



MEETING: PERFORMANCE MONITORING/AUDIT COMMITTEE

DATE: WEDNESDAY, JANUARY 20, 2021

TIME: 1:30 PM – 3:00 PM

LOCATION: VIA WEBEX

MINUTES

1. CALL TO ORDER

Chair Walker called the Performance Monitoring/Audit Committee meeting to order at 1:30 PM EDT

2. ROLL CALL

COMMITTEE MEMBERS PRESENT

Kumi Walker, Chair

Cathy DeRosa, Trustee

3. APPROVAL OF PERFORMANCE MONITORING/AUDIT COMMITTEE MINUTES

Chair Walker asked for a motion to approve the December 2020 Meeting Minutes. Trustee DeRosa moved. Motion carried.

4. UNAUDITED FINANCIALS

Angel Mumma, Chief Financial Officer, provided a financial update through December 31, 2020 which included the following details:

RIDERSHIP HIGHLIGHTS:

December 2020 fixed route ridership was 735,758 boardings, which represents a 49.0% or 707,598 boarding decrease over December 2019. YTD ridership totals 10,322,467 boardings, a 46.1% decrease over 2019.

WORKING CAPITAL / CASH POSITION:

As we close out 2020, COTA remains in a strong financial position. As of December 31, 2020, COTA's working capital was \$218.4 million. This amount represented an increase of \$17.9 million over year-end 2019.

Working capital is defined as current assets minus current liabilities. Resolution No. 2010-67 provides that COTA will maintain an operating reserve in an amount not less than three months operating expenses. Using working capital as the basis for the operating reserve, the Authority



currently has 18 months of expenditures available. The increase in working capital is largely attributable to the CARES Act funding received in response to the COVID-19 pandemic.

The cash position of COTA reflects a different measurement from working capital. While working capital measures current assets less current liabilities, cash simply reflects the amount of money the Authority has either invested or in various bank accounts, regardless of outstanding liabilities. COTA's cash balance as of December 31, 2020 was \$189.7 million. Both amounts represent important financial indicators that are monitored on a regular basis.

OPERATING REVENUES

2020 operating revenue totaled \$194.1 million. This amount represents a \$31.8 million or 19.6% increase over 2019 revenue and a \$40.0 million or 19.0% increase over the 2020 budget. As previously mentioned, the significant increase is due to the \$49.8 million in COVID funding received by COTA in 2020 as part of the CARES Act along with federal grant dollars received as part of the normal distribution of federal funds associated with capital projects.

COTA's largest source of revenue, the .5% sales tax, reflected a 1.6% or \$2.1 million decrease over 2019 receipts, a level that is remarkable given the economic impact of the pandemic. This amount represented a 1.8% or \$2.5 million decrease over the 2020 budget.

With fares being suspended from the March 19 through the end of the year, revenue from passenger fares reflected a 77.6% or \$14.7 million decrease from 2019 and 77.8% or \$15.0 million decrease from the 2020 budget.

OPERATING EXPENSES

Operating expenses in 2020 totaled \$152.6 million. The amount represented a 1.6% or \$2.1 million increase over 2019 but a \$17.8 million or 10.5% reduction over the 2020 budget.

NET OPERATING POSITION

As a result of operating revenues exceeding operating expenditures, COTA's net operating position reflected an increase of \$41.5 million for the year.

QUESTIONS

Trustee DeRosa: As part of the looking at that policy, et cetera, so forth, was there discussion to change the three-month working capital? And if so, I don't recall that discussion.

Angel Mumma: That's a great question. I'm working with our financial advisors right now, and we are working on bringing forward a new liquidity policy to the Board for consideration in March. Part of what's going on in those discussions is not just what's right for us today, but also what rating agencies look at to view us as a solid agency. We know that liquidity is one of those things. I would love to get a triple a rating in that category. But I will bring that forward with a new policy in March.



Trustee DeRosa: I know some conversations that you and I have had in a previous situation having some metrics that look at liquidity as it relates to revenues and things like that, so to your point about having a given number is one thing, having a number relative to other expenses or other revenues, et cetera, so forth, because that allows you to have some latitude as things change. And I think is also a good way to think about that and helpful, I think, from the Board's perspective as well. So, I would have anticipated you were looking at that, so I appreciate that.

Angel Mumma: I'm really glad you brought that up, because in addition to just the standard policy, one of the things that we have is an RFP on the street right now for an investment advisor, somebody that day in and day out works on managing COTA's funds for us. We have a lot of idle cash. But part of that equation, before you can turn that over to an investment advisor, you really need to understand what your needs are.

So, there's somebody that I worked with in my previous life that I have engaged in doing that as well, so we can take a look back, even though 2020 was a little bit different year from a liquidity standpoint, to see what are our day-to-day needs and then that will influence not only our investments but the policies that we speak of here right now.

Trustee DeRosa: I think that's great. And it sort of finishes out that triangle, if you will, of the policies and the capital funding and the liquidity. I know that's a lot of work, but I think that's a very useful piece of work as well. Thank you for that.

Chair Walker: Angel, I guess following up on the liquidity analysis, I'm assuming there will be benchmarking for other transit authorities and what they're doing in liquidity?

Angel Mumma: Yes, we will do that. We'll just be looking at stress testing different levels of what we need to have invested in short-term, as we can only go out five years investment-wise. So it will stress test different levels and come up with kind of our ideal level of what is in cash, what's available within six months, what's available within a year and then what you can go out two to five years. But as part of writing the policy for our liquidity, we will definitely be looking to other transit agencies as well to see what they use.

Trustee DeRosa: That's great.

5. NEW BUSINESS

A. 2020 PIC PRESENTATION – ANGEL MUMMA, CHIEF FINANCIAL OFFICER

Angel Mumma provided a look at how COTA employees performed in relation to the objectives approved for the Performance Incentive Compensation Program (PIC) approved by the Board at the beginning of 2020.

QUESTIONS



Trustee DeRosa: If I understand what you're saying, the reason that the first goal was not met is attributable or can be attributed to COVID situation?

Angel Mumma: That is correct, because the first one is our cost divided by the total service hours, so because our service hours were not met, it was not met.

Trustee DeRosa: I don't want to say this is out of everybody's control, but it largely is out of folk's control. What latitude under this policy does the Board and/or senior management have to recognize that extenuating circumstance?

Angel Mumma: I think maybe it's most appropriate for President Pinkerton to speak to this, but one of the things that we discussed with the Board in December was that we recognized we were not going to meet PIC because of this (COVID), but we also realized the extraordinary efforts that were underway last year were just that, extraordinary, and we performed really well as an organization, and that's why we included in the budget a 2% Hero's Bonus.

So, while they're two different concepts, we are really framing it as we might not have met the metrics that were laid out. In a lot of these you could have things that happen year to year that fluctuate the circumstances. Who could have predicted last year in any form or fashion? But we did want to recognize the efforts by incorporating that 2% bonus.

Trustee DeRosa: Thank you. To your point, things do move year over year, but this was clearly a 100-year event. So that's good. So that's 2% for all team members?

Angel Mumma: That is correct.

Trustee DeRosa: Okay. Thank you.

Chair Walker: My question was along the same manner; if there was anything that we could do given that the main reason wasn't necessarily performance-related but was more of the market conditions that really shifted drastically. So, before we move to Sophia's presentation, does the PIC program still work this way? If there's one objective not hit that means that no one is eligible for that bonus?

Angel Mumma: That's one of the things that we're planning on looking at revising this coming year. Sophia is going to outline a number of changes. But my understanding is the way it was set up at that time was because the financial state of COTA was in a much different place at that point in time and I think we have other mechanisms in place that prevent us or that help control costs and make sure that we're in alignment on the budget. So, to really target the whole PIC Program with that one seems rather outdated at this point in time, so we are looking at revising that so it doesn't rest solely on that one metric moving forward.



Joanna M. Pinkerton: Angel, if you'll allow me. In listening and thinking through the questions you're asking, and Angel gives a very good explanation of how a more than decade ago policy became the primary driver at COTA when it came to expense control, so no PIC if you don't meet your expense control.

Now that we have demonstrated procedures and policies and leadership in place where the expense control is a given, it's always tracking appropriately, appreciate your feedback on this and you bring up a really important issue that the budgeted controllable cost per service hour, in theory, the PIC would have incentivized us to keep rolling more hours this summer, and we made a very deliberate choice -- it was a difficult choice -- to cut back on hours to protect not only the public but to protect our operators so that they were not working as many hours prior to protective personal equipment and sanitation being a normal routine.

So, we could have made the choice to just keep the service hours high so that that number, when divided, would have still been within the goal. So, I appreciate this conversation greatly because it does seem like it shouldn't be an all or nothing, because the rest of the organization, all of the people here, did their job and did it very well during that time period.

Chair Walker: That's great. Sophia, Angel, anything else with the 2020 Performance Incentive Compensation presentation?

Angel Mumma: I don't have anything further.

B. 2021 PIC PRESENTATION – SOPHIA MOHR, CHIEF INNOVATION OFFICER

Sophia Mohr presented the proposal for the 2021 Performance Incentive Compensation Program and a look at efforts underway by COTA leadership and PIC Committee Members to revamp metrics for the 2022 program.

QUESTIONS

Chair Walker: None on the slide specific for me, but is this contemplating that if any one or more of these are not met, that the PIC would not be paid out, or are you taking the blended average and applying that to the 5%?

Sophia Mohr: So what Angel had mentioned earlier that we've been having discussions internally that we need to have just one to really have that existing role or make it a blended across. The Para Transit PIC proposal is very similar. The only items of note that are different are their customer experience just because they have lower ridership based on their customer group. But overall it matches our fixed route proposal.



Trustee DeRosa: One of the things that struck me last year when we looked at this and continues to strike me is the complexity of program. If I were to ask a staff member what impact customer service is on PIC it's 5% of three or four different metrics. I don't know how -- I will tell you -- again, the same confusion I guess internally, is how this helps me drive my performance when there's at least 15 drivers in here.

The expense, I guess, bar that was set, although it may not be the best bar, it does help people understand, this is the most important thing at the time this was done. Right? This is the most important thing that we have got to get our arms around as an organization because if we can't control our expenses, I don't know what the conversation was at the time, but there was certainly logic to it. Right?

The challenge that I have when I look at this is the level of complication, because I don't know a different word for it than that of this. To me there's a difference between management metrics, and this is what it feels like to me here, and key performance metrics or top performance metrics. Are you positive you guys had this discussion? Could you share with me some thinking about simplifying this down to maybe the top driver metrics. And could they change from year to year, potentially?

Sophia Mohr: Yes.

Trustee DeRosa: So, what was the conversation around that that led to this recommendation?

Sophia Mohr: Sure. Those are great questions. So, I think there's a couple of aspects to your question. You may have mentioned if I looked at the slide previous, this bullet – sorry - right here. *INTRODUCTION OF LEADERSHIP KPI's*. I think you're spot on there in terms of there's probably many KPI's that we should be tracking as an organization that don't necessarily need to be part of the PIC. We are currently determining what some of those KPI's are, and determining how perhaps maybe some of these could shift. So that's one angle.

The second part of it is probably the evolution within the organization. The things that I'm mentioning is that we wanted to make sure that we did use this opportunity to make some changes. But at the same time, not make too many changes that people are like, "what?", you know? They may not understand why we made so many changes, because PIC hasn't had very much change, from what I understand, before I was here, until this proposal.

But I think the third thing that you're mentioning that is very hard to balance is how do you balance not making it too complex but also making it somewhat holistic for the organization so each part of the organization feels like they have a piece of this, right?



Some parts of the organization may be part of on-time performance, other parts of the organization may be part of customer experience, safe operations, et cetera. So, I completely understand where you're coming from, and we are looking at other metrics to roll out, but I think it's a balance of not changing it too much, but also making sure that each individual felt like they could connect to at least one point.

So, I think one last thing that I want to mention to your question is, communication is going to be a big part of this. And I moved ahead to my last slide. We can't make all of these changes without letting everyone understand what their piece of it is and making sure that they understand what PIC is about. So really going to use this opportunity of changing PIC, not only to talk about the changes, but also a way to kind of reengage our employees so they really understand what PIC is about. Already had quite a number of conversations with Patrick Harris in communications this is going to be a big part of our communication messaging so all employees feel like they're part of it and understand what's going on and exactly why in 2022 we expect more changes. I did not mean to suggest that all those will be part of PIC. It's more that they will be research projects to determine where PIC could go next.

I appreciate that feedback, Trustee DeRosa. Although I don't have as much longevity as some on the call, one thing I was surprised to learn, even though it is a very complex process, there are monthly meetings and you would be surprised at how many employees track this and are very engaged because they do know that it results in a payment at the end of the year. And I trust that the team will work on simplifying it and making it easier to understand. But it does seem to have quite a bit of engagement also evidenced by the number of represented employees who have switched to PIC and given up their longevity pay.

Trustee DeRosa: I just think about the amount of time it takes to track this, to manage this, to communicate this, to roll it out. I would just encourage some consideration -- you may still get the absolute same level of engagement with simplicity or more simplicity. Anyway, that was just my observation, that there may be some opportunities here, I think you said that, to talk about KPI's versus management drivers. And I keep thinking about the goal of moving every life forward. You know, the ability to simplify it to the mission is also a helpful thing, and I know there's steps in that right direction. So, thanks.

Sophia Mohr: Thank you. We will definitely keep that in mind in 2022 as well. I think it's a great piece of feedback.

Chair Walker: No questions. Certainly, appreciate the transparency, that fullness that's going into the PIC, and I like moving away from single metric means no PIC. So, appreciate all that work.



6. RESOLUTIONS FOR REVIEW AND DISCUSSION

- A. **RESOLUTION 2021-XX APPROVING THE 2021 PERFORMANCE GOALS FOR COTA'S PERFORMANCE INCENTIVE COMPENSATION (PIC) PROGRAM - MOVED TO GOVERNANCE COMMITTEE FOR FURTHER DISCUSSION – CONSENT AGENDA**

- B. **RESOLUTION 2021-XX AUTHORIZING THE PICK-UP OF THE STATUTORILY REQUIRED CONTRIBUTION TO THE OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM FOR NON-REPRESENTED EMPLOYEES HIRED BEFORE JANUARY 1, 2013 PURSUANT TO INTERNAL REVENUE CODE SECTION 414(H)(2) – CONSENT AGENDA**

Trustee DeRosa: Angel, once this resolution gets passed, we won't have to come back year after year, right? It will be done. You wouldn't have to do it for '21, '22?

Angel Mumma: We should not need to do that again, correct.

Cathy DeRosa: Okay.

- C. **RESOLUTION 2021-XX AUTHORIZING EXPENDITURES FOR CONTINUING SUPPORT OF THE ENTERPRISE RESOURCE PLANNING SYSTEM SUPPORT AGREEMENT INFOR (US), INC – CONSENT AGENDA**

- D. **RESOLUTION 2021-XX AUTHORIZING A CONTRACT WITH INFOR CONSULTING SERVICES FOR THE UPGRADE OF THE CURRENT ENTERPRISE RESOURCE PLANNING SYSTEM – REGULAR AGENDA**

Angel Mumma: Are there any questions?

Trustee DeRosa: I had a couple. Kumi, I don't know if you had some you wanted to start with.

Chair Walker: More a comment. But I'll wait for your questions.

Trustee DeRosa: Okay. With the first question, just because of the size and scope, the large scope, did this go out for RFP?

Angel Mumma: It did not. And I will tell you why we didn't. When we implemented this system back in 2016, '17, '18, there was a third-party implementer involved in it, and that oftentimes will happen, companies will outsource the implementation to another party. We were very cautious moving forward in this direction, but what we found is that when you have those -- that segmentation between the two, you also run into when something goes wrong, the implementer is really left with needing to file a case



with the software provider, and that's really what we ran into, from what I understand, the last go around.

So the benefit in having the provider itself do the services means that we have continuity with the provider being right there at the same virtual location, working for the same company as the company that puts the software out. There's not a wall there where now you've got to file a case because this isn't working correctly. So that was something we looked at very heavily before moving forward in this direction.

Trustee DeRosa: I can see that, I just think for the price tag here -- so of the \$4 million, what is the annual subscription cost and how much of it is implementation?

Angel Mumma: So, the annual subscription cost is about, I believe, \$550,000.

Trustee DeRosa: So, three and a half million dollars for implementation. It would seem to me at a price tag that large, I'm just surprised that wasn't -- that wouldn't be put out for review. I totally get the integrated solution of that. That makes perfect sense. And I understand it's a large step forward. It seems like a pretty big investment.

I guess a final question - is there a schedule of anticipated cost savings that will be derived when you mention the integration of these systems? So, is there some sense of the cost this year will provide what kind of savings in the next out year?

Angel Mumma: I think that's difficult to articulate right now. What I can tell you is that from a functional database standpoint, a lot of things that should be relatively easy for us to do are not easy, because of the lack of just comprehensive understanding, having the structure set up, how we really need it for us to operate today. You know, it might have been fine five, ten years ago, but not how we operate today.

So, from that standpoint, do I think that we're going to be able to free up ten people's time? No. But what I can tell you is by getting the functions that should otherwise be easy to do, like running accounts payable, like entering a purchase orders, instead of spending ridiculous amounts of time because of the lack of systems and lack of integration that's in place now, or the lack of understanding how it's impacting somebody else's workflow, we should be able to focus on the new innovative things that we should be working on. So, it's really just using our time wisely, if you will.

As far as not taking this out to bid, because of the nature of this, just one thing to add on, Ohio Revised Code does stipulate because of the specialized nature of it we are not required to go out to bid, so we don't run into legal problems from that standpoint.

Trustee DeRosa: Sure. I'm sure. It just seems that the size and the scope of this -- and that's probably why it's coming up for general discussion to the Board, I'm assuming. Thank you.



Chair Walker: My only comment was, it's certainly related to the size and the scale. It actually seemed relatively inexpensive until I recognized that it was an upgrade from the same On-Prem solution to their cloud-based solution. To change out an ERP from an On-Prem to a third-party cloud-based solution I think would actually be a lot more expensive than this. And I don't know if that's an appropriate context for the Board to have when having this discussion, but Angel, I think that's pretty important -- to have the scale of organization that COTA operates on with an On-Prem solution, isn't really tenable because you are increasingly inefficient given that all of the vendors you work with have cloud-based solutions, all of the organizations that I would say even the folks that you're buying parts from all have cloud-based solutions, I think it makes the -- puts the organization at a tremendous disadvantage.

To Cathy's point, it might be difficult to articulate how many people's hours this spends, but I think it's worth bringing that to bear in the discussion. Because again, the scale of the organization that COTA is, On-Prem is not really tenable for a go-forward basis.

Trustee DeRosa: I agree with that. I guess my question is the size of the scope of the dollar there, to make that conversion to the posted version of the same vendor.

Chair Walker: Yeah. Angel, maybe the vendor could help provide some context for the Board as it relates to the scope of work to make this conversation a bit more helpful for the Board.

Angel Mumma: Certainly. I should note, we do have a couple of members from Infor on the phone. So, I'm glad that they heard this conversation and we will get with them and make sure that they're prepared to speak to that at the Board meeting.

John, do you have anything you want to add in light of what you just heard from the two Board members?

John McLeod: I'll add, you know, there are going to be some new areas of functionality, I guess, of scope that aren't utilized today and aren't available in the On-Prem version that you're on. So, we can certainly help you put together some dollars to -- that we estimate showing benefits would yield.

Angel Mumma: Thank you. I guess I would just conclude by saying I think you have a team that is committed to utilizing the resources that we have at our fingertips, and we want to make sure with whatever systems we have, we are using them to its fullest capability, and that's what you see in this price tag. If we buy it, we want to use it, and we want to use it so that we are operating in the most efficient manner.



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- E. RESOLUTION 2021-XX AUTHORIZING ADDITIONAL EXPENDITURES FOR THE CONTRACT WITH SECURITAS SECURITY SERVICES USA, INC. FOR SECURITY GUARD SERVICES – CONSENT AGENDA
 - F. RESOLUTION 2021-XX AUTHORIZING A CONTRACT WITH RESOURCE INTERNATIONAL, INC. FOR OWNERS REPRESENTATIVE AND ESTIMATING SUPPORT SERVICES FOR THE RENOVATION OF THE MCKINLEY AVENUE FACILITY (PHASE 3C) – CONSENT AGENDA
 - G. RESOLUTION 2021-XX AUTHORIZING A CONTRACT WITH DATA. WORLD, INC. FOR DATA CATALOGING AND SUPPORT SERVICES – CONSENT AGENDA
 - H. RESOLUTION 2021-XX AUTHORIZING A CONTRACT WITH CAPITOL CITICOM, INC. FOR PRINTING SERVICES – CONSENT AGENDA
 - I. RESOLUTION 2021-XX AUTHORIZING A CONTRACT WITH CDW GOVERNMENT, LLC FOR THE RENEWAL AND CO-TERMINATION OF SMARTNET LICENSES – CONSENT AGENDA

7. QUESTIONS/DISCUSSION

Chair Walker: Cathy, we have our questions and discussion portion of the meeting. Any outstanding questions that you have?

Trustee DeRosa: No.

Joanna M. Pinkerton: Chair Walker, if I may ask a question.

Chair Walker: Sure.

Joanna M. Pinkerton: I've been spending the last 45 minutes thinking about the questions that both you and Trustee DeRosa led off with when we had the discussion about the 2020 PIC. I appreciate the feedback, but I heard a theme or a thread that I would like to pull on a little bit there when Cathy was asking about the extraordinary situation we found ourselves in during a pandemic.

The Board has in years past, prior to my arrival, chosen to pass resolution, bring resolution forward themselves adjusting the PIC requirements as they see fit. As you see, we have not put a resolution in front of you recommending pay of the PIC because, technically, by the letter of the numbers, it does not get paid out because of the financial restraint. But, if that's something that you would like to discuss further, we certainly have Christina who can answer any legal questions. I believe Chair Treneff has some tenure on the board and may be able to provide historical perspective, but if you'd like to talk about that.

It's not something we put in front of you because, at the time 2020 was winding down, there was a lot of discussion about set aside for capital budget, what we should be doing to look at for



long-term operational budget sustainability. But the reality is that it would not be a significant dollar amount if we did choose to do a budget amendment and to dip into reserves to pay out the PIC, and we have just been notified that Congress will be providing another round of stimulus for our agency. So, if you'd like to have that conversation, I'd like to reopen that.

Maybe I was thinking too much into what I was hearing, but I was hearing a theme there, because the reality of the 2% Hero's Bonus, it really is an important gesture, it certainly is conservative. So, if you would, I'd like to talk about PIC payout in addition to Hero's Bonus, I'd love to hear your thoughts.

Trustee DeRosa: Has that been paid, or will that be paid? I don't know. It seems to me that -- I just have to say the extraordinary work that the team did this year, and it is amazing to me through all of that, it hit every other metric on that PIC. That just blows my mind.

In a time period where customers were unhappy because the bus didn't show up or whatever, but the customer service is still fantastic, it struck me when I was looking at that that that's extraordinary work, and to your point, it never would, the organization didn't manipulate it but they could have, to your point. The mechanics would have allowed it, but that would of course never happen. And I'm sure there was conversation. I would be very open to having that discussion in this period.

Chair Walker: I'm of the same mind. I think the spirit behind the Performance Incentive Compensation bonus is really around doing all that you can with what you have to hit performance targets, and when you look at the actual output, I think the team did perform extraordinary well.

It was during a year where we were recognized nationally for performance of the transit organization, and it was during a once in a three or four lifetime event that happened. I think to not at least discuss whether we should pay out that incentive feels like a miss. So, I'm happy to have discussion, and I would love Chair Treneff's perspective given his tenure on the board.

Chair Treneff: While you were having the discussion, the legal term popped into my mind, *force majeure*. This is really an unusual, as you say, once in a century kind of situation, unforeseeable. And unfortunate that in itself would eliminate the PIC. So, I would be supportive of adding to the Hero's Bonus. What percentage would we be talking about, then, to kind of get to where we would have been but for the crisis in 2020?

Chair Walker: Angel, would you be able to give us an estimate of that?

Angel Mumma: Is it something that I could calculate between now and the Governance Committee meeting, perhaps?

Chair Treneff: My thought was we'd pick it back up in Governance.



Angel Mumma: Okay, we'll have to look at the numbers if we pull that metric entirely out.

Chair Treneff: Okay.

Joanna M. Pinkerton: Christina, since typically we propose resolutions for the board, what would the process be if moving it to Governance if this is a resolution that the committee would look like to move forward?

Christina Wendell: Since the Governance Committee sets the agenda for the Board meeting, I think that they can decide whether or not they want to move forward based upon Angel's recommendation that she's going to come up with. A resolution to go forward would be amending the resolution that establishes the PIC numbers and then typically there's a separate resolution so that happens at the beginning of the year and then there's another resolution, budget control stuff and at the beginning of the year there's a resolution that actually approved the payout.

So, we would need to probably have two resolutions, one that would adjust the PIC metrics that were approved, amending that resolution that was approved last year, and then one that would then set the PIC payout. So, that would then be two resolutions that we could draft for the Board agenda if the Governance Committee wants to move forward in that direction. If that is something this Committee is interested in moving forward to Governance for discussion, then we certainly on the staff side could pull that together for you.

Joanna M. Pinkerton: I appreciate it – I really just have been listening and thinking about this. It has been such a priority for us to focus on the finances as we ended a challenging year and headed into setting a budget which also was a challenge. I appreciate that you're looking at the more performance side of it and have opened this conversation up. Because I do think the employees deserve it.

Trustee DeRosa: It seems – I mean, I certainly am for it. It seems to me that you look at the PIC, did they hit all those targets? They did. So, in terms of a calculation, I don't think it would be hard to calculate what that number was. They did achieve the -- those goals. So, I think that's quite a logical way to do it. I don't know if you want to keep -- to keep the Hero's Bonus, and this is a supplement, I guess that's how you'd want to message that most effectively to the organization. Right? How do you go about doing that and whatever slice.

Chair Walker: Just my two cents. I also think the PIC should be -- you should consider this in addition to the Hero's Bonus and not instead of. This was a time when I'm still at home, when all of us were at home and COTA did not go home. I think that is where the Hero's Bonus comes from, and I think the PIC is an acknowledgment of the amazing performance in spite of the pandemic.

Joanna M. Pinkerton: We can make sure that we message that appropriately so that they understand that the Board took this action, further recognizing the fact that even in light of the



pandemic they met all of though metrics. I have that slide up again. It is rather astounding, Cathy, as you mentioned, to see everything in the green from a performance perspective, other than the finance, and that certainly has to do with the performance of our people during that difficult time. So, we'll message them separately and they'll know that this is a step the Board took.

Trustee DeRosa: I think that's helpful.

Chair Walker: Yeah, I think that's great. Any other questions or discussions?

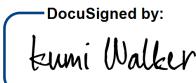
Trustee DeRosa: That's a good note to end on. Don't you think?

Chair Walker: It is.

8. ADJOURNMENT

Chair Walker adjourned the meeting at 2:44 PM. Trustee DeRosa moved and Chair Walker seconded the motion.

Adopted: March 24, 2021

Signed: 

Kumi Walker

Chair, Performance Monitoring/Audit Committee

Attest: 

Joanna M. Pinkerton

President/CEO

Performance Monitoring/Audit Committee Members

Kumi Walker, Chair
Cathy DeRosa
Michael Stevens