

**THE COAST RTA-WACCAMAW RTA
BOARD MEETING
JANUARY MEETING – (HELD FEBRUARY 5, 2014 DUE TO WEATHER)
9:00 AM**

Board Present: Bernard Silverman, Chair
Lillie Jean Johnson
Katharine D'Angelo
Mickey James
Nicholas Twigg
Gary Loftus – arrived after the roll call

Staff Present: Myers Rollins, General Manager
John Glover, Transportation & Service Planning Manager
Julie Norton-Dew, DGM of Finance & Administration – CFO
Felicia Beaty, DGM of Operations – COO
Barbara Blain-Olds – Staff Attorney
Lynette Nobles, Executive Assistant & Board Liaison
Joe Ponticello, Director of Internal Controls
Erica Hill, Business Development Specialist
Doug Herriott, Transportation Manager
Rick Carroll, Street Supervisor
Tom Arends, Material Control & IT Analyst
Pamela Bellamy, Human Resource Manager

Also Present: Jason Rodriguez, The Sun News
Charles Perry, Myrtle Beach Herald
Darrell Wycroft, new CAC member

In accordance with the Freedom of Information Act (FOIA), notices of the meeting were provided to the press, stating the time, date, and place of the meeting on Monday, January 27, 2014 and on February 3, 2014.

CALL TO ORDER: Chairman Silverman called the meeting to order at 9:00 AM. He then asked those in the meeting to refrain from texting, checking e-mail, etc. He also explained that the committees no longer meet prior to the Board of Directors meeting beginning at noon. From this meeting forward, the Board of Directors meeting begins at 9:00 AM and the departments give their monthly reports at the appropriate time. Mr. Silverman also announced that the meetings will now be recorded, both audio and video, for viewing on the Coast RTA website.

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INVOCATION/PLEDGE OF ALLEGIANCE: Rev. Mickey James gave the invocation. The Pledge of Allegiance was recited.

ANNOUNCEMENT OF QUORUM/ROLL CALL: Roll call was taken. A quorum was present.

NEW CONFERENCE ROOM TECHNOLOGY OVERVIEW:

Joe Ponticello gave a presentation regarding the new technology added to the Conference Room during the facility construction project, which allows for recording both the audio and video of the Board of Directors meetings, which will be available for review on the Coast RTA website. Recordings will remain on the website for a period of twelve months, and moved to the archive at that time. The total cost was \$5791, of which \$4633 (80%) was Federal 5307; the remaining 20% was local match. It was also noted that side conversations are also picked up in the recordings and make it more difficult to hear the presenters and the meeting and should be kept to a minimum.

ACKNOWLEDGMENT OF VISITORS: Jason Rodriguez, The Sun News
Charles Perry, My Horry News
Darrell Wycroft, CAC

PUBLIC COMMENT: None

EMPLOYEE RECOGNITION: Mr. Rollins recognized Ms. Jean Garner as the Employee of the Quarter and Ms. Gladys Hemingway as Operator of the Quarter. Each received a framed certificate and a \$50 gift card.

Mr. Mickey James spoke as to the appreciation of the Board of Directors for the too-short tenure of Mr. James J. Elekes and the prayers that continue to be said for his family.

APPROVAL OF MINUTES: It was properly moved and seconded that the minutes from the meeting of October 30, 2013 be approved. There being no questions, a voice vote was taken. No nays being heard, the motion carried.

CITIZENS ADVISORY COMMITTEE: Ms. Pam Creech reported that the CAC is polling communities and riders to determine how Coast RTA will improve/increase service, if funding were available, and identify new areas of service. To that end, CAC members, along with Coast RTA staff, are conducting public forums. She also distributed a flyer containing the dates of upcoming public forums from February 5th – February 13th, and invited everyone to attend. She also reported that the number of surveys being completed and returned is amazing. She has been contacted by the League of Women Voters in Georgetown regarding conducting surveys in their communities. Pam stated that they would really like to add to the CAC group. A new form was distributed to each board member to use to nominate one new CAC member.

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MONTHLY REPORTS:

Finance and Administration: Julie Norton-Dew began the Finance and Administration report by referencing the numerous resolutions to be presented this month listed in her agenda. She suggested reviewing only the December financials, due to the time constraints. Ms. Norton-Dew introduced Dean Richardson, who has been in the facility performing our independent audit, to give an overview of the audit, a draft of which was presented in October, 2013. The primary difference from the October draft audit until now is a reclassification of insurance proceeds that were originally deferred (the liability). It was recognized as income, so the bottom line increased by \$30,000. That was the only major affect. The Auditor's report is identifying an unmodified opinion, which is a clean opinion. That's a change in terminology from prior years – it used to be unqualified, so it's an unmodified opinion, a clean opinion for 6/30/2013 financial statements. We do have an additional paragraph included in the auditor's report, what is called an "emphasis of matter" paragraph and that alerts the reader to a matter that's important in reviewing the financial statements as a whole. It does not affect the opinion, but it does call attention to the reader that there is something in the financial statements of which you need to be aware. That matter is the bus shelters. The subsequent events footnote also is expanded to include activity since June 30th, of which one of the items included is the bus shelters. That was added after the October draft, due to new information in November. The "emphasis of matter" paragraph has no effect on the opinion we issue. We can still issue an unmodified opinion. Discussion ensued regarding the shelter/signage project. Mr. Rollins had the plan, requested by SCDOT, available for those who wished to review. SCDOT came back after 30 days and stated that the plan did not contain sufficient detail. It is noted in the audit report that SCDOT sent notice that they will take possession of the shelters. It was decided to discuss this project further during the Planning report.

Ms. Norton-Dew shared that in order to move beyond maintaining what is being done presently, additional funding is crucial. Mr. Rollins spoke of expanding the Fund Development Committee formed last year to assist in identifying new streams of funding for Coast RTA. Teams of staff and a board member will meet with prospective companies, organizations, etc. regarding funding for the authority. Ms. Norton-Dew suggested that further discussion of additional funding be deferred to the Planning report.

She then gave an overview of the December financials. Financials for October, November, and December were provided in the folder furnished to each board member. They had also received the financials through e-mail as they became available. Expenses are under budget around \$50,000. Fuel and Oil and Insurance is over budget due to the Richmond buses and our not having historical data of the fuel and oil use of those buses. Discussion ensued regarding travel and training; who travels, how much are we reimbursed, how many staff attended APTA, etc. Ms. D'Angelo asked for the total for six (4 staff and 2 board members) to attend APTA. Ms. Norton-Dew replied that she will provide that amount, as well as what was reimbursed through RTAP (Rural Transit Assistance Program). The question of who will be attending the Legislative Conference in Washington, DC was also asked. Ms. Norton-Dew replied that she is

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the only attendee, as it is part of her training as a member of Leadership APTA, Class of 2014. Ms. Johnson asked if it was a requirement for those positions to attend (APTA) or was that an agency decision that we needed those positions to attend. Ms. Norton-Dew deferred to Mr. Rollins to answer. Ms. D'Angelo expressed that it be shifted around so the same people don't go every year; if we send the same staff every year, it's not fair to the other staff. Mr. Rollins replied that APTA is our opportunity to see the technology and to update ourselves on legislative changes and to learn the latest transit developments. We send our senior staff and the information cascades down through the organization. It's the ultimate responsibility of me and the two DGM's to ensure that we balance the budget from a fiscal standpoint, that we make pull-out from an operations standpoint; and to that end, we will typically go to the annual conference and acquire as much information as we can during that week, bring that information back, and share it with the rest of the organization. It is cost prohibitive to take, for instance, all directors to the conference. It would also be unproductive to send different people over different years because ultimately, we would be charging them with responsibility to make decisions in areas that are outside their areas of responsibility. On a local level, we have the state transit conference, which is hosted each year in Myrtle Beach, and its actually next month. We try to involve as many of our staff as possible. We've been fortunate in receiving scholarships to cover the costs. Looking at APTA last year, we actually applied for and received scholarships, from the state, to pay for two of our staff to attend. We made the decision about four years ago to leave it to the chair to decide which board members attend. Mr. James expressed that he feels the board chair should not get to attend all the time and that all of the board members should be able to attend, as they all have the same right. Ms. Norton-Dew added that due to the TASC Conference being held in Myrtle Beach each year, we do not pay for accommodations or food for staff to attend, which enable us to send more staff. Dr. Twigg expressed concern regarding training for the Human Resources staff. Mr. Rollins replied that our staff does attend training in Columbia, Atlanta, etc. Ms. Beaty added that training offered by the state is, for the most part, free to attendees and we take advantage of webinars. Ms. D'Angelo asked if we had considered board members attending these different trainings. Ms. Beaty replied that the training is usually for staff whose responsibility it is to perform the duty to which the training applies (i.e. payroll, drug and alcohol, etc.).

Ms. Norton-Dew continued the review of the December financials by stating that overall, for the year, we are under budget \$49,000 and I project that at the end of the year we will be under budget approximately \$85,000. As far as our day-to-day budget, we're good. Regarding the non-reimbursable expense, the \$88,831; the majority of that is the \$73,000 to Stantec. We had to take that expense this month, as we paid them off. There is also \$9900 on the shelter project for which we will not be reimbursed. She added that we will receive \$29,000 from SCDOT for the feasibility study. Mr. Rollins noted that the feasibility study (Stantec) and the shelter project will be discussed further during the planning report.

Ms. Norton-Dew explained that even with losing the \$350,000 in revenue from CCU, there was no significant impact on our budget, as expenses related to CCU were reduced, by \$277,000. She also reported that the lease, on the buses, has been paid off. Additionally, the FY2014 budget revisions have not been completed as the leadership team is still working on that.

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Joe Ponticello gave an overview of the fleet status report. In March 2013, when he gave a detailed fleet status report, we had 51 revenue vehicles in our fleet, of which 23 (45%) had met their useful life. Every six months we look at how many of our vehicles have met their useful life, whether it's by mileage or number of years. As of December 31, 2013, we have 48 revenue vehicles in our fleet, of which 31 (65%) have met their useful life. On average, the mileage on each of our vehicles, as of December 31, 2013 is 312,000 miles and the average age is 10 years old. Ms. Johnson asked for the average number of breakdowns per week. Ms. Norton-Dew responded that the information is available; however, she doesn't have it with her, but will get the information to her. Last month, there were two tows. She also asked if we have a contract for towing and Mr. Ponticello responded that last year we did a procurement, a three-year deal for towing.

Operations: Ms. Johnson turned the operation report over to Felicia Beaty, who began with the Ridership Report. Ms. Beaty gave an overview of the report for October and November, 2013. As of December 31, 2013, total ridership year-to-date for FY2014 was 267,808, a decrease of 54% over last year, as a result of losing CCU. However, taking CCU out of the equation, our ridership (267,808) actually increased 1019 rides over last year. Mr. Silverman asked how many of the present Conway Circulator riders were previously CATS riders. Ms. Beaty responded by saying she does not have that number readily available; however, she will review the data and get back to him with that information.

Regarding route performance: The top 3 are Route 7 the top performing route (18,911), followed by 16X (13,674), and 15S (12,083); with 15N, 16, 10, 1, 747N, and 747S. Since the beginning of the Airport Shuttle, we have had 6,116 rides. The numbers have decreased due to the season. In October, 541 rides; November, 158 rides; December, 109 rides.

Planning: Mr. Rollins began the planning report by talking about the transit center feasibility study. The intermodal center feasibility study was approved by this board last year at a special-called board meeting on May 14, when the board authorized us to enter into a contract with Stantec at an amount not to exceed \$246,137. Mr. Rollins recapped some of the history of this project regarding the assistance of the City of Myrtle Beach in the planning for the facility and the Waccamaw Regional Council of Governments (COG) and GSATS support through funding at the \$250,000 level. At that time, it was a 100% funded project and did not require a match. Once the contract was approved, the City of Myrtle Beach, Jack Walker (Director of Planning) assumed the project management role. He formed a stakeholder oversight group to meet and oversee the project, on a regular basis, as the project moved forward. However, in June, at one of the stakeholder meetings, we were told via a conference call that the project had to be put on hold by Federal Highway Administration. We never spoke with FHA, but SCDOT informed us that the project had to be put on hold. We learned that whenever you use Federal Highway funds, there are two pre-conditions that the use of Federal Transportation funds do not require. The first is that the funds be obligated by FHWA; and the second requirement is that once the funds are obligated by FHWA, they (FHWA) issue a Notice to Proceed. Despite the fact that we

all were working in a good-faith way (COG, Coast, City of Myrtle Beach, Stantec, and Stantec subs) to move the project forward (i.e. the event held at the train depot), those two (2) mandatory steps had never been taken. We're not sure whose responsibility it was to take those two steps, but the reality is that because once the COG authorized the use of the funds, no one went to FHWA to ask them to obligate the funds, which they would have done, or to issue a notice to proceed, the project had to be put on hold. As a result of that, we determined that a couple of things had to happen. Stantec, who was simply performing their duties as was identified in the contract, issued us an invoice in the amount of \$73,386.14. But, what we also learned, for the first time, is that the project was not a fully-funded project and that there is a 20% match requirement. Of that total amount, 20% had to come off the top, roughly \$14,677, the 20% match for which we were responsible (amount was confirmed by Ms. Norton-Dew verbally). Those are new dollars that we had not budgeted on a project that we thought was fully funded, that we learned had a 20% match. In discussions with SCDOT, it was determined that the balance, which is about \$58,709, would be split 50/50 between the parties. I think that was due, in part, to the fact that there was miscommunication. No one was completely to blame or at fault, so based on fairness and equity, SCDOT and Coast RTA would split those costs. That came to about \$29,355 each. So, our expense, if you add the \$29,355 to the \$14,677, came to about \$44,031.57, give or take. I share that with you just to help you understand how we got from where we were – a fully-funded \$250,000 project to where we ended up in June, a project that required a 20% match, and what we did about it. SCDOT advised us that they would forward their \$29,355 within thirty (30) days of a formal request; and that was sent to them per their request. Thirty days later we just followed up to see where they were because Stantec wanted their payment, to which they were entitled, and we were informed that we had to enter into a contract, we had to sign an agreement in order for them to process the payment. We have done that. Mr. Silverman asked, "An agreement with DOT"? Mr. Rollins responded, "With DOT". There had to be a signed agreement, which we didn't know thirty days earlier, when we submitted the request. So, the finance staff, that day, prepared the document and dispatched it to DOT. We were told it would be thirty days from then; that was sixty days ago. So, I decided, as General Manager/CEO, that we would pay the money. So, we have paid Stantec, in full, including SCDOT's share. Mr. Silverman stated, "That's what reflected on the non-reimbursable." Mr. Rollins' replied, "Exactly". Ms. Norton-Dew shared that they have not paid us to date. Mr. Rollins clarified that it's been a total of ninety days, it's been sixty days since we sent the agreement plus the thirty days before that. Ms. D'Angelo asked if we have documentation that says that SCDOT is liable for half; to which Mr. Rollins replied, "yes". He then continued by saying that we will get it. He just wanted the board to know why the numbers, when we were talking about it in the finance meeting, why the numbers looked skewed, is because we have not recovered the SCDOT share of the funds and we just didn't want to hold the payment up. Ms. Norton-Dew shared that we have the signed contract, I have the documentation. Mr. Loftus stated, "So, we're out \$43,000 from where we started, that we didn't think we'd have to pay." Mr. Rollins replied, "Absolutely". Mr. Loftus, "that's the bottom line." Mr. Rollins then stated that the net will be \$44000. Mr. Loftus asked if the project has to be rebid and what if Stantec doesn't get the rebid. Mr. Rollins explained that the process, as we understand it, moving forward we have to make a declaration – these are still Federal Highway funds, we now know that there is a match requirement. If you back out the payment that was

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received, based on the \$246,137 contract amount, there is \$172,751 worth of work yet to be performed. Mr. Loftus interjected – if Stantec gets the rebid, correct; or is Stantec going to transfer what they've done to whoever gets the rebid if they don't get it. Mr. Rollins replied, "What we asked Stantec to do"

Mr. Loftus, "Mr. Rollins, please, am I correct?" Mr. Rollins replied, "I'm going to answer your question, what we asked Stantec to do was provide us with the work that they have done to date, which is this document (holding up the document), which they agreed to do and provided us. When we rebid the work, this will be included in the solicitation, so the playing field is level for everyone. I had a follow-up meeting with Tom Leath and the city just to secure further assurances that they are willing to continue as the project manager, which they have indicated that they absolutely will. We had a follow-up meeting three weeks ago with the COG, and here are our choices: we can continue to pursue the project under Federal Highway regulations and that will require a LPA (Local Public Agency) that has to oversee the project this type of work; and we have to follow FHWA requirements. And again, this is what I'll share later, impacted us on the shelter side. Under Federal Highway regulations, when we use their funds, it has to be a turn-key project. So, you can't purchase part of it and then hire a firm to do another part and then oversee another part by your staff. It has to be all in one, and we have to approach it that way. Or, at their suggestion, they would be open to transferring the funds, either the full \$250,000 or \$176,000 from FHWA to FTA, so it would be Region 4 of the Federal Transit Administration, and they would oversee the project, where the rules are very different; rules that we are accustomed to, that we operate under every day; where we would do draws through a process with which we are very familiar. So, in discussing this with Myrtle Beach representatives and Mark Hoeweler and COG representatives, we reached agreement that we do want to move forward and we do want to pursue the entire \$250,000; and we do want to make the request that the funds be transferred from Federal Highway regulations to FTA regulations and oversight. The next step in that process is for the COG and Mark Hoeweler to make that request and Mark, either he has or is in the process of making the formal request, based on that agreement. Mr. Silverman asked, "So, the COG would ask FTA to start all over again with the \$250,000, not the \$176,000?" Mr. Rollins replied that the request goes to FHWA to use the \$250,000 or the \$176,000 and transfer them to FTA. Then, FHWA and FTA will work together to make that transfer happen. Mr. Loftus reiterated that we're out \$80,000 that we hadn't planned on. Mr. Rollins continued, so, given the fact that there is a 20% match requirement, which we didn't budget for in this fiscal year, we will, and everyone is in agreement, wait for that process to go through its natural progression and be prepared to release a new solicitation in fiscal year 2015, which starts July 1. During that interim period, we are in discussions with the city, we're going to start the preliminary steps to draft a new solicitation instrument. Stantec, just for the record, has expressed a strong interest in being part of that solicitation once it's placed on the street, and we will move forward. Ms. D'Angelo asked if the board has to approve this in any way. Mr. Rollins asked, "Which part of it?" Ms. D'Angelo, "the whole thing, or are we going to wait and do it this way"? Mr. Rollins replied, "I don't think it requires any formal board action at – the reality is we have no choice." We don't have the 20% match, even on a \$176,000 project, are dollars that we don't have.

Regarding the Transportation Task Force, last year at this time I recommended to the board and

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we finalized it in April, that as part of a long range and short range strategic business plan initiative, that we begin to take a look at the entire service area, all of Horry and Georgetown counties, with the goal of developing a plan for growth. This effort would be separate and apart from our ability to fund it. We saw this as an important part of our long-range planning and we created, with the board's approval, a Transportation Task Force. The Task Force began meeting this summer and met on a regular basis. Your (the board's) representative is Professor Twigg. We came to a point where we realized that we needed matrix that we use to determine if a community needed service and if so, what type of service was appropriate. Those matrix would be created based on a number of factors, including demographics, mean age of the families in the community, the mean household income, number of cars of the average home in that community. We retained a firm, URS, to do that research for us and prepare a study. That study has been finalized and we had a debriefing two weeks ago, at the COG, and they released a preliminary draft. We provided them with input on that draft and we will evaluate moving forward (the Task Force) based on the matrix that will be provided in the report. At the February meeting, representatives from URS will present their report to the full board. Mr. Silverman asked how much the URS study cost Coast. Mr. Rollins and Ms. Norton-Dew shared that the cost was a little over \$9,000. Mr. Loftus asked if Brunswick County (North Carolina) is part of the MSA, but we don't have any responsibility to Brunswick County in any way, shape, or form. Mr. Rollins replied that one of the things when we began our discussions with the COG and SCDOT, where we brought the North Carolina DOT in, and Kitty sat in on some of those meetings, we decided that we would not provide service in North Carolina; we would be responsible to identify what portion of the additional funding, as a result of the census data, would be available to them and provide them with those funds; but then, they would take those funds and deliver their service. Mr. Loftus interjected that whatever MSA funds, whatever formula you use to prorate them, they get their dollars, and can do whatever with them. Ms. Norton-Dew stated that it population driven and their dollars will actually flow through our organization to them. Mr. Loftus, "it goes through COG to them"? Ms. Norton-Dew replied, "No, it goes through us to them." Ms. D'Angelo added that it's only about \$80,000. Mr. Rollins added that we will realize close to about \$300,000 more based on the census data and the MAP-21 redistricting.

Regarding the shelter & signage project, Mr. Rollins gave a brief history beginning when he came to Coast RTA in 2004. Mr. Rollins presented a request to WRCOG for funding to purchase and install shelters and signage and introduce technology. In 2007, the request was honored and \$1 million was put into the TIP, to be paid out in \$350,000 increments over two years and \$300,000 in the final year. We projected that it would be a four-stage/four-year installation. We realized that we don't have the knowledge, experience, the man power or the resources to install shelters. SCDOT identified a 2009 project completion date; we requested an extension (was approved); we requested an extension that would take us through to July 1, 2013; however, in April we were told to suspend the project, which we did. Just as with the feasibility study, in 2007 when the funds were approved and appropriated, those funds were to be obligated by Federal Highway and the notice to proceed issued. Also, what we learned, from the beginning of the project, we were following the wrong set of rules. SCDOT was identified to oversee the administration of the project, and we worked closely with them. But, they were being administered under the Federal Transit regulations and guidelines. We learned at the

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November 4th meeting in Columbia that they should have been managed under Federal Highway Administration guidance. So, from the very beginning, when we purchased the shelters, we were in technical violation of Federal Highway rules in 2008, when the shelters were delivered to us. When you use Federal Highway funds, you can't bifurcate the scope, or tasks, of the project. It has to be a turn-key project. So, we should have released a solicitation that designed the shelters, purchased the shelters, and installed the shelters with one firm. So, what we learned: Federal Highway projects must be low-bid projects only, based on a complete set of plans; Federal Highway does not allow for owner supply of materials. We were not aware of that at the time; SCDOT was not aware of that at the time. We were told by what I thought at that time was FHWA staff, which were apparently SCDOT staff, in that meeting that FHWA does not allow for you to have owner-supplied materials; and in 2008 they created a program to start looking at contracts like this, there were over 500 across the country, that were using Federal Highway funds and administering under Federal Transit Administration rules. We were one of about 500 similar projects that were doing it that way. In-house forces can't provide the services to manage the project. When we used George Osborne, we were in technical violation of Federal Highway, even though we requested and received permission from SCDOT to bring the planner in. As they went through those 500 funded projects, they got to ours and realized we were using Federal Transit Administration rules, that's when they shut the project down. We also learned that the commission, SCDOT, in 2011 passed a new rule that requires 20% match, even on projects that are fully funded, that they administer. Once again, similar to the feasibility study, even though everyone was in agreement that the shelter funded project would be a no-match project, the rules were changed in 2011 to require match, even for projects that were approved prior to 2011.

Mr. Silverman asked, "We didn't know that until 2013?" Mr. Rollins replied, "We didn't know that until we went to that meeting on November 4th." Mr. Loftus stated, "I find that hard to believe, this thing started in 2007, or 6." Mr. Rollins replied that he made the request in 2006. Mr. Loftus, "I mean this sounds like, I hate to use this metaphor, but this sounds like Benghazi, you know, it's nobody's fault. So we got \$453 on the table and all we're gonna realize is what they're gonna get for the bus shelters, so say they get \$100,000, we're on the hook for \$353 right?" Mr. Rollins responded, "No, we don't know, we haven't been told that." Mr. Loftus, "What about that December 17th letter?" Ms. Norton-Dew responded, "It said *potential liability*." Mr. Loftus, "So we have the possibility, if they don't get anything for 'em, we're up to \$453,000, correct?" Ms. Norton-Dew responded, "I understand what you're saying, it says potential liability, it did say that SCDOT did make a payment back to Federal Highway and lessened the amount, and it said that SCDOT would further contact us with any potential liability, but there wasn't any decision, there still has not been any decision; and we have not received any correspondence, since that date, of any potential liability." Ms. D'Angelo asked how we put the shelters in at the transfer center, if we didn't do it correctly. Mr. Rollins replied that we were doing it under SCDOT's guidance and their contract. She then asked if they would pull them out. Mr. Rollins replied that he doesn't think they will pull those out. Further, as difficult as it appears and as frustrating as it is, we, as practitioners, are five times more frustrated because we have been living this since 2007; and we have been submitting monthly reports. Mr. Loftus, "I can't believe this." Mr. Silverman asked him what it is that he can't believe. Mr. Loftus replied, "I can't believe from 2007 to 2013 it kept getting more convoluted, and more convoluted, and more convoluted and it just, I just can't, remember I was with SCDOT, I know

how they operate, and yes, they..., alright, they don't know." Mr. Loftus continued by saying that in six or seven years, you generally can get things straightened out, alright? All I know is that we have a potential liability of up to \$530,000; \$530,000, \$80 grand for sure and up to \$453 on the other. Mr. Loftus then asked, "Whose responsibility was it?" Ms. Norton-Dew interjected that she wants the board to understand that we have a contract with SCDOT that was signed back in 2006 or 2007, around the time that this project had started. Within that contract, it was stated specifically, that any work that is going to be done with the shelters had to be pre-approved by SCDOT and once those items were completed, we would be reimbursed, and we were. So, every time we would complete a project, when we purchased the shelters, we submitted the bill to them and got reimbursed. When we hired George, we got that pre-approved from them and it capped out at a certain amount, and they approved it. Every month, we would submit his payroll information, we got reimbursed. So, from the perspective of Coast RTA and from the finance department, who was sending these regular billings on to SCDOT, as the contract required, we were in compliance with what the contract required. However, because they were using Federal Highway funds, the contract that was laid out to us from SCDOT, did not follow Federal Highway guidelines. Mr. Loftus asked what year was this. Ms. D'Angelo asked if we have documentation on this. Ms. Norton-Dew replied that this was 2006 or 2007, whenever the contract started. We have documentation that every time we sent to them, they signed off it's a reasonable a qualified expense. We have that from them (SCDOT) every time we got paid from them, they signed a document that it's a reasonable and eligible expense. So, now that we're getting a letter that says it's an ineligible expense, that letter was referring to SCDOT's activities with Federal Highway. That was the letter dated December 17, 2013. The letter refers to "ineligible activities between Federal Highway and SCDOT", which requires SCDOT to make a payment back to Federal Highway. However, our contract with SCDOT, with which I believe we are in compliance, except that we did not complete the installation of all of the shelters. Mr. Loftus reiterated, so you're saying it took SCDOT six years to figure this out. Mr. Rollins replied, "They told us that." Ms. Norton-Dew confirmed. Mr. Silverman asked if there's any way back, any path that we can save this. Mr. Rollins suggested scheduling a meeting with the board and SCDOT. He then said that during the November meeting, we were asked to present a plan and we did. Mr. Rollins held up the 3-ring binder containing the plan requested by SCDOT, who told us that the plan did not contain enough detail. Mr. Loftus asked if he could borrow the plan for a couple of days and Mr. Rollins handed it to him.

Bylaws Committee: Dr. Twigg stated that he felt there should be an addition into the by-laws regarding the hiring of senior staff that the board have a say in hiring; such as any hire of \$50,000 or more. Mr. Loftus stated that the board hires only one person, the General Manager/CEO. The board only sets policy. It was decided that the By-Laws Committee will meet.

Fund Development Committee: Mr. James, the chair of the committee, stated that he's tried to schedule a meeting of the committee, but committee members or staff were not available. He stated that he will get with Julie on February 6th to schedule a meeting.

General Manager: The reality is that the demand for our service for a county as large as Horry

or a county as large as Georgetown far exceeds what we are able to provide at our current level of funding. Our challenge is to work with the Fund Development Committee to help us find a new, more reliable, dedicated source of revenue. Until we can do that, we are going to continue to fire fight.

Mr. James, mentioned again about iPads for the board. Mr. Silverman and Ms. D'Angelo both said that it's already been discussed before and it was decided not to purchase them. Everyone who presently has one, including staff, purchased their own.

BOARD RECONSTITUTION UPDATE – Barbara Blain-Olds reviewed the Attorney General's opinion regarding the questions submitted by Coast RTA through the Horry County Legislative Delegation. A packet, containing copies of the questions submitted by Coast RTA, Horry County Council, and the Attorney General's opinion, was provided to each board member and meeting attendee.

APPROVAL OF RESOLUTIONS:

**WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
RESOLUTION NO. JAN2014-01**

**GRATEFUL ACKNOWLEDGEMENT OF THE CONTRIBUTIONS OF
BOARD OF DIRECTORS MEMBER, JAMES JOSEPH ELEKES, JR.,**

It was properly moved and seconded that the resolution be approved. There being no further questions, a voice vote was taken. No nays being heard, the resolution carried.

In the interest of time, it was decided that only the resolution number and title of each resolution be read into the record.

**WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
RESOLUTION NO. JAN2014-02**

**AUTHORIZATION TO FILE APPLICATIONS WITH THE SOUTH
CAROLINA DEPARTMENT OF TRANSPORTATION (SCDOT) FOR
FEDERAL AND STATE FUNDING**

It was properly moved and seconded that the resolution be approved. There being no further questions, a voice vote was taken. No nays being heard, the resolution carried.

**WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
RESOLUTION NO. JAN2014-03**

**AUTHORIZATION TO SUBMIT A LETTER TO GEORGETOWN COUNTY
REQUESTING FISCAL YEAR 2015 FUNDING**

It was properly moved and seconded that the resolution be approved. There being no further questions, a voice vote was taken. No nays being hears, the resolution carried.

**WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
RESOLUTION NO. JAN2014-04**

**AUTHORIZATION TO SUBMIT A LETTER TO THE CITY OF NORTH
MYRTLE BEACH REQUESTING FISCAL YEAR 2015 FUNDING**

It was properly moved and seconded that the resolution be approved. There being no further questions, a voice vote was taken. No nays being hears, the resolution carried.

**WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
RESOLUTION NO. JAN2014-05**

**AUTHORIZATION TO SUBMIT A LETTER TO THE CITY OF
GEORGETOWN REQUESTING FISCAL YEAR 2015 FUNDING**

It was properly moved and seconded that the resolution be approved. There being no further questions, a voice vote was taken. No nays being hears, the resolution carried.

**WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
RESOLUTION NO. JAN2014-06**

**AUTHORIZATION TO SUBMIT A LETTER TO THE TOWN OF
SURFSIDE BEACH REQUESTING FISCAL YEAR 2015 FUNDING**

It was properly moved and seconded that the resolution be approved. There being no further questions, a voice vote was taken. No nays being hears, the resolution carried.

JANUARY 2014 MEETING HELD FEBRUARY 5, 2014 (ICE STORM)

**WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
RESOLUTION NO. JAN2014-07**

**AUTHORIZATION TO SUBMIT A LETTER TO THE CITY OF CONWAY
REQUESTING FISCAL YEAR 2015 FUNDING**

It was properly moved and seconded that the resolution be approved. There being no further questions, a voice vote was taken. No nays being hears, the resolution carried.

**WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
RESOLUTION NO. JAN2014-08**

**AUTHORIZATION TO APPLY FOR FISCAL YEAR 2015 GRANT
FUNDING FROM THE CITY OF MYRTLE BEACH**

It was properly moved and seconded that the resolution be approved. There being no further questions, a voice vote was taken. No nays being hears, the resolution carried.

**WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
RESOLUTION NO. JAN2014-09**

**AUTHORIZATION TO REQUEST FUNDING FOR FISCAL YEAR 2015
FROM HORRY COUNTY FOR MASS PUBLIC TRANSPORTATION
SERVICES**

It was properly moved and seconded that the resolution be approved. There being no further questions, a voice vote was taken. No nays being hears, the resolution carried.

**WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
RESOLUTION NO. JAN2014-10**

**APPROVAL OF FREEDOM OF INFORMATION ACT (FOIA) REQUESTS
FOR PUBLIC INFORMATION POLICY**

It was properly moved and seconded that the resolution be approved. There being no further questions, a voice vote was taken. No nays being hears, the resolution carried.

JANUARY 2014 MEETING HELD FEBRUARY 5, 2014 (ICE STORM)

**WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
RESOLUTION NO. JAN2014-11**

**ACCEPTANCE OF INDEPENDENT AUDIT REPORT
FOR FISCAL YEAR 2013**

It was properly moved and seconded that the resolution be approved. There being no further questions, a voice vote was taken. No nays being heard, the resolution carried.

OLD BUSINESS: (none)

NEW BUSINESS:

EXECUTIVE SESSION: The Board went into Executive Session at 2:37 PM to discuss an employment contract.

There was a motion and second to come out of Executive Session. A voice vote was taken. No nays being heard the Board meeting resumed at 3:09 PM.

ANNOUNCEMENTS: (none)

ADJOURNMENT: It was properly moved and seconded that the Board adjourn. A voice vote was taken. No nays being heard, the Board adjourned at 3:10 PM.