



SORTA/Metro
Finance Committee
November 07, 2023
8:30 am-9:00 am Eastern Time

SORTA FINANCE COMMITTEE MEETING
TUESDAY, NOVEMBER 7TH, 2023 - 8:30 A.M.
SORTA/METRO AT HUNTINGTON CENTER,
SORTA BOARD ROOM (6th FLOOR),
525 VINE STREET
CINCINNATI, OHIO 45202

General Items:

Call to order

Pledge of Allegiance

1 Approval of Finance Committee Minutes: October 17th, 2023

2 Briefing Items

3 *Finance and Fuel Hedging Reports will be brought to the Board Meeting.

4 Action Items

5 Proposed Resolution: Approval of Revised 2023 Property & General Liability Insurance Coverages (Julie Beard/Andy Aiello)

5.1 Action Item:

6 Proposed Resolution: Approval of December 2023 - November 2024 Property & General Liability Insurance Coverages (Julie Beard/Andy Aiello)

6.1 Action Item:

Other Items:

New Business

Adjournment

The next regular meeting of the Finance Committee has been scheduled for

Tuesday, December 5th, 2023, at 8:30 a.m.

FINANCE COMMITTEE
TUESDAY, OCTOBER 17TH, 2023 – 8:30 A.M.
SORTA/METRO AT HUNTINGTON CENTER
6TH FLOOR SORTA BOARD ROOM
525 VINE STREET
CINCINNATI, OHIO 45202

COMMITTEE MEMEBERS APPOINTED: *Sonja Taylor (Chair), Jay Bedi, Chelsea Clark, Dan Driehaus, Allen Freeman Rod Hinton and KZ Smith*

COMMITTEE/BOARD MEMBERS PRESENT: Tony Brice, *Chelsea Clark*, Dan Driehaus, Blake Ethridge, Greg Keesee, Pete Metz, *Gwen Robinson*, and Sonja Taylor

COMMITTEE MEMBERS ABSENT: Jay Bedi, Alyson Beridon, Trent Emeneker, Allen Freeman, *Robert Harris*, Rod Hinton, Sara Sheets and KZ Smith

STAFF MEMBERS PRESENT: Andy Aiello, Steve Anderson, Norman Bouwie, Myla Danison, John Edmondson, Pat Giblin, Adriene Hairston, Darryl Haley, Christina Harvey, James Hubbard, Mary Huller, Natalie Krusling, Tenecia Le'Flore, Troy Miller, Brad Mook, Matt Moorman, Jeff Mundstock, John Ravasio, Ruth Reed, Jason Roe, Kevin Ruth, Mark Samaan, Khaled Shammout, August Schweitzer, Bill Spraul, Joe Vilvens and Tara Walker

OTHERS PRESENT: Kim Schaefer (Legal Counsel-Vorys), Matthew Hulme (City of Cincinnati) and Ken Reed (OTRP)

1. **Call to Order**

Ms. Taylor called the meeting to order.

2. **Pledge of Allegiance**

The Pledge of Allegiance was recited.

3. **Approval of Minutes of September 19th, 2023**

Ms. Taylor moved, and Mr. Metz seconded that the minutes of the September 19th, 2023, be approved. By voice vote the committee approved the minutes.

4. **Financial Report as of September 30th, 2023**

Mr. Aiello presented the September financial results. Total revenues were \$24.1 million, which was favorable to budget by \$4.3 million. Total expenses were \$11.8 million, which is favorable to budget by \$954,000. Surplus/Deficit was \$12.4 million, which was favorable to budget by \$5.2 million. Ridership was 1.206 million, which is favorable to budget by 224 thousand. Mr. Aiello then reviewed the contributing factors to these variances.

The Committee accepted the report as presented.

5. **Investment of Funds Reserve Summary as September 30th, 2023**

Mr. Aiello provided a high-level overview of the Investment of Funds Reserve Summary for the month of September. Total securities \$188,515,448. Total Current Capital Reserve Obligations totaled \$140,895,227. The Net Unrestricted Securities Available \$47,620,221, adding the 2023 Operating Budget Surplus (Deficit) of \$319,663, brings a total surplus of \$47,939,884 for the month of September.

The Committee approved the report as presented.

6. **Internal Audit Report**

Mr. Bouwie presented the internal audit report. He reviewed the Riverfront Transit Center (RTC) background, Audit Objective, Audit Scope and Methodology, Audit Observations and Results and the Audit Updates. Mr. Bouwie reviewed the observations and recommendations as well as the management responses.

The Committee approved the report as presented.

7. **ERM Administrative Update**

Mr. Aiello presented the ERM Administrative Update. He provided the background information of how the ERM foundation was created and reviewed the current 501 (c) 3 status. He proposed a structural change where the ERM foundation would be funded out of SORTA's budget. He proposed spending down any funds remaining in the 501 © 3 account. After the funds were spent he proposed the program funds coming from SORTA's budget. After the 501 © 3 account is at a 0 balance, the foundation would be closed. The program would continue without interruption and would transition to a metro fare program.

The Committee approved the report as presented.

8. **Investment of Funds Reports as of September 30th, 2023**

Mr. Aiello presented the report noting the yields of SORTA 4.87% for September compared to the prior month of 4.81% for the month of August.

Mr. Aiello presented the report noting yields for the Infrastructure Transit Fund of 4.75% for September compared to the prior month of 4.70% for the month of August.

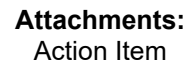
Ms. Taylor moved, and Mr. Metz seconded that the Investment of Funds as of September 30th, 2023, be approved. By voice vote the committee approved the reports.

New Business

The next regular meeting of the Finance Committee has been scheduled for Tuesday, November 7th, 2023, at 8:30 A.M.

9. **Adjournment**

The meeting adjourned at 9:16 A.M.



MOVED BY:	Blake Ethridge	SECOND BY:	Pete Metz
VOTE Aye:	Mr. Driehaus, Mr. Ethridge, Mr. Harris, Mr. Hinton, Mr. Keesee, Mr. Metz, Ms. Robinson, Ms. Sheets and KZ Smith		
Nay:	None		
Abstain:	None		
ABSENT AT THE TIME:	Ms. Clark, Ms. Beridon, and Ms. Taylor		
PRESENT NON-VOTING MEMBERS:	Mr. Ememeker		
ABSENT NON-VOTING MEMBERS AT THE TIME:	Mr. Bedi and Mr. Freeman		
APPROVED:	November 14 th , 2023		



BOARD OF TRUSTEES ACTION ITEM

DATE: November 7, 2023

FROM: Julia Beard, Director of Accounting

PROJECT NO.: 30-2023 Property & General Liability Insurance 2023 Coverages – Ohio Transit Risk Pool (OTRP)

REQUEST: Contract Modification

BACKGROUND

SORTA has a program in place for liability insurance covering: general liability, automobile liability, public officials' liability, cyber liability, and crime with OTRP. This policy is effective December 1, 2022 – November 30, 2023. As part of this coverage OTRP has also been settling claims for SORTA for current and prior years that are still unresolved.

Insurance coverage has been provided by Ohio Transit Risk Pool for the past year.

BUSINESS PURPOSE

OTRP has been working diligently to settle any outstanding claims from current and prior years. They have been able to settle as of August 31, 2023, over \$566,000 worth of claims which exceeds our budgeted amount for 2023. Additional funding is needed to fund these settlements for part of third quarter (June – August 2023) and all of the fourth quarter (September – November 2023).

PROJECT FINANCING

The not-to-exceed amount for the claims settlements for this policy was approved at \$480,000, a budgeted local operating expense. The modification amount of \$500,000 is an unbudgeted local operating expense. This modification would cover actual claims for the third quarter and projected claims for the fourth quarter.

PROJECT PROCUREMENT

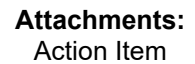
Section 306.43 of the Ohio revised Code authorizes SORTA to contract for the provision of goods and services.

PROJECT DIVERSITY

As this is a modification to an existing contract for insurance coverage, no vendor diversity analysis has been performed and no goal established.

RECOMMENDED BOARD ACTION

Staff recommends the Board of Trustees approve a resolution authorizing the CEO/General manager/Secretary-Treasurer or the Senior Director of Procurement to execute a modification to Contract No. 30-2023 on behalf of SORTA with OTRP, increasing the total not to exceed value from \$1,706,185.72 to \$2,206,185.72, an increase of \$500,000.



MOVED BY:	Blake Ethridge	SECOND BY:	Pete Metz
VOTE Aye:	Mr. Driehaus, Mr. Ethridge, Mr. Harris, Mr. Hinton, Mr. Keesee, Mr. Metz, Ms. Robinson, Ms. Sheets and KZ Smith		
Nay:	None		
Abstain:	None		
ABSENT AT THE TIME:	Ms. Clark, Ms. Beridon, and Ms. Taylor		
PRESENT NON-VOTING MEMBERS:	Mr. Ememeker		
ABSENT NON-VOTING MEMBERS AT THE TIME:	Mr. Bedi and Mr. Freeman		
APPROVED:	November 14 th , 2023		

BOARD OF TRUSTEES ACTION ITEM

DATE: November 7, 2023
FROM: Julia Beard, Director of Accounting
PROJECT NO.: 2024 Property, General Liability, Riverfront Transit Center Insurance Coverages and Shock Loss Funding – Ohio Transit Risk Pool (OTRP)
REQUEST: Contract Award

BACKGROUND

SORTA is required to have a program in place for liability insurance covering: General Liability, Automobile Liability, Public Officials' Liability, Cyber Liability, and Crime. In an effort to mitigate identified risks, SORTA requires property insurance with coverage for direct physical loss or damage. SORTA also has the responsibility to provide Flood Insurance coverage for the Riverfront Transit Center. SORTA is also required to maintain a Shock Loss Fund as a member of OTRP equal to one year of contributions.

SORTA has been a member of OTRP for the last 2 years.

BUSINESS PURPOSE

In an effort to mitigate identified risks, SORTA staff is requesting continuing membership in the Ohio Transit Risk Pool for a liability program covering these areas: General Liability, Automobile Insurance, Public Officials Liability, Cyber Liability and Crime, Property, and Flood Insurance for Riverfront Transit Center. SORTA staff is also requesting additional monies to fully fund our OTRP revised Shock Loss Fund amount for 2024. OTRP will also provide a detailed actuarial study on our Claim Reserves during 2024.

PROJECT FINANCING

The budget for this Annual Coverage, Claims Settlements, Actuarial Study, and Shock Loss Funding is \$1,828,937.65 and covers the period of December 1, 2023 – November 30, 2024

The Liability Insurance Coverage is a twelve (12) month program with coverage for General Liability (includes Cyber and Crime), Automobile Liability, Riverfront Transit Center Flood Insurance, and Public Officials' Liability with a total expenditure of \$1,283,986.69. Riverfront Transit Center Flood Insurance will be reimbursed by the City of Cincinnati as part of operating expenses.

The Property Insurance coverage is for physical loss, or damaged at a total cost not to exceed \$483,345.00.

Shock Loss Funding for the twelve (12) month program will be at a total cost not to exceed \$53,605.96.

Actuarial Study of Claim Reserves will be \$8,000.00.

The expenditures have been budgeted for 2024 and will be funded with local funds.

PROJECT PROCUREMENT

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

PROJECT DIVERSITY

No vendor diversity analysis has been performed and no goal established.

RECOMMENDED BOARD ACTION

Staff recommends the Board of Trustees approve resolution authorizing the CEO/General Manager to execute a one (1) year policy with the Ohio Transit Risk Pool on behalf of SORTA for General liability insurance, and Flood Insurance for Riverfront Transit Center for the period of December 1, 2023 – November 30, 2024, at a cost not to exceed \$1,283,986.69, in addition to Property Insurance for the same period not to exceed \$ 483,345.00. We also request approval for funding for Shock Loss Contribution and Actuarial Study performed by OTRP not to exceed \$50,000.00 and \$8,000.00 respectively.



2024 Ohio Transit Risk Pool Draft Budget
Premium Contributions

[illegible]



RISK

2024 Ohio Transit Risk Pool Draft Budget

As of: 12/1/2023

Invoicing Summary

Southwest Ohio Regional Transit Authority

Member since 2020

Deductible Summary

<u>Liability</u>	<u>APD & Commercial Property</u>	<u>Crime</u>
\$1,000,000.00	\$25,000.00	\$1,000.00

Regular Contributions¹

Date	Invoice	Amount
12/1/2023	Excess Coverage	\$ 505,347.69
12/1/2023	Actuarial Work	\$ 8,000.00
12/1/2023	Flood RTC	\$ 50,000.00
12/1/2023	Quarter 1 Contribution	\$ 182,996.00
3/1/2024	Quarter 2 Contribution	\$ 182,996.00
6/1/2024	Quarter 3 Contribution	\$ 182,996.00
9/1/2024	Quarter 4 Contribution	\$ 182,996.00
Total		\$ 1,295,331.69

Please indicate to staff if you wish to be invoiced monthly

Estimated² Deductible Invoicing

Date	Amount
2/28/2024	\$ 120,000.00
5/31/2024	\$ 120,000.00
8/31/2024	\$ 120,000.00
11/30/2024	\$ 120,000.00
Estimated Total	\$ 480,000.00

Estimated³ Shock Loss Contributions for 2024

Current Balance	Minimum Required	Maximum Allowed
\$ 1,181,418	\$ 1,237,332	\$ 7,423,990

Payment Plan: \$ 53,605.96

Estimated Total Cost for 2024: \$ 1,828,937.65

¹OTRP is required to pay some amounts in a single payment to carriers. All other amounts are accrued by OTRP throughout the year and are thereby invoiced quarterly to our members to match.

²Deductible invoices are dependent upon claims occurring within a member's deductible liabilities. Actual claim experience will be invoiced during the fiscal year. The numbers shown herein are provided as a convenience for budgeting purposes and are based upon your selected deductible structure and prior claims paid.

³OTRP has adopted a surplus policy requiring members to keep 1 time their annual contribution but may keep up to 6 times on account. This estimate is based upon your current balance within shock loss desired additional funding or pre-approved payment plan.