

BOARD OF TRUSTEES
SOUTHWEST OHIO REGIONAL TRANSIT AUTHORITY

MINUTES OF: Regular Meeting of the SORTA Board of Trustees

DATE: Tuesday, November 15th, 2016, 9:00 a.m.
SORTA/Metro Mt. Adams Board Room
602 Main Street
Cincinnati, Ohio 45202

BOARD MEMBERS

PRESENT: Jason Dunn, Brendon Cull, Mary Miller, Ken Reed, Karl Schultz, Daniel St. Charles, Brad Thomas

BOARD MEMBERS

ABSENT: Maurice Brown, Gary Greenberg, Kreg Keesee, Ron Mosby, Gwen Robinson

STAFF MEMBERS: Dwight Ferrell, Donna Adkins, Michelle Cantor, Matt Conover, Paul Grether, Butch Gaut, Darryl Haley, Sallie Hilvers, Brandy Jones, Maria Jones, Carla McHale, Mary Moning, Demarcus Peters, John Ravasio, David Riposo, Ronald Salerno, Monai Smith, Alan Solomon, Vance Thomas

OTHERS: Steve Ashe, Horan; Ralph Blackwelder, Enrollment Management Services; Kim Schaefer, Vorys, Sater, Seymour and Pease, LLP; Darcy Schwass, Vehr Communications; Nick Sunyak, City of Cincinnati; Andy Shenk, Dave Wormald

CALL TO ORDER

Mr. Dunn, SORTA Board Chair, called the meeting to order.

PLEDGE OF ALLIGANCE

The Pledge of Allegiance was recited.

HEARINGS FROM CITIZENS

Mr. Dunn asked if there were any citizens present who would like to address the Board; there were none.

APPROVAL OF OCTOBER 18TH, 2016 BOARD MEETING MINUTES

Mr. Schultz made a motion that the minutes of the October 18th, 2016 meeting be approved as previously mailed and Mr. Thomas seconded the motion. By voice vote, the Board approved the minutes.

Mr. Dunn congratulated Mr. Cull and his wife on the birth of their new child.

UPDATE ON PREPARATION FOR A PUBLIC TRANSIT BALLOT INITIATIVE IN 2017

Mr. Ferrell addressed updates which have been made since the Board approved Resolution #2016-23: Preparation for a Public Transit Ballot Initiative in 2017; these include the approval of the Strategic Plan and Balanced Scorecard, the five-year operating plan and ten-year capital plan, and meetings with City Council members and elected officials.

Mr. Dunn also stated that in preparation for a possible ballot initiative, the Board will have the opportunity to go out into the community and speak with citizens.

FINANCE COMMITTEE

Mr. St. Charles reported on the Finance committee meeting that was held on November 8, 2016. He provided a brief overview of the 2017 budget and health insurance.

Monthly Financial Report

Mr. Riposo presented the September 2016 financial report. Total revenues were \$7.7 million, which is unfavorable to budget by \$68,000 or 0.9%. Total expenses were \$7.7 million, which is unfavorable to budget by \$74,000 or 0.9%. Budgeted prior years reserves of \$43,000 were used in September. The end result was a net favorable variance of \$5,000 for the month. Local capital of \$5,000 has been added back for September, and \$762,000 year-to-date has been applied as previously approved to balance the operating budget. Fare revenue was unfavorable to budget by \$92,000 or 5.1% for the month due to ridership being 3.7% under budget. Mr. Riposo then reviewed with the committee the significant contributing factors to these variances.

He also presented the Cincinnati Bell Connector financial report for September 2016. Total expenses were \$390,131, which is favorable to budget by \$125,716, or 48%. Total expenses were \$389,693, which is unfavorable to budget by \$64,120, or 20%. The end result is a net favorable variable of \$438 for the month. Mr. Riposo then reviewed the contributing factors to these variances, including a discussion of supplemental service expenses.

Presentation on Health Insurance

Mr. Riposo gave a presentation on the SORTA health insurance program; this included a five-year cost analysis for both self-funded and fully insured health insurance addressing staff's decision to switch to a self-funded model in 2017. He noted that this was guided by the SORTA Strategic Plan. Mr. Riposo clarified that any plan design changes were not possible due to the collective bargaining agreement at Metro. He also explained stop loss policies and how a high cost claimant ("HCC") has been incorporated into the budget; Mr. Riposo noted that staff recommends transitioning from a fully insured to a self-funded medical plan in 2017, increasing the stop loss attachment point to \$300,000 from \$175,000, and awarding a one-year administration and network provider agreement to Humana. He also discussed medical cost reduction initiatives, such as biometric screening, Humana Vitality, and Enrollment Management Services (EMS). Enrollment Management Services is a consulting service which will meet with employees on a voluntary basis; they offer additional education, enrollment specialists, and support to employees to help determine which healthcare option best fits their needs. This may help reduce premiums and out-of-pocket costs.

Mr. Riposo also discussed dental coverage, noting that based on cost and employee impact a self-funded plan with Dental Care Plus (DCP) combined with the same contractual CIGNA indemnity plan is recommended. Mr. Riposo provided the employee contributions for medical, which will be an approximate increase of 16.5% for medical and will be flat for CIGNA dental and a reduction of 6.5% for the DEP plan..

2017 Budget Review

Mr. Riposo presented an overview of the 2017 budget, noting that the 2017 budget is balanced. Mr. Riposo also provided additional detail, discussing the budget for the strategic plan (a three-year investment), which will allow for additional training for operators and various business development plans for employees such as Kaizen training to improve efficiencies. The Board had an in-depth discussion on itemized items within the strategic plan as well as the return on investment.

Mr. Riposo discussed that the budgets for SORTA and the Cincinnati Bell Connector are completely separate. He also addressed non-recurring savings for the 2017 budget: savings for medical by moving to a self-funded program, a \$3.2 million increase in the 2017 request to the City of Cincinnati for transit funds based on receipts from May to July, and vendor rebates. Mr. Riposo noted that these events are not expected to be repeatable for the 2018 budget. He also discussed 5-year operating projections, 10-year capital plan (which is based on SORTA's current funding model), operating wages, and healthcare.

Mr. Ferrell briefly noted that grants are very competitive and that many transit systems are forced to rely on local levies to maintain funding. Mr. Cull commented that many of the public transit levies passed in larger cities.

Mr. Cull asked that the 2017 Service Changes be presented prior to the Board voting on the 2017 revised operating plan.

2017 Service Changes

Mr. Conover presented the proposed service changes for 2017, which include new connections to the Route 46, Route 51, and the Metro*Plus, more frequent service for two routes (one branch of the Route 43 and the new Metro*Plus 2), system changes (three transit centers, and new express buses on four routes), and one service deletion (the Route 38X). The Route 38X would be served by changes made to other routes. The Board discussed small buses, capital needs, and the economic reasons for these changes.

Mr. St. Charles presented the following to the Board for approval:

Proposed Resolution No. 2016-39: Approval of the 2017 Revised Operating Plan

Mr. St. Charles moved for adoption and Mr. Reed seconded the motion. This resolution approves the revised 2017 operating plan budget of \$109,095,954 (\$96,103,700 operating and \$12,992,254 capital). By roll call vote, the Board unanimously approved the resolution.

Proposed Resolution No. 2016-40: Approval of Contract for FSA/HRA/COBRA Third-Party ("TPA") Administrator Services

Mr. St. Charles moved for adoption and Mr. Thomas seconded the motion. This resolution approves a three (3) year contract allowing Chard Snyder, a WME, to administer the Flexible Spending Account (FSA), Health Reimbursement Account (HRA), and COBRA on behalf of SORTA at a total cost not to exceed \$108,108. By roll call vote, the Board unanimously approved the resolution.

Proposed Resolution No. 2016-41: Approval of Self-Funded Health Insurance

Mr. St. Charles moved for adoption and Ms. Miller seconded the motion. This resolution approves a one (1) year contract with Humana, Inc. to administer a self-funded health care policy at a total cost for administrative services not to exceed \$692,575. By roll call vote, the Board unanimously approved the resolution.

Proposed Resolution No. 2016-42: Approval of Dental Insurance

Mr. St. Charles moved for adoption and Mr. Reed seconded the motion. This resolution approves a one (1) year contract with CIGNA for a dental insurance policy at a total cost not to exceed \$173,768. By roll call vote, the Board unanimously approved the resolution.

PLANNING & OPERATIONS COMMITTEE

Mr. Thomas reported on the Planning & Operations Committee meeting that was held on November 8, 2016.

Ridership Report for September 2016

Mr. Conover provided the September 2016 ridership report and stated that total ridership was 1,409,813, which was .05% below projections. On-time performance was 81.2% for local routes, against a goal of 88%. Local routes are carrying 22.8 passengers per hour, against a goal of 20.7 and express routes are carrying 15.3 passengers per trip, against a goal of 16.2. Mr. Conover also presented the September Access ridership report; total ridership for Access was 19,286, up 5.1% from projections. Year-to-date Access ridership was up 2.8% or 4,613 rides. On-time performance was 93.4% against a goal of 93%. He also provided the Cincinnati Bell Connector ridership report for September; total ridership was 133,323, up 112% and 70,292 from projections. On-time performance was 21.1% against a goal of 88%. The streetcar is carrying 138.1 passengers per hour against a goal of 56.

Rail Report

Mr. Grether presented the November 2016 Cincinnati Bell Connector monthly report. He noted that Interim General Manager, John Lee, has left Transdev. A comprehensive long-term plan is being addressed by Transdev for the Cincinnati Bell Connector in addition to their search for a new General Manager. Mr. Grether stated that requested changes to the ticket vending machines (TVM) have been made by SORTA staff and that ODOT will be on-site this week for a quarterly review meeting.

Mr. Thomas presented the following to the Board for approval:

Proposed Motion: Adoption of 2017 Board and Committee Meeting Schedule

Mr. Thomas moved for adoption and Mr. Reed seconded the motion. This motion approves and adopts the schedule for the 2017 Board and Committees meetings. By voice vote, the Board approved the motion.

Proposed Motion: Approval of Appointment to OKI Board

Mr. Thomas moved for adoption and Mr. Reed seconded the motion. This appoints Dwight Ferrell as SORTA's representative to the OKI Board of Trustees and Darryl Haley as the alternate. By voice vote, the Board approved the motion.

Proposed Resolution No. 2016-37: Approval to Purchase Diesel Fuel January 2017 – December 2018

Mr. Thomas moved for adoption and Ms. Miller seconded the motion. This resolution allows for the solicitation and approval of diesel fuel utilizing the most cost effective method (either from the Ohio Department of Administrative Services ("ODAS") or, following established procedures, from the open market at the lowest quoted price) available at a total cost to not exceed \$12,000,000 for the period of January 2017 – December 2018. By roll call vote, the Board unanimously approved the resolution.

Proposed Resolution No. 2016-38: Approval of Contract for Government Square Cleaning

Mr. Thomas moved for adoption and Mr. Reed seconded the motion. This resolution approves a one (1) year contract with Downtown Cincinnati, Inc. (DCI) for the cleaning of the Government Square facility and the bus stops and shelters in the Cincinnati Business District at a total cost not to exceed \$137,588.32. By roll call vote, the Board unanimously approved the resolution.

PERSONNEL AND POLICIES COMMITTEE

Mr. Reed reported on the Personnel & Policies committee meeting that was held on November 8, 2016 and presented the following to the Board for approval:

Proposed Motion: Approval of Weapons on Metro Property Policies – Employees, Customers, and Visitors

Mr. Reed moved for adoption and Mr. Thomas seconded the motion. This motion puts two new policies into place; one addresses Weapons on Metro Property - Employees and the second addresses Weapons on Metro Property – Customers and Visitors. These policies ensure that SORTA's weapons policies are consistent with Ohio law and will revoke all prior policies. The Board discussed these policies in-depth. By voice vote, the Board approved the motion.

IT SUBCOMMITTEE

Mr. Reed reported on the IT Subcommittee meeting that was held on November 8, 2016; he discussed updates that have been made as a result of the internal audit, collision avoidance technology, and the Cincy EZRide app.

CEO BOARD UPDATE

Mr. Ferrell presented the CEO Board Report. He noted that VP, Human Resources, Olivia Jones, and Board Liaison, Michelle Cantor, would be departing from SORTA, and thanked them for their contributions to the organization. He also thanked staff for all of their work during the budget process. Mr. Ferrell called up Ms. Hilvers to address the Board on ongoing community and Council outreach events. He invited the Board outside to 6th Street to view a 15-year-old bus, which costs 133% more to operate and maintain compared to a 10-year-old bus.

NEW BUSINESS

Mr. Reed moved to adjourn the meeting and Mr. Dunn seconded the motion. The meeting adjourned at 11:10 a.m.

NEXT MEETING

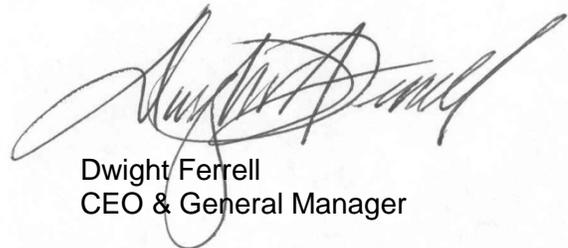
The next regular meeting of the SORTA Board of Trustees is scheduled for Tuesday, December 13th, 2016 at 9:00 a.m., the SORTA/Metro Board Room, 602 Main Street, Suite 1200, Cincinnati, Ohio.

APPROVED:



Jason Dunn
Chair, SORTA Board

ATTESTED:



Dwight Ferrell
CEO & General Manager