



Greater Cleveland
Regional Transit Authority

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MEETING NOTICE

Notice is hereby given that the following meeting of the Board of Trustees of the Greater Cleveland Regional Transit Authority will take place on Tuesday, February 10, 2026, in the Board Room of the Authority, 1240 West Sixth Street, Cleveland, OH 44113, for consideration of the listed items and such other items that may properly come before the Board and be acted upon. This meeting will be live streamed on RTA's Board Page www.RideRTA.com/board on the meeting date for staff and members of the public. Members of the public may attend in person.

The meeting package will be posted on RTA's website at (www.riderta.com/board), on RTA's Facebook page, and RTA's Twitter page.

9:00 A.M. **Audit, Safety Compliance & Real Estate Committee**

- Internal Audit Report – Presentation of 4th Quarter 2025 Internal Audit Activities.

India L. Birdsong Terry
General Manager, Chief Executive Officer

IBT/bc
Attachment

Scan this QR code to access the meeting schedule, live streams and meeting materials.





AGENDA

AUDIT, SAFETY COMPLIANCE AND REAL ESTATE COMMITTEE

February 10, 2026

Committee Members: Mayor David E. Weiss, Chair
 Ms. Emily Garr Pacetti, Vice Chair
 Ms. Anastasia A. Elder
 Mr. Jeffrey W. Sleasman
 Ms. Shanelle Smith Whigham

- I. Roll Call
- II. Approval of Minutes – November 12, 2025
 December 2, 2025
 December 16, 2025
- III. Internal Audit Report – Presentation of 4th Quarter 2025 Internal Audit Activities.

Presenter(s):

- Tony Garofoli, Executive Director, Internal Audit
- Staff Auditors

- IV. Adjourn



Audit, Safety Compliance & Real Estate Committee Meeting

November 12, 2025

MEETING MINUTES

Committee Members: Mayor Weiss (Chair), Ms. Pacetti (Vice Chair), Ms. Elder, Mr. Sleasman

Staff/Other: Shawn Becker, Nick Biggar, Randall Bowles, Janet Burney, Laura Crawshaw, George Fields, Bob Fleig, Anthony Garofoli, Rajan Gautam, Orlando Hudson, Chief Deirdre Jones, Lawrence Jupina, Sheila Miller, Charles Morgan, Holly Mothes, Mike Schipper, Andrew Scott, Wendy Talley, John Togher, Steven Zimmerman

Public: Terry McGrady

I. Roll Call

Mayor Weiss Called the meeting to order at 9:05 am with a roll call. Four (4) committee members were present representing a quorum.

II. Approval of Minutes – August 12, 2025

A motion by Mayor Weiss, seconded by Mr. Sleasman to approve the minutes from August 12, 2025, and was unanimously approved.

III. Internal Audit Report – Presentation of 3rd Quarter 2025 Internal Audit Activities

Anthony Garofoli, Executive Director, Internal Audit, and his staff presented significant mid-year adjustments to the 2025 Audit Plan, based on a dynamic risk assessment. Thirteen new projects were added, ten were removed or deferred, and hours were adjusted for twelve existing projects, while total audit hours remained unchanged. Notable additions included an audit of the Self-Insurance Liability Program, focusing on fees paid to the Third-Party Administrator (TPA) and informing the upcoming RFP process. The Fare Capping audit was deferred to 2026, and the Accident Review Committee rating audit was removed in favor of a bi-weekly operator retraining report.

The department's Quality Assurance & Improvement Program (QAIP) aligns with the 2024 Global Internal Audit Standards. Key Performance Indicators (KPIs) showed 14% of audits completed against a 30% target, with 53% delayed by at least one month. Client satisfaction in Q2 was 80%. The department is considering an hour allocation model to better reflect audit progress and is adopting new mandatory requirements for Cybersecurity and Third-Party Risk, effective in 2026. Three corrective action plans remain outstanding, pending charter approval.

Moving to Quarterly Audit Results and Program Updates, Internal Audit staff stated that completed projects included the On-Time Performance Audit (2024–2025 Bus and Rail) which was rated "Marginally Unsatisfactory." Recommendations focused on adjusting early-departure metrics and improving real-time customer information.

The Customer Complaints Process Audit was rated "Unsatisfactory." Management is developing a formal project plan to address findings, improve customer service processes, and review job titles within the new Customer Care Department.

The Fuel Expense Audit (CNG and Propulsion Power) was Rated "Satisfactory," with a recommendation for independent verification of vendor maintenance.

The Railcar Infrastructure Modification Designs Audit was also rated "Satisfactory," with a recommendation to expand master schedule practices to the full capital program.

Post-award compliance work continues for the Railcar Replacement Program (Contract No. 2021-125 with Siemens Mobility for 24 base light rail vehicles plus options). The total contract value is \$308.4 million, with 37% paid to date. The first painted car shell is complete, assembly is underway, and FTA oversight continues with monthly meetings and domestic content monitoring. No new change orders have been logged since the last report.

Ongoing projects include audits of IT Equipment Inventory, Fare Collection, Fraud Risk Assessment, Paratransit Certification, and the Windows 11 Upgrade. Continuous auditing covers monthly testing for nepotism, purchasing card use, payroll, and revenue reconciliation. IT updates include upgrades to the Consolidated Train Dispatch System, Bid Dispatch system enhancements, disaster recovery improvements, and planning for the ERP replacement and fare technology upgrades.

A significant discussion centered on the removal of the Accident Review Committee rating and prioritization audit. Management implemented a bi-weekly report to track operator retraining, successfully keeping the number of operators needing retraining in the single digits. The committee agreed to consider a "mini audit" in 2026 to test the effectiveness of this alternative approach.

The committee discussed the importance of robust tracking and reporting of audit recommendations, particularly those with delayed implementation. Suggestions included refining KPIs, enhancing staff development tracking, and considering industry benchmarks for audit performance.

The department maintains active coordination with the State of Ohio Auditor, ODOT, and the FTA. Procurement for a healthcare claims auditing service is in progress, with findings intended to inform the 2026 TPA agreement RFP. The agency's continuous monitoring tools block approximately 12% of weekly incoming emails as spam or phishing, with all threats intercepted in the past three months.

The Committee reviewed governance and accountability for cybersecurity, emphasizing integration of cyber risk into enterprise risk management and alignment with organizational strategy. Third-party risk management focuses on clear ownership, oversight, risk identification, due diligence, monitoring, performance management, contractual safeguards, and independent assurance.

IV. Adjourn

There being no further business to bring before this Committee, a motion to adjourn the meeting was moved by Mayor Weiss and seconded by Ms. Pacetti. The meeting was adjourned at 10:20 a.m.

Rajan D. Gautam
Secretary/Treasurer

Brent Charnigo
Board Administrator



Audit, Safety Compliance & Real Estate Committee Meeting

December 2, 2025

MEETING MINUTES

Committee Members: Mayor Weiss (Chair), Ms. Pacetti (Vice Chair), Ms. Elder, Mr. Sleasman

Staff/Other: Shawn Becker, Nick Biggar, Randall Bowles, Janet Burney, Laura Crawshaw, George Fields, Bob Fleig, Anthony Garofoli, Rajan Gautam, Orlando Hudson, Chief Deirdre Jones, Lawrence Jupina, Sheila Miller, Charles Morgan, Holly Mothes, Mike Schipper, Andrew Scott, Wendy Talley, John Togher, Steven Zimmerman

Public: Terry McGrady

I. Roll Call

Mayor Weiss Called the meeting to order at 10:45 a.m. with a roll call. A quorum was present.

II. Property Insurance Renewal

Wayne Colonna, Acting Director of Rick Management, stated that GCRTA maintains a casualty insurance program for protection of assets against catastrophic loss. The three parts to this program include excess liability, workers' compensation and public officials' liability.

Mr. Colonna advised that GCRTA carries an all-risk property insurance policy. Covered perils include fire, wind, flood and collapse, among others. This is a replacement cost-coverage policy that protects real and personal property for which GCRTA is responsible.

The incumbent carriers are Liberty Mutual and Evanston. The total insured value for this program is \$2.04 billion.

The first program is an all-risk property program written by Liberty Mutual for the coverage of all GCRTA real and personal property, including rolling stock. It has a blanket limit of \$500 million and a deductible of \$250,000.

The second program is the rolling stock policy, written by Evanston Insurance Company, for coverage of GCRTA rolling stock when rolling for both rail and bus. This has a blanket limit of \$25 million and a deductible of \$500,000.

Ray Battle, Senior Vice President, Property Broker, AON, stated that the average property insurance rates for the GCRTA industry segment has decreased on average around 4.88% this year. He anticipates rate decreases to continue through the first quarter of 2026. The partnership with Liberty Mutual and Evanston has provided a consistent foundation over the last five (5) years and has a complimentary renewal proposal.

Mr. Battle stated that GCRTA insurable values have increased almost 5%. The rolling stock portfolio has increased nearly 10% which represents the estimated cost of new rail cars and the projected budget going forward.

The insurable values for GCRTA increased by about 4.64% to \$2.035 billion, mainly due to the estimated replacement cost of new rail cars. However, the broker successfully negotiated a 10% rate decrease for both lines of coverage, which resulted in a total renewal premium of \$1,453,938, which is a net decrease of 3.86% from the 2025 premium and \$226,062 below the budgeted amount.

Ms. Pacetti inquired which items increased and decreased. Mr. Battle explained that the replacement cost of buildings, contents and equipment increased almost 4.64%. The net decrease resulted from applying the 10% rate reduction against the increased insurable values.

Mayor Weiss moved to advance the item to the Board of Trustees; seconded by Ms. Elder. The motion carried unanimously.

III. 2026 Public Transportation Agency Safety Plan

Kevin Case, Manager of Safety, stated that since 2020, transit agencies are required to have made a Public Transportation Agency Safety Plan (PTASP). The framework was based on the national PTSP published by FTA. This will be the seventh version of the plan.

Requirements of the PTASP include to be flexible and scalable to the transit property and incorporates safety management system principles that are designed to mitigate risk.

Mr. Case advised that the PTASP includes an employee hazard reporting and tracking system and performance targets.

The National Public Transportation Safety Plan and GCRTA plan contain methods of safety promotion to communicate and prioritize safety and summarize safety training requirements.

The annual process includes review and sign-off by the Labor and Management Safety Committee, Joint District Safety Committees, and ATU/GCRTA leadership, followed by review by the Audit Committee, approval by the Board of Trustees, and final submission to the Ohio Department of Transportation (ODOT).

All agencies are tasked with including safety and performance targets as listed in the National Safety Plan for each mode of transportation. Mr. Case explained that three (3) years of data regarding major events and other performance criteria were utilized to create these performance measures.

Mr. Case summarized various safety statistics, including that GCRTA has had zero (0) fatalities in bus, rail or paratransit operations, twenty (20) employee injuries that required more than first aid. The performance target is 25.

A significant update for 2026 is the incorporation of the Right-of-Way Work Protection Plan (ROWP), a new FTA requirement under CFR Part 671. GCRTA's updated plan, which includes a new Track Access Guide, was approved by State Safety Oversight on November 16. An annual briefing on the ROWP's performance is now required for the Board. The safety department conducted twenty-four (24) field audits in the past year, finding twelve (12) deficiencies across four areas (improper flagging, trip arms, PPE, and work zones), all of which were corrected immediately. Going forward, the department will report audit results to ODOT quarterly.

Mr. Case stated that twenty-four (24) field audits performed this year. Staff found twelve (12) deficiencies in four (4) areas. The areas were improper flagging, trip arms, personal protective equipment and improper work zone. The deficiencies are corrected on site.

Ms. Elder inquired regarding the auditing process. Mr. Case explained that staff follows a check sheet for various types of audits. Deficiencies are to be reported to ODOT.

Ms. Whigham inquired whether there is a mitigation process if a target is not met. Mr. Case advised that upper management meets to discuss the deficiency to establish a new target.

A discussion was held regarding the interpretation of statistics of major mechanical failures of vehicles. The System Reliability Rate metric signifies that a lower numerical value is worse, indicating fewer miles between major mechanical failures. Floun'say Caver, Chief Operating Officer, explained that the National Transit Database has identified fifteen (15) metrics to have common definitions for items across the country. GCRTA tracks miles between service center interruptions. Staff holds regular meetings to consider the miles between service interruptions to find better maintenance strategies to increase reliability.

Mr. Sleasman moved to advance the item to the Board of Trustees; Ms. Elder seconded. The motion carried unanimously.

IV. Adjourn

There being no further business to bring before this Committee, a motion to adjourn the meeting was moved by Mr. Sleasman and seconded by Ms. Elder. The meeting was adjourned at 11:21 a.m.



Audit, Safety Compliance & Real Estate Committee Meeting

December 16, 2025

MEETING MINUTES

Committee Members: Mayor Weiss (Chair), Ms. Pacetti (Vice Chair), Ms. Elder, Mr. Sleasman

Staff/Other: Shawn Becker, Nick Biggar, India Birdsong Terry, Felicia Brooks-Williams, Janet Burney, Floun'say Caver, Brent Charnigo, Wayne Colonna, Nick Davidson, Wendy Feinn, George Fields, Bob Fleig, Joel Freilich, Catherine Galla, Anthony Garofoli, Rajan Gautam, Sharon Jenkins, Chief Deirdre Jones, Lawrence Jupina, Carl Kirkland, Ida Marshall, Sheila Miller, Charles Morgan, Steve Peganoff, Mike Schipper, Kay Sutula, Wendy Talley, John Togher, Eric Vukmanic, Carolyn Young

Public: Kevin Hinkle, Ron Jackson, Loh, Joseph Sopko, Carren Woods

I. Roll Call

Mayor Weiss Called the meeting to order at 8:04 a.m. with a roll call. A quorum was present.

II. Updated Internal Audit Charter

Anthony Garofoli, Executive Director for Internal Audit, delivered a presentation on the revised Global Internal Audit Standards and the status of the Internal Audit Charter. The objectives included clarifying the Charter's purpose, highlighting key changes from the new global standards, and outlining expectations for the Board, executive management, and Internal Audit staff.

The Institute of Internal Auditors (IIA) issued new global standards effective January 9, 2025, replacing the 2017 framework. The new standards introduce five (5) domains, fifteen (15) principles, and fifty-two (52) mandatory standards, elevating leading practices to requirements.

The domains contribute to the information within the Charter. The role of the internal audit Charter is a formal document approved by the Board and Audit Committee that defines internal audits, purpose, authority and responsibility. It establishes internal audits, organizational position, and reporting lines. The Charter serves as a blueprint for how internal audit operates and signals the value placed on its independence and objectivity.

Updating the Charter ensures compliance with these standards and reflects current governance, risk management, and control expectations.

The Charter expands the scope to include assurance and consulting services over governance, risk management, and control processes. It commits to a quality assurance improvement program, including periodic internal and external assessments every five years. The last external assessment occurred 2.5 years ago, with the highest rating received.

Internal Audit will continue risk-based planning and outcome-focused assurance and advisory services. Stakeholders can expect clearer roles, stronger collaboration, and more transparent

communication on risks, controls, and audit results. The Charter affirms internal audit's role as a trusted strategic advisor while preserving independence and objectivity.

The Charter's update involves not only technical edits but also structural changes to ensure clarity, independence, and compliance with legal and regulatory requirements.

The new standards emphasize the five domains: ethics and professionalism governing the internal audit function, managing the function, performing the services and communicating results. Internal audits mandate roles, responsibilities and authority. Must now be clearly articulated and evidence through an internal audit charter and approved by the Board of trustees.

The Charter incorporates these revised requirements, conforms internalized obligation to conform with the global internal audit standards.

The Charter has been updated to reflect enhancing and protecting organizational value through risk-based assurance, advice and insight. The Charter clarifies authority, including unrestricted access to records, personnel and physical property relevant to engagements and consistent with the standard roles of the Board and Audit Committee in approving the Charter overseeing Internal Audit and supporting independence, articulated more explicitly.

Mr. Garofoli stated that Internal Audit staff will recommend the revised Charter for formal approval to the Board of Trustees in January or February. Internal Audit will update its procedures, documents, manuals and methodologies to conform with these standards and conduct periodic reviews to keep it aligned with any changes that may occur.

CEO Terry acknowledged the involvement of new Board members and the need for their input. The Charter's revision has been a lengthy process, involving feedback and commentary over the past year. The goal is to present a well-developed draft during the first quarter of 2026.

The Committee also discussed the importance of safeguarding audit independence, managing sensitive data, and maintaining robust internal controls. The reporting structure is designed to support independence while ensuring oversight. The Charter will undergo comparative analysis and legal review before finalization.

Ms. Smith Whigham appreciated the rigor updating the charter and will look for how to safeguard the independence of Audit and management.

III. Adjourn

There being no further business to bring before this Committee, a motion to adjourn the meeting was moved by Mayor Weiss and seconded by Mr. Sleasman. The meeting was adjourned at 8:23 a.m.

Rajan D. Gautam
Secretary/Treasurer

Brent Charnigo
Board Administrator