

SORTA FINANCE COMMITTEE MEETING

TUESDAY, FEBRUARY 12TH, 2019 - 8:00 A.M.
SORTA/METRO BOARD ROOM
602 MAIN STREET, SUITE 1200
CINCINNATI, OHIO

General Items:

- Call to order
- Pledge of Allegiance
- Recite Mission and Vision Statement
- 1. Approval of Finance Committee Minutes: January 8th, 2019

Briefing Items

- 2. Fuel Hedging Report: Q4 (**David A. Riposo**)
- 3. Financial Reports for January 2019 (**David A. Riposo**) *To be presented at meeting...*

Action Items

- 4. Investment of Funds Report as of January 31st, 2019 (**David A. Riposo**)
- 5. Proposed Motion: General Liability Reserve Policy (**Michelle Jeng**)

Other Items:

Adjournment

The next regular meeting of the Finance Committee has been scheduled for **March 12th, 2019 at 8:00 a.m.**, the SORTA/Metro Board Room, 602 Main Street, Suite 1200, Cincinnati, Ohio

FINANCE COMMITTEE
TUESDAY, JANUARY 8TH, 2019 – 8:00 A.M.
SORTA/METRO MT. ADAMS BOARD ROOM
602 MAIN STREET, SUITE 1200
CINCINNATI, OHIO

COMMITTEE/BOARD MEMBERS PRESENT: Heidi Black, Roderick Hinton, and Kreg Keesee

COMMITTEE MEMBERS ABSENT: Robert Harris, Thaddeus Hoffmeister, and Pete McLinden

STAFF MEMBERS PRESENT: Dwight Ferrell, Donna Adkins, John Edmondson, Dan Feldman, Pat Giblin, Paul Grether, Adriene Hairston, Darryl Haley, Brandy Jones, Caprice Jones, Maria Jones, Michelle Jeng, Cindy Resor, David Riposo, Khaled Shammout, Shannel Satterfield

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. **SORTA's Vision and Mission Statements**

SORTA's vision and mission statements were recited.

4. **Approval of Minutes of December 11th**

Ms. Black made a motion that the minutes of the December 11th, 2018 meeting approved as previously emailed and Mr. Hinton seconded the motion. The Committee approved the minutes.

5. **Quarterly Internal Audit Update: Q4**

Mr. Riposo presented a summary of internal and external audit findings that had been performed during the years 2016-2018 with management responses to findings on outstanding items for quarter four (4). The Committee accepted the report as presented.

6. **Financial Report as of December 31, 2018**

Mr. Riposo presented the December 2018 financial reports. Total revenues were \$8.5 million, which is favorable to budget by \$409,000. Total expenses were \$8.5 million, which is unfavorable to budget by \$475,000 or 5.9%. The final result was a net unfavorable variance of \$41,000 for the month. Fare revenue was favorable to budget by \$123,000 or 9.3%. Mr. Riposo then reviewed the contributing factors to these variances.

He also presented the Cincinnati Bell Connector financial report for December 2018. Total revenues were \$291,964 which is unfavorable to budget by \$57,186 or 16%. Total expenses were \$345,461 which is favorable to budget by \$3,689 or 1%. The end result is a net unfavorable variance of \$53,497 for the month. Mr. Riposo then reviewed the contributing factors to these variances. The Committee accepted the report as presented.

7. **Investment of Funds as December 31, 2018**

Mr. Riposo presented the report noting the yield for December increased to 2.513%.

The Committee approved the report as presented.

8. **Proposed Resolution: Approval of Contract with Fifth Third Bank**

Ms. Jeng requested approval to exercise the five (5) 1-year options with Fifth Third Bank for banking and other related services at a total additional cost not to exceed \$900,000 for a total contract value up to \$2,400,000.

The Committee agreed to recommend the resolution to the full Board.

9. **New Business**

The next regular meeting of the Finance Committee has been scheduled for Tuesday, February 12th, 2019 at 8:00 A.M.

10. **Adjournment**

The meeting adjourned at 8:26 A.M.

February 2019

BRIEFING ITEM – DIESEL FUEL HEDGING REPORT – AS OF DECEMBER 31ST, 2018

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 December 31st, 2018.

SUBMITTED BY:



David A. Riposo
CFO/Sr. Vice-President, Finance

Southwest Ohio Regional Transit Authority
 Diesel Fuel Hedging Report
 As of December 31, 2018

	Year to Date	
	<u>Total</u>	<u>Per Gallon</u>
Fuel Purchased	\$6,325,084	\$2.19
Hedging Gains / (Losses)	845,763	\$0.29
Net Fuel Cost	<u>5,479,321</u>	\$1.90
Budget	5,229,423	\$1.83
Variance Favorable / (Unfavorable)	<u><u>(\$249,898)</u></u>	-4.8%

<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>		
2019	2,562,000	93%	\$1.87	(\$458,816)
2020	1,134,000	41%	\$1.84	(\$99,939)
2021	84,000	3%	\$1.83	(\$4,418)
				<u><u>(\$563,174)</u></u>

<u>Hedging Policy</u>	<u>Policy</u>	<u>Hedged</u>	<u>Prior Qtr Hedged</u>
0 - 24 Months	90%	67%	74%
25 - 36 Months	50%	3%	0%

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)
Aggregate:	<u><u>\$56,771,702</u></u>	<u><u>(\$1,839,212)</u></u>	<u><u>\$58,610,914</u></u>	<u><u>\$60,510,751</u></u>	<u><u>\$1,899,837</u></u>

February 2019

BRIEFING ITEM – MONTHLY FINANCIAL REPORTS – AS OF JANUARY 31ST, 2018

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 January 31st, 2018.

SUBMITTED BY:



David A. Riposo
CFO/Sr. Vice-President, Finance



SOUTHWEST OHIO REGIONAL TRANSIT AUTHORITY
Monthly Financial Report
Executive Summary
January 2019

SORTA's financial report for the month ending January 31, 2019 is attached.

- Total Revenue of \$8.4 million was favorable to budget by \$52,000 or 0.6%.
- Total Expense of \$8.6 million was favorable to budget by \$105,000 or 1.2%;
 - Operations expense of \$7.5 million was 88.8% of revenue; and
 - Selling, General & Administrative (SG&A) expense of \$1.1 million was 13.1% of revenue.
 - Depreciation expense of \$1.1 million was incurred but not included in the budgeted expense figures.
- Result was a net unfavorable variance before reserves and prior year surplus of \$(160,000) in the month of January.
- Budgeted reserves of \$234,000 and prior year surplus of \$83,000 were used in the month.
- The final result was a net favorable variance of \$157,000 for the month.

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

- **Fare Revenue:** Favorable to budget by \$42,000 or 3.1% primarily due to favorable fare price. The favorable Metro fare revenue of \$44,000 resulted in a farebox recovery ratio of 16.6% which was favorable to budget by 0.7%.
- **Non-Transportation Revenue:** Favorable to budget by \$8,000 or 4.5% due to favorable investment income of \$22,000 offset by unfavorable RTC parking and billboard revenue of \$(9,000) and \$(3,000), respectively.
- **Employee Wages:** Wages from Operations were favorable to budget by \$71,000 or 2.0% due to favorable operator wages of \$95,000 partially offset by unfavorable building maintenance wages of \$(24,000). SG&A wages were favorable to budget by \$6,000 or 1.2% due to slightly higher than anticipated open positions during the month.
- **Employee Benefits:** Benefits from Operations were favorable to budget by \$41,000 or 2.0% primarily due to favorable timing from paid leave of \$30,000 and OPERS from lower than anticipated wages. Benefits from SG&A were favorable \$11,000 to budget or 4.3%.
- **Parts & Supplies:** Unfavorable to budget by \$(40,000) or (8.4%) due to unfavorable revenue vehicle parts of \$(34,000).
- **Utilities:** Favorable to budget by \$44,000 or 27.6% due to favorable gas and electric expense of \$43,000.
- **Casualty & Liability:** Unfavorable to budget by \$(92,000) or (101.6%) due to unfavorable claims reserve of \$(79,000) and unfavorable recoveries from physical damage of \$(16,000).
- **Salary Headcount:** There were 12 open positions at the end of January.

Open Positions	Prior Month	Current Month	Inc(Dec)
Operations	6	6	-
Administration	8	6	(2)
	14	12	(2)

Profit & Loss Statement

One Month Ended 1/31/2019

Dollars In Thousands



	Current Month				Year To Date				Prior Yr				
	Actual	Budget	Variance Fav/(Unfav)		Actual	Budget	Variance Fav/(Unfav)		Actual				
Fixed Route Ridership	1,048,156	1,047,543	613	0.1%	1,048,156	1,047,543	613	0.1%	1,094,429				
Access Ridership	18,433	18,466	(33)	(0.2%)	18,433	18,466	(33)	(0.2%)	18,479				
Total Ridership	1,066,589	1,066,009	580	0.1%	1,066,589	1,066,009	580	0.1%	1,112,908				
Farebox Recovery Ratio (1)	16.6%	15.8%	0.7%		16.6%	15.8%	0.7%		17.5%				
Revenue	Dollars	% Rev	Dollars	% Rev	\$	%	Dollars	% Rev	Dollars	% Rev	\$	%	\$
Operating Revenue													
Fares													
Metro Fares (2)	\$ 1,325	15.8%	\$ 1,281	15.3%	\$ 44.0	3.4%	\$ 1,325	15.8%	\$ 1,281	15.3%	\$ 44.0	3.4%	\$ 1,389
Access Fares	77	0.9%	78	0.9%	(1.8)	(2.2%)	77	0.9%	78	0.9%	(1.8)	(2.2%)	76
Total Fares	1,402	16.7%	1,359	16.3%	42.3	3.1%	1,402	16.7%	1,359	16.3%	42.3	3.1%	1,465
CPS Contract Revenue	806	9.6%	810	9.7%	(3.7)	(0.5%)	806	9.6%	810	9.7%	(3.7)	(0.5%)	900
Non-Transportation Revenue (3)	196	2.3%	188	2.2%	8.4	4.5%	196	2.3%	188	2.2%	8.4	4.5%	182
Subtotal Operating Revenue	2,404	28.6%	2,357	28.2%	47.0	2.0%	2,404	28.6%	2,357	28.2%	47.0	2.0%	2,547
Subsidy Revenue													
Transit Fund Receipts	4,242	50.7%	4,242	50.8%	0.0	0.0%	4,242	50.7%	4,242	50.8%	0.0	0.0%	4,450
Federal Cash Grants	1,515	18.1%	1,515	18.1%	0.0	0.0%	1,515	18.1%	1,515	18.1%	0.0	0.0%	1,504
State & Other Subsidy Revenue (4)	245	2.9%	239	2.9%	5.5	2.3%	245	2.9%	239	2.9%	5.5	2.3%	239
Subtotal Subsidy Revenue	6,002	71.4%	5,997	71.8%	5.5	0.1%	6,002	71.4%	5,997	71.8%	5.5	0.1%	6,193
Total Revenue	8,407	100%	8,354	100.0%	52.4	0.6%	8,407	100.0%	8,354	100.0%	52.4	0.6%	8,740
Cost of Operations													
Wages	3,440	40.9%	3,511	42.0%	70.5	2.0%	3,440	40.9%	3,511	42.0%	70.5	2.0%	3,447
Employee Benefits	2,059	24.5%	2,100	25.1%	41.4	2.0%	2,059	24.5%	2,100	25.1%	41.4	2.0%	1,968
Fuel & Lubricants	390	4.6%	409	4.9%	19.0	4.7%	390	4.6%	409	4.9%	19.0	4.7%	453
Parts & Supplies	495	5.9%	462	5.5%	(33.2)	(7.2%)	495	5.9%	462	5.5%	(33.2)	(7.2%)	421
Purchased Transportation	566	6.7%	574	6.9%	8.2	1.4%	566	6.7%	574	6.9%	8.2	1.4%	510
Services	157	1.9%	124	1.5%	(33.2)	(26.7%)	157	1.9%	124	1.5%	(33.2)	(26.7%)	80
Utilities	104	1.2%	144	1.7%	40.5	28.0%	104	1.2%	144	1.7%	40.5	28.0%	139
Casualty & Liability	182	2.2%	90	1.1%	(91.5)	(101.6%)	182	2.2%	90	1.1%	(91.5)	(101.6%)	140
Taxes & Leases	73	0.9%	79	0.9%	6.5	8.2%	73	0.9%	79	0.9%	6.5	8.2%	79
Other (5)	1	0.0%	7	0.1%	6.1	85.6%	1	0.0%	7	0.1%	6.1	85.6%	0
Total Cost of Operations (6)	7,467	88.8%	7,501	89.8%	34.3	0.5%	7,467	88.8%	7,501	89.8%	34.3	0.5%	7,238
Selling, General & Administrative													
Wages	535	6.4%	541	6.5%	6.3	1.2%	535	6.4%	541	6.5%	6.3	1.2%	526
Employee Benefits	234	2.8%	245	2.9%	10.6	4.3%	234	2.8%	245	2.9%	10.6	4.3%	225
Parts & Supplies	25	0.3%	17	0.2%	(7.2)	(41.4%)	25	0.3%	17	0.2%	(7.2)	(41.4%)	12
Services	208	2.5%	250	3.0%	42.4	17.0%	208	2.5%	250	3.0%	42.4	17.0%	284
Utilities	12	0.1%	15	0.2%	3.6	23.7%	12	0.1%	15	0.2%	3.6	23.7%	15
Taxes & Leases	44	0.5%	61	0.7%	16.3	27.0%	44	0.5%	61	0.7%	16.3	27.0%	37
Other (5)	42	0.5%	41	0.5%	(1.5)	(3.7%)	42	0.5%	41	0.5%	(1.5)	(3.7%)	128
Total SG&A (6)	1,099	13.1%	1,170	14.0%	70.5	6.0%	1,099	13.1%	1,170	14.0%	70.5	6.0%	1,227
Total Expenses	8,566	101.9%	8,671	103.8%	104.8	1.2%	8,566	101.9%	8,671	103.8%	104.8	1.2%	8,465
Use of Prior Year Reserves	234	2.8%	234	2.8%	0.0	0.0%	234	2.8%	234	2.8%	0.0	0.0%	25
Use of Prior Year Surplus	83	1.0%	83	1.0%	0.0	0.0%	83	1.0%	83	1.0%	0.0	0.0%	0
Surplus (Deficit)	\$ 157	1.9%	\$ 0	0.0%	\$ 157.2		\$ 157	1.9%	\$ 0.0	0.0%	\$ 157		\$ 299
Depreciation Expense	\$ 1,140	13.6%					\$ 1,140	13.6%					\$ 1,282

Notes:

- (1) Farebox Recovery Ratio = Metro Fares Revenue / (Total Expenses less Purchased Transportation Expense); Full Year Budgeted Farebox Recovery Ratio is 19.1%
- (2) Metro Fare Revenue includes Regular Fares & Passes, Fare Deal, and Special Program Fares
- (3) Non-Transportation revenues include advertising, investment income, parking revenue, warranty recoveries & fee SORTA receives from the City to manage the streetcar.
- (4) Other Subsidy Revenue includes county contracts, and payments from 5/3 Bank, Duke Energy, UC and Cincinnati State.
- (5) Other includes advertising, training, dues and subscriptions, travel and incentive fares.
- (6) Full year 2019 Budget: Operating Expense @ 85.1% of Revenue & SG&A @ 14.9% of Revenue.



SOUTHWEST OHIO REGIONAL TRANSIT AUTHORITY
CINCINNATI BELL CONNECTOR
MONTHLY FINANCIAL REPORT
EXECUTIVE SUMMARY
JANUARY, 2019

The Cincinnati Bell Connector financial report for the month ending January 31, 2019 is attached.

- Total Revenues were \$274,747 which is unfavorable to budget by \$67,426 or 20%.
- Total Expenses were \$339,424, which is favorable to budget by \$2,749 or 1%.
- January income is unfavorable to budget by \$64,677.
- Year to date income is unfavorable to budget by \$2,512.
- A favorable adjustment from a prior month to the Transdev Contract Expense of \$28,989 is reflected in the year to date results.

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

- **Ridership:** Favorable by 3,172 or 17% for the month.
- **Fare Revenue:** Unfavorable by \$2,365 or 16% for the month due to actual fare revenue per ride of \$0.54 compared with budget fare revenue per ride of \$0.76.
- **Connector Advertising:** Unfavorable by \$65,062 or 96% for the month due to advertising contracts below budgeted expectations.

Cincinnati Bell Connector

Year to Date Financial Report

As of January 31, 2019

	Curr Mo Actual	Curr Mo Budget	Month Variance		YTD Actual	YTD Budget	YTD Variance	
			Fav / (Unfav)				Fav / (Unfav)	
Ridership	22,362	19,190	3,172	17%	284,999	311,551	(26,552)	-9%
Fares								
Regular Fares & Passes	\$12,167	\$14,532	(\$2,365)	-16%	188,420	\$235,939	(47,519)	-20%
Charter Service	0	0	0	-	4,050	0	4,050	-
Total Fares	12,167	14,532	(2,365)	-16%	192,470	235,939	(43,469)	-18%
Other Revenue								
City Parking Meter Contribution, (Net of City Overhead Expense)	78,693	78,693	0	0%	550,853	550,853	-	0%
City Appropriated Surplus Parking	58,039	58,039	0	0%	424,668	424,668	-	0%
Haile Foundation	75,000	75,000	0	0%	525,000	525,000	-	0%
Tax Incentive Policy (VTICA)	10,833	10,833	0	0%	75,833	75,833	-	0%
Federal Formula Funding	16,103	16,103	0	0%	177,130	112,718	64,412	57%
Connector Advertising	2,994	68,056	(65,062)	-96%	43,996	309,724	(265,728)	-86%
Naming Rights	20,918	20,917	1	0%	158,151	146,419	11,732	8%
Total Fares and Other Revenue	274,747	342,173	(67,426)	-20%	2,148,101	2,381,154	(233,053)	-10%
Expenses								
Transdev Contract	289,894	289,894	0	0%	1,778,833	2,000,831	221,998	11%
SORTA Management Fee	23,192	23,192	0	0%	160,068	160,068	-	0%
Direct Costs	26,338	29,087	2,749	9%	211,712	220,255	8,543	4%
Total Expenses	339,424	342,173	2,749	1%	2,150,613	2,381,154	230,541	10%
NET INCOME / (DEFICIT)	(\$64,677)	\$0	(\$64,677)		(2,512)	\$0	(2,512)	

February 2019

ACTION ITEM – INVESTMENT OF FUNDS REPORT – AS OF JANUARY 31ST, 2018

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 January 31st, 2018.

SUBMITTED BY:



David A. Riposo
CFO/Sr. Vice President, Finance



Investment of Funds Report
Jan-19

	Principal Amount	Maturity Date	Purchase Date	1/31/2019 Yield	Sec Days	Days to Maturity
<u>Overnight Investments</u>						
STAR Ohio	\$ 10,547,436			2.530%		
Fifth Third Bank Concentration Account	\$ 74,986			0.100%		
Subtotal Overnight Investments / Average Rate	\$ 10,622,423			2.513%		
<u>Securities & CD's</u>						
R.J. O'Brien (Hedging):						
U.S. Treasury Note	\$ 741,096	10/31/19	11/01/18	2.715%	364	273
Fifth Third Bank Custody Account:						
Commercial Paper	\$ 372,898	02/05/19	05/14/18	2.567%	267	5
Commercial Paper	\$ 739,105	02/05/19	07/03/18	2.445%	217	5
Commercial Paper	\$ 1,030,771	02/08/19	05/16/18	2.505%	268	8
Commercial Paper	\$ 494,858	02/21/19	09/21/18	2.445%	153	21
Commercial Paper	\$ 559,352	03/11/19	06/15/18	2.547%	269	39
Commercial Paper	\$ 686,505	03/11/19	06/15/18	2.630%	269	39
Commercial Paper	\$ 785,056	03/11/19	06/15/18	2.547%	269	39
Commercial Paper	\$ 296,295	03/18/19	09/19/18	2.500%	180	46
Commercial Paper	\$ 296,265	03/18/19	09/19/18	2.520%	180	46
Commercial Paper	\$ 589,003	03/25/19	07/03/18	2.536%	265	53
Commercial Paper	\$ 441,661	04/01/19	07/06/18	2.527%	269	60
Commercial Paper	\$ 710,892	04/02/19	10/04/18	2.562%	180	61
Commercial Paper	\$ 833,553	05/21/19	08/24/18	2.630%	270	110
Commercial Paper	\$ 686,243	06/14/19	09/18/18	2.692%	269	134
Commercial Paper	\$ 1,372,381	06/25/19	10/03/18	2.733%	265	145
Commercial Paper	\$ 440,989	07/01/19	10/04/18	2.724%	270	151
Commercial Paper	\$ 489,650	07/12/19	10/15/18	2.818%	270	162
Commercial Paper	\$ 1,575,890	09/06/19	12/17/18	2.962%	263	218
Commercial Paper	\$ 381,481	09/17/19	12/17/18	2.934%	274	229
Commercial Paper	\$ 523,569	10/04/19	01/09/19	2.932%	268	246
Commercial Paper	\$ 670,666	10/07/19	01/10/19	2.850%	270	249
TriState Capital:						
CD	\$ 1,000,000	05/02/19	11/01/18	2.500%	182	91
CD	\$ 2,000,000	09/19/19	12/20/18	2.750%	273	231
CD	\$ 3,000,000	12/19/19	12/20/18	2.850%	364	322
CD	\$ 1,000,000	01/02/20	01/03/19	2.850%	364	336
Subtotal Securities & CD's / Weighted Yield / Maturity	\$ 21,718,177			2.704%	276	163
Total All Securities (1/31/2019) / Weighted Yield / Maturity	\$ 32,340,600			2.641%		111
Total All Securities (12/31/2018) / Weighted Yield / Maturity	\$ 35,838,759			2.524%		101
Funds provided by (required for) Operations during January	\$ (2,953,091)			Monthly Investment Income \$		80,730
Funds provided by (required for) Capital during January	\$ (545,069)			Year to Date Investment Income \$		80,730
Change in Cash during JANUARY 2019	\$ (3,498,160)					
Total All Securities (1/31/2018)	\$ 33,020,430					

Submitted by:

Michelle Jeng
Michelle Jeng
Sr. Director of Treasury

Reviewed and Approved by:

David A. Riposo
David A. Riposo
CFO and Sr VP, Finance

MOTION

ADOPTION OF GENERAL LIABILITY RESERVE POLICY

I move that the SORTA Board adopt the attached General Liability Policy and authorize the Interim CEO/General Manager, Interim COO, or the CFO/Secretary-Treasurer to implement the policy contingent upon receiving the \$3 million insurance related reserve fund from the City of Cincinnati.

February 2019

APPROVAL OF THE GENERAL LIABILITY RESERVE POLICY

STRATEGIC PLAN GOAL / OBJECTIVE

- Operational Excellence

RECOMMENDATION

Approval of a resolution authorizing the Interim CEO/General Manager, Interim COO, or the CFO/Secretary-Treasurer to execute the General Liability Reserve Policy on behalf of SORTA, contingent upon receiving the \$3 million insurance related reserve fund from the City of Cincinnati.

FINANCIAL CONSIDERATIONS

- This is a General Liability Reserve Policy in which Reserves will be set annually based on annual Actuarial Reports conducted by a licensed Actuary. The amount will vary each year based on the claims experience.

BUSINESS PURPOSE

- This policy defines the self-insurance reserve program that may be used to pay claims and other costs necessary to operate the self-insurance program. It establishes a fund to act as a reserve for the self-insured general liability program (Insurance Reserve). SORTA shall maintain self-insurance reserves in an amount not less than that required and calculated annually by a licensed actuary and reported as part of its annual external audit required by the State of Ohio.

PROCUREMENT CONSIDERATIONS

- N/A

D/M/WBE CONSIDERATIONS

- N/A

LEGAL CONSIDERATIONS

- Section 9.83 of the Ohio Revised Code allows SORTA to establish a Reserve Fund.

SUBMITTED BY:


Michelle Jeng
Director of Treasury


Darryl Haley
Interim CEO/General Manager



Metro Policy Number: FIN-902	Description: General Liability Reserve Policy
Revision Number:	Page Number: Page 1 of 3
Prepared by: Treasury & Risk	Approved by: Chief Financial Officer
Issued by: Sr. Director, Treasury & Risk	Issue Date: January 17, 2019

Approval Signature: _____ **Date:** _____

Change/Review Record

Revision /Review	Date	Responsible	Description of Change

1.0 Introduction

SORTA/Metro established a self-insurance program compliant with Ohio Revised Code Section 9.83. This policy defines the self-insurance reserve program that may be used to pay claims and other costs necessary to operate the self-insurance program.

This General Liability Reserve Policy will establish a fund to act as a reserve for the self-insured general liability program (Insurance Reserve). SORTA shall maintain self-insurance reserves in an amount not less than that required and calculated annually by a licensed actuary and reported as part of its annual external audit required by the State of Ohio.

2.0 Policy

The General Liability Reserve Policy establishes a fund to act as a reserve for the self-insured liability program (Insurance Reserve). This reserve fund shall be used for such purposes, which may include, but shall not be limited to, payments for any general liability claims and the payment of costs of the self-insurance program including, by way of example and not limitation, the costs of brokers/program, administrators, consultants, attorneys, actuaries, risk management, claims adjustment and related costs. The reserve fund may also be used to purchase additional insurance coverage and/or other services.

3.0 Procedure

All Accidents and Incidents that happen on SORTA/Metro Property are to be documented on Metro’s internal forms called Operator’s Report and/or Supervisor Report (Appendices 1 and 2,



Metro Policy Number: FIN-902	Description: General Liability Reserve Policy
Revision Number:	Page Number: Page 2 of 3
Prepared by: Treasury & Risk	Approved by: Chief Financial Officer
Issued by: Sr. Director, Treasury & Risk	Issue Date: January 17, 2019

attached). Whenever an accident or incident occurs, the operator and/or supervisor should complete the form thoroughly, providing as much detail as possible.

4.0 **Monthly Review**

- 4.1 On a monthly basis, the Claims Agent runs a “Claims Reserve” Report from RiskMaster showing all of the outstanding claims with reserve amounts.
- 4.2 The Sr. Director of Treasury & Risk reviews the monthly report to ensure that it is accurate and reserve amounts are appropriate.
- 4.3 The Sr. Director of Treasury & Risk reconciles the differences from the prior month; accounting for any new claims, settlements, and adjustments to current claims, and sends the report to Accounting to make any necessary entries and to properly fund the balance sheet reserve account.

5.0 **Annually**

- 5.1 SORTA will engage a licensed actuary to conduct an annual General Liability study. This study will include:
 - 5.1.1 An estimated liability amount (undiscounted and discounted) as of the prior year end for claims occurring December 31st and prior
 - 5.1.2 An estimate of projected losses for the current year
 - 5.1.3 Percentiles/confidence levels as requested
- 5.2 SORTA will use the results of this study to set the General Liability Reserve amount for the year for Budget purposes. The Chief Financial Officer will annually recommend the dollar amount that shall be contributed to the reserve fund in accordance with this policy for approval during the annual budget process.
 - 5.2.1 The amount will be allocated equally across the 12-month calendar year.



Metro Policy Number: FIN-902	Description: General Liability Reserve Policy
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5.2.2 Any differences between projected losses and actual losses from the prior year-end will be “trued-up” in period 13, resulting in either additional income or expense for the year.

5.3 This policy works in conjunction with SORTA’s General Liability Excessive coverage insurance program.

6.0 Responsibilities

6.1 Chief Financial Officer

6.1.1 The Chief Financial Officer will annually include the dollar amount that shall be contributed to the reserve fund in accordance with this policy for approval during the annual budget process.

6.2 Risk Department

6.2.1 Enter all claims into Risk Master and set initial reserve amounts.

6.2.2 Review, adjust and settle claims

6.2.3 Advise the CFO immediately of any claims where potential liability is greater than \$25,000

6.3 Accounting Department

6.3.1 Make all necessary accounting entries to properly fund the balance sheet reserve account.

6.3.2 Monitor and reconcile, as needed, the amount maintained in the reserve fund.

6.4 This policy will be reviewed and updated periodically as required, but no less frequently than every 3 years.

Distribution List: Metro Management and Supervisory Employees

Appendix 1: Operator’s Report

Appendix 2: Supervisor’s Report



Important: Write or print legibly with blue or black pen. Answer all questions (if question does not apply, put a dash in space.)

Division _____ Date of Accident _____
Time _____ a.m. / p.m. Route _____ Bus No. _____ Block No. _____
Place of Accident: County _____ City _____ State _____
If outside city, show distance from _____ miles N S E W of _____
nearest city or village corporation line: _____ show direction give name of city, town or village

DETAILED DESCRIPTION OF ACCIDENT LOCATION — MUST BE COMPLETED

Road Accident Occurred on _____ at _____
Print name of street, road or highway number Name of intersecting street, road or highway number
_____ feet N S E W of _____ of _____
Give distance Show direction Name of nearest intersecting street, highway, crossroad, bridge (or stream name), underpass, railroad crossing or other landmark.
On which street or road was your bus? _____ Headed: N S E W
Speed of your bus? _____ Which traffic lane? _____ circle one: approaching, leaving, between bus stops
If stationary, how close to curb was front door? _____ rear door? _____ Bus on/off pavement? _____
State condition of your bus: Brakes _____ Flooring _____ Steps _____
Which direction was person or vehicle going when first noticed? _____ If pedestrian, were they in crosswalk? _____
Traffic control present? _____ If so, circle one: Light Stop Sign Yield Sign Policeman
How much space (in feet) between your bus and the person or vehicle when he first came in front of bus? _____
State condition of weather, (circle all words that apply): Daylight Dark Dusk Clear Dry Fog Rain Snow Sleet
State condition of road or street, (circle all words that apply): Smooth Rough Rutted Level Crowded Dry Wet Icy
Was bus horn sounded? _____ Brakes applied? _____
How many passengers on your bus at time of accident? _____ No. of persons visibly injured or complaining _____
Was a Policeman at the scene? _____ If so, what Police Dept.? _____
License number of other vehicles near or passing, who may have seen the accident: _____

IF PASSENGER OF PEDESTRIAN INJURIES, FILL IN BELOW

Name _____ Address _____ Injury _____ Approx. Age _____ <input type="checkbox"/> on bus <input type="checkbox"/> pedestrian <input type="checkbox"/> in veh. 2 <input type="checkbox"/> driver <input type="checkbox"/> in veh. 3 <input type="checkbox"/> passenger Where taken? _____	Name _____ Address _____ Injury _____ Approx. Age _____ <input type="checkbox"/> on bus <input type="checkbox"/> pedestrian <input type="checkbox"/> in veh. 2 <input type="checkbox"/> driver <input type="checkbox"/> in veh. 3 <input type="checkbox"/> passenger Where taken? _____	Name _____ Address _____ Injury _____ Approx. Age _____ <input type="checkbox"/> on bus <input type="checkbox"/> pedestrian <input type="checkbox"/> in veh. 2 <input type="checkbox"/> driver <input type="checkbox"/> in veh. 3 <input type="checkbox"/> passenger Where taken? _____
--	--	--

IF OTHER VEHICLES WERE INVOLVED, FILL IN BELOW

2 Make _____ Model _____ License _____ State _____ Direction _____ Speed _____ Owned by _____ Address _____ Driven by _____ Address _____ Drivers License _____ Number _____ State _____ No. of persons in vehicle _____ Describe damage or injury to occupants _____	3 Make _____ Model _____ License _____ State _____ Direction _____ Speed _____ Owned by _____ Address _____ Driven by _____ Address _____ Drivers License _____ Number _____ State _____ No. of persons in vehicle _____ Describe damage or injury to occupants _____
--	--

Damage to property other than vehicles _____
Name object, describe damage. Give name and address of owner, if known.
Check one if used: Fuse Pot Torches Flags Fire Extinguishers
Date of Report _____ Signature of Driver _____ Badge No. _____
Residence _____ State Driver's License No. _____
Operator must give full and detailed account of accident on this sheet and sign his or her own name.

Give full and detailed account of accident here.

If additional space is needed for names of others involved, list them below.

NOTE! This diagram must be used in all cases involving pedestrians, standing or moving vehicles, and stationary objects.

INDICATE ON THIS DIAGRAM WHAT HAPPENED

Indicate North
○
with an arrow

POINT OF IMPACT	1	2	3
1 Front			
2 Left Front			
3 Right Front			
4 Left Side			
5 Right Side			
6 Rear			
7 Left Rear			
8 Right Rear			

Your Vehicle (Other Vehicles)

Check one space for each vehicle.
Make sure you are Vehicle No. 1
Use same numbers for vehicles on diagram.

INSTRUCTIONS

1. Outline Roadway with heavy, lines to indicate location.
2. Indicate vehicles at time of accident thus: →
3. Use solid line to show path of vehicles before accident
 →
4. Use a dotted line to show path of vehicles after accident and where vehicles came to rest → →
5. Indicate pedestrians by → ○
6. Show names of streets—if not at intersection show house number to identify location of accident.

Supervisor's Accident Investigation Form

LOCATION	STREET	AT	INTERSECTING STREET	DATE (MONTH, DAY, YEAR)	TIME	<input type="checkbox"/> AM <input type="checkbox"/> PM
	NO. FEET		<input type="checkbox"/> N <input type="checkbox"/> E <input type="checkbox"/> S <input type="checkbox"/> W	CROSS STREET OR REFERENCE	POLICE ON THE SCENE	<input type="checkbox"/> YES <input type="checkbox"/> NO
CITY	COUNTY		REPORTING POLICE OFFICER			
	NO. OF VEHICLES INVOLVED		TYPE OF ACCIDENT	<input type="checkbox"/> AUTO-COACH <input type="checkbox"/> COACH-PEDESTRIAN	<input type="checkbox"/> TRUCK-COACH <input type="checkbox"/> COACH-FIXED OBJECT*	<input type="checkbox"/> PASSENGER INJURED <input type="checkbox"/> _____
*IF FIXED OBJECT: OBJECT AND NAME OF OWNER						

VEHICLE NO. 1 (METRO VEHICLE)			
NAME OF OPERATOR (LAST, FIRST, INITIAL)			BADGE NO.
DIVISION	VEHICLE NO.	ROUTE NO.	BLOCK NO.
OPERATOR INJURED <input type="checkbox"/> YES <input type="checkbox"/> NO	NATURE OF INJURY		
REMOVED FROM SCENE BY	TAKEN TO		

VEHICLE NO. 2 / PEDESTRIAN			
NAME (LAST, FIRST, INITIAL)			
ADDRESS (NO., STREET, CITY, ZIP)			HOME PHONE
CITY	STATE	ZIP	DATE OF BIRTH
DRIVER'S LICENSE NO.		SEX <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	S. S. #
OCCUPATION	EMPLOYER	WORK PHONE	
NATURE OF INJURIES			
REMOVED FROM SCENE BY		TAKEN TO	
MAKE	MODEL	YEAR	
COLOR	LICENSE NO.	STATE	
NAME OF REGISTERED OWNER (LAST, FIRST, INITIAL)			
ADDRESS OF OWNER (NO., STREET)			
CITY	STATE	ZIP	OWNER'S PHONE
INSURANCE CO.			

OCCUPANTS / INJURIES			
1	NAME (LAST, FIRST, INITIAL)	IN. VEH. NO.	
	ADDRESS (NO., STREET, CITY, ZIP)	AGE	
	NATURE OF INJURIES	SEX <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	
	REMOVED FROM SCENE BY	TAKEN TO	
2	NAME (LAST, FIRST, INITIAL)	IN. VEH. NO.	
	ADDRESS (NO., STREET, CITY, ZIP)	AGE	
	NATURE OF INJURIES	SEX <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	
	REMOVED FROM SCENE BY	TAKEN TO	
3	NAME (LAST, FIRST, INITIAL)	IN. VEH. NO.	
	ADDRESS (NO., STREET, CITY, ZIP)	AGE	
	NATURE OF INJURIES	SEX <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	
	REMOVED FROM SCENE BY	TAKEN TO	
4	NAME (LAST, FIRST, INITIAL)	IN. VEH. NO.	
	ADDRESS (NO., STREET, CITY, ZIP)	AGE	
	NATURE OF INJURIES	SEX <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	
	REMOVED FROM SCENE BY	TAKEN TO	
NUMBER OF PASSENGERS	VEHICLE NO. 1	VEHICLE NO. 2	

CITATIONS ISSUED	<input type="checkbox"/> YES <input type="checkbox"/> NO	ISSUED TO	<input type="checkbox"/> DRIVER #1 <input type="checkbox"/> DRIVER #2
CODE OR SECTION NO.			
DRIVER / VEHICLE ACTIONS			
VEHICLE #1	<input type="checkbox"/> INBOUND <input type="checkbox"/> N <input type="checkbox"/> E <input type="checkbox"/> OUTBOUND <input type="checkbox"/> S <input type="checkbox"/> W	ON (STREET)	
VEHICLE #1	<input type="checkbox"/> INBOUND <input type="checkbox"/> N <input type="checkbox"/> E <input type="checkbox"/> OUTBOUND <input type="checkbox"/> S <input type="checkbox"/> W	ON (STREET)	
1 2	1 2		
<input type="radio"/> GOING STRAIGHT AHEAD	<input type="radio"/> PARKED	<input type="radio"/> OTHER _____	
<input type="radio"/> MAKING RIGHT TURN	<input type="radio"/> BACKING	_____	
<input type="radio"/> MAKING LEFT TURN	<input type="radio"/> MERGING	_____	
<input type="radio"/> STOPPED IN TRAFFIC	<input type="radio"/> ENTERING	_____	
<input type="radio"/> STOPPED IN BUS STOP	<input type="radio"/> ENTERING BUS STOP	_____	
<input type="radio"/> SLOWING	<input type="radio"/> LEAVING BUS STOP	_____	
<input type="radio"/> STARTING			

WITNESSES	NAME (LAST, FIRST, INITIAL)	ADDRESS (NO., STREET, CITY, ZIP)	PHONE NUMBER
	NAME (LAST, FIRST, INITIAL)	ADDRESS (NO., STREET, CITY, ZIP)	PHONE NUMBER
	NAME (LAST, FIRST, INITIAL)	ADDRESS (NO., STREET, CITY, ZIP)	PHONE NUMBER

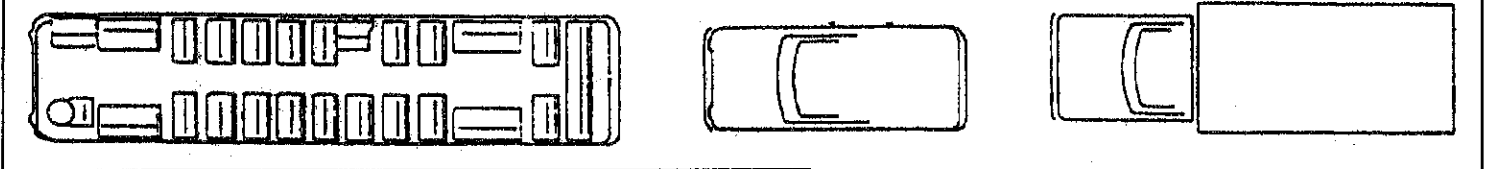
ROAD SURFACE	WEATHER	LIGHT CONDITIONS	TRAFFIC CONTROL
<input type="checkbox"/> DRY <input type="checkbox"/> ICE <input type="checkbox"/> WET <input type="checkbox"/> SNOW <input type="checkbox"/> OTHER	<input type="checkbox"/> CLEAR <input type="checkbox"/> CLOUDY <input type="checkbox"/> RAINING <input type="checkbox"/> SNOWING <input type="checkbox"/> FOGGY	<input type="checkbox"/> DAYLIGHT <input type="checkbox"/> DARK-STREET LIGHTS ON <input type="checkbox"/> DAWN <input type="checkbox"/> DARK-STREET LIGHTS OFF <input type="checkbox"/> DUSK <input type="checkbox"/> DARK-NO STREET LIGHTS	<input type="radio"/> VEHICLE NO. 1 <input type="checkbox"/> VEHICLE NO. 2 <input type="radio"/> <input type="checkbox"/> TRAFFIC SIGNAL <input type="radio"/> <input type="checkbox"/> STOP SIGN <input type="radio"/> <input type="checkbox"/> YIELD SIGN <input type="radio"/> <input type="checkbox"/> FLAGMAN <input type="radio"/> <input type="checkbox"/> NO CONTROL <input type="radio"/> <input type="checkbox"/> OTHER (EXPLAIN)

VEHICLE NO. 1	VEHICLE NO. 2
---------------	---------------

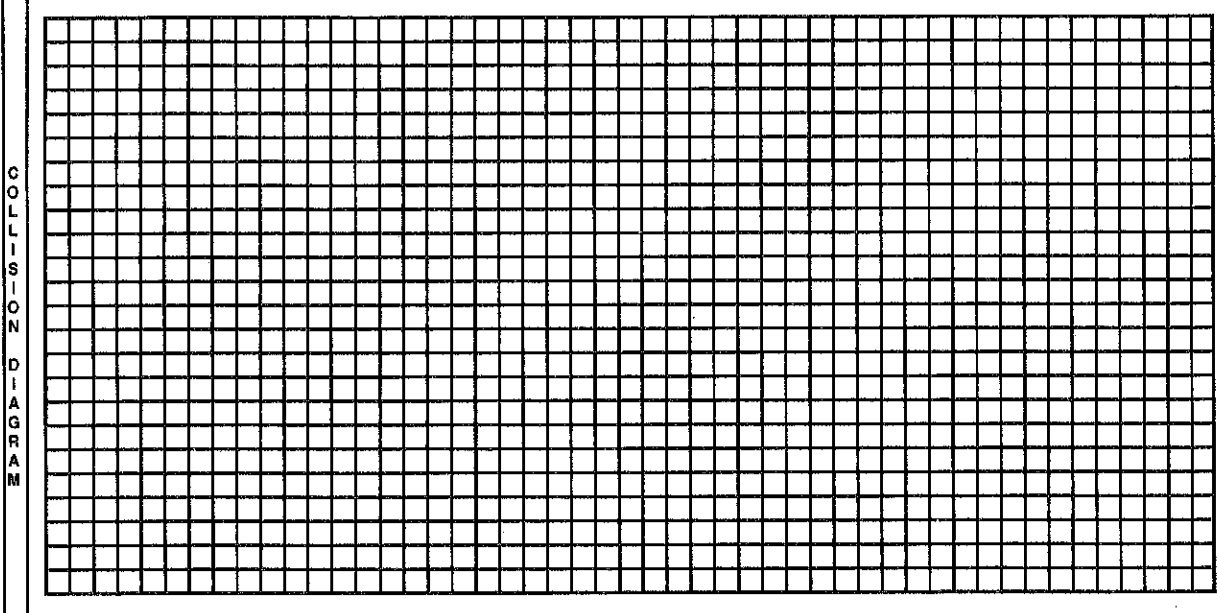
LOCATION OF DAMAGE	LOCATION OF DAMAGE
--------------------	--------------------

TOWED BY	TO	TOWED BY	TO
----------	----	----------	----

MARK "X" TO SHOW POINT OF CONTACT INDICATE LOCATION OF DAMAGE/INJURED PASSENGER



WERE PHOTOGRAPHS TAKEN YES NO VIDEO EQUIPPED COACH YES NO



INDICATE NORTH BY
ARROW IN CIRCLE

INDICATE ON THIS DIAGRAM
WHAT HAPPENED

1. IDENTIFY ROADWAYS
2. NUMBER EACH VEHICLE AND SHOW DIRECTION OF TRAVEL BY ARROW

3. LOCATE PROBABLE POINT OF IMPACT

DESCRIPTION

TIME CALLED <input type="checkbox"/> AM <input type="checkbox"/> PM	TIME ARRIVED AT SCENE <input type="checkbox"/> AM <input type="checkbox"/> PM	TIME SCENE CLEARED <input type="checkbox"/> AM <input type="checkbox"/> PM	SUPERVISOR SIGNATURE
---	---	--	----------------------