



**FINANCE/AUDIT COMMITTEE MEETING
WEDNESDAY, JULY 27, 2016
7:30 A.M.**

MINUTES

1. **CALL TO ORDER**

Chair Craig Treneff called the meeting to order at 7:30 a.m. Trustees Philip Honsey and Letty Schamp were also in attendance.

2. **APPROVAL OF JULY 27, 2016 AGENDA**

Honsey motioned to approve the July 27, 2016 Finance Committee Meeting Agenda. Treneff seconded the motion. Motion passed.

3. **APPROVAL OF APRIL 27, 2016 MINUTES**

Honsey motioned to approve the April 27, 2016 Finance Committee Meeting Agenda. Schamp seconded the motion. Motion passed.

4. **CASH PORTFOLIO REVIEW**

Jeffrey Vosler briefly reviewed COTA's Portfolio of Invested Funds.

5. **ENERGY PRICE RISK MANAGEMENT PROGRAM REPORT – 2ND QUARTER**

Through the 2nd quarter, the Energy Price Risk Management program netted an overall cost of \$660,000.

Diesel Fuel Hedge Position:

As oil prices continue to hover around six year lows, the price of diesel has continued to stay in the low range with some volatility as seasonal factors and the price of crude fluctuates. The result of low prices is payments on the pre-existing hedge positions. Despite the payments, COTA continues to operate well within budget as a result of the savings on un-hedged percentages and fluctuations in the differential between NYMEX heating oil prices and diesel fuel prices in the Great Lakes region.

Natural Gas:

As of the second quarter of 2016, alternative supplier costs were well below the local utility, saving 216,000 (40%) year-to-date. Usage was up due to increased CNG consumption and again weather resulted in increased volumes. Overall pricing was favorable compared to the local utility due to market conditions and price locks on approximately 50% of total usage.

Electricity:

Savings compared to the local utility of \$105,000 year-to-date (20%). COTA has contracted with Direct Energy, fixing the price per KWH for nearly all of our expected usage.

6. DBE UPDATE

At the end of the first half of the year, COTA has achieved 14.2% DBE participation, still exceeding the proposed 2016 DBE goal of 10.7%. The McKinley Avenue Renovation project is still going through the closing process and has achieved a 6.8% DBE participation goal for the 2nd quarter. The McKinley Renovation project is projected to finish at an overall DBE participation of 18%.

DBE companies working on non-federal contracts achieved 17.1% DBE participation against a goal of 10.6%. This included JRED Services for COTA's bus shelter cleaning and trash collection, Dynamix Engineering and Resource International performing A/E and testing services on the McKinley Avenue Renovation project, and Proteam Solutions for our temporary personnel services. Capital Transportation, a DBE company serving as a subcontractor to First Transit, also added to the overall strength of our DBE participation numbers.

7. TECHNOLOGY UPDATE

Several significant projects are underway in the area of Information Technology and following is a status update provided in an attempt to keep the Board of Trustees informed on these important initiatives.

Real Time Bus Arrival Information: Work continues with our vendor to close out the open items for the D2 project. We have requested additional details on the open items that required further analysis by the vendor. COTA.com updates have been completed to incorporate the real-time information and is currently undergoing final testing. We will activate the site for public consumption in the upcoming weeks.

ERP Replacement: The ERP RFP received six (6) viable responses that are currently being evaluated by our selection committee and our independent consultant. Demonstrations from the final candidates will be scheduled during August with the team recommending the final candidate for Board approval in October.

Cellular on Buses: The installation of the pilot fleet of buses (8 buses) started the week of July 11, 2016 and is planned for completion by July 15, 2016. Following successful testing, we plan to begin the rollout to the remainder of the fleet through October pending the final decision of the cellular provider. The first phase of the project transitions COTA's data communications from the Franklin County radio system to 4g cellular communications. The anticipated benefits are more reliable and timely updates to and from COTA's vehicles. Later phases are expected to come in 2017 beyond that include customer Wi-Fi as well as elements of the new fare collection system.

Fare Collection System: We completed the kick-off meeting with the consultant who will be assisting in the project as scheduled, and identified potential candidates to request demonstrations of their products that we believe will be beneficial to the selection committee members prior to issuing an RFP. IT is working closely with planning to ensure communication and integration with any and all smart city initiatives so our solution will be able to seamlessly integrate with solutions planned as part of that effort.

Bus Operator Employee Portal: IT continues to work with the design team to identify the required elements for the employee portal for Bus Operators. This is the first step in a multi-phased project toward fully integrating the operators into our electronic communications system as well as providing access to future state resources for upcoming projects.

8. FTA FINANCIAL MANAGEMENT OVERSIGHT (FMO) REVIEW UPDATE

Vosler reported that COTA is scheduled for a Financial Management Oversight Full Scope Review on July 18. The review will cover seven standards for financial management systems: Financial Reporting, Accounting Records, Internal Control, Budget Control, Allowable Costs, Source Documentation and Cash Management. The review timeframe is October 1, 2014 through December 31, 2015.

9. 2015 AUDIT STATUS

Vosler reported that Clark, Schafer, Hackett & Co. has completed the audit of the Central Ohio Transit Authority for the year ended December 31, 2015. The audit reports were submitted to the Auditor of State's Office and was approved yesterday. The audit reports will be issued to all Trustees for review.

10. ADJOURNMENT

The meeting adjourned at 8:00 a.m.

Adopted: October 26, 2016

Signed: 

Chair, Finance/Audit Committee

Attest: 

President/CEO