



The COMET Finance Committee Meeting minutes are prepared and presented in summary form. An audio recording 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 pjernigan@thecometsc.gov.

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 Wednesday, March 25, 2020 at 3:15 p.m.

**The Central Midlands Regional Transit Authority
Special Finance Committee Meeting Minutes
Monday, March 30, 2020 at 9:00 A.M.
3613 Lucius Road, Columbia, SC 29201 - Conference Room A**

Members Present:

Representative Leon Howard*
Dr. Robert Morris, Chair*
Andy Smith*

Guests Present:

None

Absent Board Members:

Joyce Dickerson
**Indicates participation by phone.*

The COMET Staff Present

John Andoh, Executive Director/CEO
Paige Jernigan, Administrative & Customer Service Specialist

1. CALL TO ORDER AND DETERMINATION OF QUORUM

Dr. Morris called the meeting to order at 9:15 A.M.
A quorum was determined at 9:15 A.M.

2. ADOPTION OF THE AGENDA

Motion:

A motion was made by Mr. Smith and seconded by Dr. Morris to adopt the agenda.

Approved: Howard, Morris, Smith

Absent: Dickerson

Motion passed.



3. DISCUSSION and ACTION ITEMS

A. Update Various Financial Policies for FTA and SCDDOT Compliance

Dr. Morris requested that Page 18 regarding the Executive Committee meetings needs to be taken to the Board for discussion.

Per the Board of Directors meeting Staff recommends that the Finance Committee recommend to the Board of Directors revisions to various financial related policies based on audit recommendations from SCDDOT.

Dr. Morris referred to Page 40 as being blank. Mr. Andoh stated that he would eliminate that page from the policy manual.

Dr. Morris referred to Page 55. After reviewing, Mr. Smith suggested rewording the paragraph. See changes highlighted below.

The Executive Director/CEO is authorized to release a request for proposals to change the relationships with the banks as listed above based on market conditions ~~and seek~~ after receiving approval from Board of Directors based off processes as defined in 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.

Dr. Morris asked about clarification of the word: maximums.

~~The COMETCMRTA requires its banking partners to conform to South Carolina Code of Laws regarding Qualified Public Depository, Local Funds, Collateral Required: §6-5-15. This requires the securement of deposits of funds by local entities that are in excess of Federal Deposit Insurance Corporation (FDIC) maximums.~~

Mr. Andoh explained that this is referring to the Federal Deposit Insurance Corporation (FDIC) amount of \$250 thousand. Mr. Smith suggested using the word "limits." It was decided this would be discussed at the next Board meeting.

Dr. Morris asked the group to look at Page 56 and questioned why the entire section was crossed through.

~~MRTA utilizes two financial institutions for fund deposits: 1) Wells Fargo Bank and 2) South Carolina Community Bank OPTUS Bank. Wells Fargo Bank receives deposits for all Ticket Sales, Credit Cards and other revenue. South Carolina Community Bank OPTUS Bank receives deposits for Capital Reserve Funds and Marketing Revenue. CMRTA deposit funds regularly. Funds collected~~



~~must be deposited weekly, at a minimum. The total on the bank deposit ticket must equal the amounts entered on the Cash Receipts Journal as debits to "Cash on Deposit". This will ensure that all items recorded are included in the deposit. Deposits should be made by the close of the financial institution's business day to ensure same day credit or end of the business week. Postponing the deposit will cause the loss of interest on the funds.~~

Mr. Andoh explained that this paragraph is using the old language. He added that the new verbiage has been incorporated into the current document on Page 55.

Dr. Morris asked the committee to look at Page 83 and 84.

In accordance with the S.C. Code Ann. Section 6-5-20 the Board of Directors delegate the investment authority provided by S. C. Code Ann. Section 6-5-10 to the Executive Director/CEO in conjunction within the Finance Committee. Furthermore, the full responsibility for conducting investment transactions shall reside with the Executive Director/CEO until the delegation of authority terminates or is revoked by action of Board of Directors. The Executive Director/CEO may rely on the advice of the Director of Finance/CFD, Finance Committee and/or investment advisors to ensure that the intent of the Investment Policy is followed.

Dr. Morris wanted an explanation of the "delegation of the authority." Mr. Andoh explained that this means the Executive Director/CEO will be held accountable on investments consistent with the policy unless that authority is given to someone else.

Top of Page 84:

The Executive Director/CEO shall maintain internal control procedures to provide a satisfactory level of accountability based upon records incorporating the description and amount of investments, the fund(s) in which they are held...

Dr. Morris wanted to make sure that it is understood that this needs to be communicated to Board. Mr. Andoh agreed.

Dr. Morris referred to Page 85 and asked for clarification:

- *Provide as an irrevocable letter of credit issued by the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation, in which Central Midlands Regional Transit Authority is named as beneficiary.*

Mr. Smith explained that this is the collateralization of funds that a bank would use. Mr. Smith added that state law allows any of these documents.



Dr. Morris if the *Collateralization and Safekeeping* section was added to Page 86? Mr. Andoh confirmed that this has already been adopted and was added to the manual.

Dr. Morris asked about the *Governing Authority* section on Page 88? Mr. Andoh stated that he has deleted duplicative items and old language. Mr. Andoh noted that the Board adopted a policy that superseded the 2016 policy.

Dr. Morris also asked about the *Funds and Banking* section that was in a previous packet. Mr. Andoh said this was another section using old language. It is now called Securing Deposits of Funds.

Dr. Morris referred to Page 90 and 91, Policy. Mr. Andoh confirmed that the Board adopted an *Operating Reserve Policy* in July 2018 as part of the investment policy.

Dr. Morris referred to Page 93 regarding the budget section.

No later than ~~May~~ June 30th of each year the Authority CMRTA's Executive Director Executive Director/CEO shall prepare a proposed final and complete budget including all approved Board of Directors requested revisions. The methodologies and notes related to each line item accompany the budget request where appropriate and necessary. The budget plan shall include a narrative explaining any major changes from the current fiscal year revenue and expenditures.

Mr. Andoh explained the budgeting process and reminded that the budget draft will go to the Finance Committee, reviewed by the Board and then adopted.

Dr. Morris referred to Page 121. Dr. Morris suggested that the *International Travel* section be taken to the Board for discussion. Mr. Andoh noted.

International travel is not expected and must be approved by the Executive Director/CEO. A memorandum explaining the benefit of the requested travel along with all supporting details of the requested travel, purpose of the travel, any pertinent brochures and other documents should also be submitted to the Executive Director. CMRTA will reimburse international travel costs (lodging, meals, ~~etc~~-etc.) based on the exchange rate shown on the employee's credit card statement, whenever charged. When using cash, it is the employee's responsibility to show evidence of the conversion from foreign currency to U.S. currency to support reimbursement calculations.

Mr. Smith reminded of the urgency for the Department of Transportation audit. Mr. Smith requested a reminder for the Staff to update the policy when things return to normal. Mr. Andoh noted the reminder.



Dr. Morris referred to Page 128, *Corporate Credit Card Policy*. Mr. Andoh stated this section was approved in June 2018 and he explained the policy for the committee.

Motion:

A motion was made by Mr. Smith and seconded by Representative Howard to recommend to the Board authorization for the Executive Director to make these changes for the Department of Transportation except for the items identified today which will be sent for to the Board for clarification.

Approved: Howard, Morris, Smith

Absent: Dickerson

Motion passed.

9. ADJOURN

Motion:

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

Approved: Howard, Morris, Smith

Absent: Dickerson

Motion passed.

Meeting adjourned at 9:51 A.M.

CENTRAL MIDLANDS REGIONAL TRANSIT AUTHORITY

Adopted this _____, 2020, Agenda Item _____

Prepared by:

A handwritten signature in blue ink, appearing to read "PJ", written over a horizontal line.

Paige Jernigan, Administrative & Customer Service Specialist

Approved by:

A handwritten signature in blue ink, appearing to read "AS", written over a horizontal line.

Andy Smith, Board Secretary

