

MACON-BIBB COUNTY TRANSIT AUTHORITY
BOARD MEETING MINUTES

February 13, 2018

A called meeting of the Board of Directors of the Macon-Bibb County Transit Authority was held at 4:00 p.m. on February 13, 2018 in the Morris M. Cohen conference room on the fourth floor of the Terminal Station at 200 Cherry Street, Macon, Georgia. Those present were:

Charles Howard, Vice-Chairman

Sheddrick Clark, Secretary

Members: Nettie Thomas, Violet Poe, Frank Tompkins and Jami Gaudet

Members Absent:

Also present were F. Bradford Wilson, Jr., Counsel for the Authority, Georgia Slagle, CPA for the Authority, Craig Ross, President & CEO, Danny Thompson, Chief Financial Officer, Andy Stroud, Business Development Director, Brenda Banks, Executive Assistant & Accounts Payable Coordinator, JoAnn Lamb, Operations Manager, June Slaughter, Paratransit Manager, and Debbie Vetter, Human Resources Manager. In addition, Meredith Lipson, CPA of Mauldin & Jenkins was in attendance. A proper Quorum was present.

The Vice-Chairman Charles Howard called the meeting to order and a moment of silent prayer was observed. The Vice-Chairman then introduced Meredith Lipson of Mauldin & Jenkins to present the annual audit review for FY 2017.

Ms. Lipson thanked the Board of Directors for allowing Mauldin & Jenkins to perform the annual audit. She began her report with an overview of the financial statements. Assets and deferred outflows of resources at June 30, 2017 were \$16,552,821.00, a decrease of approximately \$1.7 million as compared to the prior fiscal year. The majority of the decrease is related to additional accumulated depreciation on capital assets (\$1.2 million) and a reduction in pension deferred outflows of resources (\$500 thousand). Liabilities and deferred inflows of resources decreased \$206,064.00 as compared to the prior fiscal year. As of June 30, 2017, total liabilities and deferred inflows amounted to \$7,012,820.00. Total net position (otherwise known as equity) amounts to \$9,540,001.00, of which \$12,959,781.00 is the Authority's investment in capital assets, resulting in a deficit balance for unrestricted net position of (\$3,419,780.00).

Ms. Lipson announced that total operating revenues for the Authority increased \$176,226.00 for the year from \$1,379,698.00 in 2016 to \$1,555,924.00 in 2017. The increase

was primarily driven by increases in terminal station rental income. Total operating expenses decreased \$424,262.00 from \$9,034,030.00 in 2016 to \$8,609,768.00 in 2017. This is primarily due to a decrease in salaries and employee benefits of \$396,893.00, a decrease in materials and supplies of \$299,484.00, and an increase in grant expenses of \$115,674.00 as compared to 2016. Total nonoperating revenues decreased from \$5,412,982.00 in 2016 to \$4,985,089.00 in 2017. The decrease is a result of a decrease in revenue from federal and state governments of \$333,354.00, as well as a decrease in the bi-party settlement from Macon-Bibb County. In total, net position decreased by \$1,522,803.00 for an ending balance of \$9,540,001.00. Ms. Lipson reported that net cash used in operating activities totaled \$4,647,221.00 for the year ended June 30, 2017. This represents a decrease of approximately \$1.524 million from prior year. Net cash provided by noncapital financing activities totaled \$4,496,393.00 for the year ended June 30, 2017. This represents a decrease of about \$1.398 million from prior year. Net cash provided by capital and related financing activities totaled \$206,971.00 for the year ended June 30, 2017, which represents an increase of approximately \$60,000.00 from 2016. In conclusion, there is an increase in cash and cash equivalents in the amount of \$56,146.00.

Ms. Lipson then reported on four areas within the accounting and internal control systems than can be improved. The first was segregation of duties with cash disbursements. Internal controls should be, and have already been, redesigned to ensure all cash disbursements are properly approved by someone other than the individual signing the checks. The second area was collateralization of deposits. As of June 30, 2017, the financial institution holding deposits had not coded the deposits as public funds in their system. Therefore, no collateral was pledged to cover uninsured deposits. This has been corrected. The third area was to implement procedures to ensure that one percent of program funds are earmarked for public transportation security projects. The final area was to ensure that complete documentation of all federal award procurements, including verification checks for suspension/debarment, be properly maintained. Ms. Lipson then asked if there were any questions. Brad Wilson asked if the 45 day working capital amount had been calculated for the bi-party agreement with Macon-Bibb County. Ms. Lipson responded that she and Danny Thompson have talked about the calculation. The issue is that the working capital amount of \$255,578.00 for FY 2016 has not been paid by Macon-Bibb County. The calculation for FY 2017 is yet to be determined. Ms. Lipson reached out to the previous auditor for assistance with the calculation, but did not get a response. Georgia Slagle offered to help with the calculation for FY 2017. Ms. Lipson shared that the \$255,578.00

working capital deficit is shown on MTA's books as a receivable, and as a payable on Macon-Bibb County's books as of June 30, 2017. President & CEO Craig Ross stated that MTA will continue to go after the \$255,578.00 for FY 2016 and the new amount for FY 2017. Frank Tompkins asked Ms. Lipson to verify that MTA had a clean audit with the exception of the four findings that have been addressed. Ms. Lipson confirmed the clean audit and thanked Danny Thompson and other MTA staff for their timely response for information. Craig Ross commented that the route reductions made last year proved to be beneficial.

The next agenda item was Line of Credit Increase. Craig Ross shared that MTA has not received any GDOT reimbursement funds. Danny Thompson has been working diligently to request funds. The notice to proceed with the request for funds just came in on January 9th. Mr. Ross announced that Jami Cochran is no longer with GDOT. Mike Langford has taken Ms. Cochran's position. Mr. Ross stated that MTA has approximately \$60,000.00 remaining on the line of credit. With payroll and other expenses, the line of credit with BB&T needs to be increased until we receive funding from GDOT. The proposed line of credit increase is \$400,000.00 to cover at least two months of expenses. A motion to increase the line of credit with BB&T by \$400,000.00 was made by Sheddrick Clark, followed by a second from Nettie Thomas, and was unanimously approved.

The Vice-Chairman then announced that the Board was going into Executive Session, and thanked everyone for attending. Frank Tompkins made a motion that the Board go into a closed Executive Session. The motion was seconded by Jami Gaudet, and was unanimously approved.

There being no further discussion, a motion was made by Sheddrick Clark that the Board conclude its Executive Session and return to its regular meeting. The motion was seconded by Frank Tompkins and concluded at 4:46 p.m.

The Vice-Chairman then recognized Mr. Clark who made the motion that the Authority add the administrative position of a Transit Planner to its staff. The motion was seconded by Frank Tompkins and unanimously approved.

President Ross was then recognized for some additional comments. He stated that he spoke with Mayor Reichert last week about the appointment of another Board member in addition to the \$60,000.00 payment that was to be transferred to the Authority and utilized to increase the wages of our drivers. He added that he is also encouraging each of the Authority's vendors to ride the bus with him. So far, it has been received very well.

The electric bus grant is progressing and Mike Greenwald is doing a great job in assisting the Authority. Currently, we are \$139,000.00 short of the funds necessary to complete the purchase and project.

Ms. Gaudet commented that we need to issue a press release in the immediate future detailing all the positive things that are occurring with the Authority.

Ms. Poe stated that she wanted to compliment Mr. Ross on the great job that he is doing and expressed her appreciation for all the tasks that have already been accomplished since he became President/CEO.

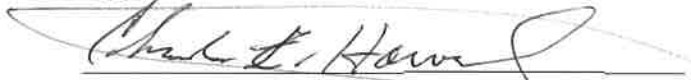
Mr. Tompkins was then recognized and inquired as to whether Mr. Ross had considered a media appearance on *Call to Action*, and secondly whether the Authority had considered acquiring and exploring the possibility of using autonomous vehicles. In response to media contact, Mr. Ross stated he is reaching out to the Bibb Commissioners and encouraging each of them to ride with him on a route through their district. Mr. Tillman has already confirmed. As to the autonomous vehicles, Mr. Ross is aware of them, but does not expect they would be utilized in the near future. Mr. Tompkins noted that it would be beneficial to at least have it documented that such was considered.

There being no further business the meeting was adjourned.

Respectfully submitted,


Sheddric Clark, Secretary

Approved:


Charles Howard, Vice-Chairman