

## SORTA FINANCE COMMITTEE MEETING

TUESDAY, MARCH 9<sup>TH</sup>, 2021 - 8:30 A.M.

### General Items:

Call to order  
Pledge of Allegiance

1. Approval of Finance Committee Minutes: February 9<sup>th</sup>, 2021

### Briefing Items

2. Financial Reports for February 28<sup>th</sup>, 2021 (*Michelle Jeng*)

### Action Items

3. Investment of Funds Report for SORTA and Infrastructure Fund as of February 28<sup>th</sup>, 2021 (*Michelle Jeng*)

### Other Items:

New Business

Adjournment

The next regular meeting of the Finance Committee has been scheduled for  
**April 13<sup>th</sup>, 2021 at 8:30 a.m.**

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The SORTA Board of Trustees may go into Executive "Closed" Session under the Ohio Open Meetings Act:

Section 121.22(G)(1) To consider appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee...;  
Section 121.22(G)(2) To consider the purchase of property for public purposes....; Section 121.22(G)(3) Conferences with an attorney for the public body concerning disputes involving the public body that are the subject of pending or imminent court action; Section 121.22(G)(4) Preparing for, conducting, or reviewing negotiations or bargaining sessions with public employees..., Section 121.22(G)(5) Matters required to be kept confidential by federal law or regulations or state statutes; Section 121.22(G)(6) Details relative to the security arrangements and emergency response protocols for a public body or a public office; Section 121.22(G)(8) To consider confidential information related to the marketing plans, specific business strategy, production techniques, trade secrets...

FINANCE COMMITTEE  
TUESDAY, FEBRUARY 9<sup>TH</sup>, 2021 – 8:30 A.M.

COMMITTEE/BOARD MEMBERS PRESENT: Heidi Black, Chelsea Nuss-Clark, Roderick Hinton, Kreg Keesee, Pete McLinden, Gwen Robinson, Sonja Taylor, Larry Thompson 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, Arancha Lattanzio, Kathleen McKeon, 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 January 12<sup>th</sup>, 2021**

Ms. Black moved and Mr. Hinton seconded that the minutes of the January 12<sup>th</sup>, 2021 meeting be approved as previously emailed.

4. **Fuel Hedging Report:Q4**

Ms. Jeng presented the quarterly fuel hedging report which indicated that as of December 31<sup>st</sup>, 2020 fuel is favorable to budget by \$737,541.

The Committee accepted the report as presented.

**Financial Reports for January 31<sup>st</sup>, 2021**

Ms. Jeng presented the January financial reports. Total revenues were \$9.5 million, which is unfavorable to budget by \$666,000. Total expenses were \$8.4 million, which is favorable to budget by \$1,805,000 or 17.7%. The estimated sales tax revenue was \$7,476,000 for the month. Fare revenue was unfavorable to budget by \$25,000. Ms. Jeng then reviewed the contributing factors to these variances.

The Committee accepted the report as presented.

5. **Investment of Funds as January 31<sup>st</sup>, 2021**

Ms. Jeng presented the report noting the yields slightly decreased to 0.12% compared to the prior month of 0.14% for the month of December.

The Committee approved the report as presented.

6. **Proposed Resolution: Approval of Appointment to Ohio Transit Risk Pool (OTRP) Board of Trustees**

Ms. Jeng requested approval to appoint T.J. Thorn, Chief Safety Officer as an alternate trustee to the Ohio Transit Risk Pool (OTRP) Board of Trustees to serve and vote in the absence of the voting trustee, Darryl Haley, CEO/General Manager/ Secretary-Treasurer; or alternate voting trustee, Michelle Jeng, Chief Financial Officer (CFO).

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

7. **New Business**

The next regular meeting of the Finance Committee has been scheduled for Tuesday, March 9<sup>th</sup>, 2021 at 8:30 A.M.

8. **Adjournment**

The meeting adjourned at 9:00 A.M.

March 2021

**BRIEFING ITEM – MONTHLY FINANCIAL REPORTS – AS OF FEBRUARY 28<sup>th</sup>, 2021**

**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 as of February 28<sup>th</sup>, 2021.

**SUBMITTED BY:**



Michelle Jeng  
CFO/Sr. Vice-President, Finance



**SOUTHWEST OHIO REGIONAL TRANSIT AUTHORITY**  
**Monthly Financial Report**  
**Executive Summary**  
**February 2021**

SORTA's financial report for the two months ending February 28, 2021 is attached.

- Total Revenue of \$8.7 million was unfavorable to budget by \$(766,000) or (8.1%).
- Total Expense of \$8.0 million was favorable to budget by \$1,426,000 or 15.1%;
- Operating surplus before adjustments was \$660,000 for the month and \$1,800,000 year to date.
- Estimated \$6,708,000 from the Sales Tax Revenue was recorded for the month. Capital Revenue was recorded to offset the operating surplus in order to build the Capital Reserve.

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

- **Fare Revenue**: Unfavorable to budget by \$(89,000) or (11.5%). Metro fare revenue was unfavorable to budget by \$(78,000) as a result of fixed route regular ridership that was unfavorable to budget. The fare box recovery ratio of 10.0%, favorable to budget by 0.4%, was due to favorable operating expense.
- **CPS Contract Revenue**: Unfavorable to budget by \$(594,000) or (79.0%). CPS service, which began on February 16<sup>th</sup>, was budgeted for the entire month.
- **Non-Transportation Revenue**: Unfavorable to budget by \$(42,000) or (67.7%) due to unfavorable advertising revenue.
- **Wages & Benefits**: Favorable \$515,000 or 7.6% primarily due to the delay of CPS returning to in classroom learning.
- **Fuel & Lubricants**: Favorable \$134,000 or 32.5% as a result of lower miles driven due to the delay of CPS service.
- **Parts & Supplies**: Favorable \$71,000 or 11.1% primarily due to building maintenance parts of \$31,000 and COVID related supplies \$49,000.
- **Other**: Favorable \$662,000 or 44.9% primarily as a result of outsourced services of \$180,000, third party maintenance costs of \$268,000 and training, travel & meetings of \$38,000

**Southwest Ohio Regional Transit Authority  
2021 Profit & Loss Statement**

2 Mos Ending Feb 28, 2021 (\$ In Thousands)	Month				Year to Date				
	Actual	Budget	Fav(Unfav)		Actual	Budget	Fav(Unfav)		
<b>Ridership</b>									
Fixed Route	415,747	521,589	(105,842)	(20.3%)	873,454	999,648	(126,194)	(12.6%)	1,743,617
CPS	10,230	157,372	(147,142)	(93.5%)	16,642	295,255	(278,613)	(94.4%)	408,791
Access	6,938	9,646	(2,708)	(28.1%)	14,084	19,721	(5,637)	(28.6%)	36,744
<b>Total Ridership</b>	<b>432,915</b>	<b>688,607</b>	<b>(255,692)</b>	<b>(37.1%)</b>	<b>904,180</b>	<b>1,314,624</b>	<b>(410,444)</b>	<b>(31.2%)</b>	<b>2,189,152</b>
<b>Recovery Ratio</b>	<b>10.0%</b>	<b>9.6%</b>		<b>0.4%</b>	<b>9.9%</b>	<b>8.9%</b>		<b>1.0%</b>	<b>19.1%</b>
<b>Revenue</b>									
Metro Fares	\$ 657	\$ 735	\$ (78)	(10.6%)	\$ 1,318	\$ 1,410	\$ (92)	(6.5%)	\$ 2,654
Access Fares	28	39	(11)	(28.2%)	58	80	(22)	(27.5%)	152
<b>Total Fares</b>	<b>685</b>	<b>774</b>	<b>(89)</b>	<b>(11.5%)</b>	<b>1,376</b>	<b>1,490</b>	<b>(114)</b>	<b>(7.7%)</b>	<b>2,806</b>
CPS Contract	158	752	(594)	(79.0%)	316	1,546	(1,230)	(79.6%)	1,503
Other Contract Revenue	99	124	(25)	(20.2%)	198	247	(49)	(19.8%)	329
Non Transportation	20	62	(42)	(67.7%)	119	124	(5)	(4.0%)	228
County Sales Tax	6,708	6,708	-	-	14,185	14,185	-	-	-
Transit Fund	-	-	-	n/a	-	-	-	n/a	9,051
Federal Subsidies	950	950	-	-	1,900	1,900	-	-	2,098
State Subsidies	74	90	(16)	(17.8%)	150	184	(34)	(18.5%)	478
<b>Total Revenue</b>	<b>8,694</b>	<b>9,460</b>	<b>(766)</b>	<b>(8.1%)</b>	<b>18,244</b>	<b>19,676</b>	<b>(1,432)</b>	<b>(7.3%)</b>	<b>16,493</b>
<b>Expenses</b>									
Employee Wages & Benefits	6,247	6,762	515	7.6%	12,866	14,194	1,328	9.4%	13,150
Fuel & Lubricants	278	412	134	32.5%	596	828	232	28.0%	894
Parts & Supplies	568	639	71	11.1%	1,054	1,285	231	18.0%	1,152
Casualty & Liability	87	131	44	33.6%	165	262	97	37.0%	123
Empowerment Fund	42	42	-	-	84	84	-	-	-
Other	812	1,474	662	44.9%	1,679	3,023	1,344	44.5%	1,547
<b>Total Expenses</b>	<b>8,034</b>	<b>9,460</b>	<b>1,426</b>	<b>15.1%</b>	<b>16,444</b>	<b>19,676</b>	<b>3,232</b>	<b>16.4%</b>	<b>16,866</b>
<b>Surplus(Deficit) Before Adj</b>	<b>\$ 660</b>	<b>\$ -</b>	<b>\$ 660</b>		<b>\$ 1,800</b>	<b>\$ -</b>	<b>\$ 1,800</b>		<b>\$ (373)</b>
<b>Capital Revenue</b>	<b>(660)</b>				<b>(1,800)</b>				<b>\$ -</b>
<b>Prior Year Reserve</b>			-	n/a			-	n/a	-
<b>Prior Year Surplus</b>			-	n/a			-	n/a	363
<b>After Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>			<b>\$ -</b>	<b>\$ -</b>			<b>\$ (10)</b>
<b>Capital</b>									
Capital Revenue	\$ 660				\$ 1,800				
Capital Reserve	(660)				(1,800)				
<b>Remaining Funds</b>	<b>\$ -</b>				<b>\$ -</b>				



# Financial Results

## February 28, 2021



Metro celebrated “Ohio Loves Transit Week” February 7<sup>th</sup> – 14<sup>th</sup>

10 new buses went into service beginning February 15<sup>th</sup>

- CPS returned to in class learning on February 16<sup>th</sup>
- Metro’s Fare Simplification plan is on track to take effect April 4<sup>th</sup>

- COVID continues to negatively impact ridership
- The organization will be reviewing all the budgeted assumptions and will present an updated forecast in April





2 Mos Ending Feb 28, 2021  
(\$ In Thousands)

	Month				Year to Date				Prior Year
	Actual	Budget	Fav(Unfav)		Actual	Budget	Fav(Unfav)		
<b>Ridership</b>									
Fixed Route	415,747	521,589	(105,842)	(20.3%)	873,454	999,648	(126,194)	(12.6%)	1,743,617
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<b>Recovery Ratio</b>	<b>10.0%</b>	<b>9.6%</b>		<b>0.4%</b>	<b>9.9%</b>	<b>8.9%</b>		<b>1.0%</b>	<b>19.1%</b>
<b>Revenue</b>									
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<b>Surplus(Deficit) Before Adj</b>	<b>\$ 660</b>	<b>\$ -</b>	<b>\$ 660</b>		<b>\$ 1,800</b>	<b>\$ -</b>	<b>\$ 1,800</b>		<b>\$ (373)</b>
<b>Capital Revenue</b>	<b>(660)</b>				<b>(1,800)</b>				<b>\$ -</b>
<b>Prior Year Reserve</b>			-	n/a			-	n/a	-
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<b>Capital</b>									
Capital Revenue	\$ 660				\$ 1,800				
Capital Reserve	(660)				(1,800)				
<b>Remaining Funds</b>	<b>\$ -</b>				<b>\$ -</b>				

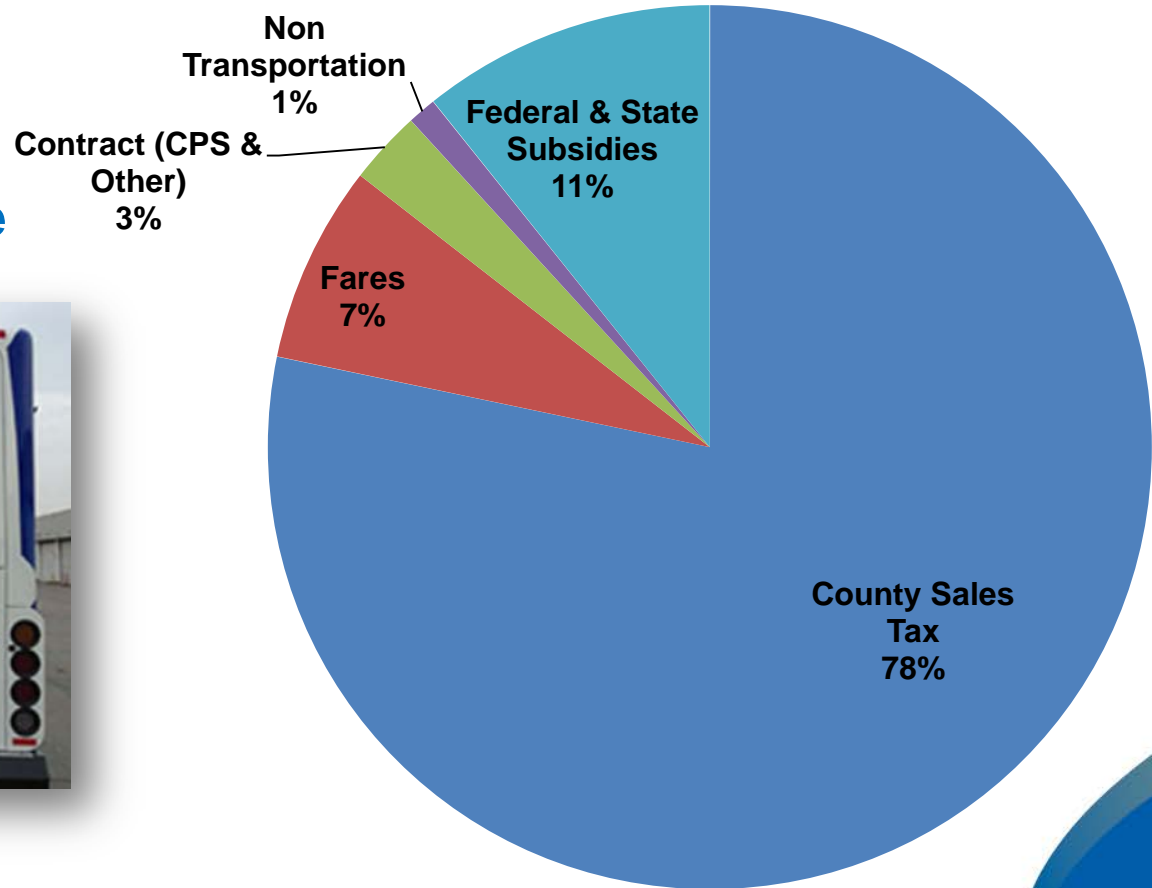
February  
2021

Statement  
Of  
Operations



# YTD Revenue by Source

% of \$18.2 million  
YTD Feb Revenue



# Capital Projection

## Capital Funding - Actual vs Budget

	2021 Full Year Budget	Jan	Feb	YTD	% To Budget
Metro Share of Sales Tax	\$ 92,537	\$ 7,476	\$ 6,708	\$ 14,184	15%
Sales Tax for Operating	83,779	6,337	6,048	12,385	15%
<b>Remaining Sales Tax for Capital</b>	<b>8,758</b>	<b>1,139</b>	<b>660</b>	<b>1,799</b>	<b>21%</b>
City Transit Fund Settlement	9,000	5,724	-	5,724	64%
Committed Bus Match for Grants Awarded	6,964	6,964	-	6,964	100%
Carryover from Prior Year	6,267	13,767	-	13,767	220%
<b>Total Funds to Be Committed</b>	<b>30,989</b>	<b>27,594</b>	<b>660</b>	<b>28,254</b>	<b>91%</b>

### Less Annual Funds Committed by Category

	Budgeted	Actual	Budget vs Actual
Buses	6,964	6,964	-
Paratransit	176	176	-
Infrastructure	12,415	12,415	-
<b>Total Funds Committed</b>	<b>19,555</b>	<b>19,555</b>	<b>-</b>
Amount remaining(needed)	\$ 11,434	\$ 8,699	\$ (2,735)

Thank You



March 2021

**ACTION ITEM – INVESTMENT OF FUNDS REPORT – AS OF FEBRUARY 28<sup>th</sup>, 2021**

**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 February 28<sup>th</sup>, 2021.

**SUBMITTED BY:**



Michelle Jeng  
CFO/Sr. Vice President, Finance



**Investment of Funds Report**  
Feb-21

	Principal Amount	Maturity Date	Purchase Date	2/28/2021 Yield	Sec Days	Days to Maturity
<b>Overnight Investments</b>						
STAR Ohio	\$ 27,907,618			0.09%		
Fifth Third Bank Concentration Account	\$ 595,967			0.00%		
<b>Subtotal Overnight Investments / Average Rate</b>	<b>\$ 28,503,585</b>			0.09%		
<b>Securities &amp; CD's</b>						
<b>Fifth Third Bank Custody Account:</b>						
Commercial Paper	\$ 998,550	03/01/21	09/02/20	0.29%	180	1
Commercial Paper	\$ 998,800	05/17/21	11/18/20	0.24%	180	78
Commercial Paper	\$ 997,767	05/28/21	09/02/20	0.30%	268	89
Commercial Paper	\$ 998,448	07/09/21	10/16/20	0.21%	266	131
Commercial Paper	\$ 998,443	07/13/21	10/19/20	0.21%	267	135
Commercial Paper	\$ 1,996,129	07/30/21	11/04/20	0.26%	268	152
Commercial Paper	\$ 1,997,459	10/29/21	02/02/21	0.17%	269	243
Commercial Paper	\$ 998,660	11/05/21	02/10/21	0.18%	268	250
<b>Subtotal Securities &amp; CD's / Weighted Yield / Maturity</b>	<b>\$ 9,984,256</b>			0.23%	250	147
<b>Total All Securities (02/28/2021) / Weighted Yield / Maturity</b>	<b>\$ 38,487,841</b>			0.12%		39
<b>Total All Securities (01/31/2021) / Weighted Yield / Maturity</b>	<b>\$ 38,846,536</b>			0.12%		25
Funds provided by (required for) Operations during February	\$ 1,453,829			<b>Monthly Investment Income \$ 3,624</b>		
Funds provided by (required for) Capital during February	\$ (1,812,524)			<b>Year to Date Investment Income \$ 7,767</b>		
<b>Change in Cash during February 2021</b>	<b>\$ (358,695)</b>					
<b>Total All Securities (02/29/2020)</b>	<b>\$ 18,054,677</b>					

Reviewed and Approved by:

*Michelle Jeng*  
 \_\_\_\_\_  
 Michelle Jeng  
 CFO



Infrastructure Investment of Funds Report  
Feb-21

	Principal Amount	Maturity Date	Purchase Date	2/28/2021 Yield	Sec Days	Days to Maturity
<u>Overnight Investments</u>						
STAR Ohio	\$	-		0.09%		
Fifth Third Bank Infrastructure Account	\$	5,179,151		0.00%		
Subtotal Overnight Investments / Average Rate	\$	5,179,151		0.00%		
<b>Total All Cash &amp; Investments (02/28/2021) / Weighted Yield / Maturity</b>						
	\$	5,179,151		0.00%		1

Reviewed and Approved by:

*Michelle Jeng*

Michelle Jeng  
CFO