

**CDTA COMMITTEE AGENDA**  
**Performance Monitoring/Audit Committee**  
**Wednesday, April 17, 2019 | 12:00 PM | 110 Watervliet Avenue, Albany**

| <b>Committee Item</b>  | <b>Responsibility</b> |
|--|-----------------------|
| Call to Order  | Jayme Lahut           |
| Ascertain Quorum   | Jayme Lahut           |
| Agenda Approval  | Jayme Lahut           |
| Approve Minutes of Wednesday, March 20, 2019                                 | Jayme Lahut           |
| <b>Consent Agenda Items</b>  |                       |
| • Approve Acceptance of NYS Funding  | Phil Parella          |
| <b>Audit Committee</b>   |                       |
| • Internal Audit Quarterly Progress Report                                   | Sarah Matrose         |
| • Proposed Three-Year Audit Plan   | Sarah Matrose         |
| <b>Investment Committee</b>  |                       |
| • Annual Review and Approval of Investment Policy                            | Denise Figueroa       |
| <b>Administrative Discussion Items</b>                                       |                       |
| • Monthly Management Report *  | Mike Collins          |
| • Monthly Non-Financial Report   | Chris Desany          |
| <b>Executive Session</b>   |                       |
| • No items scheduled   |                       |
| Next Meeting: Wednesday, May 22, 2019, 12pm at 110 Watervliet Avenue, Albany |                       |
| Adjourn  | Jayme Lahut           |

*\* Indicates Material (Or Additional Material) Will Be Provided at Meeting*

**Capital District Transportation Authority  
Performance Monitoring/Audit Committee  
Meeting Minutes – March 20, 2019 at 12:00 pm; 110 Watervliet Avenue, Albany**

In Attendance: Jayme Lahut, Dave Stackrow, Carm Basile, Amanda Avery, Mike Collins, Chris Desany, Lance Zarcone, Fred Gilliam, Phil Parella, Jon Scherzer, Jaime Watson, Sarah Matrose, Claire Miller, Ross Farrell, Stacy Sansky, Vanessa Salamy

**Meeting Purpose**

Regular monthly meeting of the Performance Monitoring/Audit Committee. Jayme Lahut noted that a quorum was present. Minutes from the February 20, 2019 meeting were reviewed and approved.

**Consent Agenda Items**

**Annual Review and Approval of Procurement Manual**

- The Public Authorities Law requires CDTA to review our procurement guidelines annually. Based on staff review, there are no major changes being recommended.
- Jayme Lahut suggested several minor administrative changes to improve the consistency of the manual; and discussed changing dollar thresholds for next year. The Procurement Manual was provided for review and will be recommended to the Board for approval.

**Approve Contract Award for HVAC Work**

- A Request for Proposals (RFP) was issued detailing our requirements. A contract for the maintenance and repair of our HVAC systems here at 110 Watervliet, Ave., Albany. Three proposals were received and score cards were provided.
- A three-year contract with two optional renewal years to H.T. Lyons of Halfmoon, for an amount not to exceed \$120,790 will be recommended to the Board for approval.

**Approve Contact Award for Electrical Work**

- Our contract for electrical work in/around bus shelters is expiring. An invitation for bid was issued outlining requirements for repair and installation of lighting at bus shelters.
- Four bids were received and bid sheets were provided. A three-year contract with two optional renewal years to LaCorte Companies of Troy, for an amount not exceed \$318,750 will be recommended to the Board for approval.

**Approve Sole Source Contract Award for Security Access Systems**

- Security systems control access at facilities for pedestrian and vehicular traffic. Several years ago, the system was competitively procured from Access Technology Integration (ATI). ATI performs upgrades and addresses all maintenance issues. Using ATI requires no third-party integration; they are proposing less than a 1% increase in pricing.
- A one-year sole source contract with four one-year renewals to Access Technology Integration of Wynantskill for a total contract value not to exceed \$84,240. This is a sole source procurement that will be recommended to the Board for approval.

### Approve Resolution to Accept State Funding

- As we continue our work on the River Corridor BRT, we applied to an Upstate Revitalization Initiative (URI) for funding in FY2018. We were awarded \$7.3 million in August 2018. The URI is managed through New York State Department of Transportation. We anticipate drawing on these funds this year.
- NYSDOT requires a Board resolution to accept funds; there are no match requirements. Approval from the Board is required to accept \$7.3 million from NYSDOT.

### Audit Committee Items

- No items scheduled.

### Investment Committee Items

- The Investment Committee met in March and Denise Figueroa emailed the committee report on March 21, 2019 to the board members.

### Administrative Discussion Items

#### Monthly Management Report

- Mike Collins gave the Monthly Management Report. MRT is 30% under budget for the month; 5.6% under for the year. Customer fares continue to exceed budget projections and are over budget by more than 4%. February is a short month, so wages are 5% under budget; Workers' Compensation expenses are 21% under budget; and claims are 48% under budget.
- Total revenue is slightly over budget and expenses are slightly under budget, keeping us in a positive budget position as we complete the fiscal year.

#### Monthly Management Report –

- Mike Collins gave the Monthly Management Report. He reported that MRT met budget projections this month but is 3% under budget for the year. Customer fares continue to exceed monthly budget projections and are over budget by 4.5% for the year. Wages are 2.6% over budget for the year, but health insurance is under budget by 3.7% for the year.
- We paid back the \$4 million from our line of credit for cash flow purposes and remain in an overall positive budget position.

#### Monthly Non-Financial (performance) Report

- Chris Desany gave the Monthly Non-Financial Report. Total ridership was down 1% for the month and down 4% for the year. On time performance was 74% and there were 86 missed trips this month.
- Scheduled work at 83%. There were 11 preventable and 41 non-preventable accidents. Website page views were at 640,613.

### Executive Session

- No Items Scheduled

### Next Meeting

Wednesday, April 17, 2019 at 12:00pm at 110 Watervliet Avenue, Albany

**Capital District Transportation Authority  
Agenda Action Proposal**

**Subject:** Resolution to accept \$9,066,475 in State funding.

**Committee:** Performance Monitoring/Audit

**Committee Meeting Date:** April 17, 2019

**Board Action Date:** April 24, 2019

**Purpose:**

New York State Department of Transportation (NYSDOT) requires Board approval as part of their contracting process for capital funds. This is a routine action.

**Summary of Proposal:**

CDTA will purchase buses, pay bus financing, and receive reimbursement for passing through funds to Adirondack Trailways. This contract permits CDTA to execute an agreement with NYSDOT to accept \$9,066,475 in funds.

**Financial Summary and Source of Funds:**

The NYSDOT Agreement K007407 will fund 100% of the purchase of buses (\$7,064,816); fund 100% of bus financing payments (\$1,710,000) and fund the 10% NYS share of the Adirondack Trailways passthrough (\$291,659); for a total amount of \$9,066,475.

**Prepared by:**

Claire Miller, Grants Manager

**Project Manager:**

Lance Zarcone, Director of Maintenance

Philip Parella, Jr., Director of Finance

## Memorandum

April 17, 2019

To: Audit Committee Members  
Carm Basile, Chief Executive Officer

From: Sarah Matrose, Internal Auditor

Subject: Quarterly Progress Report – Internal Audit Department

### IA Progress Report:

- Annual Risk Assessment – Met with staff to discuss upcoming projects, departmental goals, areas they see risk within the company, and room for efficiencies or improvements in current processes.
- Annual Audit Plan – Compiled the results of the Risk Assessment from staff and updated the audit plan according to the functions identified with the highest risk and highest impact factors.

### Upcoming Audit Items:

- Upon approval of the audit plan, the Revenue audit will begin, focusing on the Ridership/Revenue relationship with a drill down into different fare types.
- Wrapping up the annual Davis-Bacon & Related Acts audit
- Continuing efforts for Standard Operating Procedures, Policies, including a documented process for approval, disseminating, and storage.
- Working with Maintenance to make efficiency improvements to the warranty process.
- Continued support and input for the STAR Vendor RFP process.

### Continuing Education/Maturity Project Items:

- Completed *Fundamentals of IT Auditing* training.
- Attended *Modern Techniques for Risk Assessment* training.
- Attended *Fraud in the World Today* training.
- Participated in the Spring CAE Roundtable discussion.

**Internal Audit  
04/01/19 – 03/31/22 Three Year Proposed Audit Plan (Updated 04/01/19)**

**FY 2019 - 2020 Audit Plan**

**04/01/19 – 03/31/20**

| TRADITIONAL AUDIT SERVICES       |  |                           |                |                     |
|----------------------------------|--|---------------------------|----------------|---------------------|
| FINANCE AUDITS                   |  |                           |                |                     |
|                                  | Department                             | Auditable Unit            | Budgeted Hours | Expected Completion |
|                                  | Finance                                | Revenue                   | 275            | Q1                  |
| MARKETING AUDITS                 |  |                           |                |                     |
|                                  | Department                             | Auditable Unit            | Budgeted Hours | Expected Completion |
|                                  | Marketing                              | Universal Access Billings | 175            | Q2                  |
| INTERNAL OPERATIONS AUDITS       |  |                           |                |                     |
|                                  | Department                             | Auditable Unit            | Budgeted Hours | Expected Completion |
|                                  | Facilities                             | Davis-Bacon Act           | 100            | Q4                  |
|                                  | Information Technology                 | System Security           | 275            | Q3                  |
| OTHER TRADITIONAL AUDIT SERVICES |  |                           |                |                     |
|                                  | Department                             | Auditable Unit            | Budgeted Hours | Expected Completion |
|                                  | Risk Assessment / Annual Planning      | Company-Wide              | 100            | Q4                  |
|                                  | Audit Follow-Up                        | Company-Wide              | 110            | Ongoing             |
| PROACTIVE ADVISORY SERVICES      |  |                           |                |                     |
|                                  | Department                             | Auditable Unit            | Budgeted Hours | Expected Completion |
|                                  | Committees                             | PM/A, SOP, CSR, Board     | 85             | Monthly             |
|                                  | Management Requests                    | Company-Wide              | 300            | As Needed           |
|                                  | Internal Controls/<br>Maturity Project | Company-Wide              | 60             | Ongoing             |
|                                  | TOTAL BUDGETED AUDIT HOURS             |                           | 1480           |                     |

\*See Appendix A for further details regarding Management Requests for FY 2019 - 2020

## **Appendix A**

\*Management requests are considered topics brought to the Internal Auditor for a specific review or to ask for the Auditors involvement throughout a specific project. They are not listed in the Audit Plan as Traditional Audit Services due to a lack of timeframe or scope identified in advance. Management requests are considered Advisory Services and periodic updates as well as a final memo will be provided to the Audit Committee for all completed requests.

The list of Management Requests for the 2019 - 2020 FY incorporates but is not limited to the following:

- GIRO Time & Attendance Module Implementation
- Security Assessment Follow-Up
- Return on Investment Project Review
- APTA Safety Audit Plan Review
- Standard Policies and Procedures
- Zight KPI Management – BICC
- PCI Compliance Audit

**FY 2020 - 2021 Audit Plan**

**04/01/20 – 03/31/21**

| TRADITIONAL AUDIT SERVICES       |                                      |                        |                       |                            |
|----------------------------------|--------------------------------------|------------------------|-----------------------|----------------------------|
| FINANCE AUDITS                   |                                      |                        |                       |                            |
|                                  | <b>Department</b>                    | <b>Auditable Unit</b>  | <b>Budgeted Hours</b> | <b>Expected Completion</b> |
|                                  | Finance                              | Revenue                | 250                   | Q2                         |
| INFORMATION TECHNOLOGY AUDITS    |                                      |                        |                       |                            |
|                                  | <b>Department</b>                    | <b>Auditable Unit</b>  | <b>Budgeted Hours</b> | <b>Expected Completion</b> |
|                                  | Information Technology               | Disaster Recovery Plan | 275                   | Q3                         |
| INTERNAL OPERATIONS AUDITS       |                                      |                        |                       |                            |
|                                  | <b>Department</b>                    | <b>Auditable Unit</b>  | <b>Budgeted Hours</b> | <b>Expected Completion</b> |
|                                  | Facilities                           | Davis-Bacon Act        | 100                   | Q4                         |
| ADMINISTRATION AUDITS            |                                      |                        |                       |                            |
|                                  | Safety                               | APTA Audit Plan        | 200                   | Q1                         |
| OTHER TRADITIONAL AUDIT SERVICES |                                      |                        |                       |                            |
|                                  | <b>Department</b>                    | <b>Auditable Unit</b>  | <b>Budgeted Hours</b> | <b>Expected Completion</b> |
|                                  | Risk Assessment / Annual Planning    | Company-Wide           | 100                   | Q4                         |
|                                  | Audit Follow-Up                      | Company-Wide           | 110                   | Ongoing                    |
| PROACTIVE ADVISORY SERVICES      |                                      |                        |                       |                            |
|                                  | <b>Department</b>                    | <b>Auditable Unit</b>  | <b>Budgeted Hours</b> | <b>Expected Completion</b> |
|                                  | Committees                           | PM/A, SOP, CSR, Board  | 85                    | Monthly                    |
|                                  | Management Requests                  | Company-Wide           | 300                   | As Needed                  |
|                                  | Internal Controls / Maturity Project | Company-Wide           | 60                    | Ongoing                    |
|                                  | <b>TOTAL BUDGETED AUDIT HOURS</b>    |                        | <b>1480</b>           |                            |



**FY 2021 - 2022 Audit Plan**

| <b>04/01/21 – 03/31/22</b>              |                                      |                          |                       |                            |
|---|--------------------------------------|--------------------------|-----------------------|----------------------------|
| <b>TRADITIONAL AUDIT SERVICES</b>       |                                      |                          |                       |                            |
| <b>FINANCE AUDITS</b>                   |                                      |                          |                       |                            |
|   | <b>Department</b>                    | <b>Auditable Unit</b>    | <b>Budgeted Hours</b> | <b>Expected Completion</b> |
|   | Finance                              | Payroll                  | 250                   | Q2                         |
| <b>ADMINISTRATION AUDITS</b>            |                                      |                          |                       |                            |
|   | <b>Department</b>                    | <b>Auditable Unit</b>    | <b>Budgeted Hours</b> | <b>Expected Completion</b> |
|   | Procurement                          | Inventory                | 150                   | Q1                         |
|   | Safety                               | APTA Audit Plan          | 110                   | Q2                         |
| <b>INTERNAL OPERATIONS AUDITS</b>       |                                      |                          |                       |                            |
|   | <b>Department</b>                    | <b>Auditable Unit</b>    | <b>Budgeted Hours</b> | <b>Expected Completion</b> |
|   | Facilities                           | Davis-Bacon Act          | 100                   | Q4                         |
|   | Operations                           | Transit Asset Management | 250                   | Q3                         |
| <b>OTHER TRADITIONAL AUDIT SERVICES</b> |                                      |                          |                       |                            |
|   | <b>Department</b>                    | <b>Auditable Unit</b>    | <b>Budgeted Hours</b> | <b>Expected Completion</b> |
|   | Risk Assessment / Annual Planning    | Company-Wide             | 100                   | Q4                         |
|   | Audit Follow-Up                      | Company-Wide             | 100                   | Ongoing                    |
| <b>PROACTIVE ADVISORY SERVICES</b>      |                                      |                          |                       |                            |
|   | <b>Department</b>                    | <b>Auditable Unit</b>    | <b>Budgeted Hours</b> | <b>Expected Completion</b> |
|   | Committees                           | PM/A, SOP, CSR, Board    | 80                    | Monthly                    |
|   | Management Requests                  | Company-Wide             | 300                   | As Needed                  |
|   | Internal Controls / Maturity Project | Company-Wide             | 40                    | Ongoing                    |
|   | <b>TOTAL BUDGETED AUDIT HOURS</b>    |                          | <b>1480</b>           |                            |

## **Capital District Transportation Authority Agenda Action Proposal**

**Subject:** Annual review and approval of the CDTA Investment Policy

**Committee:** Performance Monitoring/Audit

**Committee Meeting Date:** April 17, 2019

**Board Action Date:** April 24, 2019

**Background:**

The New York State Public Authorities Law Article 9, Title 7 annually requires public authorities to review and approve their Investment Policy.

**Purpose:**

The Performance Monitoring/Audit Committee is required to review and approve the CDTA Investment Policy on an annual basis. This policy details the operative policy for investing, monitoring and reporting of funds for CDTA.

**Summary of Proposal:**

There are some minor proposed changes to the investment policy. Although the changes are small, the two content changes improve the clarity of the policy. The other changes are committee title changes and are included in the memo of support. The attached draft policy includes what is recommended to be removed (crossed out), and new language which is underlined.

General Counsel has reviewed our investment policy and appropriate laws for any additional changes and does not recommend any further modifications.

The 2019 draft Investment Policy is attached for review and approval.

**Financial Summary and Source of Funds:**

No financial impact

**Prepared by:**

Mike Collins, VP of Finance & Administration

**Project Manager(s):**

Mike Collins, VP of Finance & Administration

Amanda Avery, General Counsel

## Memorandum

April 17, 2019

To: Chairman, Performance Monitoring/Audit Committee  
Members, Performance Monitoring/Audit Committee

From: Mike Collins, Vice President of Finance & Administration

Subject: Investment Policy 2019

### **Background:**

The Performance Monitoring/Audit Committee annually reviews the Investment Policy (IP) and makes revisions as necessary to reflect changes in market conditions and/or legal requirements. The IP is reviewed by staff, CDTA's Investment Advisor and General Counsel.

We have proposed minor changes to the investment policy to improve clarification. The specific changes are listed on the following pages and sections of the IP:

1. Page 1, section 1b; add new language for clarification
2. Page 2, section 3e; add the word "bank" for clarification
3. Page 2, section 4b; add the word "Investment" to designate Committee Chair
4. Change pages 1, 3 and 5 to include new Committee Title

### **Recommendation:**

We recommend that these changes be accepted and approved by the Performance Monitoring/Audit Committee.

## INVESTMENT POLICY CAPITAL DISTRICT TRANSPORTATION AUTHORITY

These guidelines detail the operative policy regarding the investing, monitoring and reporting of funds of the Capital District Transportation Authority (the “Authority”).

### 1. Purpose

- a) Establish a policy whereby current funds, in excess of immediate needs are invested to earn a reasonable rate of return while safeguarding the principal amount.
- b) Assure that invested funds are diversified and adequately safeguarded. The investment portfolios will, at all times, be diversified. No single issuer will represent more than 5% of a given portfolio. There is no limitation for the debt of the US Government or one of its agencies, except that the debt of a single agency will not represent more than 50% of a given portfolio. Certificates of deposit issued by a single bank are limited by the legal maximum for FDIC insurance.
- c) Assure that adequate accounts and records are maintained which accurately reflect all transactions.
- d) Assure that an adequate system of internal control is maintained.

### 2. Authorization and Management

All investment decisions are to conform to:

- a) Section 1306 (4) of the Public Authorities Law of the State of New York, and
- b) Article 9, Title 7 of the Public Authorities Law of New York,
- c) 2 NYCRR § 201.1, *et seq.*

The Board may retain at the recommendation of the Performance Oversight Monitoring/Audit Committee (“Committee”) one or more investment advisors, which meet the Authority’s qualifications and grant the advisor discretion to execute transactions within the context of these policies. The advisor (s) will always be expected to act as a fiduciary in the best interest of the Authority.

### 3. Types of Investments

The permissible types of investments (“Permitted Investments”) are as follows:

- a) Certificates of Deposit issued by banks which are members of the Federal Deposit Insurance Corporation (FDIC). Certificates of Deposit of qualifying banks may also be purchased from Broker/Dealers licensed to conduct business in New York State which are members of the Securities Investors Protection Corporation (SIPC) and the Financial Industry Regulatory Authority (FINRA).

- b) Deposits in “Money Market” accounts in banks specified in Item (a) above.
- c) Money Market Funds that invest exclusively in obligations of the United States Government or one of its agencies, except that up to 1% of each investment account may be held in a conventional money market fund provided that the fund holds more than \$500 million in assets and the sponsor is a substantial and well regarded financial institution with no less than \$1 billion of equity capital. Further, the principal objective of the fund must be preservation of capital. The purpose of this exception is to accommodate relatively small amounts of cash that are not invested and not substantial enough to qualify for a specialized Government-only fund.
- d) Obligations of New York State, the United States Government, or Agencies of the United States Government. Obligations guaranteed, as to principal and interest, by one of these entities is also permissible.
- e) The primary investment objective is the protection of principal. All bank deposits of money should be fully collateralized or insured (e.g., FDIC insurance).

Each purchase must be confirmed in writing and be made in accordance with the provisions of this Investment Policy.

#### 4. Operating Procedures

- a) The investment selection process shall utilize competitive quotations or negotiated prices, except in the purchase of federal government securities at auction.
- b) Approvals: The Vice President of Finance & Administration shall approve all investment transactions, and report investment transactions to the Chief Executive Officer. The process of initiating, reviewing and approving requests to buy and sell investments shall be documented and retained for audit purposes. The Investment Committee Chairperson, the Vice President of Finance & Administration and the Chief Executive Officer (when necessary) will meet with any and all retained investment advisors no less than twice per year to review and approve the portfolio holdings.
- c) Collateral Custody: The custodian of all collateral involved in any investment transaction must be either the Authority or a Third-Party Bank or Trust Company acceptable to the Authority. Such Bank may not be the same as that with which the investment is made. The custody agreement must be joint with the Bank providing the collateral.

If, at any time during the term of a Certificate of Deposit or deposit in Money Market Account, the collateral or underlying security market value does not equal the principal value of the investment, the Authority shall inform the Bank of the additional collateral required. If additional collateral is not added immediately by the Bank involved, the Authority shall demand the return of the amount invested and remove such Bank from the list of approved Banks for investment and deposit of Authority funds.

Any custodian or trustee of securities in any transaction to which the Authority is a principal may not relinquish control over such securities without the written consent of the Authority and the Investment Manager.

- d) If a Bank or Investment Broker/Dealer is operating as an agent for another Bank or any of its customers, such information must be disclosed to the Authority. To the extent the Board has retained an investment advisor, the advisor will act solely as agent on behalf of the Authority. The Advisor(s) may act as the Principal in a transaction only if it is authorized in writing by the Performance Oversight Monitoring/Audit Committee.
- e) In addition to the normal entries in cash receipts, cash disbursements and general ledger regarding investments, the following additional records shall be maintained.
  - 1) A schedule for each Bank or Investment Broker/Dealer with which the Authority makes investments, maintained by the Accountant, showing:
    - a. Date of transactions
    - b. Description and amount of investment
    - c. Interest rate
    - d. Due date of CD, or Bond
    - e. Market value of collateral or investment security
    - f. Indication of at least monthly recheck of market values
- f) Investments may be made by a telephone call. If the investment is a Certificate of Deposit (CD) that is eligible to be traded and cleared through the Depository Trust Company (DTC), it will be delivered directly to the custodian by the bank or broker/dealer. If the CD is not DTC eligible, such Certificate shall be mailed to the Authority or, if feasible, picked up by an agent of the Authority. The Vice President of Finance & Administration will immediately contact the designated custodian or trustee of the collateral for such investments, requesting telephone confirmation of deposit of collateral and receive from custodian a written instrument requiring the Authority's agreement before custody may be relinquished. In practice, Banks will usually deposit a certain amount of securities for a specified period of time, equal to the probable maximum amount the Authority would be investing during such period, i.e., a month or ninety days. CDs that are fully insured by the FDIC (principal and expected interest) are not required to be collateralized. If authorization is initially given verbally, it shall be followed by written confirmation.
- g) Payment of funds shall only be made upon delivery of securities.
- h) A record of investments shall be maintained. The records shall identify the security, the fund for which held, the place where kept, date of disposition and amount realized, if required, and the market value and custodian of collateral.
- i) Custodians of deposits and money market accounts shall be required to report monthly or more frequently on activity occurring in the Authority's custodial account to the Accountant. There shall be monthly verifications of both the principal amount and market values of all investments and collateral. Listings shall be obtained from the custodian and compared against the Authority's records.

- j) The Authority requires the custodian to send verification of securities held for the Authority whenever requested to do so by the Authority.
- k) The Vice President of Finance & Administration is authorized to deposit all funds received by the Authority in Money Market Accounts or Certificates of Deposit with Banks or Investment Broker/Dealer doing business in New York State, which are members of the FDIC; the SIPC and FINRA; and/or registered with the SEC and that have also expressed an interest in receiving requests for bids, consistent with these guidelines.
- l) The report of the status of all investments will be submitted by the Deputy Comptroller at least quarterly to the Chief Executive Officer and the Board Members of the Authority.

5. Collateralization

- a) Investments requiring collateralization must be fully collateralized by US Government obligations, or obligations guaranteed by a US Government entity.
- b) The collateral for a CD or Money Market Fund Deposit must always equal the investment principal.
- c) Market values of items mentioned in b) above will be checked by the Deputy Comptroller at least monthly to a nationally recognized financial publication.
- d) Investments in Certificates of Deposit and Money Market Accounts are limited to FDIC insurance limits, unless collateralized.

6. Review of Investment Guidelines and Audit Procedures

- a) These guidelines shall be reviewed by the Performance ~~Oversight~~ Monitoring/Audit Committee annually and revised as necessary to reflect changes in market conditions or legal requirements.
- b) An annual independent audit shall be conducted in accordance with the provisions of Article 9, Title 7 of PAL and 2 NYCRR § 201.1 *et seq*
- c) Collateral shall be verified monthly, if held by the Authority, by Members of the Performance ~~Oversight~~ Monitoring/Audit Committee. If held by a Bank, confirmation from such Bank will be given to Committee.
- d) The Authority shall maintain an internal control structure designed to protect the Authority's investment assets from loss, theft, and misuse.

7. Evaluation and Reporting

- a) An annual independent audit shall be performed by the Authority's independent accountants to evaluate investment program compliance. The annual audit report shall be filed within 90 days

after the close of the Authority's fiscal year with the Office of Budget and Policy Analysis of the Office of the State Comptroller.

- b) The Authority shall prepare an annual investment report which shall be submitted to the Division of the Budget, with copies to the Office of the State Comptroller, the Senate Finance Committee, and the Assembly Ways and Means Committee.

8. Settlement of Securities Transactions

All purchases of securities by or on behalf of the Authority will be settled "delivered vs. payment", meaning that purchased securities will not be paid for until they are presented physically or electronically at the custodian by the seller or his agent.

9. Criteria for Selection of Investment Banks or Firms and Brokers

The Authority shall maintain a list of approved financial institutions and a list of approved security broker/dealers. As market conditions change, the Authority may find it necessary to place investments directly with Investment Banks or Firms and Brokers. The following are criteria for the selection of Investment Banks or Firms and Brokers:

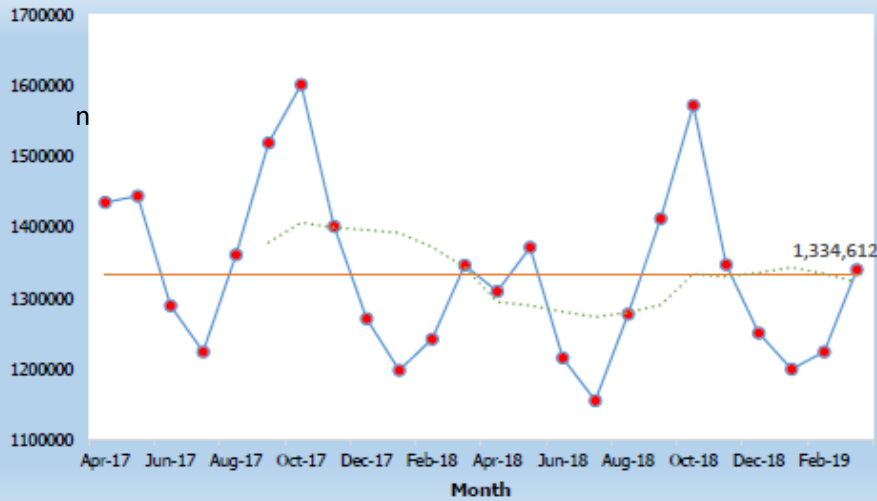
- a) Investment Banks or Firms and Brokers authorized to do business within New York State.
- b) Investment Banks or Firms and Brokers in business for over (5) five years.
- c) Investment Banks or Firms and Brokers which have invested over \$500,000,000 in assets for their clients at the time of any investment made by the Authority.
- d) Investment Banks or Firms and Brokers that have demonstrated a proven record of returns, that meet or exceed the yield and total return generated from Treasury benchmarks.
- e) Investment Managers/Advisors must be registered with the Securities and Exchange Commission (SEC) while Investment Brokers/Dealers must be members in good standing with the Securities Investors Protection Corporation (SIPC) and the Financial Industry Regulatory Authority (FINRA).

All the foregoing sections of the Investment Policy that pertain to banks shall apply to Investment Broker/Dealers.



Patronage/Mobility

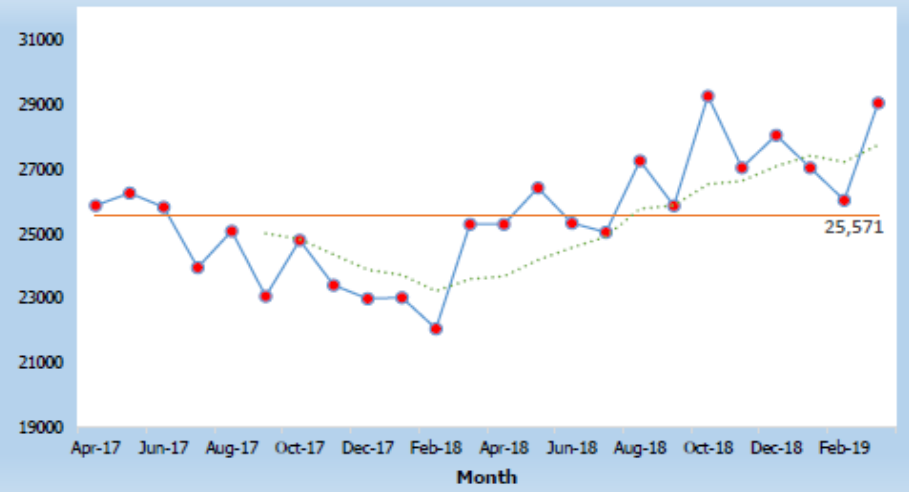
Total Riders



Previous: 1,347,198

Current: 1,341,193

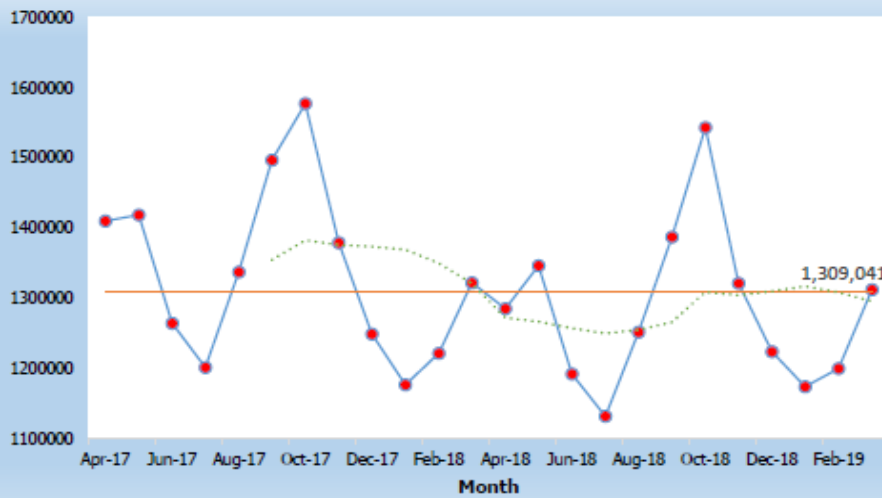
STAR Riders



Previous: 25,309

Current: 29,064

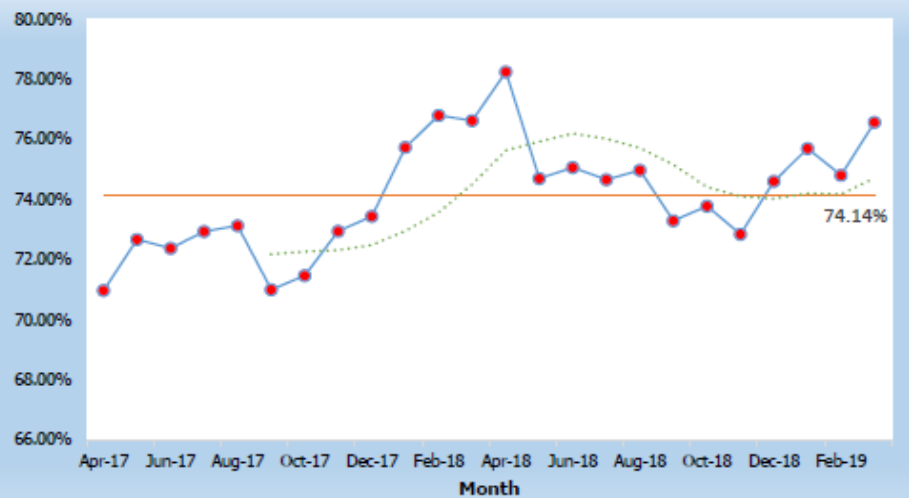
Fixed Riders



Previous: 1,321,889

Current: 1,312,129

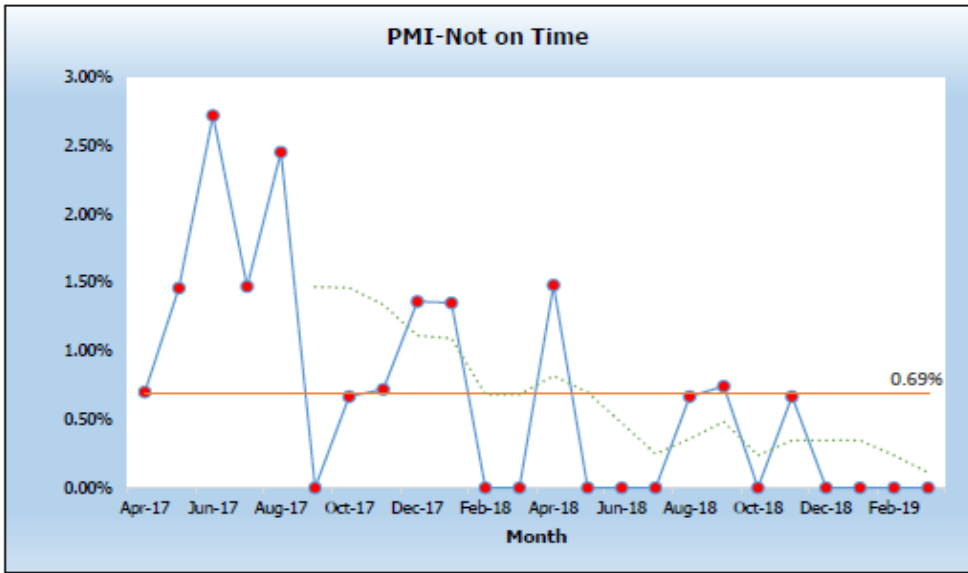
System Wide OTP



Previous: 74.63%

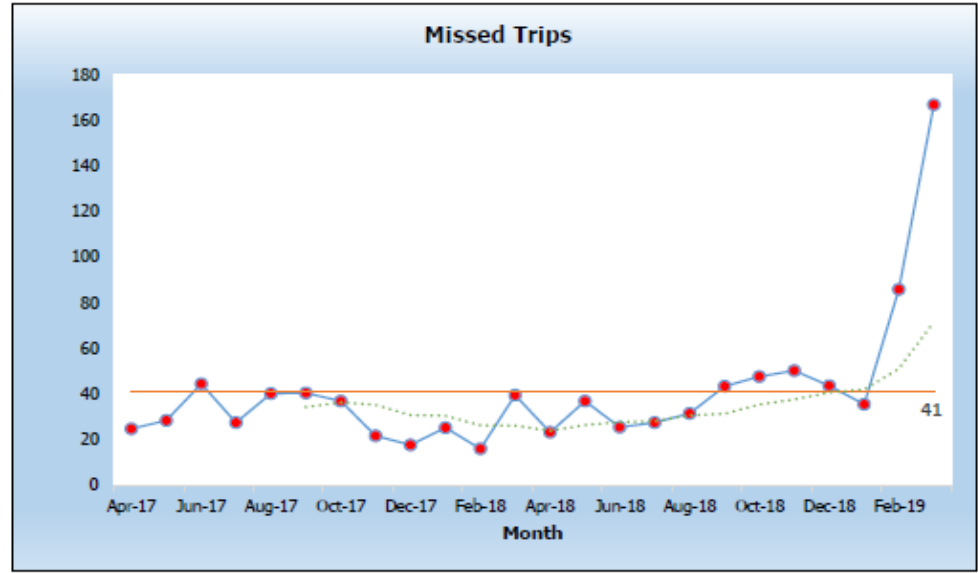
Current: 74.14%

Reliability



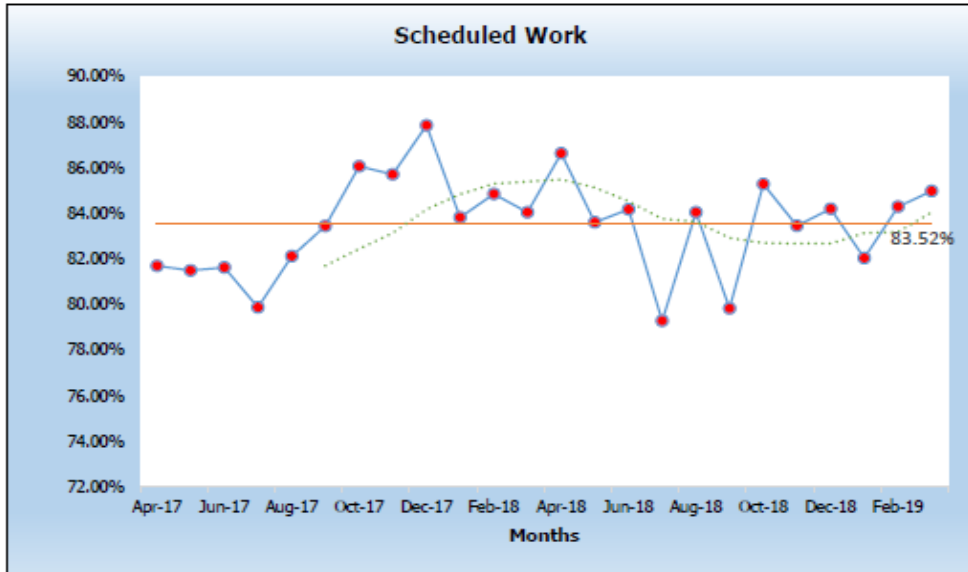
Previous: 0.00%

Current: 0.00%



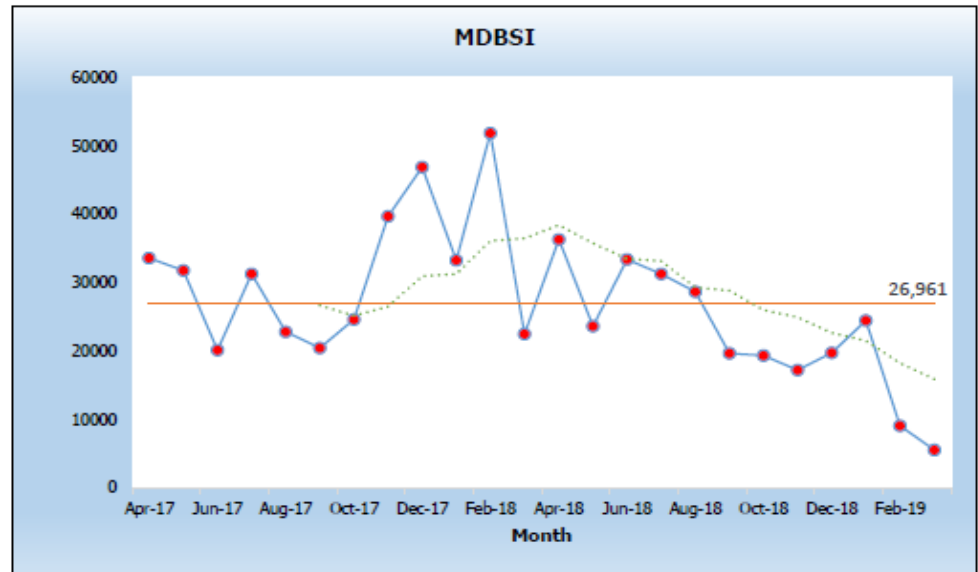
Previous: 40

Current: 167



Previous: 84.05%

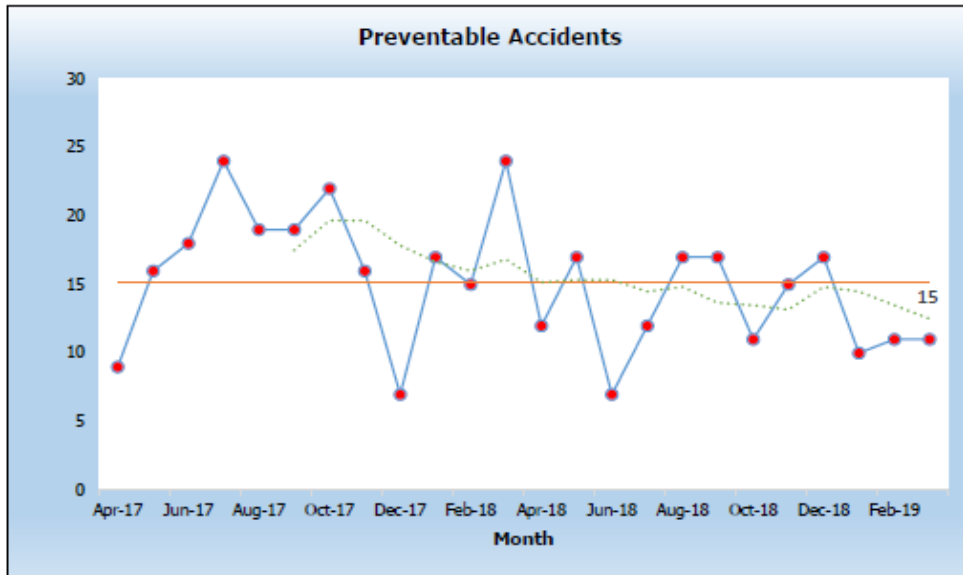
Current: 84.98%



Previous: 22,487

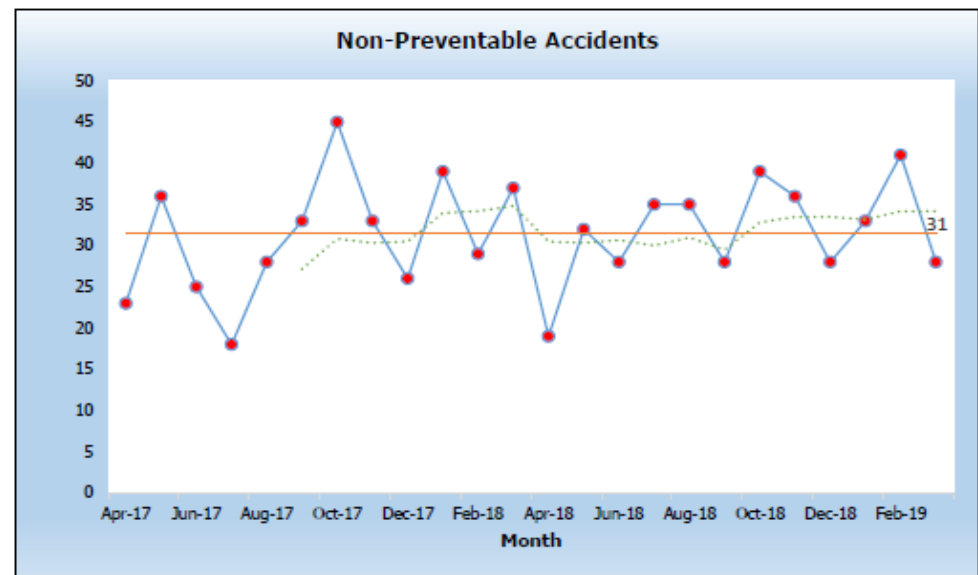
Current: 5,538

Safety



Previous: 24

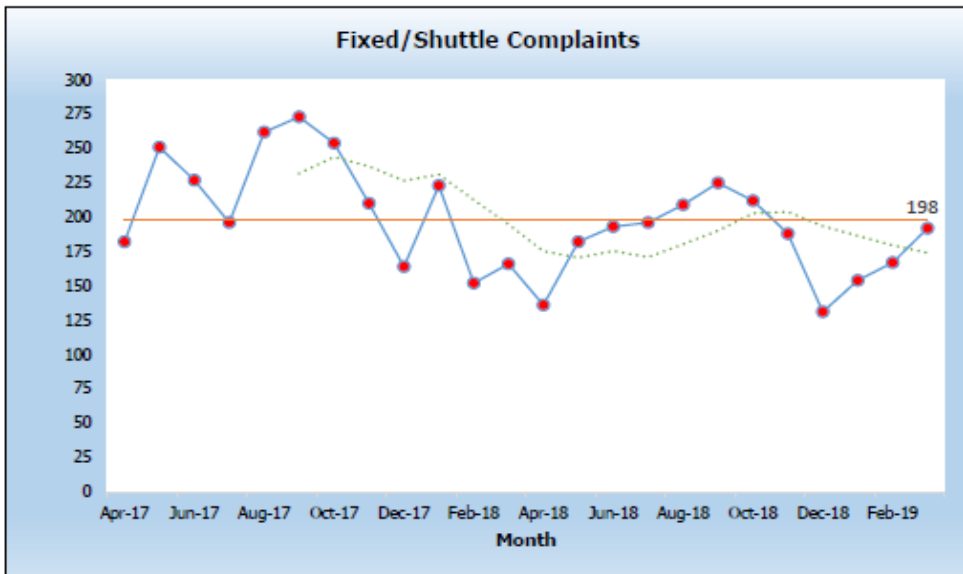
Current: 11



Previous: 37

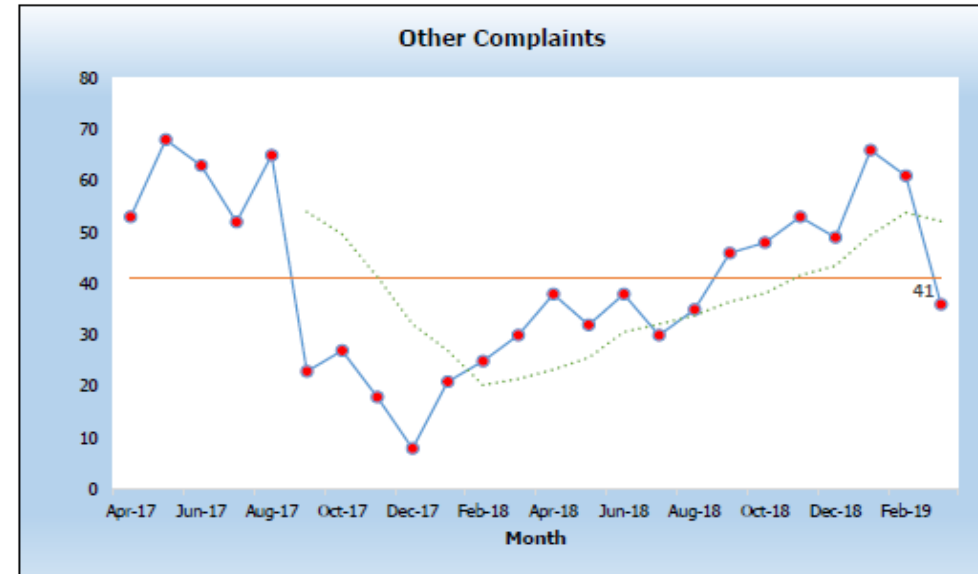
Current: 28

Customer Service



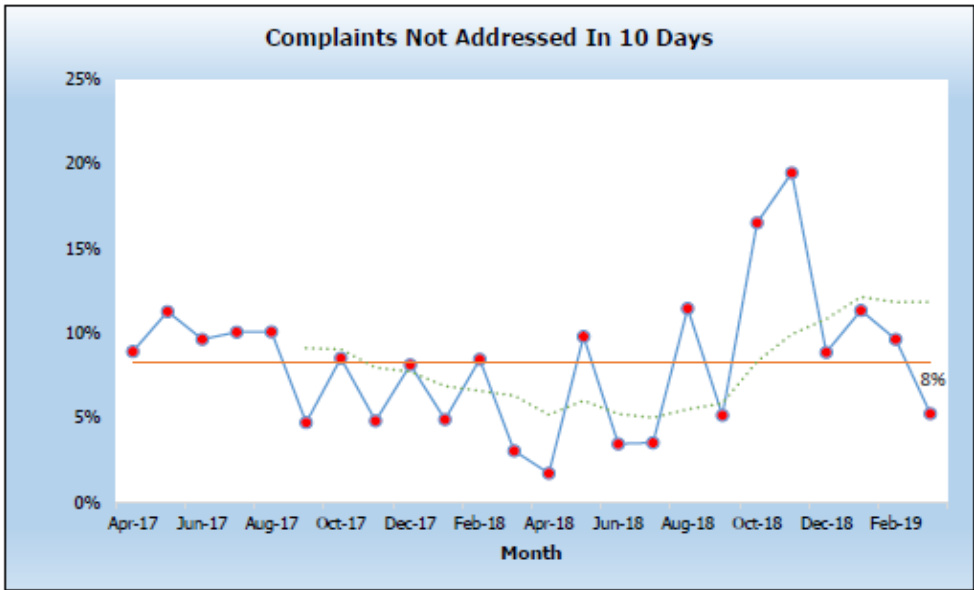
Previous: 166

Current: 192



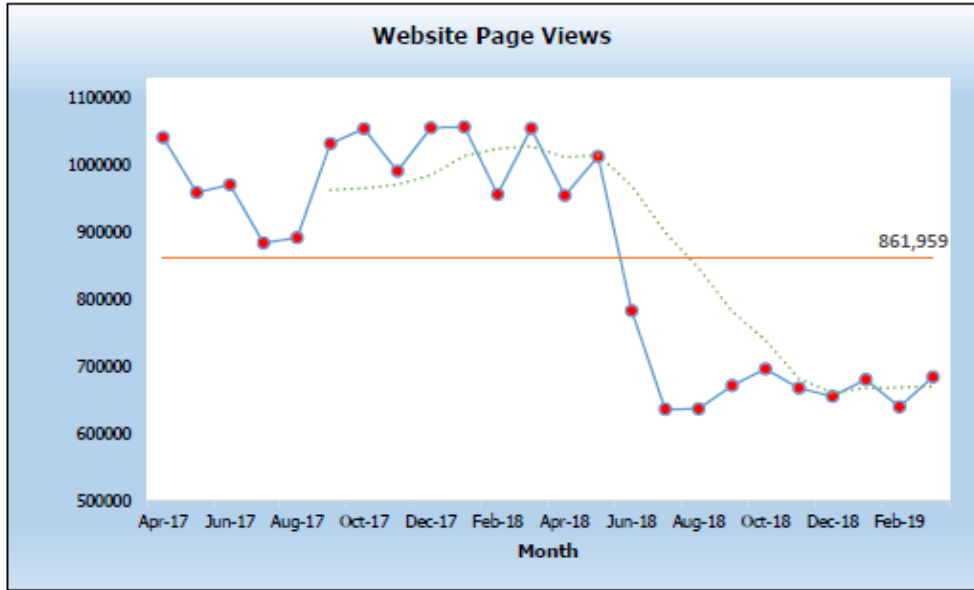
Previous: 30

Current: 36



Previous: 3%

Current: 5%



Previous: 1,055,388

Current: 684,990

### Definitions

**Total Riders** – Includes fixed route, STAR, NX, cash fare, Navigator, contracts (primarily UA), employees, and special events/trolley.

**STAR Riders** – Actual (not scheduled) ridership, including personal care assistants.

**Fixed Riders** – Includes fixed route, NX, cash fare, Navigator, contracts (primarily UA), employees, and special events/trolley.

**System Wide OTP %** – On-time performance: The percentage of departures that occurred between 5 minutes late and 1 minute early. Departures more than 30 minutes late or more than 15 minutes early are excluded. This is calculated across all times points in all routes in the system.

**PMI – Not on Time** – A Preventive Maintenance Inspection (PMI) is a routine (periodic) service and examination of the vehicle to identify potential defects before they fail. This measure is the work orders completed within 500 miles before and 500 miles after the scheduled mileage (6,000), divided by the number of PMI's done for the month.

**Missed Trips** – Collected by dispatchers and aggregated by administration. This includes missed trips due to mechanical issues and operator availability.

**Scheduled Work** – Unscheduled work in anything identified during a driver vehicle inspection, or caused by a breakdown. Scheduled work is anything else (primarily as a result of a PMI). This metric is the ratio of scheduled work to unscheduled work.

**MDBSI** – Mean distance between service interruptions: Total Miles Operated divided by number of service interruptions. A service interruption is defined as Incident, accident, operator running late, traffic delays, tire issues, etc., causing a service interruption (delay) of 5 minutes or more.

**Preventable Accidents** – An accident is considered preventable if it is due to an operator's failure to drive in a safe and professional manner. Accident categorizations may experience minor fluctuations after the fact for the prior month (after this report is generated).

**Non-Preventable Accidents** – An accident is considered non-preventable if the operator did everything that is reasonably expected of a defensive driver to avoid the accident. Accident categorizations may experience minor fluctuations after the fact for the prior month (after this report is generated).

**Fixed/Shuttle Complaints** – Any comments/complaints related to our regular route network, including the Northway Xpress. These are generally related to the on-street service expectations of our customers, from operator conduct to on time performance.

**Other Complaints** – This category is for comments tied to any claims, service requests, fare disputes, or anything related to STAR.

**Complaints Not Addressed in 10 Days** – Comments are submitted, reviewed, assigned and investigated by division. Once investigation is complete and customer is contacted (if requested), complaint is "addressed".

**Website Page Views** – This measures how many times someone has viewed an entire page including all text, images, etc. Alternatively, visits are defined as a series of hits from any particular address (source location). If any two hits are separated by 30 minutes or more, typically two visitors are counted.