



SORTA/Metro
Finance Committee
February 18, 2025
8:30 am-9:00 am Eastern Time

FINANCE COMMITTEE

TUESDAY, FEBRUARY 18th, 2025 – 8:30 A.M.

SORTA/METRO AT HUNTINGTON CENTER

6th FLOOR SORTA BOARD ROOM

525 VINE STREET

CINCINNATI, OHIO 45202

General Items:

Call to order

Pledge of Allegiance

- 1 Approval of Finance Committee Minutes: January 21st, 2025

Briefing Items:

- 2 Financial Results as of January 31st (Tim Walker)
- 3 Fuel Hedging Report (Kevin Ruth)

Action Items:

- 4 Approval of Investment of Funds Reports as of January 31st, 2025 (Tim Walker)

Other Items:

New Business

Adjournment

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

Tuesday, March 18th, 2025, at 8:30 a.m.

FINANCE COMMITTEE
TUESDAY, JANUARY 21st, 2025 – 8:30 A.M.
SORTA/METRO AT HUNTINGTON CENTER
6th FLOOR SORTA BOARD ROOM
525 VINE STREET
CINCINNATI, OHIO 45202

COMMITTEE MEMEBERS APPOINTED: *Chelsea Clark (Chair), Jay Bedi, Dan Driehaus, and KZ Smith*

COMMITTEE/BOARD MEMBERS PRESENT: Tony Brice, Dan Driehaus, Blake Ethridge, Neil Kelly, Pete Metz, Briana Moss, Sara Sheets, and KZ Smith

COMMITTEE MEMBERS ABSENT: Jay Bedi, Chelsea Clark, Trent Emeneker, Kala Gibson, Gwen Robinson, Greg Simpson, and Sonja Taylor

STAFF MEMBERS PRESENT: Andy Aiello, Steve Anderson, Julie Beard, Norman Bouwie, John Edmondson, Joe Ferguson, Darryl Haley, Adriene Hairston, Natalie Krusling, Sharyn Lacombe, Bradley Mason, Jeff Mundstock, John Ravasio, Jason Roe, Tony Russo, Kevin Ruth, Mark Samaan, Bill Spraul and Tim Walker

OTHERS PRESENT: Kim Schaefer (Vory’s)

1. **Call to Order**

Mr. Ethridge called the meeting to order.

2. **Pledge of Allegiance**

The Pledge of Allegiance was recited.

3. **Approval of Minutes of November 12th, 2024**

Mr. Ethridge moved, and Mr. Metz seconded that the minutes from November 12th, 2024, be approved. By voice vote the committee approved the minutes.

4. **Financial Report as of December 31st, 2024**

Mr. Walker presented the November financial results. Total revenues were \$17.1 million, which was favorable to budget by \$1,433K. Total expenses were \$14.2 million, which is unfavorable to budget by \$881k. Operating Capital Contribution was \$2.9 million, which was favorable to budget by \$552k. Ridership was 985k, which was unfavorable to budget by 70k. Mr. Walker then reviewed the contributing factors to these variances.

The Committee accepted the report as presented.

5. **2025 Risk Assessment Report and Audit Plan**

Mr. Norman Bouwie presented the 2025 Risk Assessment Report and Audit Plan. He reviewed the assessment risk, scope, methodology, results, proposed risk-based audits for the 2025 internal audit plan and recommendations.

The Committee accepted the report as presented.

6. **Audit Observation Process**

Mr. Norman Bouwie presented the audit observation process to include the prior audit observations, current audits and upcoming audits.

The Committee accepted the report as presented.

7. **Approval of Investment of Funds Reports as of November 30th, 2024**

Mr. Walker presented the November report noting the yields of SORTA 4.42% for November compared to the prior month of 4.7% for the month of October.

Mr. Walker presented the report noting yields for the Infrastructure Transit Fund of 4.50% for November compared to the prior month of 4.60% for the month of October.

Mr. Ethridge moved, and Mr. Brice seconded that the Investment of Funds as of November 30th, 2024 be approved.

By voice vote the committee approved the reports.

The Committee approved the report as presented.

8. **Approval of Investment of Funds Reports as of December 31st, 2024**

Mr. Walker presented the December report noting the yields of SORTA 4.46% for December compared to the prior month of 4.50% for the month of November.

Mr. Walker presented the report noting yields for the Infrastructure Transit Fund of 4.42% for December compared to the prior month of 4.47% for the month of November.

Mr. Ethridge moved, and Mr. Brice seconded that the Investment of Funds as of December 31st, 2024 be approved.

By voice vote the committee approved the reports.

The Committee approved the report as presented.

New Business

N/A

9. **Adjournment**

The meeting adjourned at 8:45 A.M.



Financial Summary - January 2025
Report Out Date – February 18, 2025

Agenda – Financial Summary

- Statement of Operations for January '25
 - Key Drivers
 - Detail Profit & Loss Statement
 - Revenue Chart
 - Sales Tax Trend
 - Expense Chart
- Investment Funds Reserve Summary
- Fuel Hedging Report
- Investment Balance Update (separate attachment)



Statement of Operations

Profit & Loss – Summary / Key Drivers

Summary

- Total Revenue \$13.2M - unfavorable to Budget (\$27k) or (0.2%)
- Total Expense \$13.8M - favorable to Budget \$715k or 4.9%
- Operating Capital Contribution (\$0.6M) - favorable to Budget \$688k
- Note: Ridership total is 991k – unfavorable to Budget (106k) or (9.7%)

Revenue

- Total Operating Revenue \$1.7M - unfavorable to Budget (\$12k) or (0.7%); driven by January weather
- Non-Transportation \$0.7M - unfavorable to Budget (\$15k) or (2.0%)
- County Sales Tax \$9.3M – on Budget; see additional slide on county sales tax
- Federal Grants \$1.5M - on Budget

Expense

- Wages & Benefits \$10.6M - favorable to budget \$449k or 4.1%
- Fuel and Lubricants \$586k - favorable to budget \$137k or 18.9%
- Parts & Supplies \$827k – favorable to Budget \$50k or 5.7%
- All Other \$1.8M – favorable to Budget \$67k

Southwest Ohio Regional Transit Authority 2025 Profit & Loss Statement



1 Mo Ending January 31, 2025 (\$ In Thousands)	Month				Prior Year
	Actual	Budget	Fav(Unfav)		
Ridership					
Regular	835,875	903,719	(67,844)	(7.5%)	817,130
CPS	122,935	160,600	(37,665)	(23.5%)	150,433
Subtotal Fixed Route	958,810	1,064,319	(105,509)	(9.9%)	967,563
Access	12,987	15,591	(2,604)	(16.7%)	14,659
MetroNow!	9,597	7,400	2,197	29.7%	4,771
Total Ridership	981,394	1,087,310	(105,916)	(9.7%)	986,993
Operating Revenue					
Metro Fares	\$ 988	\$ 1,051	\$ (63)	(6.0%)	\$ 955
Access Fares	47	61	(14)	(23.0%)	58
MetroNow! Fares	19	15	4	26.7%	10
CPS Fares	415	344	71	20.6%	349
Other	190	200	(10)	(5.0%)	177
Total Operating Revenue	1,659	1,671	(12)	(0.7%)	1,549
Non-Operating Revenue					
County Sales Tax	9,269	9,269	-	-	9,987
ARP	-	-	-	n/a	-
ARP Comp	-	-	-	n/a	-
Federal Subsidies	1,513	1,513	-	-	843
Non Transportation	721	736	(15)	(2.0%)	847
Total Non-Operating Revenue	11,503	11,518	(15)	(0.1%)	11,677
Total Revenue	13,162	13,189	(27)	(0.2%)	13,226
Expenses					
Employee Wages & Benefits	10,552	11,001	449	4.1%	9,881
Fuel & Lubricants	586	723	137	18.9%	621
Parts & Supplies	827	877	50	5.7%	816
Everybody Rides Metro Fund	23	35	12	34.3%	-
Other	1,787	1,854	67	3.6%	1,454
Total Expenses	13,775	14,490	715	4.9%	12,772
Operating Capital Contribution	\$ (613)	\$ (1,301)	\$ 688		\$ 454



JANUARY 2025 – FARE REVENUE SOURCES 3 MONTH TREND – NOVEMBER 2024 THRU JANUARY 2025 In Thousands



Month	Days per Month	Avg Rev per Day
Nov-24	30	\$37
Dec-24	31	\$35
Jan-25	31	\$32

Note: Number of Weekdays within each corresponding month as follows: Nov 21, Dec 22, Jan 23

County Sales Tax – Year to Date October

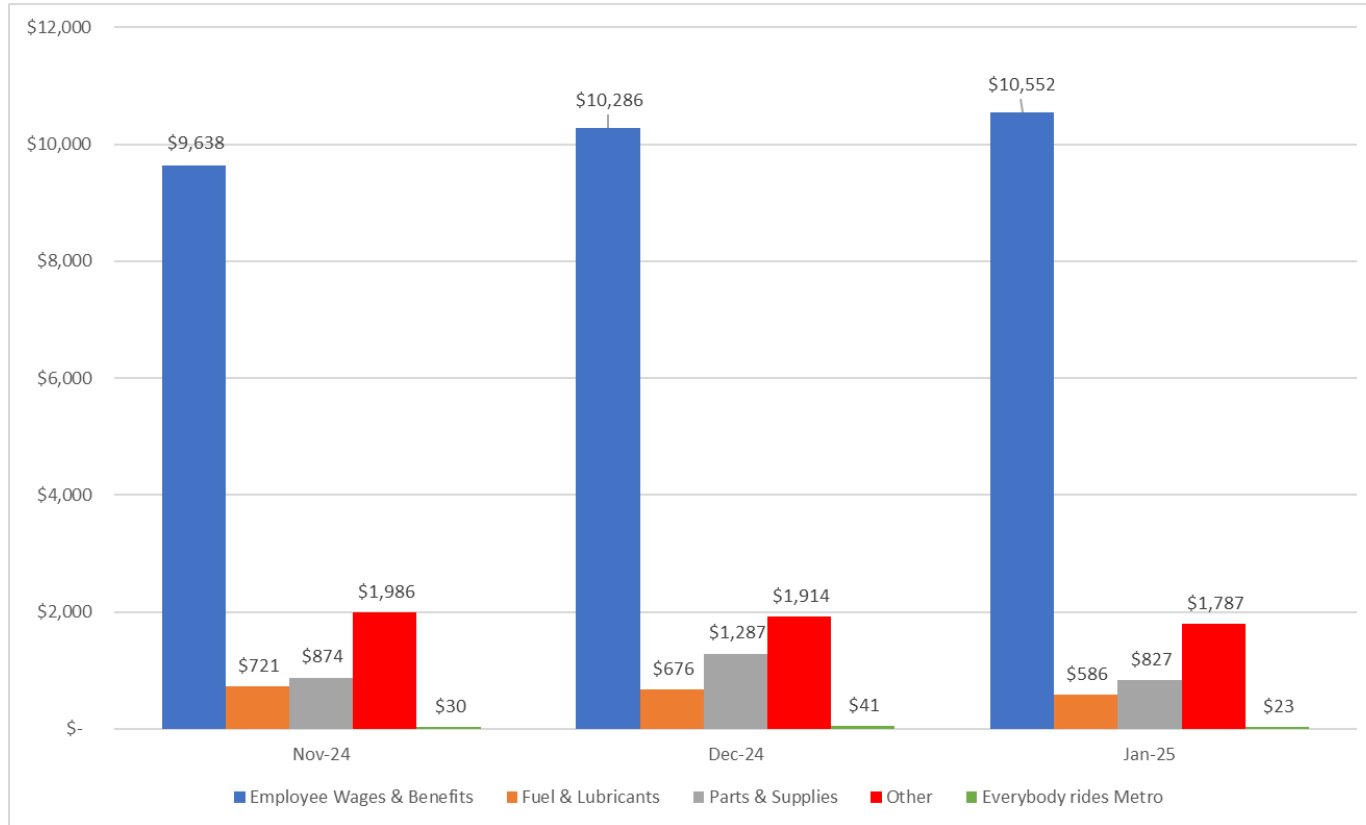
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	YTD
CY Actual	\$8,781	\$8,683	\$9,963	\$9,366	\$9,875	\$10,636	\$9,551	\$10,149	\$9,696	\$10,205	\$96,905
Budget	\$9,987	\$9,327	\$10,480	\$9,273	\$9,931	\$11,128	\$10,652	\$10,288	\$10,473	\$10,191	\$101,729
Var \$	(1,206)	(644)	(517)	93	(56)	(492)	(1,101)	(139)	(777)	14	(4,824)
Var %	-12.1%	-6.9%	-4.9%	1.0%	-0.6%	-4.4%	-10.3%	-1.3%	-7.4%	0.1%	-4.7%
PY Actual	\$8,907	\$8,659	\$10,010	\$9,465	\$9,761	\$10,375	\$9,906	\$9,869	\$9,762	\$9,336	\$96,050
Var	(126)	24	(47)	(99)	114	261	(355)	280	(66)	869	855
Var %	-1.4%	0.3%	-0.5%	-1.0%	1.2%	2.5%	-3.6%	2.8%	-0.7%	9.3%	0.9%

- Year to Date thru October Hamilton County Sales Tax is (\$4.8m) unfavorable to budget and favorable to prior year \$855k or 0.9%

JANUARY 2025 – OPERATING EXPENSE SOURCES

3 MONTH TREND – NOVEMBER 2024 THRU JANUARY 2025

In Thousands



Investment Funds Reserve Summary



Overnight Investments	\$25,054,961
Securities & CD's	\$129,955,857

Total All Securities (1/31/2025)	\$155,010,818
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Current Capital Reserve Obligations

<i>BRT Project Development (Hamilton & Reading Corridors) - Amts Pd</i>	\$33,662,386
<i>Future BRT Capital Match (Fed 70% & Local 30%)</i>	\$40,500,000

Total BRT	\$74,162,386
Local Match - FTA and ODOT Grants	\$15,434,857
100% Local Projects (Prior Years Open + Current Year)	\$37,985,850
2 Months of Operating Expenses	\$26,000,000
All Other Obligations	\$6,500,000

Total Current Capital Reserve Obligations	\$160,083,093
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Net Unrestricted Securities Available	(\$5,072,275)
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2025 Remaining Operating Budget Surplus (Deficit) Feb-Dec	\$7,733,000
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Net Unrestricted Securities + '25 Operating Budget Surplus	\$2,660,726
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Southwest Ohio Regional Transit Authority
Diesel Fuel Hedging Report
As of January 31, 2025

	YTD @ Jan ME <u>Total</u>	<u>Per Gallon</u>	YTD @ Oct ME <u>Total</u>	<u>Per Gallon</u>
Fuel Purchased	\$534,581	\$2.34	\$6,231,422	\$2.52
Hedging Gains / (Losses)	(9,189)	(0.04)	105,263	0.04
Net Fuel Cost	<u>543,770</u>	2.38	<u>6,126,159</u>	2.48
Budget	641,078	2.60	6,019,823	2.53
Variance Favorable / (Unfavorable)	<u><u>\$97,308</u></u>	15.2%	<u><u>(\$106,336)</u></u>	(1.8%)

<u>Future Hedges:</u>	<u>Gallons Hedged Total</u>	<u>Percent</u>	<u>Average Cost per Gallon</u>	<u>Unrealized Gain/(Loss)</u>
2025	2,436,000	87%	\$2.40	(\$233,898)
2026	2,016,000	63%	\$2.21	\$26,363
				<u><u>(\$207,535)</u></u>

<u>Hedging Policy</u>	<u>Policy</u>	<u>Hedged</u>	<u>Prior Qtr Hedged</u>
0 - 12 Months	90%	86%	90%
13 - 24 Months	90%	57%	26%
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>
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	6,526,165	1,948,380	4,577,785	4,937,186	359,401
2023	8,087,613	838,383	7,249,230	7,590,983	341,753
2024	\$7,298,899	(\$92,938)	\$7,391,837	\$8,008,406	\$616,569
2025 YTD	\$534,581	(\$9,189)	\$543,770	\$641,078	\$97,308



Investment of Funds Report January 31, 2025
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	Principal Amount	1/31/2025 Yield	Security Days	Days to Maturity
<u>Overnight Investments</u>				
STAR Ohio	\$24,855,879	4.53%		
Fifth Third Bank Concentration Account	\$199,082	0.00%		
Subtotal Overnight Investments / Average Rate	\$25,054,961	4.49%		
<u>Securities & CD's</u>				
Fifth Third Bank Custody Account:				
Agency Bond	\$80,312,834	4.51%		
Certificate of Deposit	\$1,236,407	2.01%		
Commercial Paper	\$13,306,831	4.98%		
U.S. Treasury Bill	\$383,935	4.42%		
U.S. Treasury Bond	\$2,982,553	2.24%		
U.S. Treasury Note	\$31,733,297	3.77%		
Subtotal Securities & CD's / Weighted Yield / Maturity	\$129,955,857	4.34%	475	504
Total All Securities (1/31/2025) / Weighted Yield	\$155,010,818	4.36%		
Total All Securities (12/31/2024) / Weighted Yield	\$158,302,821	4.35%		
Funds provided by (required for) Operations during January	(\$2,652,150)		Monthly Investment Income \$	615,570
Funds provided by (required for) Capital during January	(\$639,853)		Year to Date Investment Income \$	615,570
Change in Cash during January 2025	(\$3,292,003)			

Note: Total All Securities (1/31/2024) **\$173,222,636**

Reviewed and Approved by:

Tim Walker
Chief Financial Officer



Infrastructure Investment of Funds Report
January 31, 2025

	Principal Amount	1/31/2025 Yield	Sec Days	Days to Maturity
<u>Overnight Investments</u>				
STAR Ohio	\$36,432,798	4.53%		
Trust Account/Fed Govt Oblig Issue Money Market Fund	\$275,847	4.26%		
Fifth Third Bank Infrastructure Account	\$17,766	0.00%		
Subtotal Overnight Investments / Average Rate	\$36,726,411	4.53%		
<u>Securities & CD's</u>				
Fifth Third Bank Custody Account:				
Agency Bond	\$32,914,059	4.27%		
Commercial Paper	\$8,649,414	4.72%		
U.S. Treasury Bond	\$12,495,100	4.22%		
U.S. Treasury Note	\$42,662,305	4.40%		
Subtotal Securities & CD's / Weighted Yield / Maturity	\$96,720,878	4.38%	515	518
Total All Securities (1/31/2025) / Weighted Yield / Maturity				
	\$133,447,289	4.42%		
Total All Securities (12/31/2024) / Weighted Yield / Maturity				
	\$134,271,765	4.46%		
Funds provided by (required for) Tax Receipts during January	\$ 3,866,523		Monthly Investment Income \$	503,795
Funds provided by (required for) Payouts during January	\$ (4,690,999)		Year to Date Investment Income \$	503,795
Change in Cash during January 2025	\$ (824,476)			

Note: Total All Securities (1/31/2024) **\$106,317,074**

Reviewed and Approved by:

Tim Walker
Chief Financial Officer