



FINANCE/AUDIT COMMITTEE MEETING

WEDNESDAY, OCTOBER 28, 2015

7:30 A.M.

MINUTES

1. CALL TO ORDER

Chair Craig Treneff called the meeting to order at 7:30 a.m. Committee members Jean Carter Ryan and Richard Zitzke were in attendance.

2. APPROVAL OF AGENDA

Treneff moved to approve the October 28, 2015 agenda. Zitzke seconded the motion. Motion passed.

3. APPROVAL OF JULY 22, 2015 FINANCE COMMITTEE MINUTES

Zitzke moved to approve the July 22, 2015 Finance Committee minutes. Treneff seconded the motion. Motion passed.

4. CASH PORTFOLIO REVIEW

Jeffrey Vosler, Vice President, Finance/CFO & DBE Compliance Officer, reviewed COTA's cash portfolio which was part of the October 2015 Finance Division Report.

5. ENERGY PRICE RISK MANAGEMENT PROGRAM REPORT

Vosler said for the third quarter/year-to-date the energy price risk management program netted an overall cost of \$1.446M as depicted below.

Diesel Fuel Hedge Position (Year-to-Date):

COTA positions resulted in payments of \$ 1,665,009 on 2015 hedge positions. Budget performance was \$905,186 or 15% under budget. Average net price paid was \$2.77/gallon compared to a budget of \$3.02. Without the hedge position, COTA would have paid \$1.87 per gallon.

As oil prices continue at six year lows, the price of diesel has continued to decline. The result of low oil prices is payments on the hedge positions taken in the past. Despite the payments, we continue 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.

Vosler reported that with the assistance of an advisor, COTA has established diesel futures hedge positions.

Natural Gas:

Vosler reported that for the third quarter, alternative supplier costs were below the local utility, saving \$132,000. 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 75% of total usage.

Electricity:

Savings were modest compared to the local utility at \$76,000. COTA has contracted with Direct Energy, fixing the price per KWH for nearly all of our expected usage. Due to extreme weather conditions in the first quarter, usage was higher than expected, moving the unit price higher driven by market conditions.

6. **IT PROJECTS UPDATE**

Vosler reported on several significant projects underway in the area of Information Technology:

Voice over IP (VoIP), phone system replacement: Was implemented at McKinley Avenue on October 6, 2015. He reviewed the implementation and training schedule for all facilities.

Two-Factor Authentication: Installation with the vendor completed on September 24, 2015. At this time Information Technology is developing documentation and is testing the solution before completing a facility-wide distribution for those with portable computing devices.

Transit Technology Consultant: Internal discussions have been held with executive staff regarding the direction to take in regards to ERP and alternative fare/real time. At this time, a task order is being developed to obtain further information on alternative fare for the executive team. In regards to ERP, the executive team is scheduled to meet one last time so budgeting can be accomplished to move forward in 2016 with beginning the RFP process and implementation.

CCTV storage project: Installation with the vendor was completed on September 24, 2015. However, full configuration of the equipment has not been finalized with the vendor. Information Technology is actively working to resolve configuration issues to begin finalizing work to support the need to store sensitive information.

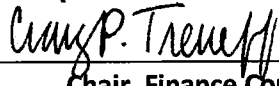
7. **2016 BUDGET TIMELINE/PROCESS REVIEW**

Vosler reviewed the budget timeline.

8. **ADJOURNMENT**

The meeting adjourned at 8:04 a.m.

Adopted: January 27, 2016

Signed: 
Chair, Finance Committee

Attest: 
President/CEO