

Minutes

RTA Audit, Safety Compliance and Real Estate Committee Meeting

10:48 a.m. Tuesday, December 4, 2018

Committee Members: Moss (Chair), Lucas (Vice Chair), Joyce, McCall, Welo

Other Board Members: Bibb, Clough, Elkins, Serrano

Not present: None

Also Present: Anderson, Becker, Benford, Bitto, Bober, Brooks-Williams, Burney, Calabrese, Caver, Cottrell, Cranford, Czeck, Dangelo, Dietrich, Fields, Garofoli, Gautam, Gay, Gibson, Gillan-Shafron, Houston, Jaszczak, Johnson, Jones, Kirkland, Lincoln, Loh, Macko, Palagyi, Pinkney-Butts, Ponder, Schipper, Schultz, Scott, Shaffif, Sutula, Tarka, Togher, Tucker, Urso, Vukmanic, Williams, Winn, Young, Zeller.

Ms. Moss called the meeting to order at 10:48 a.m. The secretary called the roll and reported that five (5) committee members were present.

Ms. Moss spoke out against comments made during the public comment section of the public hearing on the budget, related to disparaging comments towards someone's race, faith or gender. These comments do not belong in a public meeting. She supports free speech, but would like to separate herself from any endorsement of that type of hate speech. Mayor Clough asked if there are guidelines that can be enforced. Ms. Benford said they can enforce the public keep to the topic and they can look at general guidelines without limiting their free speech. Ms. Moss asked if the board can separate themselves from these type of comments and not be silent. Chief McCall suggested a statement be read prior to public comment to encourage respect and proper decorum.

Mutual Aid Agreement with the City of Cleveland

Chief John Joyce of Transit Police, gave the presentation. He's been the chief for 13 years. This presentation is on the fourth amendment to the mutual aid agreement between the City of Cleveland and RTA. But there has been a change. Cleveland requested that a full new mutual aid agreement be executed. There will not be a request today to take the amendment to the full board, but they will come back to the board after the new agreement has been negotiated. The future presentation will be similar if not the same as today.

The original mutual aid agreement with the City was on June 16, 1997. A new one was approved August 31, 2005 to enforce traffic enforcement along the Euclid Corridor/HealthLine. The jurisdiction became concurrent on Euclid Ave beginning at Public Square through East Cleveland and in the transit zone. Transit Police derives its authority through State code. Their jurisdiction through the State is on RTA property, buses and trains. This agreement expands the authority to the transit zone, Euclid Ave. and Public Square to enable them to perform traffic control, bus lane enforcement and issue of tickets for moving violations. This is important in assisting Cleveland with traffic control, assist with on-time performance and reduces accidents. Illegal left hand turns, which are the source of a lot of accidents, are also enforced.

The 2005 agreement was first amended April 1, 2008 for additional authority at bus layovers and train crossings in the Flats. The second amendment was on May 7, 2010 to give them authority on the sidewalks up to the store fronts on Euclid Avenue. Cleveland also requested procedures for prisoner's healthcare cost because RTA would be responsible for these cost. But RTA was never charged for any of the healthcare cost. The sidewalk enforcement was important because fare enforcement officers would witness misdemeanor crimes. The third amendment was on August 17, 2015 to include enforcement for bus lanes on Clifton Boulevard with the CSU Line.

There are 10 police departments that have concurrent jurisdiction in the City of Cleveland. The purpose of the new agreement is to have consistency in certain policies, protocols and training among all the departments that have jurisdiction in the City of Cleveland. The two principle policies that Cleveland wants everyone to be on the same page is the Pursuit policy. RTA's policy has been consistent with Cleveland's policy for a long time. Essentially, they will not pursue for property crimes. The Use of Force policy has been reviewed by Cleveland, and the State. It is consistent with Cleveland's Use of Force policy. They have agreed that any updates to any of the policies by either department will be shared for continued, consistency.

Cleveland is out of the jail business and will no longer accept RTA prisoners. RTA will book and house their prisoners with Cuyahoga County. The cost is being discussed with the county. RTA will abide by the Cleveland Municipal Court goal of holding uncharged detainees no longer than 36 hours. They have been doing this for a number of years. When necessary, TP will transport and guard prisoners pursuant to Cleveland warrants that may require hospital healthcare. So if they pick up someone wanted by Cleveland and they need medical attention, TP has agreed to watch the prisoner at the hospital for up to eight hours and if necessary, extend another eight hours. They used to only do it for the shift. Cleveland asked them to expand. TP agreed for good will and since it doesn't happen frequently. Rev. Lucas asked where RTA prisoners are held. Chief explained that it used to be with the City of Cleveland, but now it will be with the county.

RTA agreed to provide officers, dispatchers and supervisors with the same or comparable training on use of force, pursuit policy, crisis intervention, bias free policing, investigatory stops and searches, community policing, and arrest as required by the Ohio Peace Officer in Training Act (OPOTA) and as may be enhanced by Cleveland police and RTA in regards to applicable policies. TP has been providing training consistent with OPOTA all along. Within 60 days of the day of the agreement, Cleveland Police will provide TP with their applicable schedule dates of training to assist TP in training their personnel. They would send State certified trainers to Cleveland to participate in their training. These would be State certified trainers who would come back and train RTA officers. Likewise, TP will give them proof that the officers were trained. Each party is responsible for the cost of their training. Cleveland and RTA TP will cooperate in joint training initiatives at the request of the other departments. This is important for special events, like the RNC.

RTA agreed that within one year of a new CEO being named, RTA will establish a transparent process accessible to the public, made up of non-police personal for the submission of public complaints. Any complaints against TP can go to a civilian panel to file a complaint. The new complaint process will be brought to the board. This recommendations is being withdrawn at this time. The new agreement will be brought back to the board. Mr. Bibb asked what roll RTA can play in negotiating the new agreement, considering the civil rights violations happening at

the county jail. Chief Joyce mentioned that the involvement of Judge Russo, the U.S. Marshal investigation and a pending lawsuit can bring some comfort that action is taking place. RTA can monitor the situation. Ms. Moss asked for the number of arrest over a certain time period. Chief said it's rare their prisoners are taken to the jail. Most are people with outstanding warrants from the City of Cleveland. Most people they take into custody are juveniles. They are not taken to the jail or juvenile detention center. They are released to their guardians. Rev. Lucas urged special focus on the civilian panel once it is created. Mayor Clough said the special meeting scheduled after this meeting will be cancelled since there is no agreement to approve. Chief McCall added that she recused herself from the discussion.

Property Insurance

Judy Lincoln, director of risk management, made the presentation. This is an overview of RTA's property insurance program. A resolution will be brought to the board at the Dec. 18 meeting for a January 1, 2019 policy renewal. RTA has an all-risk property insurance program. It covers fire, wind, flood, collapse, etc. It is replacement cost coverage. It protects all real and personal property RTA is responsible for rather leased or owned. It covers the bus garages, rail complex, contents, stock and supplies. It covers rolling stock for all perils, including rail collision. Collision coverage for bus is not included in this policy. The buses have comprehensive coverage.

FM Global is RTA's insurance carrier. They are the largest property insurer in the world. They are well known and have the highest and best rating for an insurance company which is A+15. The blanket limit is \$500 million per occurrence, which should far exceed any losses. The deductible is \$250,000 per occurrence. It is rated against Total Insured Value. Once a year, information is gathered on the replacement values for all RTA property and submitted to FM Global. For 2019, the TIV is \$1.7 billion. For the last five years, FM Global has given a premium credit to their insurers. This is calculated based on their entire book of business and the fact that they have had good loss experience for the last five years. Unfortunately with this year being a bad year for natural disasters, RTA will not receive a premium credit, which was \$88,000 last year. This will have a large impact on the premium.

RTA negotiated a 2.5% rate increase, which translates to a premium of \$633,985 for the renewal. Industry research shows this is favorable compared to what the market is doing now. It's been a soft property market for a number of years, but it is tightening now. Industry sources show rate increases from 2% to 20%. The net result is a premium of \$633,000 versus \$556,000 a year ago or a \$77,000 increase, because of the loss of the credit. It would be a \$10,000 decrease without the loss of the credit. The premium is 3.9% or \$26,000 under the 2019 budget.

Mutual Aid Agreement Continued: Dr. Caver clarified that the current mutual aid agreement ended with the City of Cleveland. A full renegotiated agreement will be made. The agreement ended at midnight on Dec. 1. All officers were informed prior to the expiration.

Internal Audit Quarterly Report

Tony Garofoli, executive director of Internal Audit, made the presentation. This is the 3rd quarter report. The program is driven by the plan on pages 3-5. They are recovering from the board investigative work they've done through most of the year. They have completed eight projects. Pages 6-11 include those projects. They include Employee Travel and Expense Account

Reimbursement, Bus Purchases of CNG Low Floor Vehicles, Municipal Court and County Court Collections. They contacted all the courts to search for outstanding money. They audited the ESMS program, Red Line Track Replacement from W. 117th to West Park Construction contract requirement audit, training and certification of Employees in the Control Center, Customer Service at Tower City court, and petty cash.

The Continuous Audit program is on pages 12-13. They write audit scripts as a part of this program. They use the Intelligent Transportation Systems. They can audit 100% of the transactions by using these systems. They have one for customer fare collections. All money collected was posted to the general ledger and deposited into the bank. The scripts run 24/7. They have one for purchasing card transactions. They are working with management to implement the first roll out of the p-card audit. Projects in Progress are on pages 14-18. Special Request and Emerging issues are on pages 19-25. Three request were completed. They are window cleaning contract audit, GM/CEO Accrued Leave Benefits and Tower City Easement Release review.

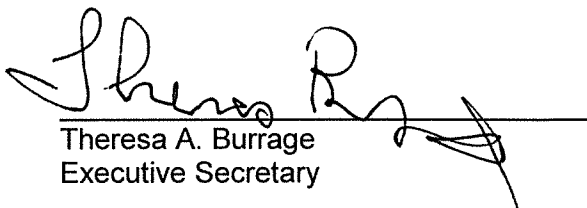
There are also updates on outstanding claims related to investigations. They are working with a variety of law enforcements and insurance companies. The 2017 fiscal year single audit was presented to the board in June. The FTA will be completing a Triennial Review next year. The rest of the report is status of outstanding follow-up. Mayor Clough mentioned that with how heavy investigations were this year, if he will be able to identify potential risk to prevent similar situations next year. Tony said they maintain an ongoing risk universe in his department. Beginning this year through next year, they will evaluate the complete risk inventory to develop the 2019 Internal Audit plan. Mayor Clough asked if the tip line is active. Tony said that statistics show nationally that 40% of hotlines tips are worthwhile for information purposes. The hotline is active. They follow up on all tips.

He will ask the board for suggestions for the 2019 audit plan. He can meet with them to get ideas. This process is also done with the executive management team. Internal Audit is out of compliance with the professional standards for the Internal Audit Charter. He ask that the charter be brought back to the board after they finish the review and update of the board bylaws. Mayor Welo is chairing the Bylaws Review committee. Ms. Moss asked if this issue could be put on a fast track for review and approval. Mayor Welo said this is the goal for the New Year. She and other committee members were busy working to find the CEO search firm.

The meeting was adjourned at 11:23 a.m.



Floun'say R. Caver, Ph.D., Interim CEO
General Manager/ Secretary-Treasurer



Theresa A. Burrage
Executive Secretary