



MEETING: PERFORMANCE MONITORING/AUDIT COMMITTEE

DATE: WEDNESDAY, MARCH 24, 2021

TIME: 1:30 PM – 3:00 PM

LOCATION: VIA WEBEX

MINUTES

1. CALL TO ORDER

Chair Walker called the Performance Monitoring/Audit Committee meeting to order at 1:30 pm EDT.

2. ROLL CALL

COMMITTEE MEMBERS PRESENT

Kumi Walker, Chair
Cathy DeRosa, Trustee

3. APPROVAL OF PERFORMANCE MONITORING/AUDIT COMMITTEE MINUTES

Trustee DeRosa moved to approve the January 20, 2021 Meeting Minutes; Chair Walker seconded. Motion carried.

4. UNAUDITED FINANCIALS

Angel Mumma, COTA Chief Financial Officer, provided the financial update through February 2021 which included the following details:

RIDERSHIP HIGHLIGHTS:

Year-to-Date ridership through February was 1,227,184 boardings, an approximately 60% decrease from 2020. Ridership numbers will begin to normalize a bit because March of 2020 is when the pandemic started and we started seeing that impact to ridership. Therefore, year-to-year comparisons will start to be more in line as we move forward in the year.

FINANCIAL HIGHLIGHTS:

In 2020, COTA received \$49.8 million in CARES Act funding. In 2021, COTA is going to receive an additional \$51.6 million in CARES ACT funding. Similar to last year, all of COTA's operating





expenses are eligible to be covered by these funds and represents about 30% of COTA's operating budget. In addition to this funding, COTA began collecting fares in January.

Sales Tax

Sales tax revenue, as a whole, is up year-to-date, both according to where we were last year as well as compared to what we budgeted for this year. In January we began putting 10% of the sales tax revenue in the Capital Improvement Fund. As a result of this allocation, for the next year some negative variations will be noticeable between prior year and current year year-to-date numbers. Therefore, the financial report will show the sales tax revenue is down.

Operating Revenue

Through February 2021, operating revenue totaled \$79.5 million. This amount represents a \$53.7 million or 208.1% increase over 2020 revenue and a \$56.0 million or 238.0% increase over the 2021 budget. As a result of the continuing COVID pandemic, the federal government has allocated an additional \$51,621,741 in FFY 2021 CARES Act funding. This is in addition to the \$49,878,307 that was allocated in 2020. While we have not drawn down funds from the 2021 allocation, we have recorded the full amount as a receivable and as such, the amount is reflected as revenue in our February 2021 financial statements.

Despite recognizing only 90% of the revenue in our Operating Fund, sales tax receipts within the General Operating Fund reflect only a 4.9% reduction over 2020 (with 100% being allocated in 2020). As previously mentioned, as compared to budget, sales tax revenue through February reflected a 5.9% increase.

COTA reinstated fares on fixed route services beginning January 11 and Mainstream February 1, resulting in fare revenue through February of \$1.3 million. This amount represented a 25.2% decrease over the budget and a 56.2% decrease over 2020.

Operating Expenses

Operating Expenses are \$27.5 million which is 2.5% or approximately \$716,000 less than budgeted. This amount represents a 12.3% or \$3.0 million increase over 2020. At the end of February, we showed working capital for about 20 months of expenditures.

Net Operating Position

As a result of operating revenues exceeding operating expenditures, COTA's net operating position reflected an increase of \$52.0 million through February.

Budget vs. Actual Reports

Consistent with previous Financial Reports, Exhibit A is a Summary of Revenues & Expenditures which reflects the current month and YTD comparisons against budget and prior year.

New to this report is Exhibit B, a Summary of Revenues & Expenditures which compares the YTD revenues and expenditures against the overall annual budget. I feel that this report is more





valuable as monthly budgetary numbers are simply estimates based largely on spreading expenditures evenly throughout each month of the year when in reality, that isn't necessarily how they occur. From a legal standpoint, it is essential that the actual expenditures do not exceed the annual budgeted expenditures at year end; month to month is irrelevant.

QUESTIONS/DISCUSSION

Chair Walker: It sounds like the 60% isn't really a good comparison because it's pre-pandemic levels in terms of ridership. What does expected ridership look like in terms of the financial plan?

Angel Mumma: I do have that budget number, I just don't have it handy.

Chair Walker: That just might be helpful, because I agree that the variance from 2020 pre-pandemic probably isn't relevant and likely isn't what COTA planned for anyway.

Trustee DeRosa: Kumi, to that end, I was wondering if it would make sense to put a 2019 column on this as well for things like passenger revenue, et cetera, which, I don't ever want to use the word normal because things change and grow, but a comparison number that might be useful as well and that may be just for one year. I kept thinking expenses maybe not as much but on the revenue side, what would passenger revenue have looked like in 2019 or 2018. So, having that in some way close might be a useful thing I think along those same lines.

Angel Mumma: Of course, I will make that change moving forward in our reports.

Chair Walker: I don't need that now, Angel, but just something to consider.

Angel Mumma: I will definitely get the budgeted number. I'm sorry I don't have it at my fingertips. I thought I did. I will make sure the two of you have it in the next few hours.

Chair Walker: Okay. No problem. Cathy, any other questions?

Trustee DeRosa: No, thank you. That's good news.

Chair Walker: It is great news.

5. NEW BUSINESS

6. RESOLUTIONS FOR REVIEW AND DISCUSSION

- A. RESOLUTION 2021 XX – APPROVING THE REVISED LEVEL OF COMPENSATION PAYOUT FOR THE 2020 PIC PROGRAM – **CONSENT AGENDA**
- B. RESOLUTION 2021 XX – AUTHORIZING AN AMENDMENT TO RESOLUTION NO. 2020-111 TO REVISE APPROPRIATIONS FOR THE EXPENDITURES OF THE CENTRAL OHIO TRANSIT AUTHORITY FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2021 – **CONSENT AGENDA**
- C. RESOLUTION 2021 XX – AUTHORIZING THE FILING OF APPLICATIONS WITH THE OHIO DEPARTMENT OF TRANSPORTATION FOR GRANTS FOR STATE FISCAL YEAR 2022 – **CONSENT AGENDA**





- D. RESOLUTION 2021 XX – AUTHORIZING THE DESIGNATION OF SELF-INSURANCE AND CAPITAL GRANT MATCHING FUNDS – **CONSENT AGENDA**
- E. RESOLUTION 2021 XX – AUTHORIZING ADDITIONAL EXPENDITURES FOR FINDLEY, INC. FOR EMPLOYEE MEDICAL BENEFIT CONSULTING SERVICES – **CONSENT AGENDA**
- F. RESOLUTION 2021 XX – AUTHORIZING A CONTRACT WITH MEEDER PUBLIC FUNDS FOR INVESTMENT ADVISORY SERVICES – **CONSENT AGENDA**

Chair Walker: Angel, do you know whether the amount COTA has to invest, compares with some of the other organizations from a scale perspective? Is this the largest, is this somewhere in the middle, is this one of the smaller portfolios for them?

Angel Mumma: I will pull out their RFP and take a look. Offhand, I don't remember. They do all the other public transit agencies in Ohio as well, BUT I don't know how we compare to them. I believe between \$150 and \$200 million, this would be a relatively larger portfolio that they manage.

Chair Walker: Okay.

Trustee DeRosa: you had mentioned that they do a fixed fee. Are they doing fixed fee with the other agencies as well?

Angel Mumma: That, I don't know. I do know in my prior life in Dublin, they did propose a fixed fee there as well. We had one other firm that proposed that. It was higher and all the other ones are a percentage of the overall portfolio, which all of them were higher than what this fixed fee would have been.

Trustee DeRosa: Thanks.

- G. RESOLUTION 2021 XX – AUTHORIZING ADDITIONAL EXPENDITURES WITH THE SPARK CREATIVE FOR THE RENEWAL OF STRATEGIC PLAN AND EXECUTION SUPPORT SERVICES – **CONSENT AGENDA**
- H. RESOLUTION 2021 XX – AUTHORIZING A CONTRACT WITH CDW GOVERNMENT LLC FOR THE PURCHASE OF SPLUNK 200GB ENTERPRISE TERM LICENSES – **CONSENT AGENDA**
- I. RESOLUTION 2021-XX - AUTHORIZING ADDITIONAL EXPENDITURES FOR THE CONTRACT WITH KELLY SERVICES FOR TEMPORARY PERSONNEL SERVICES – **CONSENT AGENDA**
- J. RESOLUTION 2021 XX – AUTHORIZING ADDITIONAL EXPENDITURES FOR THE CONTRACT WITH ACLOCHE LLC FOR TEMPORARY PERSONNEL SERVICES – **CONSENT AGENDA**
- K. RESOLUTION 2021 XX – AUTHORIZING A CONTRACT WITH INGENESIS, INC. FOR TEMPORARY PERSONNEL SERVICES – **CONSENT AGENDA**





- L. RESOLUTION 2021 XX – AUTHORIZING A CONTRACT WITH SAFETY-KLEEN SYSTEMS, INC. FOR THE SERVICING OF PARTS CLEANING TANKS – **CONSENT AGENDA**
- M. RESOLUTION 2021 XX – AUTHORIZING ADDITIONAL EXPENDITURES FOR THE CONTRACT WITH JRED SERVICES, LLC FOR COTA TRANSIT PASSENGER SHELTER CLEANING SERVICES – **CONSENT AGENDA**
- N. RESOLUTION 2021 XX – AUTHORIZING ADDITIONAL EXPENDITURES FOR THE CONTRACT WITH JRED SERVICES, LLC FOR COTA BRT TRANSIT PASSENGER SHELTER CLEANING SERVICES – **CONSENT AGENDA**
- O. RESOLUTION 2021 XX – AUTHORIZING A CONTRACT WITH QUALAWASH HOLDINGS, LLC FOR THE REMOVAL AND DISPOSAL OF SLUDGE AND WATER FROM COTA PREMISES – **CONSENT AGENDA**
- P. RESOLUTION 2021 XX – AUTHORIZING A CONTRACT WITH NEW FLYER OF AMERICA FOR THE PURCHASE OF SPECIALIZED TOOLS REQUIRED FOR SERVICES ON NEW FLYER EXCELSIOR TRANSIT VEHICLES – **CONSENT AGENDA**
- Q. RESOLUTION 2021 XX – AUTHORIZING A CONTRACT WITH GILLIG, LLC FOR THE PURCHASE OF MISCELLANEOUS PARTS FOR TRANSIT VEHICLES – **CONSENT AGENDA**
- R. RESOLUTION 2021 XX – AUTHORIZING A CONTRACT WITH CBM US INC FOR THE PURCHASE OF MISCELLANEOUS CUMMINS PARTS FOR TRANSIT COACHES – **CONSENT AGENDA**
- S. RESOLUTION 2021 XX – AUTHORIZING A CONTRACT WITH KIRKS AUTOMOTIVE, INC. FOR THE PURCHASE OF MISCELLANEOUS CUMMINS PARTS FOR TRANSIT VEHICLES – **CONSENT AGENDA**
- T. RESOLUTION 2021 XX – AUTHORIZING A CONTRACT WITH CUMMINS SALES AND SERVICE FOR THE PURCHASE OF MISCELLANEOUS CUMMINS PARTS FOR TRANSIT COACHES – **CONSENT AGENDA**
- U. RESOLUTION 2021 XX – AUTHORIZING A CAPITAL LEASE AGREEMENT WITH ENTERPRISE FLEET MANAGEMENT INC. FOR NON-REVENUE VEHICLES – **CONSENT AGENDA**
- V. RESOLUTION 2021 XX – AUTHORIZING A CONTRACT WITH GRAYLINE GROUP RESEARCH FOR EXECUTION OF PUBLIC TRANSPORTATION COVID-19 RESEARCH DEMONSTRATION RESEARCH GRANT PROGRAM – **CONSENT AGENDA**
- W. RESOLUTION 2021 XX – AUTHORIZING A CONTRACT WITH TURING RESEARCH FOR THE EXECUTION OF THE PUBLIC TRANSPORTATION COVID-19 RESEARCH DEMONSTRATION GRANT PROGRAM – **CONSENT AGENDA**





Trustee DeRosa: Angel, that last grant, what is that work for? I wasn't sure I was clear -- understood it.

Angel Mumma: I'm going to ask my colleague, Sophia Mohr to explain more about this particular grant.

Sophia Mohr: Trustee DeRosa, this particular grant was something that we applied for back in December and this one will be studying the effects of COVID-19 on transit and a focus on data. So we'll be working with both firms to study the effects of COVID-19 on our passengers and ridership and understand what maybe future ridership could look like.

Trustee DeRosa: That sounds fabulous. So, is this something that will be shared nationally, is that the work here?

Sophia Mohr: This was an FTA grant, so we will be working with the FTA to report on our findings.

Trustee DeRosa: Oh, that's fabulous. Congratulations on that. That's wonderful.

Sophia Mohr: Thank you.

7. QUESTIONS/DISCUSSION

CHAIR WALKER: Angel were any of these that you wanted to recommend for the full board meeting.

Angel Mumma: The only one because it was on the regular agenda last time was the PIC program, but it's a clerical error so it may not rise to the level of needing to be on the regular agenda.

Chair Walker: Okay. That makes sense. Thank you. Cathy, anything else?

Trustee DeRosa: I had one quick question, these additional dollars received in support of the latest federal act, will there be a plan to bring forth use of that money? Will that change the 2021 direction or is it just too early to talk about that? I'm wondering what the thoughts were there. Thanks.

Angel Mumma: I think there's two components to that. I'll start, and then, again, I'll also let Sophia chime in as well. We have to use them for operating so what we will do is draw them down. We'll just look at our monthly expenditures and then get the dollars in and by probably April or May, we'll have them all drawn down. But what that means is from an appropriation standpoint, those dollars are freed up to do other things and one of the things Sophia can discuss with you more accurately than I can is just how we're trying to bring alignment to our strategic plan and initiatives we have there and determine how best to use those dollars. As well as just our overall services. Sophia is there anything you want to add to that?

Sophia Mohr: I don't really have anything to add to that but this is really trying to understand what the effects of COVID were and how travel patterns may have changed pre- and post-COVID



