



*The COMET Finance Committee Meeting minutes are prepared and presented in **summary form**, audio recordings of the meetings are on file at The COMET and are part of the approved minutes. If you would like to hear the recording from the meeting, please contact Paige Jernigan at [cometadmin@catchthecomet.org](mailto:cometadmin@catchthecomet.org).*

*Per SC Code of Laws, Title 30, Chapter 4, Section 30-4-80 - All public bodies shall notify persons or organizations, local news media, or such other news media as may request notification of the times, dates, places, and agenda of all public meetings, whether scheduled, rescheduled, or called, and the efforts made to comply with this requirement must be noted in the minutes of the meetings. The COMET complied with the notification of this meeting on Friday, July 5, 2019 at 3:15 p.m.*

**The Central Midlands Regional Transit Authority  
Finance Committee Meeting Minutes  
Wednesday, July 10, 2019 at 10:00 a.m.  
3613 Lucius Road, Columbia, SC 29201 - Conference Room A**

**Members Present:**

Jaqueline Boulware\* (*joined by phone at 10:15*)  
Representative Howard\* (*joined by phone at 10:14*)  
Dr. Robert Morris  
Andy Smith

**Guests Present:**

Larry Livingston, Transport Care Services  
Shanell Shephard, Campbell Consulting

**Absent Board Members:**

Joyce Dickerson  
Bobby Horton

*\*Indicates participation by phone.*

**The COMET Staff Present**

John Andoh, Executive Director/CEO  
Roselyn Andrews, Director of Finance/CFO  
LeRoy Deschamps, Director of Administration & Operations/COO  
Paige Jernigan, Interim Administrative & Customer Service Specialist  
Dr. Arlene Prince, Director of Regulatory Compliance & Civil Rights Officer  
Michelle Ransom, Grants & Regional Coordination Manager  
Crystal Willis, Financial Accountant

**1. CALL TO ORDER AND DETERMINATION OF QUORUM**



Dr. Morris called the meeting to order at 10:12 a.m.

A quorum was determined at 10:12 a.m.

## 2. ADOPTION OF THE AGENDA

### Motion:

A motion was made by Mr. Smith and seconded by Dr. Morris to adopt the agenda with the correction of a Board Member who is listed on the Committee agenda in error. Mr. Smith amended the motion with the addition of item B-D to be added to the New Business section.

**Approved:** Boulware, Howard, Morris, Smith

**Absent:** Dickerson

**Motion passed.**

Ms. Jernigan passed out the amended agenda with the corrections from above.

## 3. ADOPT MINUTES FROM MAY 8, 2019 MEETING

### Motion:

A motion was made by Mr. Smith and seconded by Dr. Morris to adopt the minutes from May 8, 2019 with the correction that Skip Jenkins be moved from the Committee Members section to the Guests Present section as he is not a member of Finance Committee.

**Approved:** Boulware, Howard, Morris, Smith

**Absent:** Dickerson

**Motion passed.**

## 4. MATTERS REFERRED FROM THE BOARD OF DIRECTORS

- Discuss Previous Motions from 2017 to Present

Mr. Andoh summarized the motions listed on Page 9. He explained that the Penny Model that was approved by the Board on 3/27/19 is still being finalized by Mauldin Jenkins, Chuck Statler.

He stated that all financial transactions between bank accounts must be approved by the Board Treasurer and Board of Directors. This will be discussed in the July 2019 Board Meeting but added that the amended banking policy was approved by the Board in August 2018 and this responsibility already lies with the Board of Directors.

The removal of \$150,000 from the budget for Planning Director position will also be discussed at the July 2019 Board Meeting. He did note that the approved budget does not include funds for Planning Director in FY 2019/2020.

## 5. APRIL AND MAY FINANCIAL REPORT

Ms. Andrews began her report by reviewing Page 10 of the packet.



#### April Highlights:

- Net Income (Loss) *Month ~ \$3.53M YTD ~ \$3.57M*
- Total Revenue: YTD ~ \$22.92M compared 10/12th of annual budget at ~\$21.98M; total YTD collections average ~87% of annual budgeted amount
- *Includes 3rd quarter collections for penny sales tax income: ~\$4,948,846*
- Total Expenses: YTD ~ \$1.94M compared to 10/12th of annual budget of \$19.35M; total YTD expenditures average ~77% of annual budget
- YTD paid to Contract Operator since 7/1/2015 - current month ~ \$47,331,418
- *No payments made on Jan, Feb, March, April invoices (Transdev)*

Dr. Morris asked if we were still holding the Transdev bill. Ms. Andrews confirmed that at the time frame of the current report (April) we were still holding the invoices. She noted that since then the bill has been paid.

- Professional Contract service: \$186,885
- Board Expenses: \$277
- Employee Training: \$3,005
- Cash: Wells Fargo - Operating: \$11.47M
- OPTUS Bank Reserve Funds: \$4.91M
- Local Government Investment Pool (LGIP): \$13.77M
- Total collections of Penny Revenue since 2013 to present: \$99,582,063 of \$300,991,000 allocation

Ms. Andrews explained that the pages following show a detailed breakdown of what has been presented. She asked the Committee to turn to Page 18 which highlights the May financials.

#### May Highlights:

- Net Income (Loss): Month ~ (\$192K), YTD~ \$3.37M
- Total Revenue: YTD ~ \$24.68M compared 11/12th of annual budget at~\$24.18M, ~2.07% over budget; total YTD collections average ~94% of annual budgeted amount
- *Includes accrual for penny sales tax income: ~\$1.54M*
- Total Expenses: YTD ~ \$21.30M compared to 11/12th of annual budget of \$23.00M, ~[7.39%] under budget; total YTD expenditures average ~85% of annual budget
- YTD paid to Contract Operator since 7/1/2015 - current month ~ \$47,331,418
- Professional Contract service: \$23,663
- Board Expenses: \$231



- Employee Training: \$4,402
- Cash: Wells Fargo - Operating: \$11.36M

OPTUS Bank Reserve Funds: \$4.91M

Local Government Investment Pool (LGIP): \$13.77M

Ms. Andrews continued that total collections of Penny Revenue since 2013 to present: \$99,582,063 of \$300,991,000 allocation.

Dr. Morris asked Ms. Andrews further explanation regarding the loss for the month of May. She explained that grant money had not been collected. Mr. Smith noted this was just for the month not the year to date. Ms. Andrews confirmed and mentioned that we are still operating in the "black."

Mr. Smith asked about the May Special (Advertising, Interest, Rental, Etc.) Line and the significant variance between Actual YTD and Budget YTD on Page 19. Ms. Andrews explained that advertising, rental to Mega Bus, and additional Richland Library rental income have greatly impacted that number. Mr. Smith spoke about the LGIP interest while not a huge number, is still something noteworthy. Ms. Andrews agreed.

Ms. Andrews added that the Penny collection is ahead due to timing and the funds are coming in faster than anticipated. Mr. Andoh reminded the Committee that this number is with no interest from 2013. Discussions with Richland County Council will take place at the end of the month (July) to pursue this interest. Dr. Morris asked if our legal team is involved in this matter, Mr. Andoh confirmed. He added that he will update the Finance Committee at the meeting in August.

Mr. Smith asked for clarification of the \$20.5M year to date. He asked does include the amount that was in arrears, then collections are behind? Ms. Andrews explained that the \$5M caught them up, they are now operating at three (3) months behind instead of six (6) months. Lastly, Mr. Smith questioned if the Revenue and Expense line for grants are a timing issue, Ms. Andrews agreed.

## 6. DISADVANTAGED BUSINESS ENTERPRISE (DBE) UPDATE

Dr. Prince began her invoice review by comparing the April and May Compliance Invoice percentage towards the goal. She discussed that the April invoice reflects a high percentage of 27.8% due to the continued review of Transdev's invoices resulting in payment not being released. In the May invoice, the percentage goal was 25.5% reflecting the last payment to Transdev for the reporting period.



Mr. Smith questioned how to interpret the true number. Dr. Prince explained that the number will fluctuate, but the recent Compliance Invoice Review is the most accurate. Mr. Smith expressed concern about the percentage and the length of time left to be considered compliant at 25.9%. Dr. Prince expressed concern as well but assured the Committee that she is being proactive and talking with Transdev frequently to ensure this goal is met.

Dr. Morris asked what would it take to get Transdev to their goal? Mr. Smith ran (unaudited) numbers and he concluded that Transdev would need to pay between \$200k - \$220K to get to the 25.5% contract goal. Mr. Andoh added this should have started back in 2015. The

The Committee urged Dr. Prince to work with Transdev to obtain the contract goal.

## 7. OLD BUSINESS

No old business.

## 8. NEW BUSINESS

### A. Recommendation to purchase two cutaway buses

Staff recommends that the Finance Committee recommend to the Board of Directors to purchase two (2) Low Floor Transport E450 gasoline or compressed natural gas cutaways to be used for DART service.

The cost to purchase these cutaway vehicles are \$109,757 each for a total of \$219,541. A grant from SCDOT in the amount of \$129,200 Vehicle Replacement- Phase III was provided for this procurement. The local match is 17 to 20%, which will come from the Capital Reserve Fund. The balance will be covered under FTA Section 5307, plus local funds already available in our bus replacement grant.

Mr. Smith asked if this is a budgeted expense. Mr. Andoh confirmed, but a motion is necessary because it exceeds the spending authority for procurement.

### Motion:

A motion was made by Mr. Smith and seconded by Dr. Morris to purchase two (2) low floor Transport E450 gasoline powered vehicles from the South Carolina State Vehicle Contract at the cost of \$219,541.

**Approved:** Boulware, Howard, Morris, Smith

**Absent:** Dickerson

**Motion passed.**

### B. Review Financial Institution Policy



Mr. Andoh reviewed item 8B in the board packet. He stated, the staff recommends the Finance Committee review and provide direction to staff on the Financial Institutions Policy based on the motion made by Mr. Furgess.

At the June 2019 Board of Directors meeting, Mr. Furgess made a motion stating, "that all financial transactions requiring transfers between bank accounts be approved by the Board Treasurer and the Board of Directors". In August 2018, the Board adopted a revised Financial Institutions Policy, which is attached to the Board packet, resulted in Wells Fargo Bank receiving deposits from FTA, contract revenues, Richland County Transportation Penny funds, Lexington County funds, marketing and advertising revenue, and all other revenues received by The COMET that can be used as match revenue for FTA grants. Optus Bank receives deposits for Capital Reserve funds, from fare revenue collected (including credit card sales and ticket revenues) and Community Development Block Grant and Older American Act funds. Each of these funding categories shall be in separate accounts for accounting purposes.

The balances for both Wells Fargo Bank and Optus Bank will be approximately \$4 million dollars each. The Executive Director/CEO is authorized to change the relationships with the banks as listed above based on market conditions and shall obtain Board of Directors approval on any changes to banking relationships in accordance with the Procurement and Contract Administration Policy. At the minimum, one of the two bank relationships established shall be a local bank and the selection of that local bank shall be consistent with the Resident Vendor Preference Procedure in the Procurement and Contract Administration Policy.

Excess revenues beyond three months of cash needed for transit services and Operating and Emergency Reserve funds are invested per The COMET's Investment Policy. Staff is seeking additional direction or clarification on a policy that already requires Board approval on movement of funds between accounts.

Note: At the April 2019 Finance Committee and Board of Directors authorized the release of a request for proposals for banking services.

Dr. Morris suggested since the policy has already been resolved and is in print, as result we should not make any changes. Mr. Andoh asked Ms. Andrews to update the committee on the release of the banking RFP. Ms. Andrews stated she has placed a hold on the RFP due to insight learned at a conference (GFOA) she attended. She added, according to best practices it is recommended to make any banking changes after Information Technology updates.

Mr. Andoh updated the committee on the current Information Technology situation. Mr. Smith asked for the Committee's interpretation of the motion. Mr. Andoh explained the current policy breakdown. Mr. Smith further added, he would be reticent to say that "any transfers"



between bank accounts would need to be approved by the Committee and stated the staff should have some discretion to follow the existing policies that have already been approved responsibly. Dr. Morris stated he thought Mr. Furgess' request meant any funds transferred should come to Finance Committee, then taken to the Chair, and then taken to the Board for approval.

**Motion:**

A motion was made by Mr. Smith and seconded by Dr. Morris to recommend in the August Board meeting that the Board review the motion raised by Mr. Furgess about transfers of any the bank accounts and requested a report of the existing policies for review or recommendations.

**Approved:** Boulware, Howard, Morris, Smith

**Absent:** Dickerson

**Motion passed.**

**C. Remove \$150,000 from Salaries & Benefits to not hire a Planning Director.**

Staff recommends the Finance Committee review and provide direction to staff on the removal of \$150,000 from Salaries & Benefits to not hire a Planning Director based on a motion made by Mr. Furgess.

At the June 2019 Board of Directors meeting, Mr. Furgess made a motion that states the following: "Remove \$150,000 from the budget to not hire a Planning Director" during fiscal year 2018-2019, The COMET staff was at a capacity of 13. Included in those 13 positions was the Director of Planning & Development. In January of 2019, the employee in that position resigned and the Executive Director/CEO began realignment and reevaluation of all remaining positions. The reorganization took effect in February 2019 and does not include a Director of Planning and Development. The COMET positions declined from 13 to 11 as a result of the realignment.

During Fiscal Year 2019-2020 budget preparation, the decision was made to proceed with 11 of the 13 positions and not rehire for the position of Director of Planning & Development. The 11 positions were allocated in the upcoming budget year 2020. The net savings by eliminating the Director of Planning & Development is \$129,354. If the Director of Planning & development had stayed and received a 4.5% increase based on the maximum step increase possible, it would have left a deficit of approximately \$20,646 in salaries and benefits that would still need to be reduced to match the motion presented by Mr. Furgess. Fiscal Impacts: Collectively, with the reorganization, The COMET is saving \$62,904 in salaries and benefits. If it's the desire of the Board of Directors to achieve \$150,000 in salaries and benefits, then the position of Planning & Development Specialist would be eliminated, and staff would rely on the Executive Director/CEO along with consultants and the Transit



Operations and Maintenance Contractor to perform all planning and development related functions. The Planning and Development Specialist position will cost The COMET \$71,779.

Dr. Morris added this is a responsibility of Transdev. If that is the case, we have \$150k for the two positions. Transdev will do operations planning and data analysis by the other 10 COMET staff members, the long-range initiatives will be done by consultants or by Mr. Andoh. Dr. Morris stated that we need the Planning Manager. Mr. Smith asked if The COMET should have an element of planning in house. Mr. Andoh agreed that he is not opposed to Transdev performing operations planning but the data analysis and bus stop decisions need be done internally.

**Motion:**

A motion was made by Mr. Smith and seconded by Dr. Morris to recommend to the Board to continue what has been approved in the operating FY 2019 budget that does not include hiring the Planning Director but will only hire for a Planning & Development Specialist that will not perform duplicative functions of Transdev and will report directly to the Executive Director.

**Approved:** Boulware, Howard, Morris, Smith

**Absent:** Dickerson

**Motion passed.**

**D. Recommendation to hold public hearing to create a 10-Ride Express Pass & Express Up-Charge.**

Mr. Andoh requested to the Finance Committee a recommendation to hold a public hearing to create a 10-ride Express Pass & Express Up-Charge.

**Motion:**

A motion was made by Mr. Smith and seconded by Dr. Morris to recommend to the Board to have a public hearing for the 10-Ride Express Pass & Express Up-Charge.

**Approved:** Boulware, Howard, Morris, Smith

**Absent:** Dickerson

**Motion passed.**

**9. LEGAL/CONTRACTUAL/PERSONNEL (MAY REQUIRE EXECUTIVE SESSION)**

No Legal/Contractual/Personnel to discuss.

**10. ADJOURN**

**Motion:**

A motion was made by Mr. Smith and seconded by Dr. Morris to adjourn the Finance Committee meeting.





Approved: Boulware, Howard, Morris, Smith  
Absent: Dickerson

CENTRAL MIDLANDS REGIONAL TRANSIT AUTHORITY

Adopted this August, 2019, Agenda Item \_\_\_\_\_

Prepared by:

Paige Jernigan, Interim Administrative & Customer Service Specialist

Approved by:

Andy Smith, Board Secretary

