

**THE COAST RTA-WACCAMAW RTA
BOARD OF DIRECTORS MEETING
OCTOBER 28, 2015
9:30 AM**

Board Present: Joseph Lazzara, Chair
Robert Sheehan
Bernard Silverman
Katharine D'Angelo
Lillie Jean Johnson
Chuck Ottwell
Ivory Wilson
Marvin Keene
Mickey James

Staff Present: Brian Piascik, General Manager/CEO
Lynette Nobles, Executive Assistant/Board Liaison
Ron Prater, CFO
Michelle Cantey, Marketing & Communications Manager

Also Present: Darrell Eickhoff, AARP
Helen Walkup, Coastal Carolina Student
Amanda Schmidt, Coastal Carolina Student
Lyon Gardner, Coastal Carolina Student
Christian Harrison, Coastal Carolina Student
Suzanne Harris, Supporter – Pawleys' Island

In accordance with the Freedom of Information Act (FOIA), the 2015 meeting schedule was provided to the press at the beginning of the 2015 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 on Monday, October 26, 2015.

CALL TO ORDER: Chairman Lazzara called the meeting to order at 9:30 AM and welcomed everyone.

INVOCATION/PLEDGE OF ALLEGIANCE: Dr. Sheehan gave the invocation and the Pledge of Allegiance was recited.

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

ACKNOWLEDGEMENT OF VISITORS: Mr. Lazzara welcomed visitors and had them introduce themselves.

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PUBLIC COMMENT: Mr. Eickhoff thanked Coast RTA and the board for offering free rides for Veterans on Veterans' Day. Ms. Harris, lives in Pawley's Island and described herself as a passionate public transportation supporter. She's the transportation chairman for the League of Women Voters and writes letters to the editor suggesting that people get more involved in public transportation in our area. Mr. Silverman added that Ms. Harris has participated in CAC and the Transit Task Force. The marketing team from Coastal Carolina University are analyzing our input.

EMPLOYEE RECOGNITION: None

APPROVAL OF MINUTES: There was a motion and a second to approve the minutes from the September board meeting. A voice vote was taken, with no nays being heard, the minutes were approved.

COMMITTEE REPORTS:

FINANCE: Mr. Ottwell welcomed Ron Prater, our new CFO, and asked him to tell the board a little about himself. Mr. Prater began by saying that he moved to Little River about a year ago. He's from Toledo, Ohio, and has worked in a few non-profits, one being Catholic Charities (10 years), Volunteers of America (4 years); and, most recently, a Head Start program in Winston-Salem. He also worked for Waste Management. Mr. Piascik added that one of the things that appealed to him is that Mr. Prater has a lot of public grant experience and has a background with Sage (our accounting software). He's also done a lot of work on the reporting side, which is great for us, as he will be taking over the NTD reporting and OPSTATS with SCDOT. Mr. Silverman added that we need to begin working with HUD and the Veterans Administration.

Mr. Piascik reiterated that getting the financials (correct) to the board in a timely manner has been an issue.

Mr. James stated that we were not following the agenda; that Mr. Ottwell should not have introduced Mr. Prater; that was to be part of the General Manager's report.

Dr. Sheehan proposed that going into January, we revisit the timing of the board committee meetings. Mr. James added that the committee meetings are a problem for him, as a business owner. Mr. Piascik said that after Mr. Prater has a chance to get his feet wet, we will further discuss the committee meetings.

Mr. Piascik called attention to the over-budget on overtime during the summer, which should not be a problem. Another interesting stat is the dead head to revenue ratio was going down. That's the percentage of non-revenue hours divided by the revenue hours in service. It's down to 11% and that's what we expected. We will be looking at that since we converted some of those dead-head runs into service runs and it will be interesting to see the change over time. It was asked if there is an industry standard for that; to which Mr. Piascik replied that he's not aware of one simply because the service areas are so different. Mr. Piascik called attention to the bar chart, showing that we're 23% higher in ridership, which is really good news. Something else hitting us on the budget side, which is a concern is

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demand response revenue hours. We've got a pretty steady increase. The theory is that folks who are eligible for that service, now have a good handle on how we provide that service and are finding ways to utilize it. We have made some adjustments to the FY16 budget (draft), and I just want to give you a feel for how we're headed to that 15-month budget. On the capital side, we have the new paratransit vehicles; we'll get a time clock and automate payroll, which is huge for us; get an RFP out on the street for the AVL system; and make that connection so that riders better understand where our buses are at any given time (in real time). We're also making some inventory changes in maintenance, i.e. a spare engine for the DART buses and a spare transmission. We're making these capital investments to eliminate any significant downtime on those vehicles. In the back of your packet, on the fold-out sheet, the items highlighted in orange were updated. Mr. Piascik reminded the board that we took off the line item for staff time to support the sight evaluation for the new maintenance and passenger facility in Myrtle Beach. That was taken out because our indirect rate proposal was approved by FTA. Now, all admin costs will be spread across operating and maintenance costs like an overhead rate. We'll get those expenses reimbursed that way rather than pulling out actual planning time; it will be at the 80% rate. So, we don't need that in there anymore. Our capital program is \$828,000. Then on the operating expense side, we now have a new permanent CFO, and that's in the budget. This pay to platform operating cost analysis is exactly what we were talking about earlier, Dr. Sheehan, We run 1.25% of revenue hours in pay hours; so our budget is based on running, we ran all summer and we started fall service with all those small service improvements. We can run that service, basically, for the rest of the year all the way through September 30th; we have Entertainment Shuttle Memorial Day through Labor Day (2 vehicles), and then we have about 25 pay hours per day to play with for next summer. We're going to go through our planning work, update the TDP, all the stuff we're doing this fall, for a new start up April 1, 2016, with a few additions, basically two (2) vehicles out there. That would become our service. This budget includes the air conditioners to be installed on top of some vehicles. This is still a work in progress. We still need to quantify our use of customer service representatives. The theory behind that is they're our emergency drivers; if someone doesn't show up they take the route. We're going to schedule one (1) to two (2) shifts per week for customer service representatives to operate so they don't lose those skills. At the regional rodeo training, it was two (2) of our CSR's who placed in the competition. When there's an accident, the driver is pulled off the road until we get the results of the drug test.

On the revenue side, we were able to secure those grants. Those are in purgatory with our 5307 grant, waiting for FTA to get their system up and running; November 5th is the date. Regarding SCDOT, they were talking about two (2) full-size buses and eleven (11) cut-aways in a grant that would be 100% money. We don't need eleven (11) cut-aways; so, Mr. Piascik is hoping to convert those to big buses. Mr. Piascik reported that he has verbal confirmation from Brunswick County that we can use two (2) years' funding (2013 and 2014). He received a call from GSATS saying there is a possibility that there are other entities who want to use the JARC (Job Access Reverse Commute) portion of 5307 and we may have to put that out for people to go after; that's like 3% of our allocation. Mr. Piascik called the board's attention, again, to the items highlighted in orange.

He then called attention to the Certificate of Deposit that was opened October 27, 2015, \$5,000; interest compounds every seven (7) days at .15%. Our goal for this year is \$25,000 deposited in our cash reserve account.

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Mr. Ottwell asked when the board could expect the results of our A133 Audit. Mr. Piascik advised that he received a draft late last night (October 27th). He promised to share some of the information later in the meeting.

Mr. Ottwell asked about getting a new facility. Mr. Piascik shared that he is going to try to resurrect the project.

Mr. James interjected that we need to stop going over the same stuff. He said he's (Brian) going to go over stuff in the General Manager's report.

SERVICE COMMITTEE: Ms. Johnson began her report by saying that a good number of the board members attended the last Service Committee meeting. She said that she would follow the items from the Service Committee agenda, with the first item being the Entertainment Shuttle on-board survey, which had to be squeezed in before the end of that service for the summer. We had students from CCU to be on board to conduct that survey. The survey included such questions as the purpose of the trip, if they're visiting the area. One question we would like to have had is if they are staying at a hotel. Regarding the question of ethnicity, 47% were Caucasian and 33% were African-American, with about three (3) additional smaller groups represented. The committee also talked about the changes in service (service update) for Route 1, Route 7 and Route 16. It was discussed that we need about six (6) months of data to determine the effect of those changes. We know that the public is pleased with having the additional service, especially the service workers. Also, dead head is being neutralized in the sense that by having the Georgetown bus travel on Highway 701, serving areas such as Plantersville, Choppee, and Bucksport, the dead head is now new service to areas that had no service later in the day. We also discussed having secret shoppers on the buses, which will give us another perspective regarding how things are happening and how the drivers are doing. We would need some demographics in order to get a good cross-section of the entire county. Posting our stops is important, as well, which is part of our agenda. Regarding the fleet update, we anticipate getting our five (5) additional buses from DART. As soon as we get those, we will dispose of another nine (9) vehicles, helping to clear out the lot. Ms. Johnson mentioned that she noticed we now have a fence up. Mr. Piascik explained that the fence has stopped people from driving and/or walking through back there, especially when we have guys working on a bus out there. In discussing the peer system, it was suggested that we look at other places of our size and population, in similarly situated areas. Ms. Johnson shared that on-time performance has improved.

Ms. Johnson then turned it over to Mr. Piascik, who (regarding the peer systems) said that some of the areas on the list may drop off, some more may be added back in, etc. We will talk to them about their seasonal service, whether or not they have big increases and decreases over the course of the year. One of the main things to discuss with them is how they're funded, service levels, productivity, quality, and then these non-transit metrics; i.e. their service area, per capita income, seasonal change in population, cost of living, etc. That's a work in progress and we will continue to work on that.

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COMMUNICATIONS & PUBLIC AFFAIRS: Dr. Sheehan began his report by saying that the committee met a couple of weeks prior and reviewed the data from the Entertainment Shuttle survey. The committee reviewed Mr. Piascik's presentation and his schedule for presentations. The committee also reviewed the very successful process of having Coast RTA involved in the response to the flooding. Dr. Sheehan said that we received positive press and good decisions were made as to when to take our vehicles off the roads and when to get them back out on the roads. Mr. Piascik reported that we had the window in his office leaked and we have a problem with water and the underground tanks, which will be examined later this week. Mr. Piascik shared that Diana Seydlorsky, Horry County, invited him (Doug went with him) to a meeting with HUD that is looking at housing for developmentally disabled with a big concentration on Autistic individuals. There's one rural and one urban initiative to create group homes where these individuals can learn life-skills, have a job. They're talking about intermingling them. He and Doug were there to discuss transportation needs; but, we're not at a point where we can expand the system but if we could work some transportation costs into the grants that are being used to set up these group homes, we would certainly be a willing partner to try to help provide the service. These facilities would be right there at Broadway at the Beach and we already have a route there. The farm they were talking about is up in Longs, off of Highway 9. If we could, at least, subsidize a route up there, that's a way to improve our rural services, which is something we really need to do. This is a Community Block Grant. We will continue attending the meetings.

Dr. Sheehan shared that he and Mr. Silverman have something to present during new business.

Mr. Piascik has renamed this committee, PAC.

FUND DEVELOPMENT COMMITTEE: Mr. James said that the committee had met (he was not able to attend) and his understanding is that some want to abolish this particular group. He went on to say that he is surprised that they want to get rid of the committee and turn it into the Finance Committee. Mr. James went on to say that anyone who has questions about wanting to make the change, he'd like to know from those who have concerns about it rather than going behind his back and making statements about changing it over. Further, the Fund Development Committee has great potential and his goal, as Chair, is to try to make sure that we connect with business establishments and key folks in the community to bring funds into this organization. If the Finance Committee feels they want to do that job, its fine, whatever you want to do. Mr. James continued by saying that he's very sad that nobody contacted him, again, about wanting to make that change. We need to move forward and Mr. James would like to continue on and would like to know this board runs this policy of this company. When we have made a decision to have this committee, it would be up to this board to abolish it and nobody have anything to do with that. So, we gone move forward with this Fund Development Committee until otherwise by the board. Mr. Lazzara said that, as a member of the Finance Committee he has no knowledge of this and Ms. D'Angelo said the same. Mr. James continued by saying he's the kind of person if you're going to do something, do it right. Further, we've been established quite some time now, ideas have been brought to the table and we've got nowhere yet. Mr. James said that he's tried to promote this company, bring new folks and ideas in and hadn't moved yet. But yet, somebody had made a comment. Mr. James then said that he's moving forward with the Fund Development Committee; he's going to get with the committee and they're going to come up with some ideas and

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make this thing work. Mr. James then said that he just wants to let the people know that the board is in charge of policy of this company and when we (the board) decide we gone do something, that's what we gone do; and that's all he was trying to make clear.

Mr. Piascik then shared that what he has heard (from board members) is that we should have more board members involved in the fund development and he agrees with that. We still need to have a smaller subset of board members to sort through the details. He went on to say that we need to talk about scheduling of committee meetings and how we handle fund development. Because we need more people involved in that discussion, specifically in terms of figuring out what revenue sources will work for us. We may want to consider Fund Development Committee not meeting every month, maybe on a quarterly basis before the board meeting. That way, everyone who wants to come can come and it would be the only committee meeting on board day, meeting at 9:00 and start the board meeting at 10:00. That's more of a time commitment, but it's a good way to give everyone a voice at that table and keep everyone informed about where we're going. That discussion is controversial, but also very important for the future of this agency that we need to do it that way. Dr. Sheehan added that what he had said was that with the overlap of the Finance and Fund Development Committees is considerable and that to tap that array of interests in fund development is very important. Further, the Fund Development Committee, perhaps more than any other, has a long-range agenda that is not quite as quickly moving as every month, so what he (Dr. Sheehan) had said was not so much to abolish Fund Development Committee; keep it involved, but bring in a larger discussion to focus on long-range planning because it's not going to happen overnight, like some of the other things we've been doing. This is a long-range plan and if the summit was being questioned by the County Transportation Committee, and the summit was a short-term deliverable that we were hoping for from the committee, then it gives a little bit of time to cast broader interest in fund development. Dr. Sheehan reiterated that this is what he had said and heard. Mr. James then added that he had spoken to Dr. Sheehan a few weeks ago and is appalled that he didn't bring this to his attention at that time.

Mr. Piascik offered that we make this (scheduling committee meetings) an agenda item for the December board meeting.

Mr. Piascik said that committees will not need to meet in November, so the committee meetings originally scheduled for November 11th are cancelled.

GENERAL MANAGER'S REPORT:

Mr. Piascik said that we have a ton to do in November. Hopefully, on November 5th, TEAM (the FTA system) will be up so we can go in and get our 5307 grant up and running and approved as soon as possible.

Dr. Sheehan asked when the Transportation Committee is meeting. Mr. Piascik replied that it is scheduled for November 17th and he'll be showing them the AVL and going through the budget with them to show where we are. We should also have the audit for them.

Mr. Piascik reported that Dean Richardson (auditor) has been in our office for a couple of weeks and

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sent an audit draft of the financial statements late on the 27th. He went on to say that it looks like the audit is coming back pretty clean. Mr. Silverman asked if there are any findings, to which Mr. Piascik said that he has not given us any findings or even hinted that there are findings. Mr. Prater added that the only issue that he's mentioned is the disposition of an old bus. Mr. Piascik added that one of the Opus buses we disposed of in June still had federal equity of around \$78,000. We have to come to a resolution with FTA and there are three (3) options. Mr. Piascik went on to say that his favorite option is transferring the equity to one of the DART buses; we have to verify that they were purchased with 80% money. The second option is to use local funds, in that amount, toward the purchase of one of the 100% buses through the state. The last resort would be to reduce our federal allocation by \$17,000 for five (5) years, which is the least favorite option of the three (3). Dr. Sheehan asked how we could have so much equity in a bus that was junk. Mr. Piascik explained that the bus was purchased in 2002 and parked in 2007. It was depreciated over twelve (12) years and had only 5.5 years of depreciation. The documentation for the maintenance of the vehicle is really bad, which is not a point in our favor. Mr. Silverman said that the bus had set for five (5) years or more and we didn't know how much equity was in it or how bad it was, and that was a finding last year. Mr. Silverman went on to say that we had cannibalized parts from it, it was impossible to get going. It set in the shop, taking up a large amount of space. Mr. Piascik added that a number of parts had been purchased for that bus and they ended up going somewhere else. We have to resolve it. Mr. Piascik said that he (Dean), basically, left it up to him as to how we resolve it; whether or not we put it in as a liability or just a note. Further, he said that he doesn't believe that FTA is going to make us pay it back, so it's in the notes. We may have to change it in 2016. His (Dean) point is that it's been on our books for seven (7) years and we need to clean it up. Our Net Cash Position, our close was in the -\$900,000 range, most of which was GADSB 68. He's (Dean) come up with some changes to that, related to taking on the assets from Dallas, the five (5) buses. We bought them in late June and received them on July 2, 2015. It crossed over the threshold, but we knew we were going to buy them in FY 15, so it made sense to him to take on that asset in 2015. We are moving those first five (5) into FY15, which lowered the cash position. There were some other things that he mentioned that reduced that negative number down to -\$554,000. Dr. Sheehan then asked if there's anything likely to come that is going to look bad in the press or bad to the county. Mr. Piascik said that he has been given no indication that is the case. Dr. Sheehan then said that the board would like a heads-up before December 2nd. Mr. Ottwell then asked if he (Dean) addressed any internal control issues. Mr. Piascik said that he had not. Mr. Prater added that he had asked Dean about that, specifically, and he seemed pretty satisfied. Mr. Piascik said that he had planned to talk a little bit about the five-year financial plan; basically, how it changes based on the new budget; but, in the interest of time will leave it for you to review. Obviously, this is in draft form. Once we get the final numbers on our new FY16 budget, we will ask you to bless a new five-year plan and get it to FTA.

Mr. Ottwell expressed that, in his opinion, our greatest asset is not the buses, but our greatest assets are the people on the team here at Coast and in a tumultuous year, those people have stepped up and done a great job and he is very proud of them. Mr. Piascik thanked him and said that we have a lot of good folks here.

Regarding the DART buses, Mr. Piascik said that he had sent Mike (Levitan) in to figure out what was going on. There is a federal mandate that all commuter rail systems have to have positive train control implemented into their system. Basically, it's computerized safety equipment in the movement of trains.

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DART is not going to make their deadline and they're hoping that Congress is going to extend the deadline to 2018. If the deadline doesn't change, they're going to have to park their trains that run between Ft. Worth and Dallas and will be using this fleet of commuter buses to provide service between the two cities. From our perspective, it's okay; our fleet is in good enough shape that we can wait a few extra months. Mr. Piascik told the board that Mr. Burda (Maintenance Manager) is in Dallas inspecting a batch of twelve (12) buses from which we will choose. He's looking at one that just got a new engine, and he's taking a look at the oil analysis for both engine and transmission for all of them and do more due diligence than we did the first time.

Mr. Piascik announced that we received one response to our internal controls RFP and we have sticker shock on it. They want a lot more money than what we're prepared to spend. We can accept it and negotiate on it; it's something that we need to do. Mr. Ottwell asked if a certain person (inaudible) had bit on it; to which Mr. Piascik, replied that she did not. We had another bid show up late, which we sent back. We did the RFP because we thought we'd go over \$10,000; but this was way over that. The question was asked as to whether or not this is a requirement of our funding agreement with Horry County. In December, Mr. Piascik will request approval from the board, even though the amount is less than \$25,000.

Mr. Piascik shared that he is working to resolve the issues with the DBE and EEO portions of the triennial review. We also have some issues with our SCDOT OPSTATS, which is mostly agreement between, our big changes between the FY14 report and FY15 reports that we are trying to explain to the state. We're working through that. We're in pretty good shape with NTD. Because we're transitioning to the October – September time frame, we don't really need to collect data until October NTD for FY16. We're making sure we're on board with that. We've gotten all of our DBE stuff into them and the safety reports are ongoing. 5307 grant is front-and-center on November 5th. We had the first Defensive Driving course on October 21st, with 23 people attending. It was good, the instructor was really good, and learned a couple of things that have changed, i.e. where you hold the steering wheel and the following distance rules, etc.

Mr. Piascik shared that we have a lot of training going on, one of which is Route Match training in Atlanta. He shared that he wants to do the secret shopper after the first of the year, as he feels there are issues with our orientation and new driver training that need to be resolved before getting out there and testing them. Drivers are getting mixed signals as to what they're supposed to be doing. Doug and customer service are to get together and write out what that orientation should look like, step-by-step so that everybody's getting the same stuff. Once that is implemented, then we'll get out there and test them on it.

Mr. Piascik reported that we will get an RFP out on the street for the AVL technology, as he feels our cash flow is such that we can go ahead with that.

Shelter update – pads poured at the Piggly Wiggly in Georgetown last Friday. They've actually asked us for help on assembly, as the directions are not the best, so we'll step in there and try to help. We're really thankful for the City of Georgetown for picking that up. We meet with Georgetown County next Thursday to talk about siting some spots for shelters in the county. We meet with the City of Myrtle

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Beach tomorrow morning to look at some locations off of the boulevard for placement of some shelters. Mr. Piascik said that he has spoken with Tom (Arends) about placement of an electronic board (location TBD) showing how long since an accident; maybe adding a customer complaint number and some of our performance numbers that come out of the board package. This would be little tidbits about our service; i.e. how it's running, how we're doing on fare box, etc. We're going to try to get that up as soon as we can.

Regarding additional training, now that we have Ron here, we have an organizational chart, but Mr. Piascik said that he would like to do some team building training. Greg Enos, who Mr. Piascik met through the Conway Chamber, is a corporate coach who will come in and do three (3) sessions with admin and customer service. The biggest thing to come out of it would be everyone coming out of those meetings with a better understanding of their job responsibilities. Mr. Piascik expressed that some of those have changed since he has been here and we're still in crisis mode. He would like to get everyone organized along that, which he feels staff will appreciate

Lastly, Mr. Piascik said that he is still on the hook for a TDP update, due mid-December, and should be able to have a draft by that time. A number of the recommendations from the 2010 TDP are still valid. The update will be a memo or technical report that goes through those and goes through our due diligence. The biggest change between then and now is that we now have new census information. He said that in November, a lot of his time will be going over the census information and verifying that those recommendations are still good. This will be a draft in December; hopefully, with some key recommendations in the December 2nd board meeting for the board to review. It's not going to be a whole new report.

NEW BUSINESS: New business was moved in order to have input from visitors regarding a proposal from Dr. Sheehan and Mr. Silverman to reconvene the CAC. Dr. Sheehan said that we need to put a public advisory group in place; however, instead of opinion leaders in the community, we need system users and he is committed to having system users, those who really need the service, contributing to that discussion. Further, come January, with the blessing of the board, he and Mr. Silverman would like to convene such a group, get it up and running. It will cost a small amount of money for the usual meeting times and refreshments, and provide transportation for some people to get them to the meetings. Maybe the meetings need to rotate locations.

Mr. Piascik expressed that he welcomes the assistance and totally agrees that we need that to happen. He offered that Ericka Hill is the staff person to coordinate it.

Ms. Harris offered the names of some individuals who would be very helpful with this project. Mr. Eickhoff also suggested including Veterans and individuals who utilize Neighbor to Neighbor as possible participants.

APPROVAL OF RESOLUTIONS:

Ms. Nobles read the following resolution into the record:

WACCAMAW REGIONAL TRANSPORTATION AUTHORITY
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RESOLUTION NO. OCT2015-34

AUTHORIZATION FOR THE GENERAL MANAGER TO APPLY
FOR FEDERAL 5307 FY2016 FUNDING

There was a motion and a second. There being no discussion, a voice vote was taken; no nays being heard, the motion passed.

EXECUTIVE SESSION: There was a motion and a second that the board go into Executive Session to discuss a personnel matter. Voice vote was taken. There being no nays, the board went into Executive Session at 11:25 AM.

There was a motion and a second that the board come out of Executive Session at 11:54 AM. No votes were taken and no decisions made during Executive Session.

ADJOURNMENT: It was properly moved and seconded that the Board adjourn. A voice vote was taken. No nays being heard, the meeting was adjourned at 11:55AM.

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