

Lowcountry RTA Board Meeting Minutes

Meeting Date: January 27, 2021

Location: Teleconference Call with LRTA Board Members and Palmetto Breeze staff at 25 Benton Field Rd, Bluffton, SC 29910

Call to Order

Vice-Chair Barbara Childs called the meeting to order at 2:03 pm. Chair Zellman asked Ms. Childs to moderate the meeting.

The invocation was said by Mr. Russell and Vice-Chair Childs led the Pledge of Allegiance.

Roll Call

Present:

Ms. Susan Zellman, Chair, Beaufort County
Mr. Rick Hamilton, Beaufort County
Ms. Barbara Childs, Vice Chair, Beaufort County
Mr. Chris Bickley, Colleton County
Mr. Darrell Russell, Hampton County

Absent:

Ms. Louise Pinkney, Allendale County
Mr. Charles Mitchell, Jasper County

Others in attendance:

Ms. Mary Lou Franzoni, LRTA Executive Director
Mr. Detimex Stanley, LRTA Director of Maintenance
Mr. Ronald McElhose, LRTA Director of Operations
Ms. Yazmin Winston Black, LRTA Director of Safety and Training
Mr. Brian Sullivan, LRTA Director of Marketing and Communications
Ms. Kerry Guzman, LRTA Human Resources and Payroll Administrator
Ms. Laura Atkinson, LRTA Mobility Manager
Mr. Henry Criss, LRTA Director of Finance and Administration
Ms. Cindy Steel, LRTA Staff Accountant
Ms. Stephanie Rossi, Lowcountry Council of Governments
Mr. Scott Donahue, SCDOT

Ms. Childs welcomed everyone and noted that all Board Members were remote via Zoom to respect safety measures put in place regarding the coronavirus. She thanked everyone for participating. The meeting was being broadcast live via the Palmetto Breeze Facebook page to allow the public the opportunity to listen to the meeting. The public is invited to make comments via Facebook and responses will be sent after the meeting. She asked that all who responded with a comment, motion or second motion to please state their name before responding.

Guests and Public Forum

There were no guests or members of the public.

Approval of Minutes

A motion to approve the minutes from November 23, 2020 was made by Mr. Bickley and seconded by Chair Zellman. The motion carried unanimously.

Action Items

Approval of Updates to the Personnel Policy: Ms. Franzoni stated that there was a comparison holiday schedule between Palmetto Breeze, the Town of Bluffton, South Carolina state government and Beaufort County School District. By adding the President's Day holiday, Palmetto Breeze is on par with other local agencies. Ms. Childs asked if adding the new holiday would be reflected in the budget. Ms. Franzoni stated it is covered in the budget. Chair Zellman asked how the routes would run. Ms. Franzoni stated that the routes would run on a weekend schedule. Chair Zellman asked how the pay for drivers would work. Ms. Franzoni stated that the full-time drivers are allowed to choose whether or not to work that day. If they do, they would receive Holiday Pay and their normal rate of pay. If they choose not to work, part time employees can work the route at time and a half pay. Ms. Franzoni stated that all of our routes are grant reimbursable so it does not change whether we are on holiday or running. Mr. Bickley asked if the rest of the changes were to clean up the policy. Ms. Franzoni stated yes. There were no significant changes. Mr. Bickley motioned to approve the changes. Mr. Russell second the motion. The motion carried unanimously.

Informational Items

1. Ms. Franzoni provided the Executive Director's report. Highlights included:
 - Our ridership numbers from November 2020 to November 2019 – we are 1,500 passengers less. December 2020 to December 2019, we are 1,600 passengers less. We are still relevant and still transporting people. We are looking to reinvent some of our services.
 - Our Mobility Manager evaluated residences for ADA passengers. Ms. Atkinson makes sure that the passenger can be safely transported and the driver can safely operate their vehicle.
 - We worked with the League of Women Voters to provide rides for people who wanted to vote.
 - We have redone all of our brochures. They needed to be updated and include ADA and Title VI language. We are working on a Spanish language brochure. Our hurricane evacuation brochure was inaccurate but now is corrected. Mr. Sullivan follows up on all social media inquiries. Chair Zellman asked about the distribution of the brochures. She asked if they go to agencies or if people requested them. Ms. Franzoni stated that we are making an effort to distribute brochures. The brochures go in all the town halls, chambers, and any place that wants them on our route.

Chair Zellman said what if they came up with organizations, should they email her. Ms. Franzoni said yes. Chair Zellman asked if Ms. Franzoni was meeting with the Human Service Alliance. Ms. Franzoni said they had not met in almost a year due to COVID.

- We did develop a survey for the city of Beaufort, which is in the hands of the Beaufort Chamber. This survey is for all the businesses to ask if they would utilize Palmetto Breeze for their workforce and what times would they anticipate they would need for their shifts. Mr. Sullivan said it should be sent out today. We should have an update tomorrow. Once the survey goes out, it will also be on our website in case someone didn't receive the email.
- We filled two open positions that are new positions for Palmetto Breeze. One is the position of Office Administrator and that is Cavada Russell. The other position is the Staff Accountant position and that is Cindy Steel. The Finance and Administration Department is fully staffed.

Chair Zellman asked if Ms. Franzoni had a meeting with Kroger and Walmart. Ms. Franzoni said yes, the meeting was about second shift transportation. They are looking for transportation from Memorial Day to Labor Day and were going back to their corporate people to see if they would help fund the route. Ms. Franzoni offered a partnership at about 50% of the cost of the route. They are looking for a 2pm start to an 11pm finish time and were interested in a route from Beaufort. Ms. Childs asked about the vendor name for the security system. The vendor is Mobile Communications of America (MCA).

Ms. Childs gave kudos for working with the League of Women Voters. She also gave kudos for the award ceremony and holiday luncheon that was held in December. Ms. Childs asked if the surveys for Beaufort were for Northern Beaufort County. Ms. Franzoni said yes. Ms. Childs asked if the military had been contacted at all. Ms. Franzoni said no but we are planning on reaching out to them. We are looking to service military housing not on base. Ms. Childs said she was referring to military graduations on Fridays. Ms. Franzoni said she would look into it. Ms. Childs gave kudos to a 100% PM rate.

Mr. Russell asked what resources we are offering to ADA passengers. Mr. Russell suggested Helping Hands. Ms. Atkinson does work with families to get assistance for what they need. Ms. Atkinson refers a lot of passengers to Medicaid transport. Ms. Franzoni noted the Helping Hands group for future needs.

Ms. Childs asked if a thank you note was sent to Second Helpings for all the turkeys. Ms. Franzoni said that we thanked them verbally.

2. Mr. Criss provided the Finance Director's report. Highlights included:

- November and December cash flow are good. We are on track with our budget. We are within a 10 % variance. In the committee meeting, Mr. Hamilton asked about the quality of reports. Mr. Criss stated that he wants the reports to be accurate and real world but may be limited for right now. He wants more comprehensive monthly financial statements. Mr. Hamilton asked about the expense for the three MCI buses that were purchased. Mr. Criss stated that the revenue is reflected on the income statement under the current month of FTA grants. Mr. Hamilton asked where the expense was. Mr. Criss said that the expense would not appear on the

income statement because it goes under a capital asset account for vehicles. Mr. Criss said this is reflected on the balance sheet.

- Mr. Criss introduced Cindy Steel. Ms. Steel is the Staff Accountant and comes from the private sector. Ms. Steel stated she has 30 years of experience and has worked for the HHI Chamber of Commerce and then worked for a private company.
- The main challenge we have discovered over the last few months is that generally accepted accounting principles weren't consistently and regularly applied since the beginning of calendar year 2020. We are working to bring those principles into operation every day. Mr. Criss is very confident that at the end of January and certainly by the end of February, we will have more useful, accurate and timely reports for the board.
- Another question from the committee meeting discussion was the impact of the CARES Act. This is also reflected in the grant status report. SCDOT released CARES funding at different times. We've been authorized to submit a budget revision quarterly to incorporate the new quarter's funding. We are in Q3 and Mr. Criss has submitted a budget revision and believes it will be approved. As long as DOT keeps releasing the funding without delay, Mr. Criss believes we will have a surplus.
- From a cash flow standpoint, we were able to move \$100,000 to our Repurchase 2 account (Reserve Account) from our Repurchase 1 account (General Account). This was done from the board's request to build a sufficient cash reserve. This transfer leaves our account with sufficient funds to operate day-to-day things and brings our Reserve Account up to about \$228,000. The plan is to make a \$70,000 transfer later this month which will bring our Reserve Account status to \$300,000. That would be enough to operate a month and half based on current expenses.
- The audit field work has been completed. Our internal controls were tested. There are areas for some improvement but nothing significant. There are some variances that need to be addressed but nothing that is out of the normal. Since the beginning of calendar year 2020, we weren't completing day-to-day accounting tasks in a timely and consistent manner. The staff was doing their daily tasks but the management functions were left unattended from December to the beginning of this fiscal year. Our strategy is to institute a value driven, team-oriented philosophy throughout the department. Mr. Criss provided the new bank reconciliation process as an example.
- Mr. Hamilton thanked Mr. Criss for his hard work and for the new direction he is taking. Chair Zellman asked when or if the audit has been completed. Mr. Criss said it has not been completed. There are some variances we need to address and there is testing for our single audit. He believes we are at the tail end of it. Chair Zellman asked if or when our deadline is. Mr. Criss said it was last November. From a compliance standpoint, the FTA wants a letter from the auditor stating that we have followed guidance from the FTA with our NTD report. The FTA has granted us an extension. The other deadline is at the end of this month to qualify for the Certificate of Excellence for Financial Reporting from the Government & Finance Officers Association (GFOA). Mr. Criss says we are down to the wire and may not qualify. It requires a comprehensive annual financial report be submitted 6 months after the fiscal year ended. A one-month extension was granted due to

COVID. The next compliance deadline is for SCDOT desk review in April. Chair Zellman asked if Mr. Criss planned on doing a financial procedures manual. Mr. Criss stated that we do have one and additional policies and procedures. A major initiative for this calendar year is to revisit our procedures.

3. Chairperson's Report

- Chair Zellman thanked Ms. Childs for taking charge of the meeting today. Chair Zellman is out of town.

4. Committee Reports

Finance Committee:

Mr. Hamilton thanked Ms. Childs and Mr. Criss. They are trying their best to give Mr. Criss room and opportunity to comfortably progress with the audit and other accounting issues. It is going well. It is comforting and Mr. Hamilton feels it is moving in the right direction. In terms of the committee's findings, we are getting a great level of detail.

Operations Committee:

Mr. Bickley stated they reviewed the operational reports for the last four months. Mr. Bickley said it was good to see that we were engaged with our local governments. Accidents and damages were discussed and it seems to Mr. Bickley that driver training and retraining are being emphasized. We are in compliance with our drug and alcohol testing.

Maintenance Committee:

Mr. Russell said he was happy to see PMs at 100%. Mr. Stanley's attention to detail in his daily tasks is phenomenal. There are three new coaches. The bus wash is still improving.

Old Business

1. Audit Information

Mr. Criss stated we are wrapping up a few variances. He anticipates the auditor's opinion in the next few weeks.

2. Phone System RFP

Ms. Franzoni stated that we received four bids, Verizon, Segra, Mitel, and A3 Communications. Our Intent to Award is going to A3. They offered a system we could purchase with a robust call center software. Carolina IT was a part of the reviews. We feel very comfortable moving to this platform and it will save operating money. The bid will be awarded on February 2. Chair Zellman asked how long it would take to install. Ms. Franzoni stated it may take about a month.

3. Bluffton Service

Ms. Franzoni stated the original service involved partnering with Montage Palmetto Bluff to bring workers back and forth to Montage. Ms. Franzoni thinks they do not want to sponsor a route as they are not sponsoring any Visa workers. She has redone the routes to include two routes. The town of Bluffton is asking what contribution is needed for the budget. Bluffton asked for the number by early March. Service

would start July 1. The trolleys are starting April 1. Chair Zellman asked if the change in administration at the town would affect anything. Ms. Franzoni said there was positive feedback from their finance director. There would still need to be meetings with their planning department and right now they have an interim town manager. Ms. Childs asked who the interim town manager is. Ms. Franzoni stated that Scott Marshall is now the interim. Ms. Childs asked if the trolleys were only on Hilton Head. Ms. Franzoni stated yes.

4. LATS Update

Ms. Rossi stated that they are still in the process of their long-range transportation plan update. Consultant negotiations were finished about a week ago. Ms. Rossi is waiting for SCDOT for the notice to proceed. The LATS agenda on February 5 will be having the transit safety targets for approval.

New Business

1. VW Settlement Round 2

Ms. Franzoni received a notice that Round 2 was open. Most of the money in round one went to replace school buses and to build propane fueling stations. Round 2 will include \$24 million. Ms. Franzoni will be reapplying and the deadline is February 26, 2021. Ms. Franzoni is also hopeful there is money left within the CARES Act at SCDOT that could also be used to help replace additional MCI coaches. Chair Zellman asked if there needs to be a letter of support from a congressperson or senator. Ms. Franzoni said it certainly couldn't hurt. It may help to have the attention. Chair Zellman will contact Tom Davis' office. Mr. Bickley said it sounds like there will be infrastructure money coming from Washington at some point in the near future. Some may come through FTA and some may come through the states.

Announcements

Chair Zellman said that the board retreat was helpful. She appreciated Curtis' reviewing our by-laws. Ms. Franzoni will reach out to him for his comments. Chair Zellman would like to do a follow-up session in about 6 months.

Ms. Rossi asked when the next meeting was. Ms. Franzoni said it was the fourth Wednesday of the odd months. Chair Zellman said March 24, 2021.

Next Steps

1. Bus wash status.
2. Audit status.
3. Ms. Franzoni will give information to Chair Zellman for a letter of endorsement from senators/congresspersons.
4. Infrastructure money possibilities.
5. Useful financial reporting for the next meeting.
6. Mr. Criss will meet with the finance committee.

Adjournment

Mr. Bickley motioned to adjourn the meeting. Chair Zellman seconded. There was a unanimous vote to adjourn. The meeting was adjourned at 3:21pm.