



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

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

Members Present:

Jaqueline Boulware*
Joyce Dickerson
Representative Leon Howard
Dr. Robert Morris, Chair
Andy Smith

Guests Present:

Col. (R) Roger Leaks, Jr.
Pam Baker, Burr, Forman McNair Law Firm

Absent Board Members:

Bobby Horton

**Indicates participation by phone.*

The COMET Staff Present

John Andoh, Executive Director/CEO
Paige Jernigan, 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 10:02 a.m.
A quorum was determined at 10:02 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, Howard, Morris, Smith

Absent: None

Motion passed.

Motion: A motion was made by Representative Howard and seconded by Ms. Dickerson to move Item 7. B Review Procurement Policy to the beginning of Discussion and Action Items before A.

Approved: Boulware, Dickerson, Howard, Morris, Smith

Absent: None

Motion passed.

3. ADOPT MINUTES FROM the October 9, 2019 and November 13, 2019 MEETING

Motion:

A motion was made by Ms. Dickerson and seconded by Mr. Smith to adopt the minutes from October 9, 2019 and November 13, 2019 Finance Committee meetings.

Approved: Boulware, Dickerson, Howard, Morris, Smith

Absent: None

Motion passed.

4. MATTERS REFERRED FROM THE BOARD OF DIRECTORS

- Discuss Previous Motions from 2017 to Present

Mr. Andoh reviewed the motions on Page 13. Discuss IT Policies and Finance Committee review the Executive Director spending authority. He added that these two motions would be addressed later in this meeting.

5. FINANCIAL REPORT - October 2019

Ms. Willis reviewed the report in Ms. Andrews absence.

October Highlights: 33% of fiscal year completed

- Net Income (Loss) Month ~ \$323 thousand
- Total Revenue: Year To Date ~ \$6.45 Million compared 4/12th of annual budget at ~\$9.93 Million; total Year To Date collections average ~22% of annual budgeted amount * Includes accrual for penny sales tax income: ~\$1.51 Million
- Total Expenses: Year To Date ~ \$8.66 Million compared to 4/12th of annual budget of \$9.93 Million; total Year To Date expenditures average ~ 29% of annual budget
- YTD paid to Contract Operator since July 1, 2015 - current month ~ \$56,403,847



- Cash: Wells Fargo - Operating: ~\$6.34 Million
- OPTUS Bank Reserve Funds: ~\$4.92 Million
- Local Government Investment Pool (LGIP): ~\$13.93 Million
- Total collections of Penny Revenue since 2013 to present: \$99,582,063 of the \$300,991,000 allocation

Ms. Dickerson asked about the Chernoff Newman contractor services at \$22,374. Ms. Willis explained this was for two (2) month of expenses and the completion of the Transit Visitors Guide. Mr. Andoh also explained that they helped us in planning and executing the Communities Leaders event.

Col. Leaks inquired about the work of Chernoff Newman and Flock and Rally responsibilities. Mr. Andoh explained that Chernoff Newman does more community involvement with businesses and stakeholders. He added that Flock and Rally focus is more on marketing to the riders. For clarification, Mr. Andoh read the scope of services for Chernoff Newman that was approved by the Board in January 2019. Ms. Willis gathered copies of the invoices for Chernoff Newman and distributed to the committee members.

Mr. Smith added that we are spending more in this area because of the issue with Department of Revenue. Mr. Smith referred to the line item on Page 17, Contractor Operator. He also asked about the Federal expenses and the Federal revenue comparison. Ms. Willis confirmed this is a timing issue.

Dr. Morris requested a comparison of revenue from 2018 versus 2019. Mr. Andoh stated he would send a report to the committee members.

6. DISADVANTAGED BUSINESS ENTERPRISE (DBE) UPDATE

Dr. Prince began her review of the October Compliance Invoice. Currently Disadvantaged Business Enterprise has counted \$308,937.46 towards contract goal for October 2019. She added that the total amount paid to committed Disadvantaged Business Enterprises as of October 2019 invoice period is \$15,206,519.29. She concluded that the total invoices paid by The COMET as of October 2019 is \$56,403,846.54 putting the percentage towards the contract goal of 25.9% at 27% and 25.7% if the invoices were not on hold. She added that Transport Care Services bus detailing is looking for a Disadvantaged Business Enterprise firm.

Dr. Morris asked about the calculation process. Dr. Prince explained.

Col. Leaks asked about the detailing and commented that the amount being paid for the service is low based on the ratio of staff to buses which may be the reason for the issues. Mr. Andoh explained that the issue is a contractor/subcontractor relationship issue and added



that Transport Care Services is adding two additional utility workers which should help. Mr. Andoh concluded that the issue is being addressed and Transport Care Services no longer will be responsible for the bus detailing.

7. DISCUSSION and ACTION ITEMS

a. Review Procurement Policy

Dr. Morris expressed concern on the spending authority given to the Executive Director. He suggested The COMET Executive Director/CEO have the authority to spend up to \$25 thousand of local, state and federal funds, anything more must be approved by The COMET Board. He requested feedback.

Mr. Andoh asked Attorney Baker to discuss the motions in the last Board meeting. She summarized that two motions passed, approval of IT Policies and review of the Executive Directors spending authority. Mr. Andoh explained that Federal Transit Authority's recommendation of a single purchase threshold of \$250 thousand spending authority and this was voted on at a previous Board meeting. The Board agreed to increase spending authority from \$100 thousand to \$250 thousand.

Representative Howard suggested that if we are concerned about this amount, we just need to review the policy. Ms. Dickerson suggested Mr. Andoh provide a report of expenditures within the budget but not to exceed the budget. She urged the importance of awareness. Dr. Morris agreed to a point, but he urged that the Board have knowledge of the expense.

Mr. Andoh explained the Procurement Policy, that anything above \$50 thousand must go out to bid, therefore this expense must go before the Board. Dr. Morris mentioned the RLS contract is about \$600 thousand and was not shared with the Board. Mr. Andoh explained that this particular contract was approved by the Board and it will not cost The COMET anything and this is not considered "discretionary" spending. Discussion debating contractual spending and discretionary funds continued.

Col. Leaks asked if Mr. Auger falls under discretionary spending. Mr. Andoh confirmed, and his amount of compensation is under the \$50 thousand threshold. He added that his contract is over a two (2) year time frame at \$39 thousand per year. It was discussed that Mr. Auger was approved to support Transdev as support to the General Manager, Transdev change order #3. This will result in a contract amendment, but this will cost nothing to The COMET. Mr. Smith verified that anything over \$50 thousand must come to the Board regardless of the spending limit.

Dr. Morris made a motion that The COMET Chief Executive Officer has the authority to spend \$25 thousand of local, state and federal funds. Motion failed due to lack of secondary vote.



Motion:

A motion was made by Dr. Morris and seconded by Ms. Boulware that The COMET Chief Executive Officer has the authority to spend \$50 thousand of local, state and federal funds and anything more must be brought to the Board for approval.

Ms. Dickerson expressed that she could not be supportive of this as it is an insult. Mr. Smith suggested going back to \$100 thousand. Attorney Baker suggested that Mr. Andoh survey of similar size systems to determine the discretionary fund. She added he should also include a financial report separately to track the spending.

Dr. Morris amended his motion after further discussion.

Motion:

A motion was made by Dr. Morris and seconded by Ms. Boulware that The COMET Chief Executive Officer has the authority to spend up to \$100 thousand of local, state and federal funds and anything more must be approved by the Board.

Dr. Morris explained that the budget would remain at the \$250 thousand but anything over \$100 thousand must be brought to the Board first, Ms. Dickerson approved. Mr. Smith confirmed that this \$250 thousand is not for Mr. Andoh to spend freely and there is no discretionary line item. Discussion continued on how to present this to the Board without ambiguity.

Mr. Andoh reminded that if the spending authority changes, the Procurement Policy must be changed, legal will become involved and will cost because it is outside the retainer.

Motion:

A motion was made by Dr. Morris and seconded by Ms. Boulware that The COMET Chief Executive Officer has the authority to spend up to \$100 thousand of local, state and federal funds and anything more must be approved by the Board. With the understanding that he still has the authority to spend \$250 thousand but anything over \$100 thousand must be shared with the Board.

Approved: Boulware, Dickerson, Howard, Morris

Nay: Smith

Absent: None

Motion passed.

Attorney Baker stated that she doesn't know whether this motion will follow the Procurement Policy. Ms. Dickerson recommended to send this to the Board for further discussion. It was



concluded that the motion would be shared with the Board.

b. Review Information Technology Policies

Mr. Andoh explained that the Staff is recommending the Finance Committee recommend approval by the Board to adopt amended Information Technology policies. He then reviewed the revisions on Page

28. Mr. Andoh stated that this will not cost The COMET and this is only an update to the policy.

Motion:

A motion was made by Mr. Smith and seconded by Ms. Dickerson to recommend approval by the Board to adopt the amended Information Technology policies.

Approved: Boulware, Dickerson, Howard, Morris, Smith

Absent: None

Motion passed.

Dr. Prince stated the Staff recommends that the Finance Committee approve the use of ManpowerGroup US Inc for Human Resources. It was stated that secondly, the Nissi Group would be utilized for database entry to the National Transit Database. Ms. Dickerson agreed to include the second portion, the Nissi Group in her motion.

Motion:

A motion was made by Ms. Dickerson and seconded by Mr. Smith to approve the use of Manpower Group US Inc. for shortage in Human Resources and including the Nissi Group to assist with database submission required for the National Transit Database by Transdev Services.

Approved: Boulware, Dickerson, Howard, Morris, Smith

Absent: None

Motion passed.

c. Review Financial Processes

Mr. Andoh explained that the Staff is recommending that the Finance Committee review The COMETS's financial processes.

- Receipt of invoices via US Mail or email
- Invoices are date stamped for date received and entered into accounting system by Financial Accountant and/or Office Financial Assistant
- Entered invoices are first given to the Director of Finance/CFO for review of accuracy on GL coding, data match, and associated costs; invoices are then given to the Executive Director/CEO for second level review



- Upon payment selection for invoices, a draft register is run and submitted to Board of Directors for approval (this register could also include any invoices to be held for payment by Executive Director/CEO). If any invoices are in question or ask to withhold payment, invoices are held and not paid are pulled for further review by requestor.
- All approved payments are then printed and/or electronically paid on first working day of the month.
- A final check register is given to the Chair of Finance Committee, which is a match to all approved checks/ACH payments for review, approval and signature.

Col. Leaks asked what would happen if the Board didn't approve payment? Legal explained that this would be a breach of contract. Mr. Andoh requested guidance on how the Board wants Staff to spend. Dr. Morris verified the Board just needs to be informed and that the Board is not questioning his integrity.

Ms. Dickerson left at 12:40 p.m.

d. Disbursement of funds to OPTUS Bank, Local Government Investment Pool reserve accounts

Mr. Andoh stated that the Staff recommends that the Finance Committee recommend to the Board of Directors to approve disbursement of funds from the Wells Fargo Bank operating bank account to The COMET operating reserve accounts held with OPTUS Bank and Local Government Investment Pool (LGIP) in accordance with the Investment Policy.

Motion:

A motion was made by Mr. Smith and seconded by Ms. Boulware to recommend approval by the Board to approve disbursement of funds per Staff memo.

Approved: Boulware, Howard, Morris, Smith

Absent: Dickerson

Motion passed.

e. Approve Transdev's request to outsource Human Resources and NTD Surveying

Motion was made under Item 7. b.

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

None

9. ADJOURN

Motion:



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

Approved: Boulware, Howard, Morris, Smith

Absent: Dickerson

Motion passed.

The meeting adjourned at 11:58 a.m.

CENTRAL MIDLANDS REGIONAL TRANSIT AUTHORITY

Adopted this February, 2020, Agenda Item _____

Prepared by:

Paige Jennigan, Administrative & Customer Service Specialist

Approved by:

Andy Smith, Board Secretary