



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.

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, September 6, 2019 at 3:15 p.m.

**The Central Midlands Regional Transit Authority
Finance Committee Meeting Minutes
Wednesday, September 11, 2019 at 10:00 a.m.
3613 Lucius Road, Columbia, SC 29201 - Conference Room A**

Members Present:

Jaqueline Boulware*
Joyce Dickerson
Dr. Robert Morris
Andy Smith

Guests Present:

Frannie Heizer, Burr & Forman Law Firm

Absent Board Members:

Representative Leon Howard
Bobby Horton

**Indicates participation by phone.*

The COMET Staff Present

John Andoh, Executive Director/CEO
Rosalyn Andrews, Director of Finance/CFO
Paige Jernigan, Interim Administrative & Customer Service Specialist
Dr. Arlene Prince, Director of Regulatory Compliance & Civil Rights Officer
Crystal Willis, Financial Accountant

1. CALL TO ORDER AND DETERMINATION OF QUORUM

Dr. Morris called the meeting to order at 10:00 a.m.
A quorum was determined at 10:00 a.m.



2. ADOPTION OF THE AGENDA

Motion:

A motion was made by Ms. Dickerson and seconded by Dr. Morris to adopt the agenda.

Approved: Boulware, Dickerson, Morris, Smith

Absent: Howard

Motion passed.

3. ADOPT MINUTES FROM August 14, 2019 MEETING

Motion:

A motion was made by Ms. Dickerson and seconded by Dr. Morris to adopt the minutes from August 14, 2019.

Approved: Boulware, Dickerson, Morris, Smith

Absent: Howard

Motion passed.

4. MATTERS REFERRED FROM THE BOARD OF DIRECTORS

- **Discuss Previous Motions from 2017 to Present**

Mr. Andoh turned the motions over to Ms. Andrews. Ms. Andrews summarized the motions listed on Page 13. She explained that the Penny Model that was approved by the Board on 3/27/19 will be finalized in September by Mauldin Jenkins, Mr. Chuck Statler.

She stated that all financial transactions between bank accounts must be approved by the Board Treasurer and the Board of Directors. Ms. Andrews added that the amended banking policy was approved by the Board in August 2019 and this responsibility already lies with the Board. The matter was sent back to the committee on August 28, 2019.

Ms. Andrews added that a motion to authorize the purchase of two (2) cutaway vehicles was approved on July 24, 2019 but is awaiting issuance of purchase based on fuel type used. She added that the Public Hearing for the 10-Ride Express Bus Pass, U-Pass and Express Up-charge is now closed as the hearing was held in August 2019.

Ms. Andrews commented that the authorization of the purchase of the Hydrogen Bus is awaiting approval from the City of North Augusta City Council. She added that the addition of the Office Clerk was approved on August 28, 2019 and the position will open on September 9, 2019.

5. FINANCIAL REPORT - July 2019

Ms. Andrews began the report by reviewing Page 14 of the packet.



July Highlights: 100% of fiscal year completed

- Net Income (Loss) *Month* ~ \$2.57M
- Total Revenue: YTD ~ 5.17M compared 1/12th of annual budget at ~\$2.48M; total YTD collections average ~17% of annual budgeted amount
Includes accrual for penny sales tax income: ~\$4.85M
- Total Expenses: YTD ~ \$2.57M compared to 1/12th of annual budget of \$2.48M; total YTD expenditures average ~ 9% of annual budget
- YTD paid to Contract Operator since 7/1/2015 - current month ~ \$52,722,876
- Cash: Wells Fargo - Operating: \$6.14M
- OPTUS Bank Reserve Funds: \$4.91M
- Local Government Investment Pool (LGIP): \$13.85M
- 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.

Mr. Andoh mentioned that we are still in a holding pattern due to Transdev discrepancies and timely submission. He added that he will be reviewing the information and will report back to the Board. Ms. Andrews stated that we are currently holding about \$3M payment owed to Transdev. Mr. Andoh stated that we simply request monthly accurate reporting. Ms. Dickerson asked why Transdev is not submitting as they should. Mr. Andoh stated that he feels it's a resource staffing issue. Ms. Boulware asked about the communication regarding the reporting issues. Mr. Andoh added he is in verbal and written communication with Transdev regarding the reporting of the data. Ms. Boulware urged the importance of documentation.

Mr. Andoh mentioned that he emailed the investment reports. Per policy this should be done monthly and going forward this will be in committee packets.

6. DISADVANTAGED BUSINESS ENTERPRISE (DBE) UPDATE

Dr. Prince began her invoice review of the July Compliance Invoice. Currently DBE has payments of \$321k, YTD \$14.1M. Dr. Prince is awaiting supporting documents for proof that the DBE has been paid. She discussed that the July percentage is 26.7% and added this is due to the holding of Transdev's invoices resulting in payment not being released. She added with payment we would be at 25.1%.

Mr. Andoh asked Dr. Prince if she feels Transdev will make the 25.9% that was contractually promised. She stated that she thinks it will be very close. Dr. Morris doesn't think they will at



all. Dr. Prince added that Transdev has hired a new landscape crew and she will be prepared to take to the Board for approval at the next meeting.

7. DISCUSSION and ACTION ITEMS

A. Authorize Amendment #2 to Transdev Contract

Mr. Andoh stated that the Staff recommends that the Finance Committee recommend to the Board of Directors authorizing the amendment to the Fixed Route and Paratransit Program Management Agreement. He further stated that Transdev and Transport Care Services were in a dispute in relation to a provision in the Transport Care Services (TCS) agreement.

As result, Transdev believed TCS was only due growth in management fee based on growth in paratransit service increases. In contrast, TCS was of the opinion they were due growth in management fee based on growth in all The COMET services, fixed route and paratransit. The COMET agreed with TCS opinion and recommended to Transdev that as long as the growth in cost was split in half and the agreement was amended to only reflect a growth in paratransit and rural flex services after FY 2017-2018 operated by TCS was incorporated into an amendment, that The COMET would cover 50% of the growth between FY 15-16 and FY 17-18. The amendment was executed prior to June 30, 2019. In addition, Amendment #2 includes the following changes:

- Definitions - defining Authority. Board and Director
- Duties - adding the TCS amendment #1 as Exhibit 9
- Compensation - adding the payment to Transdev for 50% of TCS growth
- Meetings - adding calls and emails must be returned within one business day
- Component Parts of This Contract - updating the date of the RFP to September 2014, not 2013

Mr. Andoh explained that the Amendment #2 changes will cost \$31,291.67 to The COMET. He added that this expense is accounted for in the current budget and prior year budget.

Dr. Morris expressed concern as it is a large amount of money. He added he didn't think this is our responsibility. Attorney Heizer stated that the issue is that was caused by a former Executive Director allowed an expectation. Attorney Heizer stated that she agrees with Mr. Andoh. Dr. Morris asked what would occur if we didn't pay it? Attorney Heizer stated that she could potentially see a contract controversy issue on top of other disagreements, for example, lobbying fees. Mr. Andoh added that this would go to arbitration to resolve the dispute. Attorney Heizer mentioned that with legal involved, it may cost more than it is to pay it out. Ms. Boulware asked if this is something, we would be stuck with forever in



regards to this contract and next contract? Mr. Andoh stated that this language would not be used in future contracts and added that we should have not been involved in this dispute to begin with. The new contract will need to state communication clearly between the Prime and the Subcontractor.

Mr. Smith asked if any portion could be passed on to the COMET. Mr. Andoh explained that due to staff turnover the breakdown of communication occurred, and Mr. Land brought it to Mr. Andoh's attention. Mr.

Smith asked if we could perhaps attach something to this to benefit our advantage, to use as leverage? Attorney Heizer says we could keep this issue but realistically Transdev has been issued so many liquidated damages it wouldn't do any good. She added that we can try to "package" it up but paying would provide a good faith effort. Mr. Andoh will follow up with Mr. Smith for further discussion. Ms. Dickerson suggest holding the money for the time being and see what happens.

Motion:

A motion was made by Ms. Dickerson and seconded by Dr. Morris to send to the Board adding without a recommendation for further discussion. Attorney Heizer suggested discussion in Executive Session at the Board meeting.

Approved: Boulware, Dickerson, Morris, Smith

Absent: Howard

Motion passed.

B. Financial Institution Policy

Mr. Andoh stated that Staff recommends that the Finance Committee review and provide direction to staff on the Financial Institutions Policy based on a motion made by Mr. Furgess at the June 2019 Board of Directors Meeting.

"That all financial transactions requiring transfers between bank accounts be approved by the Board Treasurer and the Board of Directors".

Mr. Andoh explained that In August 2018, the Board adopted a revised Financial Institutions Policy, that resulted in Wells Fargo Bank receives 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. He further added that 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 reasons. The



balances for both Wells Fargo Bank and Optus Bank will be approximately \$4 million dollars each.

Mr. Andoh stated that 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.

Mr. Andoh mentioned he is seeking additional direction or clarification on a policy that already requires Board approval on movement of funds between accounts. Mr. Andoh referred to Pages 36 – 43 as each policy is defined.

Dr. Morris explained that Mr. Furgess was referring to the fact the Finance Committee was not clearly informed. Mr. Andoh explained that during the officer change on the Board the Investment Policy was approved and added that the Operating Reserve Policy has to do with the \$5.7M needing to be deposited.

Mr. Smith suggested that any transfer to any reserve account, non-operating be presented on the check register for transparency. Mr. Andoh explained that this is currently being done. Ms. Andrews mentioned she will do what is necessary to satisfy the Finance Committee.

Mr. Andoh explained that COBG funds \$50k from Department of Aging goes into Optus. Dr. Morris clarified that all funds transferred will come through the Finance Committee first then to the full Board for approval. Ms. Andrews confirmed that she would not only show in the check register in addition to a memo with the transfer highlighted. Mr. Smith noted that the Optus account has increased 20%, Mr. Andoh followed up that advertising will also be going into that account.

A motion was made that no action is needed, and we will report back to the Board that the Finance Committee concurs that the existing policies state that transfers are going through the Finance Committee first then ultimately approved by the Board. Mr. Andoh added that the Staff will clearly demonstrate any transfers in the future. Attorney Heizer clarified that no motion is necessary as no action was taken.

Dr. Morris asked about the new position in accounting. Mr. Andoh added that Ms. Andrew would like it filled mid-October or sooner. Mr. Andoh added that the other positions will follow.

8. LEGAL/CONTRACTUAL/PERSONNEL (MAY REQUIRE EXECUTIVE SESSION)

No Legal/Contractual/Personnel to discuss.



9. ADJOURN

Motion:

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

Approved: Boulware, Dickerson, Morris, Smith

Absent: Howard

Motion passed.

The meeting adjourned at 11:01 a.m.

CENTRAL MIDLANDS REGIONAL TRANSIT AUTHORITY

Adopted this October, 2019, Agenda Item _____

Prepared by:


Paige Jernigan, Interim Administrative & Customer Service Specialist

Approved by:


Andy Smith, Board Secretary

