8%	5,868	765	15%
Parts & Supplies	7,321	5,856	1,465	25%	7,687	366	5%
Casualty & Liability	1,570	1,531	39	3%	1,617	47	3%
Empowerment Fund	500	-	500	n/a	500	-	0%
Other	16,241	9,098	7,143	79%	14,241	(2,000)	-12%
Total Expenses	121,509	101,977	19,532	19%	134,304	12,795	11%
Deficit Before Available Funds	\$ -	\$ (4,667)	\$ 4,667	-100%	\$ -	\$ -	

* Metro Fares - Rate assumption is current fare structure Q1 & proposed fare structure Q2-Q4

** Includes the additional Reinventing Metro Ridership



METRO

2021 Capital Budget and Projection (\$ in 000's)

	2021	2022	2023	2024	2025	2021-2025
Transportation						
Number of Bus Purchases Budgeted	40	30	30	30	30	160
Total Purchase Amount	\$ 20,939	\$ 16,100	\$ 16,502	\$ 16,915	\$ 17,166	87,622
Funds Committed for Local Match*	\$ 6,964	\$ 5,018	\$ 2,509	\$ 2,126	\$ -	\$ 16,618
Less Local Capital Match Needed	6,964	5,018	4,951	5,074	5,149	27,156
Transportation Local Fund Deficit	\$ -	\$ -	\$ (2,442)	\$ (2,948)	\$ (5,149)	\$ (10,538)
Paratransit						
Number of Vehicle Purchases Budgeted	12	12	11	11	11	57
Total Purchase Amount	\$ 879	\$ 879	\$ 806	\$ 806	\$ 806	4,176
Funds Committed for Local Match	\$ 176	\$ 176	\$ -	\$ -	\$ -	\$ 352
Less Local Capital Match Needed	176	176	161	161	161	835
Paratransit Local Fund Deficit	\$ -	\$ -	\$ (161)	\$ (161)	\$ (161)	\$ (483)
SORTA Infrastructure						
Facility Upgrades	5,804	8,809	10,115	10,125	10,250	45,103
BRT Development **	-	200	4,050	7,500	4,000	15,750
Computer Equipment & Software	2,645	6,236	5,000	-	-	13,881
Park & Ride Development **	2,300	3,525	4,000	-	-	9,825
Mechanical & Equipment	1,466	935	135	125	-	2,661
Other	200	270	-	-	-	470
Total Infrastructure	12,415	19,975	23,300	17,750	14,250	87,690
Less Funding Available	12,415	11,129	-	-	-	23,544
SORTA Infrastructure Surplus/(Deficit)	\$ -	\$ (8,846)	\$ (23,300)	\$ (17,750)	\$ (14,250)	\$ (64,146)
Total Capital Deficit	\$ -	\$ (8,846)	\$ (25,903)	\$ (20,859)	\$ (19,560)	\$ (75,167)

* Committed local match for Transportation includes \$13.6M already committed for grants awarded in prior years

** Assumes 50% Federal Match for eligible spending on BRT and Park & Ride Development



Capital Projection

Projected Capital Funding

(\$ in 000's)

	2021	2022	2023	2024	2025	2021-2025
Metro Share of Sales Tax	\$ 92,537	\$ 91,726	\$ 90,161	\$ 89,263	\$ 88,777	\$ 452,464
Sales Tax for Operating	83,779	88,796	90,161	89,263	88,777	440,776
Remaining Sales Tax for Capital	8,758	2,930	-	-	-	11,688
City Transit Fund Settlement	9,000					9,000
Committed Bus Match for Grants Awarded	6,964	1,959	2,509	2,126		13,559
Carryover from Prior Year	6,267	11,434	-	-	-	6,267
Total Funds to Be Committed	30,989	16,323	2,509	2,126	-	40,514
Less Annual Funds Committed by Category						
Buses	6,964	5,018	2,509	2,126		16,618
Paratransit	176	176				352
Infrastructure	12,415	11,129				23,544
Total Funds Committed	19,555	16,323	2,509	2,126	-	40,514
Amount remaining	\$ 11,434	\$ -	\$ -	\$ -	\$ -	\$ -

Questions?





Attachments:
Action Item

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

APPROVAL OF 2021 PROPERTY INSURANCE POLICY

WHEREAS:

1. In an effort to mitigate identified risks, SORTA requires property insurance with coverage for direct physical loss or damage at the least possible.
2. The current agreement expires December 31, 2020.
3. SORTA staff recommends a one (1) year contract with the Continental Casualty Company (CNA) at a cost not to exceed \$146,381 for property insurance.
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 order for the property insurance on behalf of SORTA at a total cost not to exceed \$146,381.

December 2020

ACTION ITEM- APPROVAL OF 2021 PROPERTY INSURANCE POLICY

STRATEGIC PLAN GOAL / OBJECTIVE

- Operational Excellence

RECOMMENDATION

Approval of a resolution authorizing the CEO/General Manager or the Interim CFO to:

- Execute a 1-year renewal of the current twelve (12) month policy that expires on December 31, 2020 with Continental Casualty Company (CNA) on behalf of SORTA for property insurance for the period of January 1, 2021 through December 31, 2021, at a cost not to exceed \$146,381.

FINANCIAL CONSIDERATIONS

- The property insurance mitigates the risk to SORTA in the event of direct physical loss or damage to SORTA's properties, including the RTC, with a total expenditure of \$146,381 for a 1-year period from January 1, 2021 – December 31, 2021
 - Premiums rates increased 30% for 2021
- 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 a renewal of the Property Insurance Policy with coverage for direct physical loss or damage at the least possible cost.

PROCUREMENT CONSIDERATIONS

- N/A

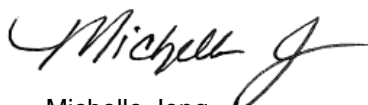
D/M/WBE CONSIDERATIONS

- 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:



Michelle Jeng
Chief Financial Officer



Darryl Haley
CEO/General Manager



**Risk Management
Property and Excess
Workers' Comp
Insurance Renewal**



Objectives

- Review the areas of risk mitigated by Metro's current risk management program
- Solicit competitive renewal quotes for the Property Insurance and Excessive Workers' Comp Policies
- Make recommendations 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 (renewed 11/2020)
 - 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	%
Property	\$ 99,823	\$ 146,381	\$ 46,558	47%
Amount Allocated to Riverfront Transit Center	\$ (22,909)	\$ (29,782)	\$ (6,873)	30%
Total SORTA Property Premiums	\$ 76,914	\$ 116,599	\$ 39,685	52%
Excess Workers Compensation	\$ 100,350	\$ 65,250	\$ (35,100)	-35%
Broker Commission (2021 - Year 1 of new 2 year Agreement)	\$ 61,785	\$ 33,000	\$ (28,785)	-47%
Total SORTA	\$ 239,049	\$ 214,849	\$ (24,200)	-10%

Property Insurance Commentary

- 47% overall Premium increase due to:
 - 30% is market rate increase due to catastrophic events in 2020 (hurricanes, wild fires and floods) that are impacting the insurance industry
 - Total Property Values increased 13% due to the Northside Transit Center and the additional new buses
- The flood deductible at the RTC remains at \$1M, all other locations remain at \$100k
- Only received two competitive quotes, all other carriers declined to offer quotes
 - OTRP at approx. \$216k
 - Liberty Mutual at approx. \$150k

Excess Workers' Comp Commentary

- 35% overall Premium decrease due to:
 - Increasing the self-insured retention from \$550k to \$750k
 - Strong Claims History
 - Changing carriers



Questions?



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

APPROVAL OF EXTENSION FOR BILLBOARD ADVERTISING LEASING AGREEMENT WITH
LAMAR ADVERTISING COMPANY

WHEREAS:

1. By Resolution No. 2010-26 the SORTA Board approved a Billboard Advertising Agreement with Lamar.
2. The exercised one five (5) year term of the original agreement will end December 31, 2020.
3. SORTA staff and Lamar have negotiated new terms for a five (5) year contract, with one five (5) option with Lamar Advertising on behalf of SORTA for the period of January 1, 2021 to December 31, 2025.
4. SORTA staff recommends the SORTA Board approve the Billboard Advertising Agreement.

THEREFORE, BE IT RESOLVED:

5. The Board hereby approves the CEO/General Manager or the CFO to execute a five (5) year renewal, with one five (5) year option with Lamar Advertising.

December 2020

ACTION ITEM – APPROVAL OF EXTENSION FOR BILLBOARD ADVERTISING LEASING AGREEMENT WITH LAMAR ADVERTISING COMPANY

STRATEGIC PLAN GOALS/OBJECTIVES

- Financial sustainability
- Strategic partnering

RECOMMENDATION

Approval of a resolution authorizing the CEO/General Manager/Secretary Treasurer or the CFO to execute a five (5) year contract, with one five (5) option with Lamar Advertising Company on behalf of SORTA for the period of January 1, 2021 to December 31, 2025.

FINANCIAL CONSIDERATIONS

- This is a revenue contract between SORTA and Lamar Advertising for the placement of advertising signs on SORTA property.
- Lamar Advertising is proposing that annual lease payments for this contract will be \$80,326.68 through December 31, 2022. This annual amount will increase to \$85,326.68 January 1, 2023 through December 31, 2025.
- Advertising revenue is paid to SORTA based on the size and location of each sign structure and the average gross sales revenues. Due to a decrease in revenue brought on by the COVID-19 pandemic, Lamar is proposing a slight decrease of \$6,000 annually in the guaranteed revenue for the first two years of the new contract to give the economy a chance to rebound.

BUSINESS PURPOSE

- SORTA currently owns parcels of land located along the Oasis and Blue Ash rail rights of way (ROW.)
- SORTA allows Lamar Advertising to place advertising signs on this ROW.
- The lease payments are in consideration for the space provided and also as a percentage of revenue collected from the advertising on these panels.
- Proceeds from these lease payments generate revenue to SORTA to offset operating expenses.
- Lamar is responsible for all installation and maintenance of advertising on these panels.
- All advertising placed on these panels is subject to SORTA's Advertising Policy.

PROCUREMENT CONSIDERATIONS

- This is a lease agreement extension for five (5) years.

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, appearing to read "David A. Etienne". The signature is fluid and cursive, with a long horizontal stroke at the end.

David A. Etienne
Director of Communications & Marketing

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

APPROVAL OF SERVICE CONTRACT WITH BUTLER COUNTY

WHEREAS:

1. SORTA operates bus service (Routes 42) into Butler County in cooperation with Butler County Regional Transit Authority ("BCRTA").
2. The current agreement with Butler County expires December 31, 2020.
3. SORTA and BCRTA have negotiated a new agreement for the period of March 8th, 2021 through December 31, 2021.
4. SORTA staff recommends that the SORTA Board approve the agreement with BCRTA for a continuation of services at a cost of \$519,871.

THEREFORE, BE IT RESOLVED:

5. The Board hereby authorizes the CEO/General Manager/ Secretary-Treasurer or CFO to execute a one (1) year contract with BCRTA for service.

December 2020

ACTION ITEM- APPROVAL OF SERVICE CONTRACT WITH BUTLER COUNTY

STRATEGIC PLAN GOAL / OBJECTIVE

Operational Excellence and Strategic Partnering

RECOMMENDATION

Approval of a resolution authorizing the CEO/General Manager/ Secretary-Treasurer or CFO to execute a one (1) year contract with Butler County for the provision of public transit service to Butler County.

FINANCIAL CONSIDERATIONS

- This is a one year agreement with a total expenditure of \$594,871.
- SORTA agrees to accept an annual NTD credit of \$75,000 to be applied to the total cost resulting in net cost to Butler County of \$519,871.
- The expense and revenue for this service and contract are included in SORTA's 2021 budget.
- This expenditure will be funded with BCRTA Federal 5307 Funds.

BUSINESS PURPOSE

- Operate express and reverse commute service.
- Operate eight (8) A.M. trips and eight (8) P.M. trips on Route 42.
- There are also two (2) A.M. "reverse commute" trips and two (2) P.M. "reverse commute" trips on the Route 42 designed to bring commuters from downtown to West Chester.

LEGAL CONSIDERATIONS

- Section 306.35 of the Ohio Revised Code authorizes SORTA to enter into contracts for the provision of transit services.

APPROVAL OF ACTION



Michelle Jeng
CFO



Darryl Haley
CEO/General Manager/ Secretary-Treasurer

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

APPROVAL OF SERVICE CONTRACT WITH CLERMONT COUNTY

WHEREAS:

1. SORTA operates bus service (Routes 29X, and 82X) into Clermont County.
2. The current agreement with Clermont County expires December 31, 2020.
3. SORTA and Clermont County have negotiated a new agreement for the period of January 1, 2021 through December 31, 2021.
4. SORTA staff recommends that the SORTA Board approve the agreement with Clermont County for a continuation of services at a cost of \$527,086.

THEREFORE, BE IT RESOLVED:

5. The Board hereby approves the CEO/General Manager/ Secretary-Treasurer or CFO to execute a one (1) year contract with Clermont County for service.

December 2020

ACTION ITEM- APPROVAL OF SERVICE CONTRACT WITH CLERMONT COUNTY

STRATEGIC PLAN GOAL / OBJECTIVE

Operational Excellence and Strategic Partnering

RECOMMENDATION

Approval of a resolution authorizing the CEO/General Manager/ Secretary-Treasurer or CFO to execute a one (1) year contract with Clermont County for the provision of public transit service to Clermont County.

FINANCIAL CONSIDERATIONS

- This is a one year agreement with a total expenditure of \$582,086.
- SORTA agrees to accept an annual NTD credit of \$55,000 to be applied to the total cost resulting in net cost to Clermont County of \$527,086.
- The expense and revenue for this service and contract are included in SORTA's 2021 budget.
- This service will be funded with Clermont County Federal 5307 Funds.

- **BUSINESS PURPOSE**

- Provide transit service to Clermont County.
- SORTA/Metro agrees to operate the Route 82X, Eastgate Express and the portion of Route 29X, Milford Express that operates within Clermont County 255 weekdays per year.

LEGAL CONSIDERATIONS

- Section 306.35 of the Ohio Revised Code authorizes SORTA to enter into contracts for the provision of transit services.

SUBMITTED BY:

Michelle Jeng

Michelle Jeng
CFO

Darryl Haley

Darryl Haley
CEO/General Manager/ Secretary-Treasurer

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

APPROVAL OF SERVICE CONTRACT WITH WARREN COUNTY

WHEREAS:

1. SORTA operates bus service (Route 71X Kings Island Express and 71 Kings Island Job Connection) into Warren County under contract with the County.
2. The current agreement with Warren County expires December 31, 2020.
3. SORTA and Warren County have negotiated a new agreement for the funding of the Warren County routes for the period of January 1, 2021 through December 31, 2021.
4. SORTA staff recommends that the SORTA Board approve the agreement with Warren County for funding of the Warren County service at an estimated contract value cost of \$422,480.

THEREFORE, BE IT RESOLVED:

5. The Board hereby approves the CEO/General Manager/ Secretary-Treasurer or Interim CFO to execute a one (1) year contract with Warren County for service.

December 2020

ACTION ITEM-APPROVAL OF SERVICE CONTRACT WITH WARREN COUNTY

STRATEGIC PLAN GOAL / OBJECTIVE

Operational Excellence and Strategic Partnering

RECOMMENDATION

Approval of a resolution authorizing the CEO/General Manager/ Secretary-Treasurer or CFO to execute a one (1) year contract with Warren County for the provision of public transit service in Warren County.

FINANCIAL CONSIDERATIONS

- This is a one year agreement with estimated contract revenue of \$422,480.
- This expense and revenue for this service and contract are included in SORTA's 2021 budget.
- This contract will be funded with Warren County Federal 5307 Funds. SORTA receives 50% of these funds for this service.

BUSINESS PURPOSE

- Operate express and reverse commute service.
- Operate seven (7) A.M. express trips and six (6) P.M. express trips. Express trips are designed to bring commuters from Warren County to Downtown.
- There are also two (2) A.M. and two (2) P.M. "reverse commute" express trips designed to bring commuters from downtown to Warren County.

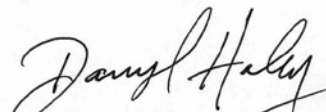
LEGAL CONSIDERATIONS

- Section 306.35 of the Ohio Revised Code authorizes SORTA to enter into contracts for the provision of transit services.

APPROVAL OF ACTION



Michelle Jeng
CFO



Darryl Haley
CEO/General Manager