

## Minutes

### RTA Audit, Safety Compliance & Real Estate Committee Meeting

10:34 a.m. December 5, 2023

**Committee Members:** Koomar (Chair), Mersmann, Sleasman, Weiss

**Other Board Members:** Lucas, McPherson, Welch

**Not present:** Biasiotta, Love

**Staff/Other:** Becker, Birdsong Terry, Bober, Burney, Caver, Colonna, Dangelo, Davidson, Feliciano, Ferraro, Fleig, Freilich, Garofoli, Gautam, Hudson, Jenkins, Jones, Jones, Jupina, Kirkland, LaTourette, Lincoln, Lively, Miller, Mothes, Peganoff, Prebish, Schipper, Schultz, Sutula, Talley, Tarka, Walker Minor, Woodford

**Public:** Gibbons

The meeting was called to order at 10:34 a.m. There were four (4) committee members present

#### Property Insurance Program Renewal

Judy Lincoln, Director of Risk Management gave the presentation. This is to review our property insurance renewal expiring January 1, 2024. RTA obtains a property insurance broker to approach the insurance companies to obtain quotes. That is a competitive solicitation process. The RFP was conducted last year. The recommendation was brought forward to the Board and approved to retain Aon as our property insurance broker. They put together an underwriting submission in conjunction with RTA staff that contains information on RTA's property.

- GCRTA carries an All-Risk Property Insurance Policy; covered perils include Fire, Wind, Flood and collapse, to name a few.
  - Replacement Cost Coverage
  - Protects Real and Personal Property for which GCRTA is responsible
  - Bus Garages, Rail Complex, Rail Stations, Rail and Bus fleet (non-collision only)

Incumbent Carriers are Liberty Mutual and Evanston; Two Programs; Total Insured Value \$1.9 billion

- The first program is written by Liberty Mutual and is for the coverage of all GCRTA real and personal property including Rolling Stock when garaged.
  - Blanket Limit: \$500 million, Deductible \$250,000
- The second program is a stand-alone Rolling Stock policy written by Evanston Insurance Company and specifically provides coverage for GCRTA Rolling Stock when rolling (both rail and bus).
  - Blanket Limit: \$25,000,000, Deductible \$500,000
- Last year in 2022 we faced hard market conditions and rate increases, due to significant increases in all insurance companies' treaty reinsurance cost in response to severe loss experience. In addition, property valuations were a key concern of insurance companies due to inflationary pressures and undervaluation of reported values in the industry.
- Those two factors combined resulted in a final premium increase of approximately 12% last year.
- Our expiring premium is \$1,332,137.
- Rates increased from an average of 13.9% in 2023/Q1 to 25.5% in 2023/Q2 due mainly to the Florida wind storms and hurricanes as well as severe convective storms.

- The Q3 report has reduced that figure to an average rate increase nationally of 13% so there has been some market improvement.
- Our partnership with Liberty Mutual and Markel has provided a consistent foundation over the last 3 years as our insurance carriers.

To ensure we have a competitive program, we approach other carriers. Ray Battle, Sr. Vice President with Aon added that they approach several markets prior to the renewal and throughout the year. It's a tough market in general. They approached 15 markets. They look at the Authority's rates, terms and conditions of the program and compare them with other programs. They can use that to determine our rates to be competitive.

As of 12-1-23, we have received renewal quotations via our broker, Aon, from Liberty Mutual and Evanston as follows:

- Liberty quoted a 13% rate increase: Markel quoted a 2.3% rate increase.
- After applying these rates against updated total insured values (TIV), the resulting estimated renewal premium is \$1,493,509.
- The \$1,493,509 quoted premium represents an increase of approximately 12% over expiring.
- This encompasses both the rate and insured value increases (adjusted for inflation).
- The new premium is \$159,491 below the budgeted amount of \$1.653 million.
- Aon is continuing to negotiate for possible cost improvement in the Liberty Mutual program.
- They are comfortable with the premiums included here to be contained in a Resolution to be brought to the Board on December 19, 2023 as a "not to exceed" amount.

Final renewal results will be summarized in a resolution containing our recommendations to be brought to the Board at the December 19, 2023 meeting for approval. Ms. Mersmann asked for an example of the type of incident that might be included for a vehicle that is rolling, that is a non-collision incident. Ms. Lincoln said it could be a bus fire or air break failures.

It was moved by Mayor Weiss, seconded by Ms. Mersmann and approved to move this to the full Board. Judy introduced Wayne Colonna, Sr. Risk Analyst. He works on this renewal program.

### Safety Update

Steve Peganoff, Director of Safety gave the presentation. This update is on the 2024 Public Transportation Agency Safety Plan (PTASP). This started with MAP-21 or Moving Ahead for Progress in the 21<sup>st</sup> Century, which is a Transportation Authorization Bill signed by President Obama. This authorization granted FTA authority to establish a new structure to oversee safety on public transportation. This evolved into a final rule authorized in 2019 and became 49 CFR 673.

- A new requirement in 2020 per 49 CFR 673
- Framework based on the National Safety Transportation Plan
- 2024 is version 5 for GCRTA
- Flexible and Scalable to the Transit Property
- Required for all Rail Transit Agencies
- Required for all Large Bus Agencies

The plan describes all required processes and activities, for example, having an Employee Hazard Reporting & Tracking System. It identifies Performance Targets as outlined in the requirements of the National Transportation Plan and contains methods of Safety Promotion to communicate and prioritize safety and summarizes safety training requirements.

It starts with the Labor Management Safety Committee (LMSC) and Executive Safety Committee (ESC) both working together to monitor safety performance with input from the joint safety committees at the local level composed of the Union and RTA management. From there the LMSC drafts the update to the future plan and obtains agreement through signature with the ATU and RTA leadership. Next is to present to this

committee and obtain Board approval. Then the plan is submitted to ODOT for approval. The plan is then implemented through the ESC and local district committees. The plan meets the requirements of the Bipartisan Infrastructure Law.

#### *GCRTA PTASP Key Updates for 2024*

1. Added cross reference language referring to the FTA 10-step safety and security certification requirements and that our process follows the FTA Handbook for Transit Safety.
2. Expands on the details of the 2-hour notification rule when an FTA reportable incident occurs.

#### *GCRTA PTASP Targets*

Fatalities: Death excluding that resulting from illness or other natural causes and criminal homicides that are not related to collisions with a rail transit vehicle. Includes suicides on rail property.

- 2023 Actual = 0
- 2024 = No more than 1

#### Rail Reportable Injuries:

- 2023 Actual = 3
  - Fall on station stairs at West Blvd-Cudell
  - Fall from Triskett station platform to track level
  - Fall on sidewalk leading to Warrensville-Shaker station
- 2024 = No more than 2

There were no substandard conditions that led to the 2023 falls.

Rail Safety Events: A reportable accident, incident or occurrence. Examples include grade crossing collisions, evacuations due to life safety, & derailments.

- 2023 Actual = 16
- 2024 Target = No more than 18

As our trains continue to age, we anticipate more defects that can lead to smoke generation which causes passenger evacuations and notification to ODOT and FTA. An example would be the smoking motors on heavy rail cars that led to the overhaul project, which has mitigated the root cause. In 2021, there was a total of 29 reportable safety events. Twenty-one were motor/smoke related incidents.

#### Preventable Collision Rate:

- 2023 Actual = 1.52 Collisions per 100,000 Miles
- 2024 = No more than 1.40 Collisions per 100,000 Miles

*Through October, GCRTA has operated more than 18.7 million miles*

#### Occupational Injury Rate:

- 2023 Actual = 4.69 injuries per 200,000 hours worked
- 2024 = No more than 6.75 per 200,000 hours worked

*Through October, GCRTA has worked more than 3 million hours in 2023*

Miles Between Service Interruptions (MBSI): The mean distance between major mechanical failures. Examples include brake failures, motor issues, a door problem, axle defects, and suspension problems.

- 2023 Actual = Light Rail Trains 2,530  
Heavy Rail Trains 8,567
- 2024 Goal = Light Rail Trains, at least 4,000 miles  
Heavy Rail Trains, at least 11,800 miles

Recommendation

Staff requests the Audit, Safety Compliance and Real Estate Committee recommend the 2024 Public Transportation Agency Safety Plan to the Board of Trustees for approval.

Ms. Mersmann asked for an explanation of why some of the targets for next year are less stringent than this year's actuals and if calibration is done between the current year actuals and future year's target. Mr. Peganoff said for rail fatalities, we had zero for several years, but because the risk remains for suicide incidents, the target is set to be no more than one. It is difficult to put plans in place to prevent suicides. For occupational injury, the 2023 target is doing well. They lowered the target for 2024 to meet that metric. They return to the flow chart to monitor safety performance. They do routine presentations on the targets to the committees each month. Corrective actions are exercised to improve the outcomes.

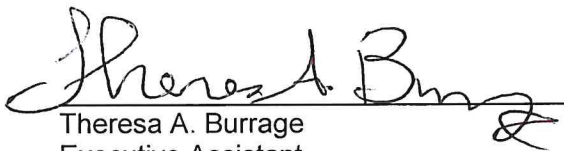
Ms. Mersmann asked if there is a downside to having a more ambitious target that may not be met with actuals. For example, with injury rates. Mr. Peganoff said they use hazard tracking or a "smart log". It's specific, measurable, achievable, and realistic. They set the targets to span these. Mayor Weiss asked if any of the 2024 goals increased from 2023. Mr. Peganoff said the preventable collisions 2023 goal was not reached so it was maintained for 2024, but nothing went up. Mr. Sleasman asked that all accidents not be defined as crashes and collisions. Mr. Peganoff said they use the word events or incidents to differentiate between crashes and collisions.

It was moved and seconded and approved to move to the full Board.

The meeting was adjourned at 11:02 a.m.



Rajan D. Gautam  
Secretary/Treasurer



Theresa A. Burrage  
Executive Assistant