

SORTA FINANCE COMMITTEE MEETING

TUESDAY, FEBRUARY 21ST, 2023 - 9:00 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: January 17th, 2023

Briefing Items

2. Fuel Hedging Report: Q4 (**Larry Pinkelton**)
3. Financial Reports as of January 31st, 2023 (**Larry Pinkelton**)

Action Items

4. Investment of Funds Report as of January 31st, 2023 (**Larry Pinkelton**)

Other Items:

New Business

Adjournment

The next regular meeting of the Finance Committee has been scheduled for
March 21st, 2023, at 9:00 a.m.

FINANCE COMMITTEE
TUESDAY, JANUARY 17TH, 2023 – 9:00 A.M.
SORTA/METRO AT HUNTINGTON CENTER
6TH FLOOR SORTA BOARD ROOM
525 VINE STREET
CINCINNATI, OHIO 45202

COMMITTEE MEMEBERS APPOINTED: *Rod Hinton (Chair), Heidi Black, Allen Freeman, and Sonja Taylor*

COMMITTEE/BOARD MEMBERS PRESENT: Heidi Black, Chelsea Clark and Kreg Keesee

COMMITTEE MEMBERS ABSENT: Allen Freeman, Rod Hinton, and Sonja Taylor

STAFF MEMBERS PRESENT: Darryl Haley, Andy Aiello, Ann Dinan, John Edmondson, Adriene Hairston, Waleed Ismael, Brandy Jones, Maria Jones, Natalie Krusling, Pat LaFleur, Adam Przeklasa, John Ravasio, Jason Roe, Shannel Satterfield and Khaled Shammout and Tara Walker

OTHERS PRESENT: Kim Schaefer (Legal Counsel-Vorys)

1. **Call to Order**

Mr. Keesee called the meeting to order.

2. **Pledge of Allegiance**

The Pledge of Allegiance was recited.

3. **Approval of Minutes of December 6th, 2022**

Mr. Keesee moved, and Ms. Black seconded that the minutes of the December 6th, 2022, be approved. By voice vote the committee approved the minutes.

4. **Financial Report as of December 31st, 2022**

Mr. Pinkelton presented the preliminary December financial reports. Total revenues were \$19.7 million, which is favorable to budget by \$6.2 million. Total expenses were \$12.4 million, which is favorable to budget by \$1.1 million. Fare revenue was unfavorable to budget by \$183,000. Mr. Pinkelton then reviewed the contributing factors to these variances.

The Committee accepted the report as presented.

5. **Investment of Funds Report as of December 31st, 2022**

Mr. Pinkelton presented the report noting the yields of SORTA 3.62% for December compared to the prior month of 3.10% for the month of November.

Mr. Pinkelton presented the report noting yields for the Infrastructure Transit Fund of 3.57% for December compared to the prior month of 3.14% for the month of November.

The Committee approved the report as presented.

6. **Proposed Resolution: Approval of Ohio Transit Risk Pool OTRP Shock Loss Payment**

Mr. Pinkelton proposed four (4) quarterly payments to the Ohio Transit Risk Pool (OTRP) Shock Loss Fund on behalf of SORTA, at a cost not to exceed \$950,000 for FY 2023. This request is based on the OTRP requirement to establish a reserve amount that approximates one (1) year of expense associated with liability and property insurance premiums paid.

The Committee agreed to recommend this resolution 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, February 21st, 2023, at 9:00 A.M.

8. **Adjournment**

The meeting adjourned at 9:22 A.M.

**Southwest Ohio Regional Transit Authority
Diesel Fuel Hedging Report
As of January 31, 2023**

| <u>Expense Summary</u> | YTD @ Jan ME <u>Total</u> | <u>Per Gallon</u> | YTD @ Oct ME <u>Total</u> | <u>Per Gallon</u> |
|------------------------------------|------------------------------|-------------------|------------------------------|-------------------|
| Fuel Purchased | \$675,533 | \$3.12 | \$7,964,762 | \$3.67 |
| Hedging Gains / (Losses) | 169,800 | \$0.78 | \$4,408,935 | \$2.03 |
| Net Fuel Cost | <u>505,733</u> | \$2.33 | <u>\$3,555,827</u> | \$1.64 |
| Budget | 676,961 | \$2.87 | \$3,994,056 | \$1.72 |
| Variance Favorable / (Unfavorable) | <u><u>\$171,228</u></u> | 25.3% | <u><u>\$438,229</u></u> | 11.0% |

| <u>Future Hedges:</u> | Gallons Hedged <u>Total</u> | <u>Percent</u> | Average Cost <u>per Gallon</u> | Unrealized <u>Gain/(Loss)</u> |
|------------------------------|--------------------------------|----------------|-----------------------------------|----------------------------------|
| 2023 | 2,058,000 | 76% | \$2.45 | \$922,173 |
| 2024 | 168,000 | 5% | \$2.80 | (\$2,974) |
| 2025 | 0 | | | |
| | | | | <u><u>\$919,199</u></u> |

| <u>Hedging Policy</u> | <u>Policy</u> | <u>Hedged</u> | <u>Prior Qtr Hedged</u> |
|------------------------------|---------------|---------------|-------------------------|
| 0 - 12 Months | 90% | 83% | 78% |
| 13 - 24 Months | 90% | 0% | 18% |
| 25 - 36 Months | 50% | 0% | 0% |

Historical Performance

| | <u>Fuel Purchased</u> | <u>Realized Gain / (Loss)</u> | <u>Net</u> | <u>Budget</u> | <u>Variance</u> |
|------------|-----------------------------|-----------------------------------|-----------------------------|-----------------------------|----------------------------|
| 2019 | 5,534,869 | 150,141 | 5,384,728 | 5,355,630 | (29,098) |
| 2020 | 2,913,009 | (1,638,748) | 4,551,757 | 5,289,298 | 737,541 |
| 2021 | 5,348,585 | 901,598 | 4,446,987 | 4,799,366 | 352,379 |
| 2022 | 5,348,585 | 901,598 | 4,446,987 | 4,799,366 | 352,379 |
| 2023YTD | 675,533 | \$169,800 | 505,733 | 676,961 | 171,228 |
| Aggregate: | <u><u>\$ 19,820,580</u></u> | <u><u>\$ 484,389</u></u> | <u><u>\$ 19,336,191</u></u> | <u><u>\$ 20,920,621</u></u> | <u><u>\$ 1,584,430</u></u> |

Southwest Ohio Regional Transit Authority

Financial Summary - January 2023

Report Out Date – February 28, 2023



Agenda – Financial Summary



- Statement of Operations for January '23
 - Revenue Charts
 - Expense Chart
 - Key Drivers
 - Detail Profit & Loss Statement



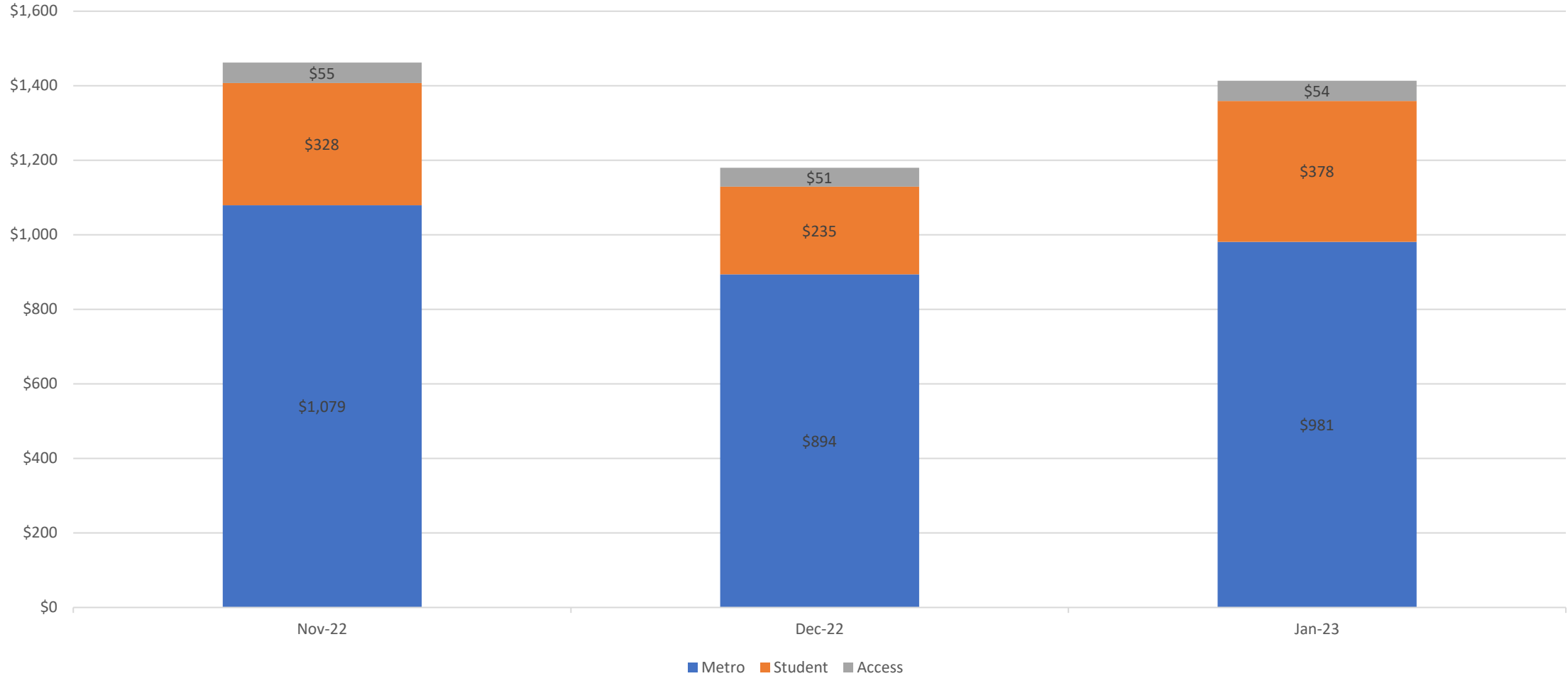


STATEMENT OF OPERATIONS

JANUARY 2023 – FARE REVENUE SOURCES

3 MONTH TREND – NOVEMBER 2022 THRU JANUARY 2023

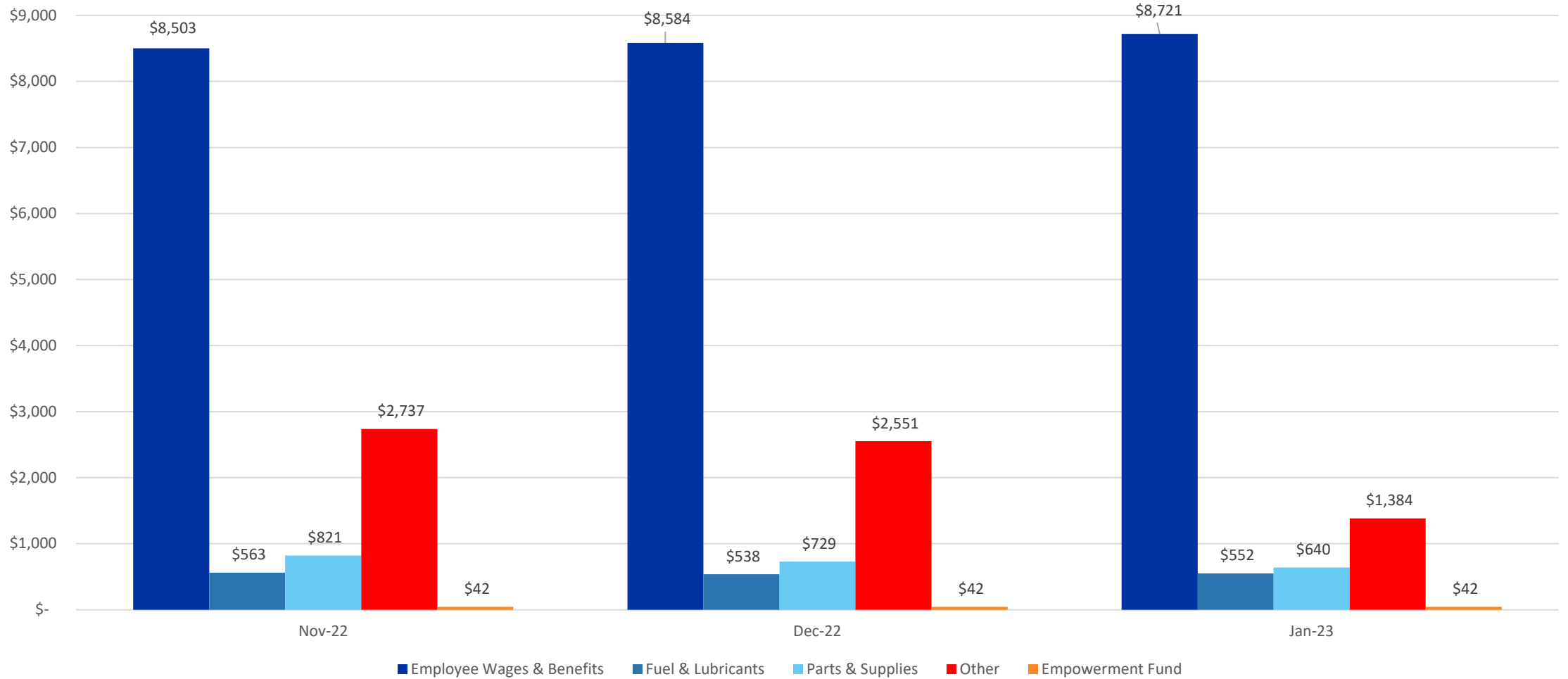
In Thousands



JANUARY 2023 – OPERATING EXPENSE SOURCES

3 MONTH TREND – NOVEMBER 2022 THRU JANUARY 2023

In Thousands



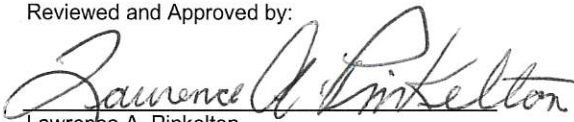


**Investment of Funds Report
January 31, 2023**

| | Principal Amount | 1/31/2023 Yield | Security Days | Days to Maturity |
|--|-----------------------------|--------------------|--|---------------------|
| <u>Overnight Investments</u> | | | | |
| STAR Ohio | \$97,271,796 | 4.62% | | |
| Fifth Third Bank Concentration Account | \$231,585 | 0.00% | | |
| Subtotal Overnight Investments / Average Rate | <u>\$97,503,381</u> | 4.61% | | |
| <u>Securities & CD's</u> | | | | |
| Fifth Third Bank Custody Account: | | | | |
| Agency Bond | \$12,171,351 | 1.91% | | |
| Commercial Paper | \$5,229,727 | 4.35% | | |
| Certificate of Deposit | \$992,327 | 0.76% | | |
| U.S. Treasury Bond | \$5,794,621 | 1.90% | | |
| U.S. Treasury Note | \$19,756,080 | 1.44% | | |
| Subtotal Securities & CD's / Weighted Yield / Maturity | <u>\$43,944,106</u> | 1.98% | 642 | 686 |
| Total All Securities (1/31/2023) / Weighted Yield | <u>\$141,447,487</u> | 3.81% | | |
| Total All Securities (12/31/2022) / Weighted Yield | <u>\$135,841,764</u> | 3.62% | | |
| Funds provided by (required for) Operations during January | \$5,977,838 | | Monthly Investment Income \$ | 440,580 |
| Funds provided by (required for) Capital during January | <u>(\$372,115)</u> | | Year to Date Investment Income \$ | 440,580 |
| Change in Cash during January 2023 | <u>\$5,605,723</u> | | | |

Note: Total All Securities (1/31/2022) **\$67,318,095**

Reviewed and Approved by:


Lawrence A. Pinkelton
Chief Financial Officer



**Infrastructure Investment of Funds Report
January 31, 2023**

| | Principal Amount | 1/31/2023 Yield | Sec Days | Days to Maturity |
|--|---------------------|--------------------|-------------|---------------------|
| <u>Overnight Investments</u> | | | | |
| STAR Ohio | \$40,276,725 | 4.62% | | |
| Trust Account/Fed Govt Oblig Issue Money Market Fund | \$9,065,856 | 4.14% | | |
| Fifth Third Bank Infrastructure Account | \$5,690 | 0.00% | | |
| Subtotal Overnight Investments / Average Rate | \$49,348,271 | 4.53% | | |

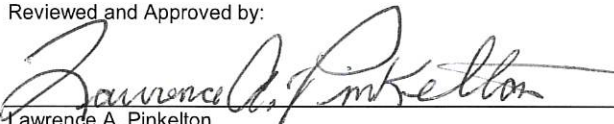
| | | | | |
|---|---------------------|--------------|-----|-----|
| <u>Securities & CD's</u> | | | | |
| Fifth Third Bank Custody Account: | | | | |
| Agency Bond | \$6,471,675 | 1.95% | | |
| Commercial Paper | \$1,921,766 | 5.45% | | |
| U.S. Treasury Bond | \$5,984,170 | 1.78% | | |
| U.S. Treasury Note | \$9,905,693 | 1.63% | | |
| Subtotal Securities & CD's / Weighted Yield / Maturity | \$24,283,304 | 2.64% | 292 | 299 |

| | | | | |
|---|---------------------|--------------|--|--|
| Total All Securities (1/31/2023) / Weighted Yield / Maturity | \$73,631,575 | 3.73% | | |
|---|---------------------|--------------|--|--|

| | | | | |
|--|---------------------|--------------|--|--|
| Total All Securities (12/31/2022) / Weighted Yield / Maturity | \$71,937,208 | 3.57% | | |
|--|---------------------|--------------|--|--|

| | | | |
|--|---------------------|--------------------------------|------------|
| Funds provided by (required for) Tax Receipts during January | \$ 3,363,482 | Monthly Investment Income | \$ 232,357 |
| Funds provided by (required for) Payouts during January | \$ (1,669,115) | Year to Date Investment Income | \$ 232,357 |
| Change in Cash during January 2023 | \$ 1,694,367 | | |

Reviewed and Approved by:



 Lawrence A. Pinkelton
 Chief Financial Officer