



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 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, January 8, 2020 at 3:15 AM.***

**Central Midlands Regional Transit Authority
Finance Committee Meeting
Wednesday, January 13, 2021 – 10:00 a.m.
3613 Lucius Road, Columbia, SC 29201 – Conference Room A**

Members Present:

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

Guests Present:

None

**indicates
participation
by phone*

Members Absent:

Joyce Dickerson
Christopher Lawson

The COMET Staff Present:

John Andoh, Executive Director/CEO
Roselyn Andrews, Director of Finance/CFO
Leroy DesChamps, Director of Administration Operations/COO
Tanisha Gibbons, Customer Experience & Contract Compliance Manager
Paige Jernigan, Administrative & Customer Service Specialist
Arlene Prince, Director of Regulatory Compliance & Civil Rights Officer

1. CALL TO ORDER AND DETERMINATION OF QUORUM



Mr. Smith called the meeting to order at 10:06 A.M. after the determination of a quorum.

Dr. Morris suggested excluding the update of company policy, because there is too much going on, and we need to delay that.

Mr. Andoh said we are getting ready to go into a tri-annual review, and a lot of these polices are not consistent with the master agreement, and we must submit these materials to the FTA, so we could defer, but depending on when we have to present to FTA, we could risk getting a deficiency for having out-of-date policies.

Mr. Smith asked what the timeline is for that review.

Mr. Andoh said we have had to submit information to them, so they can do their desk review, and we are waiting for them to schedule a Zoom meeting to discuss each of the 20 areas.

Representative Howard suggested having a special Finance Committee meeting for this, due to time constraints.

Mr. Smith suggested leaving it on the agenda and continuing it when we get to that point.

Dr. Morris said that if we leave it on the agenda, we are supposed to discuss it. He agrees with Representative Howard's suggestion to have a separate meeting next week or the week after.

2. ADOPTION OF AGENDA

Motion:

A motion was made by Dr. Morris and seconded by Representative Howard to accept the agenda, excluding update of company policy.

Approved: Howard*, Morris*, Smith*

Absent: Dickerson, Lawson

Motion passed.

3. MINUTES FROM December 9, 2020 MEETING

Motion:

A motion was made by Dr. Morris and seconded by Representative Howard to approve the minutes.

Approved: Howard*, Morris*, Smith*

Absent: Dickerson, Lawson

Motion passed.

4. MATTERS REFERRED FROM THE BOARD OF DIRECTORS



Mr. Smith said there are no matters referred from the Board.

5. MONTHLY FINANCIAL REPORTS

Ms. Andrews reviewed the November 2020 Highlights section on Page 14. She said we discussed whether we had a net income or a net loss. For the month of November, we had a net income of roughly \$3,100,000, and our actual year-to-date would be \$648,000 because we got money from Richland County. Total revenue, period to date, we collected a little less than \$5,000,000, and total expenses, including our depreciation, is a little over \$2,000,000, and we get our total income by netting the two of those. Year to date paid to RATP Dev, \$2,300,000. We made another payment after November. She said the next section lists the services we pay every month.

Ms. Andrews explained that since the beginning of the Penny money in 2013, we have collected a little over \$129,000,000. We did receive \$5,600,000 in the month of November, which is why we have resulted on the positive side for the month.

Ms. Andrews explained that on the bottom of Page 15, we see what we have in each of our bank accounts. Wells Fargo, which is where we have our operating fund, we have almost \$10,000,000 because of the deposit from Richland County. OPTUS Bank, we have two reserve accounts that are netting just under \$6,500,000. Local Government Investment Pool, just over \$17,000,000. Total assets and total liabilities are listed there below as well.

November Highlights: 42% of fiscal year completed:

- Total Revenue: Actual YTD ~ \$648K compared 4/12 of annual budget of ~\$35.90M; total YTD collections average ~33% of annual budgeted amount
- Total Expenses (with depreciation) ~\$12.50M compared to 4/12 of annual budget of ~ 35.14M; total YTD expenditures represent an average ~ 36% of annual budget
- Year to Date paid to Contract Operator RATP Dev 7/1/2020 – present ~ \$2,333,237
- Total collections of Penny Revenue since 2013 to present: \$129,729,846 of \$300,991,000 allocation, remaining balance = \$171,261,154, Amount received: \$5,622,504.95
- Wells Fargo: \$9.9M
- OPTUS Bank: \$6.5M

Mr. Smith said Ms. Andrews alluded to the fact that we received a big Penny check in November, and that actually put us, year to date, ahead of where we



would have budgeted, so we've received \$10,000,000 through November on a budget of \$6,600,000.

Ms. Andrews explained that we budgeted \$15,000,000 or \$18,000,000 for the year, so in this fiscal year, we have received two payments from Richland County.

Mr. Smith asked whether that \$10,000,000 is truly reflective of five months of collections, or whether they are paying for the first two quarters. He said it seems like a lot more than anticipated.

Ms. Andrews said that instead of five months, it is actually more like six months, because they pay at a three-month interim, so there's an extra month in there.

Mr. Smith commended Ms. Andrews on the CAFR award she received from Government Finance Officers Association, and Dr. Morris and Representative Howard concurred.

6. DISADVANTAGED BUSINESS ENTERPRISE (DBE) UPDATE

Dr. Prince referred to the M/DBE Tracking Sheet from July 1 – December 31, 2020 and reviewed the document on Page 32. She stated there are twenty-three (23) vendors.

For the percentage of goal achieved, Dr. Prince explained that she took the amount DBE paid to date and divided that by the total amount that was paid by The COMET. She explained that in Item 5, Brownstone Construction Group, they announced their spot as an MB, so she included their last payment under amount paid to DBE, year to date. She said she did not include any payments, prior to them being recertified.

Dr. Prince explained that for Line 17, RATP Dev, the amount The COMET paid reflects pages up through October 2020 it reflects what they paid to DBE through October, so their percentage of goal achieved is 16% of the 20% goal.

Dr. Prince explained that on the left side is a summary up through December 31st. It shows that, of the twenty-three (23) vendors, we have paid approximately \$7,000,000, and of that amount, approximately \$2,200,000 has been paid to DBEs, which represents approximately 31.4% of the total contract with DBE goals. She said we also have an addition to these twenty-three (23) vendors, Gateway Advertising. We have a revenue contract with them that has 2% MDBE goals.



Dr. Morris asked if 31.4% is a true percentage. He said we have a required percentage of 25%, but he sees some companies considered it 0%.

Dr. Prince explained that the 31.4% represents the total amount that we have paid to vendors, as of the time of printing this report, in comparison to what has been paid. She said this percentage will constantly change every month, as we pay these twenty-three (23) vendors, and as they pay DBEs. She said that where there's 0%, it just means that we have paid the firm, but they have not shown where they have paid any DBE, so it's a true percent as per the time she prepared the report, but the percentages will constantly change.

Mr. Smith asked Dr. Prince whether the 31.4% is exceeding our agency goal because of two or three vendors that are exceeding their own internal goals, such as Brownstone, Burr & Forman, and CR Jackson, which are far exceeding the M/DBE goal. He asked if that is helping to increase our overall agency goal.

Dr. Prince said that is correct. She said that for RATP Dev, as more payments are made to them from The COMET, that will decrease the overall goal.

Mr. Smith said that through this point, they are at 16%, and their contract goal is 20.06%, so they are under the goal right now.

Dr. Prince said that is correct. She said that the amount they have paid to DBEs as of October is already in the month of January, so there are a few months that we do not have, where they have paid DBEs, but it is just not reflected on this report yet.

7. DISCUSSION AND ACTION ITEMS

A. Resumption of fare collection

Mr. Andoh explained that at the last Finance Committee meeting, it was requested of staff to evaluate the number of public transit agencies still offering fare free service during the pandemic in the surrounding area. The agencies investigated are shown below:

Charlotte Area Transit System
Greenville Greenlink
Charleston CARTA
Augusta Transit – fare free
Asheville Rides Transit – fare free
Atlanta MARTA



Orlando Lynx
Jacksonville Transportation Authority
GoDurham – fare free
GoRaleigh – fare free
GoTriangle – fare free

Mr. Andoh stated that of all these aforementioned transit systems, back when the pandemic started, all were fare-free except for Greenville and Jacksonville. As of January, the only ones that are fare-free are Augusta Transit, Asheville Rides Transit, GoDurham, GoRaleigh, and GoTriangle. All the other transit systems have since resumed fare collection between September and December. Many have resumed fare collection because of installing driver barriers. Mr. Andoh said we are on target for having the barriers done, fleetwide, but we are still looking at late February or early March for completion of the project on at least the thirty-nine (39) large transit buses.

Mr. Andoh requested feedback from the Committee.

Dr. Morris stated that this should be postponed until all barriers are in place before we discuss any further. He added that currently, we are receiving CARES Act funding, and hopefully, the virus will decrease by spring.

Representative Howard agreed with Dr. Morris.

Mr. Smith suggested that the Committee come back after barrier installation is complete.

Mr. Andoh stated that Dr. Morris' proposal is the original intention of what staff wanted, and that we are just bringing back this item because we were committed to bring this item back to the Finance Committee, back in December.

Mr. Smith asked if we should defer this item to the next meeting.

Mr. Andoh said that since the Board has already taken action to keep it fare-free until barriers are installed, we should keep things as they are, and keep this Committee apprised, once the barrier project is completed.

Mr. Smith asked Dr. Morris if it would be okay to defer this agenda item until next month.

Dr. Morris said that if the barriers are not completed by next month, there does not seem to be a reason to bring this item back, until the project is



finished.

Mr. Smith suggested we could hear it next month, with the understanding that between the Committee meeting and the Board meeting, action could be taken next month, to recommend to the Board to resume fare collection, contingent on installation of the barriers. He said he does not want this to wait until the March meeting, if the timing is such that the full Board could take it up next month.

Mr. Andoh said that based on timing and how meetings flow, if the barrier project were completed in late February, and we brought this item in March, it would be April, before we could implement fare collection, because we would have to go through the two meetings of Finance and the Board. He said that if we did that action in February, stating that we want to resume fare collection once the barrier project is done, then it would probably be mid-March when we would resume fare collection, just because the Board has already given us pre-authorization to resume fare collection, once the barriers are done.

Mr. Smith asked for Dr. Morris' input, and Dr. Morris agreed with Mr. Andoh.

Mr. Andoh asked the Committee whether their long-term goal is to resume fare collection, or to find funding to continue fare-free, indefinitely, regardless of the barriers.

Dr. Morris stated that we need to resume fare collection at some point, but the Committee is not able to decide this right now.

Dr. Morris and Representative Howard both reiterated that fare-free should not be indefinite.

Mr. Smith said he sees the arguments on both sides. He said that before the pandemic, we looked at the concept of a fare-free plan, and he doesn't have a strong opinion, one way or the other. He said he defers to his fellow Committee members and the full Board on this matter.

B. Nashville bus review and electric buses

Mr. Andoh explained that staff is seeking direction regarding the electric buses from Nashville Metropolitan Transit Authority (WeGo Transit). He added that this was discussed in November 2020, that staff would do an analysis of feasibility here in Columbia.

Mr. Andoh explained these buses are 2014 model year buses and still have life until 2026, before they would be eligible for retirement. He said they are



second-generation, electric buses. He further explained that this purchase would be an upfront capital expense, to make these buses acceptable for operation. He stated that they would need to dispose of at least five 2014-cutaway buses that have reached their useful life under FTA guidelines (7 years), to ensure compliance with spare ratio requirements.

Mr. Andoh did state that if these buses are to be in operation, the number of routes would be very limited, the Soda Cap Connector, Route 6, Route 12, as well as USC routes, if the University would allow the installation of the overhead chargers somewhere near a central point on their campus. The cost of implementation is approximately \$1,092,250, plus the additional cost to outfit all the necessary equipment with our brand, about \$8,000 per bus.

Mr. Andoh confirmed that SCDOT stated they would rather the overhead charger be located off-site due to implications with traffic on the road, however, they continue to evaluate its use. He said this charger could be installed at the new Lucius Road SuperStop on The COMET property, which would mitigate the need to place it on SCDOT right of way.

WeGo Transit is in discussion with their Board, to determine if they want to do a straight-line transfer or pay the local match associated with these buses that would cost \$269,004.42, paid to WeGo Transit.

Mr. Andoh said Dominion Energy would need to install an additional pad-mounted transformer (green box) like the other two transformers on The COMET property to serve the buses. Each bus would have its own charger (60 KW each), so 300 KW for the 5 buses. They will also need to add a pad-mounted transformer to serve the 350 KW charger for the overhead system. Proterra's contractor would assist in the installation and de-commissioning of the overhead chargers in Nashville and the reinstallation of the overhead chargers here in Columbia.

Mr. Andoh said that from an operating cost perspective, The COMET would use Rate 9D schedule, which has a basic kwh charge of 11 to 12 cents per kwh. There would be a small demand charge on anything over 250 kwh added during the summer months. Peak demand during summer months is 1:00 p.m. to 9:00 p.m., so peak rates would apply during those times. To save on electric rates, The COMET would need to switch to Rate 24 and have at least 15-20 buses. He said that during non-summer, peak period is 6:00 a.m. to 12:00 p.m. and 5:00 p.m. to 9:00 p.m.

Mr. Andoh said that based on this information, he would like to hear this Committee's thoughts on whether and how they would like us to move forward with obtaining these second-generation, electric buses. He asked if



the Board would prefer to move forward with perhaps longer-range, electric buses that do not require an overhead charger.

Dr. Morris stated that he thought we were going to try just one electric bus. He said five buses is a major investment, and we do not know how long these buses will be able to run. He said that looking at what has happened with the other used buses we bought from Las Vegas, he does not think we should get too many of these buses at one time. He said if it is possible to get one and see whether or not it meets our needs, that would be his suggestion. He asked for Mr. Andoh's input.

Mr. Andoh said he agrees with Dr. Morris, but he suggests that we do not pursue these Nashville buses, and instead just buy one new electric bus that does not require an overhead charger. He said the main capital investment cost on these older buses is the overhead charger, and if we're only going to get one bus, it would not be of financial value to The COMET.

Dr. Morris agreed with Mr. Andoh about getting one new bus instead, and he asked if we get federal funds to pay for it.

Mr. Andoh said one issue is that these buses are just a bare bus without the options, and it costs about \$750,000, so that would take a large chunk of our federal funding that we receive. He said we average about \$5,500,000 a year in federal funding from the 5307 Program. He said that if there is a desire, we can program within our available FTA capacity, one electric bus, and then it would just require a 15% local match from our sales tax revenue, to cover it.

Dr. Morris suggested looking into Mr. Andoh's proposal. Mr. Andoh said he can come back next month, after our review, our current FTA expenditure plan, and getting a quote from a vendor of the ultimate cost of getting one electric bus if that suits the Board.

Representative Howard agreed that it makes sense to look into getting one new electric bus and compare the cost to maintenance on older vehicles.

Mr. Smith said he was previously unaware that the infrastructure for the old buses would not be used for future electric buses. He asked if the old buses would commit us to any particular vendor for future buses, because of the infrastructure. He said he was worried about timing, given that the overhead charger may need to be placed at the Lucius Road SuperStop, as well as the transformers.

Mr. Andoh said that regarding the timing of the charger and the Lucius Road



SuperStop, it should be ready by July, so the timing could work, if we were to place it there, but the cost considerations of the overhead charger will outlast the value of the buses and will be useless in 2026, when the buses are retired.

Mr. Andoh said that regarding procurement issues, APTA has developed bus standards for electric buses, to which all the major electric bus manufacturers have agreed. He said that if we were to go after procurement for future electric buses, the charging mechanism at Lucius Road would be interchangeable, between the different types of buses. He said that regardless of whether we go with newer, long-range, electric buses that do not require an overhead charger, or older buses that do require an overhead charger, we will still need to install transformers and chargers, so that the buses can charge overnight.

Mr. Smith said it seems that the general consensus is that we don't want to pursue these Nashville buses, and he asked whether that requires specific action such as sending this item back to the Board with a negative recommendation.

Mr. Andoh said that what was discussed with the Board was returning this item to the Finance Committee, and then the Finance Committee can opt to make a recommendation to the Board.

Mr. Smith said we need a motion.

Motion:

A motion was made by Dr. Morris and seconded by Representative Howard, to send the item regarding electric buses back to the Board, indicating the declining of the Nashville buses and the desire to move forward with a new bus instead.

Approved: Howard*, Morris*, Smith*

Absent: Dickerson, Lawson

Motion passed.

C. Update of company policies
Deferred to next meeting.

D. Tuition reimbursement request

Mr. Andoh stated that the Board approved a tuition reimbursement policy in July of 2018.

Policy states:

"An employee may receive up to \$3,500 per fiscal year for tuition reimbursement, and that if the payment is not prepaid, reimbursement must



be applied for within 30 days of the course or exam completion”.

Mr. Andoh explained that due to work demands, including transition of transit operations contractor, he failed to file reimbursement request for FY 2019 and FY 2020 by July 31 of the year in question. He requested the Finance Committee consider the filing of reimbursement for tuition for FY 2019 and FY 2020, up to \$3,500 for each fiscal year.

Ms. Andrews interjected that fiscal year 2020 has been paid to Mr. Andoh, but that he is still eligible for 2021. It was confirmed that reimbursement for fiscal year 2018/2019 was rejected due to timing. The Committee discussed the timing issue. It was clarified that the request was for FY 2018/2019 and FY 2020/2021, totaling \$7,000, which represents \$3,500 per each year.

Dr. Morris suggested reimbursing FY 2020/2021 but not FY 2018/2019, as too much time has lapsed.

Motion:

A motion was made by Dr. Morris that the Committee will grant an exception to this thirty (30) day policy for FY 2020/2021 in the amount of \$3,500.

Representative Howard stated that he does not mind paying retroactively for FY 2018/2019, if it is clear that in the future this should be brought to the Board in advance.

Amended Motion:

An amended motion was made by Dr. Morris and seconded by Representative Howard, to recommend to the Board to make a one-time exception in the amount of \$7,000, but in the future, this should be brought to the attention of the Board in advance.

Approved: Howard*, Morris*, Smith*

Absent: Dickerson, Lawson

Motion passed.

The Committee discussed meeting again to go over Item 7C. It was the consensus to meet on January 20, 2021 at 9:00 a.m.

8. ADJOURN

Motion:

A motion was made by Dr. Morris and seconded by Representative Howard to adjourn.

Approved: Howard*, Morris*, Smith*

Absent: Dickerson, Lawson



The meeting adjourned at 11:01 A.M.

CENTRAL MIDLANDS REGIONAL TRANSIT AUTHORITY

Adopted this _____ 2021

Prepared by:

**_Frances
Korff**

Von

Reviewed by:

— Paige Jernigan, Administrative & Customer Service Specialist

Approved by:

Christopher Lawson

— Christopher Lawson, Secretary