

**THE COAST RTA-WACCAMAW RTA
BY-LAWS COMMITTEE/BOARD OF DIRECTORS MEETING
SEPTEMBER 24, 2014
9:00 AM**

Board Present: Bernard Silverman, Chair
Joseph Lazzara, Vice Chair
Katharine D'Angelo
Nicholas Twigg
Chuck Ottwell
Lillie Jean Johnson
Ivory Wilson

Staff Present: Julie Norton-Dew, Interim General Manager
Felicia Beaty, DGM of Operations – COO
Lynette Nobles, Grants Administrator/Board Liaison
Doug Herriott, Transportation Manager
Tom Arends, Material Controls & IT Analyst
John Glover, Transportation & Service Planning Manager
Michelle Cantey, Public Information Officer

Also Present: Jay Specter, Citizen
Jason Rodrigues, The Sun News
Darrell Eickhoff, AARP
Bobby Lamb, Citizen

In accordance with the Freedom of Information Act (FOIA), the 2014 meeting schedule was provided to the press at the beginning of the 2014 calendar year, stating the date, time and location. In addition, notice of this meeting was provided to the press, stating the date, time, and place of the meeting on Monday, September 22, 2014.

CALL TO ORDER: Chairman Silverman called the meeting to order at 9:00 AM.

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

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

RECOGNITION OF VISITORS: Mr. Silverman announced that coffee is available in the lobby for the visitors. He then recognized the visitors (see above).

PUBLIC COMMENT: Mr. Lamb spoke regarding his concern for Route 10. He had spoken with the driver and asked if he had any concerns he would like Mr. Lamb to express to the board. He then talked

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about pulling a cord to let the driver know when he wants to exit the bus. Mr. Silverman thanked him for his comments.

Mr. Specter began by saying, *“I’ve met most of you personally”* and that he would just like to make a few comments. He read the following statement, *“Discrimination in any form cannot be tolerated in a civilized society. Job applicants cannot be judged based on your race, religion, sex, national origin, physical disability or age. This practice is ugly and cannot be tolerated here in Horry County or anywhere else in the United States. Since 2012, the EEOC, Equal Employment Opportunity Commission, banned using arrest or conviction records as the sole basis to turn away applicants, in addition to other criteria previously mentioned. Thus, another form of discrimination is no longer tolerated in the United States, including Horry County. You can no longer rely on the, that knee-jerk reaction to exclude someone from employment. Since 2012, anyone who believes that they have been discriminated against, due to criminal conviction or arrest, can take the matter up with the EEOC Commission. The prospective employee can make a Title VII discrimination claim, based on being excluded from employment. In January 2012, the EEOC reached a settlement with Pepsi in the amount of 3.13 million dollars for the exact same type of discrimination. In the case at hand, this board discussed my hiring and reached the conclusion that my criminal conviction was the sole basis for refusing to hire me. In fact, your main concern was that you were afraid of what the press would say; or more specifically, what Jason Rodriguez would write in The Sun News; not what my credentials were or what I could do for Coast, to turn around a company in need of a better public image, among other things. Now you must admit that this is an awful reason for excluding anyone the opportunity for employment. The Board of Waccamaw Regional Transportation Authority dba Coast RTA has practiced discrimination in this case. Companies who discriminate risk being excluded from all federal contracts and grants; they expose their corporate assets, and in some cases, personal assets to litigation. In light of this information just presented, I would ask that the board reconsider their prior decision and right a wrong. Thank you very much.”*

EMPLOYEE RECOGNITION: None this month

APPROVAL OF MINUTES: It was properly moved and seconded that the minutes from the meeting of August 27, 2014 board meeting and the minutes from the September 17, 2014 meeting be approved. There being no questions, a voice vote was taken. No nays being heard, the motion carried.

MONTHLY REPORTS:

By-laws Committee: Ms. D’Angelo, Chair of the committee, stated that the committee met on September 17, 2014, with the majority of board members attending, as well. She recapped the history of the board reconstitution efforts. As a result of the September 17th meeting, the committee is recommending to the full board that the by-laws be changed to reflect a board of eleven (11) members, which would include the addition of two (2) seats, to be filled by Horry County appointees. After extensive discussion, it was felt that the board should seek a legal opinion regarding this change, to ensure that the Waccamaw Regional Transportation Authority dba The Coast RTA, is accomplishing this reconstitution in a legal manner. There was a motion and a second that the resolution be tabled until

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the October board meeting, in order to get the legal opinion. Dependent upon the legal opinion, the resolution may be presented for approval at the October board meeting.

Fund Development Committee: Mr. James shared that the committee has not met with Brad Dean, Myrtle Beach Chamber, since the last meeting. He will schedule a meeting with him at a later date.

Planning and Development: Dr. Twigg met with Ms. Norton-Dew and discussed several items. He then asked her to present the updates. Ms. Norton-Dew announced a meeting that has been scheduled to discuss the Intermodal Center Feasibility Study and invited those who would like, to attend.

She then informed the board that the plan to move the shelters to the building across the street has hit a snag and an alternate plan is being formulated. Ms. D'Angelo asked how long The Coast RTA will be storing and insuring the shelters. Ms. Norton-Dew replied that the letter of March 21, 2014, sent to Mr. Hoeweler, gave no indication as to the time period of the agreement. After discussion, the board requested a letter be sent to Mr. Hoeweler, Waccamaw Regional Council of Governments, stating that The Coast RTA will not be able to continue to store and insure the shelters beyond March 21, 2015.

There is no signage project update.

Regarding the new bus purchase, we have not received the results of the grant for which we applied.

Route Analysis – an update will be given in the “New Business” portion.

Operations and Maintenance: Ms. Johnson began by sharing that she and Ms. Beaty discussed the agenda and then asked Ms. Beaty to give the updates. Ms. Beaty began by going over the agenda; there are no action items or action item updates. She then reviewed the Ridership Report, showing a 4.4% increase from July to August. Route 7 continues to be the top performing route with 11,748 rides. Ms. Beaty asked Mr. Herriott, Transportation Manager, to explain the recommendation for the Georgetown Route to accommodate the Wal-Mart on highway 544 (as was promised to Mr. Ottwell in August). Mr. Herriott walked the board through the possible change in the route in the area of the Wal-Mart just off By-pass 17 and Hwy. 544 to address Mr. Ottwell's concern for the safety of the passengers in that area. Ms. Norton-Dew added that this 3-mile change in the route would result in an additional cost of \$15,000 - \$19,000 dollars; and reminded the board that any change in a route has a financial component, which has to be considered. When asked how many riders the change would impact, Mr. Herriott shared that he has spoken with the drivers and it would be between 2 and 5 riders who work at that particular Wal-Mart. He also stated that the ridership will be monitored on a regular basis.

Ms. Beaty then distributed “Know Your Zone” information and gave a brief update of the meeting and discussion with Randy Webster, with Horry County Emergency Preparedness. Ms. Beaty shared that she has reached out to Georgetown County to get information on their emergency procedures/process as we would like to be at the table in their discussions.

She then reported on community outreach - the event for the homeless Veterans held in Myrtle Beach, sharing that it was a great event and The Coast RTA provided free passes for the Veterans to attend the

event. She then asked Mr. Al D'Andrea to update the board on his efforts regarding the airport. There was a discussion regarding the ridership number for the airport is only 41. Ms. Norton-Dew pointed out that the 41 riders on the airport route was prior to the 747 routes being combined into Route 10; therefore, the numbers are included in the Route 10 ridership. Discussion ensued as to how The Coast RTA can have more exposure at the airport.

Ms. Beaty proceeded with the agenda items, moving to the Maintenance update. She has met with each of the mechanics in order to have classify them into the correct designation (i.e. – Class A, Class B, etc.) to better utilize their talents. Applications for mechanics have been received and the interview process is ongoing.

Ms. Beaty answered questions regarding the fleet; 22 of 45 are down at the present time; there are times during business hours when some of the buses are back on property due to the operation hours of a particular route; there are buses on property which are targeted for disposal.

Finance and Administration: Mr. Lazzara began by saying that he has discussed the financials with Ms. Norton-Dew and the members of the Finance Committee who were available on Tuesday morning; resulting in a correction on the long-term debt. He then turned the meeting over to Ms. Norton-Dew.

Ms. Norton-Dew began by referring to the information of other RTA's and organizations as relates to their per diem for meals. She requested that the board act on the change(s) to the Travel Policy, as there are employees and board members who will be traveling and this needs to be finalized prior. Mr. Silverman asked that she continue with the agenda and come back to the travel policy.

Ms. Norton-Dew informed the board that it is no longer necessary to apply for a loan, as the funds from SCDDOT have been received.

She then began the review of the financials with the notes regarding Income Statement variances of \$5,000 per MTD and YTD; and continued through the financial package. Professor Twigg referred to the Bus Advertising Revenue and there was a discussion as to how to increase that revenue stream. Mr. James commented by pointing out that a company would not want to pay to advertise on a bus that's broken down, not on the street.

Ms. Norton-Dew then pointed out that our Comparative Current Ratio is 163%; Long Term Debt is coming down; and Farebox Recovery rate is 12.3% (with Administration) or 16.6% (without Administration). The cost per ride is \$9.05 and revenue is \$1.11, which is a deficit of \$7.94 per rider, of which \$3.87 comes from federal; \$1.35 from state; and \$2.72 from local funds.

Ms. Norton-Dew provided the Procurement update regarding leasing of buses versus purchasing of buses. She then read information provided by Kevin Parks, by reading the following prepared statement, *“According to David Clausen, Regional Vice President, National Bus Sales and Leasing, with his extensive experience in bus sales and leasing, he knows of no way to justify a long-term ten or twelve year rolling stock lease being cost beneficial over a purchase. The favorable cost benefit of a lease versus a purchase is a requirement by FTA to allow capital leasing. Having knowledge of the actual*

cost of buses from most manufacturers, David said the numbers just cannot be worked out in favor of a lease. The lease must be at least 75% of the life of the asset. He also said there is a hesitancy throughout the financial industry to even offer a long-term lease due to the uncertainty of ongoing FTA, state, and local funding.”

The second item is a request for information for contractual general manager. Kevin has written the document and it is in Ms. Norton-Dew’s office for review and approval; then it has to go to SCDOT, then to FTA, then posted to SCBO for 28 days, then it will be posted in various mass transit publications and then sent to transit management companies. SCDOT and FTA approval could take several weeks; the entire process will take a few months. We are keeping the process going. Once Ms. Norton-Dew has approved it, she will then send it out to the board. Another item is an RFI for as-needed legal services. That is also awaiting Ms. Norton-Dew’s review and approval; then it will be sent to the board and the same process will begin. Regarding hand rails, we’ve hit a bump with our interior hand rail; this work is being awarded to a contractor who is supposed to be coming in and getting that done.

Our annual SAM (System for Award Management); in order to do business with the federal government, we have to be registered each year.

The last thing is the shelter storage, and we’ve already discussed that subject.

Mr. Silverman asked if anything has been decided about the two buses that are out of service. Ms. Norton-Dew answered that she did an analysis as to the federal interest in the two; \$90,000 on #811 and \$2,000 in the other. There are 2 options for 811 (the \$90,000); fix it, which would cost more than \$90,000 or take the loss. She will write a letter to FTA to let them know what our intentions are, scrap the bus and whatever amount we get for it will go toward the debt. The balance would either roll into another vehicle or we would pay it back.

Mr. Silverman then asked about the forensic audit, which was discussed at the Horry County Admin meeting. Per Ms. Norton-Dew, at the present time, Horry County is reviewing our financials and will get back with us regarding the forensic audit, as to the scope of the audit. Dr. Twigg offered that we have had clean audits for the last 6 or 7 years, and that should be shared.

Mr. Silverman then wanted to discuss the revised travel policy. Throughout the discussions, four separate motions were made. (1) There was a motion and second that the per diem for meals be set at \$35 per day with no receipts. A vote was taken and the motion failed, with a tied vote. (2) There was another motion and second that the amount be set at \$37.50 per day with receipts. A vote was taken and the motion failed with a tied vote. (3) There was a motion and a second that the amounts be set at \$35 per day for in-state with receipts and \$57 per day with receipts for out-of-state. A vote was taken and the motion failed, with a tied vote. (4) There was a motion and a second that the amounts be set at \$35 per day with no receipts for in-state and \$57 per day with receipts for out-of-state. A vote was taken and the motion passed with 5 Yeas and 2 Nays. Ms. Norton-Dew added that on the first and last day of travel, the amount is 75% of the per-day amount.

Interim General Manager: Ms. Norton-Dew announced that there are several items to be discussed;

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one being the Triennial Review report. The final report has been inserted in your packet. We had to address item number 1, in order to be able to make our draws. All of the changes will be made by the last of December, except for the maintenance, for which we will submit a maintenance plan. Regarding our audit, the auditor will be with us in our October meeting. The requirement for a peer review is part of the funding agreement with Horry County, to take a look at the efficiency of our routes.

Our maintenance manager resigned, and we have put a plan into place to continue, with John Glover assisting. Mr. Halsey King, who was here during the FTA Triennial, is coming in to help us get everything in maintenance up and running more efficiently and with the maintenance plan to be submitted to FTA. Every vehicle will be inspected from the top down to certify that they are road-ready and safe for our passengers. All ordering of parts will be done from the Parts Room, in order to keep a better handle on inventory.

Mr. Silverman reported on the Horry County Admin meeting. Ms. Norton-Dew and Ms. Beaty were there and answered the questions very well.

Mr. Silverman then asked to discuss the job description and make a decision as to which version to use; then sending it to Horry County HR and perhaps Georgetown County HR to get their input, as well. There was a motion and a second to accept the shorter version of the job description with the changes proposed by board members. A vote was taken, with 6 Yea's and 2 Nay's.

Mr. Silverman said that he needs a committee to work on the protocol for the interviews. It was decided that the committee for writing the job description continue as the search committee. The Search Committee will lay out the protocol for posting the job description, the first interview, etc. That committee is comprised of Mr. James, Mr. Loftus, Mr. Ottwell, and Dr. Twigg.

APPROVAL OF RESOLUTIONS:

Ms. Nobles read the following resolution into the record:

**WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
RESOLUTION NO. SEP2014-52**

APPROVAL OF REVISED TRAVEL POLICY

A motion of the Board of the Waccamaw Regional Transportation Authority to revise the Travel Policy, to ensure proper and timely documentation, and reporting by all employees and board members.

There was a motion and a second to approve the resolution. There being no questions, a voice vote was taken. No nays being heard, the resolution carried.

OLD BUSINESS: Dr. Twigg mentioned the task force in regards to route analysis. He asked for a charge for the Transportation Task Force. He also mentioned a new institute at CCU, Institute of Business and Engagement, who has consultants who will work with us to develop a business plan. This

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would also include route development and analysis. Also, the Quality Assurance Committee, should be reinstated to assist in this.

NEW BUSINESS: Mr. Silverman requested that The Coast RTA sponsor a Business After Hours for the Conway Chamber. The cost is \$500 to sponsor. There will be no alcohol, only hors d' oeuvres.

ANNOUNCEMENTS: Ms. Nobles thanked Ms. Norton-Dew and Ms. Beaty for allowing her to take Friday away from the office to attend the Leadership Conway Retreat.

EXECUTIVE SESSION: At 1:14 PM, there was a motion and a second to go into executive session to deal with a personnel issue.

There was a motion and a second to come out of executive session at 2:06 PM. There was no decision made and no vote taken in executive session.

ADJOURNMENT: It was properly moved and seconded that the Board adjourn. A voice vote was taken. No nays being heard, the Board was adjourned at 2:14 PM.

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