



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 Friday, April 3, 2020 at 3:15 p.m.

**The Central Midlands Regional Transit Authority
Finance Committee Meeting Minutes
Wednesday, April 8, 2020 at 10:00 A.M.
3613 Lucius Road, Columbia, SC 29201 - Conference Room A**

Members Present:

Joyce Dickerson*
Dr. Robert Morris, Chair*
Andy Smith*

Guests Present:

Frannie Heizer, Attorney, Burr Foreman McNair Law Firm
Chuck Statler Jr., Partner, Mauldin & Jenkins CPA and Advisors

Absent Board Members:

Representative Leon Howard
**Indicates participation by phone.*

The COMET Staff Present

John Andoh, Executive Director/CEO
Rosalyn Andrews, Chief Financial Officer
Paige Jernigan, Administrative & Customer Service Specialist
Arlene Prince, Director of Regulatory Compliance & Civil Rights Officer
Michelle Ransom, Grants and Regional Coordination Manager

1. CALL TO ORDER AND DETERMINATION OF QUORUM

Dr. Morris called the meeting to order at 10:10 A.M.
A quorum was determined at 10:10 A.M.

2. ADOPTION OF THE AGENDA

Motion:

A motion was made by Ms. Dickerson and seconded by Mr. Smith to adopt the agenda.



Approved: Dickerson, Morris, Smith
Absent: Howard
Motion passed.

3. ADOPT MINUTES FROM *March 11, 2020 & March 31, 2020* MEETING

Motion:

A motion was made by Ms. Dickerson and seconded by Mr. Smith to adopt the minutes from March 11, 2020 and March 31, 2020.

Approved: Dickerson, Morris, Smith
Absent: Howard
Motion passed.

4. MATTERS REFERRED FROM THE BOARD OF DIRECTORS

- Discuss Previous Motions From 2017 to Present- NONE

5. MONTHLY FINANCIAL REPORTS

- *February 2020*

Ms. Andrews reviewed the February Highlights section on Page 11.

February Highlights: 66.67% of fiscal year completed

- Net Income (Loss) *Month* ~ \$3.27 Million
- Total Revenue: Year To Date ~ \$18.62 Million compared 8/12th of annual budget at ~\$18.27 Million; total Year To Date collections average ~67% of annual budgeted amount
- Total Expenses: Year To Date ~ \$18.30 Million compared to 8/12th of annual budget of \$21.14 Million; total Year To Date expenditures average ~ 56% of annual budget
- Year To Date paid to Contract Operator since July 1, 2015 – current month – \$60,614,903
- Cash: Wells Fargo - Operating: ~\$8.50 Million
- OPTUS Bank Reserve Funds: ~\$6.46 Million
- Local Government Investment Pool (LGIP): ~\$17.00 Million
- Total collections of Penny Revenue since 2013 to present: \$114,513,092 of the \$300,991,000 allocation

Ms. Andrews explained the transfer to Local Government Investment Pool.

Mr. Statler stated there were issues with the link. Mr. Andoh stated that he had converted to pdf format. Mr. Statler referred to the updated Penny Model and summarized the spreadsheet and changes that have occurred since the last presentation. He added that in year 2028 we will have collected all the Penny funding. Mr. Statler noted the assumptions tab.



Conversations ensued regarding the life of the Penny.

6. DISADVANTAGED BUSINESS ENTERPRISE (DBE) UPDATE

7. DISCUSSION and ACTION ITEMS

A. *Revenue Impacts as a Result of COVID-19 for Remainder of FY 19-20 and FY 20-21*

Mr. Andoh explained that since March 17, 2020, The COMET has reduced its level of transit service to a "Saturday" level of service. This reduced the number of weekday hours from 630 to 423, causing The COMET to pay Transdev based on a Tier 1 rate structure vs. a Tier 5 rate structure for the fixed route service. This increased The COMET's cost per hour from \$65.09 to \$69.46 per hour.

Mr. Andoh added that in reference to paratransit, The COMET was paying between Tier 3 and Tier 4 at a rate of \$57.00 to \$59.15 per hour and now has increased to \$63.74 per hour.

While the spending has been slowed down to match the actual ridership demands as it relates with Transdev and fueling, Mr. Andoh asked for direction regarding how to address the revenues that The COMET receives for the remainder of the year, as well as in FY 2020-2021.

Mr. Andoh explained that estimated fares are down approximately \$139,200. He stressed that Richland County Penny funds are anticipated to be down also. The COMET projected \$18,855,298 in anticipated revenue received. As result, The COMET will need to revise this projection to match projected spending. This is 63.27% of The COMET's overall revenue. (approximately \$15 million). Collections however are three months behind, however, this will impact FY 2020-2021.

Mr. Andoh informed the Committee that the Federal Transit Administration has announced that the Columbia Urbanized Area will receive \$15,295,748 from the CARES Act. This funding is available immediately, retroactive to January 20, 2020, to reimburse for operations related to the COVID-19 pandemic. There is no local match for the use of this funding. He explained that the purpose for the funding is operational expenses use, Federal Transit Administration will generally consider all expenses that are incurred on or after January 20, 2020 to be in response to economic or other conditions caused by COVID-19 and eligible under the CARES Act. Mr. Andoh further explained that there may be a need to share a portion of this funding with Santee Wateree Regional Transit Authority due to their service area extending into Elgin.

Mr. Andoh did confirm that the South Carolina Department Of Transportation will soon announce an FTA Section 5311 distribution which could possibly be an extra \$425,000 to The COMET.

Mr. Andoh shared examples of ways to reduce expenses:



- Reduction of marketing
- Suspension of Transit Academy
- Reduction of service to alternative schedule (Sunday)
- Declined in Biodiesel cost which will result in savings.
- Transdev Operational Advisor services has been terminated by Transdev.
- City of Cayce has suspended police services.
- Utility costs down due to fewer employees

Mr. Andoh explained the impacts in the process of budget preparation for Fiscal Year 2020-2021. Mr. Smith and Mr. Andoh discussed the allotment of the CARES Act funding and the Federal Transit Authority guidelines.

B. Continue Fare Free Due to COVID-19

Mr. Andoh recommended to the Committee to keep the fares free until the end of the COVID-19 issue. Mr. Andoh explained that since March 17, 2020, The COMET has been fare free due to concerns associated with safety. He continued to state that passengers board from the rear door since they cannot access the farebox from the front of the bus. This preventative measure protects the bus operator from passengers breathing on them when paying fares into the farebox.

Mr. Andoh reminded the Committee that per the Board Fare and Service Change Policy from November 2018 the Executive Director/CEO has the authority to implement a temporary suspension of fares for 15 days, therefore the Committee and the Board must consider if they wish to continue fare free or reinstitute fares.

Mr. Andoh reminded the Committee of the CARES funding and the 5311 allocation which could allow The COMET to suspend fares, since the operational costs of the transit system would be covered by this funding. Once service is restored to normal, The COMET could anticipate ridership growth initially by 5 to 30% by going fare free.

Mr. Andoh mentioned that he thinks a barrier is an option for protection. He added the cost if roughly \$5,000 per barrier. Dr. Morris and Mr. Andoh discussed the cost. Mr. Andoh confirmed that if the Board approved, and request for proposal would be initiated. Ms. Dickerson requested further discussion regarding the barriers with the full Board.

Motion:

A motion was made by Ms. Dickerson and seconded by Mr. Smith to continue fare free service until the Governor releases the State of Emergency status.

Approved: Dickerson, Morris, Smith

Absent: Howard



Motion passed.

C. Authorize Negotiations with Brownstone/Davis & Floyd for Engineering and Design Services

Mr. Andoh explained that the Staff is recommending that the Finance Committee recommend to the Board of Directors to authorize the Executive Director/CEO to negotiate a contract with Brownstone | Davis & Floyd to provide Engineering and Design Consulting Services for a three year with two one-year options and return to the Board of Directors with a proposed Agreement.

Mr. Andoh explained that a committee reviewed the proposals and based on the scoring recommended that Brownstone/Davis and Floyd is the most qualified firm that The COMET should begin negotiations with to provide engineering and design services. Should negotiations fail, the next qualified firm is Dennis Corporation followed by Ramey Kemp.

Mr. Andoh explained that he would get back with the Board on negotiations. Ms. Dickerson expressed concern and would like to see the budget implications. Mr. Smith and Mr. Andoh confirmed that basically this is a retainer cost and are under no obligation to spend a budgeted amount of dollars.

Motion:

A motion was made by Mr. Smith and seconded by Ms. Dickerson to recommend to the Board to authorize the Executive Director to negotiate a contract with Davis & Floyd.

Approved: Dickerson, Morris, Smith

Absent: Howard

Motion passed.

B. LEGAL/CONTRACTUAL/PERSONNEL (may require executive session)

- **Section 30-4-70 (a) (5)**

Discussion of matters relating to the proposed location, expansion, or the provision of services encouraging location or expansion of industries or other businesses in the area served by the public body.

Motion:

A motion was made by Ms. Dickerson and seconded by Mr. Smith to enter Executive Session.

Approved: Dickerson, Morris, Smith

Absent: Howard

Motion passed.

The Committee entered Executive Session at 11:29 A.M.



Motion:

A motion was made by Ms. Dickerson and seconded by Dr. Morris to exit Executive Session.

Approved: Dickerson, Morris, Smith

Absent: Howard

Motion passed.

The Committee exited Executive Session at 11:48 A.M.

Motion:

A motion was made by Ms. Dickerson and seconded by Mr. Smith to refer for discussion the potential expansion of service discussed in Executive Session.

Approved: Dickerson, Morris, Smith

Absent: Howard

Motion passed.

9. ADJOURN

Motion:

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

Approved: Dickerson, Morris, Smith

Absent: Howard

Motion passed.

Meeting adjourned at 11:49 A.M.

CENTRAL MIDLANDS REGIONAL TRANSIT AUTHORITY

Adopted this May, 2020, Agenda Item _____

Prepared by:



Paige Jernigan, Administrative & Customer Service Specialist

Approved by:



Andy Smith, Board Secretary