

## **Lowcountry Regional Transportation Authority Board Meeting**

May 25, 2011 – LRTA Board Minutes

Dick Stewart offered the Invocation, followed by the Pledge of Allegiance.

Chairperson Jenny Carter called the meeting to order at 2:05 pm.

Roll: Jenny Carter, Chris Hutton, Mark McCain, Dick Stewart, David Blauch, Fred Harvey

Absent: Louise Pinkney, Pastor William Borum, Ginnie Kozak

Also in Attendance: Rochelle Ferguson and Paula Porter, Palmetto Breeze.

Ms. Ferguson states that Louise Pinkney doesn't believe she has been reappointed to the Board. Ms. Pinkney is unsure if she should attend Board meetings if she has not been officially appointed. Her term has expired as of April 30, 2011. Ms. Ferguson contacted Tim Bennett, Allendale County Administrator and he didn't think Ms. Pinkney could be on the Board as she is a County employee. Ms. Ferguson stated that we have had Allendale County employees on the Board in the past.

### **Approval of Minutes – April 20, 2011**

Motion to Accept Minutes was made by: Chris Hutton; Second David Blauch. Motion Carried.

### **Action Items:**

1. Paula Porter presents the operating budget for the fiscal year 2011-2012. Chair Carter asks what the minor changes were from last month. Ms. Porter states to make it a zero net income budget; she put an additional \$2200 in the contract income. Chair Carter asks Rochelle if she has heard about any of the grants and contracts from the county, and will there be any significant changes this coming year. Ms. Ferguson states there will be no change in Hampton County. Fred Harvey and Ms. Ferguson attended the Colleton County Budget workshop on May 24<sup>th</sup>. Colleton County cut Palmetto Breeze's local match funding to zero. Last year it was \$5000 and in previous years it was \$10 and \$20 thousand dollars. The County heard all our comments and took it into consideration, and then they went into an executive session. When they came out of executive session, they dismissed the meeting, without making a decision. Ms. Carter asked how many passenger trips do we provide up there? Ms. Ferguson replied 12,000 passenger trips a year. This includes 40-45 different individuals we serve every week. Mr. Harvey stated that when the Council left, a Palmetto Breeze bus came by with 20 or so riders out front. We asked the riders to state who they are and state they appreciate the funding for this project. Mr. Stewart asks what the plan is. Mr. Harvey states there will be another reading of the budget. He will make some contacts with some of the Council members he knows. Ms. Carter states her opinion is, if there is zero local match funding, we cannot provide transportation. How do the Board members feel? We need to give Ms. Ferguson direction. Mr.

McCain states if there is a zero match there will be zero dollars except what is passed through DOT. Ms. Ferguson states that all public transit funds come through us and then we go to the Counties and request a local match. Ms. Ferguson stated that she let the Council know, in a very nice way, if there wasn't any local match funding we could not continue to provide services. The transportation service is very expensive and it is helping to provide transportation services to help gainfully employ people. Mr. Stewart asked to which area. Ms. Ferguson answered Bluffton/Hilton Head area. He asked how many people do you think that is. Ms. Ferguson answered total of about 40-45 people. Mr. Stewart then asked how much do you think the unemployment expense would be if we weren't there? More than \$5000 a year? There is the math. Mr. McCain asked what the SCDOT allocation in the grant is for Colleton County. Ms. Ferguson said it doesn't work that way. It's an allocation issue. Mr. Stewart asked then what the risk is. Ms. Ferguson said it would depend on how they figure it. It could be based on the total riders, the total miles or other factors. Mr. Stewart said it is hard to start it up again once you lose the allocation. You can build on it if you have something. Chair Carter states there funding has dropped from \$20,000 4 years ago to \$5,000 and we haven't stopped their service or cut their routes. They need to give us something. Ms. Ferguson stated that Colleton County had their State allocations reduced and through a proviso they are allowed to cut these programs by the same percentage. She doesn't understand how they can cut us to zero though. Mr. Hutton asks if we can tell Ms. Ferguson to inform them that their service will be cancelled. Mr. Stewart asks if we can send a letter stating it is almost certain that their service will be stopped. We would like to have a work session with either the full Council or with their folks who evaluate their employment issues and talk about this issue. If they refuse, we should give notice to the riders that their service will be cancelled. Ms. Ferguson states that ridership is increasing, that we have already surpassed the amount from last year. It's the same bus route but because the economy is coming back on Hilton Head, more people are riding. Mr. Hutton states that we stuck with them through the lean times. Mr. Harvey states that the County Council does not understand what the benefit the County is receiving. We need to stress that in a dollar amount to them. Ms. Ferguson did a good job stressing that at the meeting. If we can come up with the dollars and cents on how each person without a job will affect Colleton County. Such as unemployment, food stamps, etc. Mr. Hutton said it would be important to show them how much money they will lose that comes into the County now if 40 people lose their jobs. We are talking \$800,000. That means something. Chair Carter asked David Blauch and Fred Harvey to keep meeting with those key players in Colleton County, prior to the next Council meeting. Mr. Stewart asks how do we receive the money from the Counties. Ms. Ferguson states that we bill them quarterly. Mr. Stewart replies, we bill them \$1250 a quarter which is \$40 per day for 40 people to go to work. Chair Carter asks what the plan is. Ms. Ferguson says she will draft a letter and pull together the economic impact figures. Mr. Stewart asks if it is okay if he goes as the head of the Finance Committee and state what they are doing to us and to their people. Everyone states they are fine with that. The Art Council, DHEC, and Veterans Affairs representatives and myself and Fred Harvey there all to make presentations regarding the budget request. Mr. Harvey states the largest amount any group was asking for

was \$12,000.00. Mr. Blauch asks what the total budget was. Ms. Ferguson replies, \$27 million. She states that the County requested a 4% decrease on all departments. Mr. Harvey states cut us by 4% don't cut us out all together. Chair Carter states that we need all out figures before the third reading, which will be fairly quick. Mr. Harvey states he will find out when it is. Mr. Stewart states Kevin Griffin, the County Administrator should have a discretionary fund that he can allocate to Palmetto Breeze. Chair Carter requests a motion to approve the budget including the \$5000 allocation from Colleton County. Motion to accept was made by: Chris Hutton; Second David Blauch. Motion Carried

2. Contract modification for Section 5316 and 5317. Ms. Ferguson states that it is for the Mobility Management Contract Supplemental agreement for the Job Access and New Freedom projects. It extends the contracts to March 31, 2012, so we have a longer amount of time to spend the money. Motion to accept was made by: Mark McCain; Second Dick Stewart. Motion Carried

### **Informational Items:**

#### Director's Report:

Ms. Ferguson states that our employee William Washington died of a sudden heart attack. He has three children, two of which are still in high school. He was only part time, and had no insurance. He was a wonderful driver. Ms. Carter stated she sent a card to the family for the Board. Ms. Ferguson states we sent a card and a fruit basket to the family. He was with us a long time as full time vehicle operator and then left when we had the walk out. He was hired back as a part time employee about two years ago. Mr. Hutton asked if we have a standard physical for drivers. Ms. Ferguson stated we do, he could not have been employed with us without a DOT physical. Mr. McCain asks if the Board could be informed when something like this happens so they can choose to go to the funeral. Ms. Ferguson replies she will inform the Board next time. Ms. Ferguson states that she is working on several procurements.

Ms. Ferguson states that Doug Frate from the Office of Public Transit at SCDOT called her, regarding the Daufuskie Island project. He indicated that he submitted a bi-state ferry mobility project for consideration with a research lab as a topic of study. It hasn't been agreed upon to fund the research, it is not guaranteed but they should know within the next couple of months if he can use research planning funds to fund the study instead of Beaufort County funds.

Chair Carter asks on the Passengers by County report which percentage is Colleton County. Ms. Ferguson states it is 8% of our total passengers. Chair Carter states it is a significant percentage of passengers and she is concerned about helping the people.

#### Finance Director Report:

Paula Porter presents the April statement of accounts and balance sheet. Mr. Stewart asks what the short term debt is. Ms. Ferguson replies it is the vehicle acquisition payback capital for the acquisition of vehicles that is owed to SCDOT. SCDOT deducts it from State Funding allocated to LRTA.

#### Chairperson's Report:

Chair Carter informs the committee that she addressed a letter drafted by Mr. Stewart to Weston Newton addressing the Daufuskie project. Chair Carter provided a copy of the letter to the Board.

This period I also attended the DOT commission meeting in Beaufort on the 21<sup>st</sup> of April.

I did the Finance review on the 21<sup>st</sup> of May. I was very pleased that everything is in order and has been cleaned up significantly and I am very pleased with the job Paula Porter has done and I am sure we will her good things from SCDOT regarding her.

I asked the individual committees to include their reviews and reports in time to be included in the Board reports so we can approve them as a Board. Please try to send them to Rochelle in time for her to include them with the next report.

Mr. Stewart said he did minutes from the Daufuskie committee meeting and would like to include them now. His committee stated they would rather submit them to the committee for review first so they can modify them before submitting them to the Board.

Chair Carter calls the Organization Committee, which Louise Pinckney is the Chair of, and includes Fred Harvey and Mark McCain, to submit their report. Mark McCain states they met and there are no points to bring to the board. They asked the Chairman to submit the documents to Rochelle for the board meeting and it's at a standstill right now.

Chair Carter calls the Policy and Planning Committee, which reviews the maintenance department. Pastor Borum is the Chair with Chris Hutton and David Blauch as members. Mr. Blauch states they met with Chris Rogers. Pastor Borum took the notes, but we have not received the report yet. Chair Carter states that her report for the Finance Review is included. It was for November through April, due to the vacancy in the position.

Mr. Stewart distributes copies of his report regarding the Marine Division Committee meeting which was held on May 16, 2011. Mr. Stewart states it was a great meeting. Morris Campbell, Beaufort County, came and gave us the history and overview of ferry service from the view point of Beaufort County. Mr. Stewart asked Mr. Hutton if there were 7,500 residential lots, and Mr. Hutton stated no, there are only 1,750 property owners. Some may own more than one lot.

Mr. Stewart said they discussed the mandate of the Committee and agreed it was consistent with LRTA's broader mission. They decided they should have a more narrow focus on just Daufuskie and the immediate concern of Beaufort County than focus on a large ferry network at this time.

Chris Hutton states he wants to focus on a broader area.

Dick Stewart stated he would like to focus on a ferry from Daufuskie to Hilton Head and Daufuskie to Savannah. Daufuskie is closer to Savannah than to other places and it would increase property values. We would like some guidance on which area do we want to focus on at this time.

Chair Carter states the “big picture” was the focus of the presentation at the last Board meeting in April, which we should shoot for. Beaufort County wants us to concentrate on what they will fund. What would the funding source be for the Savannah route?

Mr. Stewart said funding sources have not been identified. We will request from the County some money for the study. He lists the financial resources needed to develop a plan on his report. He stated Federal Funding is tied into state highways. No highway equals no funding. We may be able to skirt this issue, and it would be possible out of Savannah but not out of Hilton Head.

Chair Carter says we have to provide the parameters of the service in the study. Will there be enough money in the study to include Savannah to Daufuskie or just Hilton Head to Daufuskie?

Mr. Stewart answers we should do a request for proposal (RFP) for both. Separate them into two projects, and if there is enough money for both, great. If not, we can go to the Mayor of Savannah and other potential funding partners and request funds for the study.

Chair Carter states that there is so much tourism in Savannah that she really thinks it would support a ferry to Daufuskie. It could possible generate a lot of money and feels we should have the RFP include the route from Daufuskie to Savannah.

Mr. Stewart states if we could include Savannah, the people of Daufuskie would love it. Chris Hutton states he does not believe Beaufort County would support a Savannah ferry. Beaufort County money needs to be focused on Beaufort County. If we present it from Hilton Head to Daufuskie but with a strong acknowledgment that the Savannah link would need to take place eventually, that way we focus the initial seed money on Beaufort County, which is important.

Chair Carter asks how much Beaufort County is going to give us if Savannah is included.

Chris Hutton states ask for \$50,000 for fact finding then get matching funds to expand it.

Dick Stewart states he doesn't know if Beaufort County would give us anything. We will find the money somewhere. If there are 1,500 lots and their value goes up in process because there is a public ferry, there could possibly be a \$50 million dollar increase in property values, we could find the money we need. If we have a hard number to provide this service, that would give us a starting point. Work is the same for both projects. If I was on the Beaufort County Council, we could combine it all and Haig Point could save some money. Leaving out the Savannah portion doesn't make sense.

Chris Hutton says it all makes sense.

Mr. Stewart states he doesn't want to walk away from the Savannah issue because it would be a huge benefit to the people on Daufuskie. They would have access to hospitals. What do we lose to ask for proposals for both? I don't want to ask for a RFP for Pinkney Island, or Port Royal, etc that doesn't have a ferry landing. Let's start at Daufuskie and Savannah then go from there, if we are successful we can expand.

Mark McCain said he is concerned about the longevity of visitors from the presentation at the April Board meeting. He thinks that will be an issue. We have to come up with a niche to fill.

Dick Stewart says those are things we have to consider. If I am a surgeon and work in Savannah, I might want to buy on Daufuskie.

Mark McCain says we need to keep that in our scope of work. We are talking about residents and guests.

David Blauch said can we make that argument to Beaufort County that visitors from Savannah would want to go over to Hilton Head and may or may not layover in Daufuskie? That would validate our discussion that it's not a ferry that goes from Daufuskie to Hilton Head or Daufuskie to Savannah but it's a way to get people to come from Savannah to Hilton Head.

Fred Harvey says good argument. To change the week visits to more day and weekend visits from Hilton Head to Savannah. It gives the Georgia corridor more weekend beach options and vice versa. I don't go to Hilton Head because of the traffic.

Dick Stewart says we need to focus on the third piece of the pie, what are the funding sources available and what are the justifications? All we are asking is for today clarification to ask for the RFP for both routes. Our task is to get our ducks in a row and come back with all the solutions.

Chris Hutton states we should submit to Beaufort County that our concept now includes a phase one and a phase two. Phase one is from Beaufort County/Hilton Head to Daufuskie and we have a phase two which is on the table but we aren't going to do anything with it until we have participation from others which includes ferry service to Savannah. This way we have the Hilton Head Savannah oversight, but we don't jeopardize losing Beaufort County dollars and spending them in Chatham County.

Dick Stewart states everything that gets funded does not have to be funded through Beaufort County or Savannah. Thinking that way would be a significant limitation. What about private real estate investors who would want it?

Chris Hutton answers we already have those. There are people who will fund it if it's already there.

Dick Stewart states Beaufort County asked us to do something; we responded and told them we would. Once it's up and running, it takes on a life of its own. People have focused on the broad situation.

Chair Carter asks who will do the RFP.

Dick Stewart states Ginnie Kozak and himself. Our question is it okay to include Savannah? I make a motion for the Board to authorize the Marine Division Committee to draft a RFP from planning agencies to answer questions 1, 2 and 3 on the report we provided from our meeting on May 16<sup>th</sup>. Chris Hutton approves; Mark McCain seconds. Motion carried.

Dick Stewart states no one has told us we can operate over state lines, but no one has told us we can't either. We have asked through SCDOT, but we haven't heard yet, though it would be good to know before the RFP goes out.

David Blauch asks again how we are doing the RFP. I still believe it should include item number 2 which is service to Hilton Head from Savannah.

Dick Stewart answers doesn't number one and two include that? David replies no, it shoes we are bringing people to Hilton Head via Daufuskie.

Dick Stewart answers no one would see that way. Daufuskie and Savannah are linked. Ask property owners and they would say no thanks for a ferry to Hilton Head. Beaufort County will not want a link from Daufuskie to Savannah.

Mark McCain asked what will the user fee be based on? Dick Stewart states user fees are based on what? We aren't ready to decide that.

David Blauch states record my no vote if two is possible to do with 1. If it's Daufuskie without Savannah, my vote is a no. Dick Stewart says we aren't asking for that. David says ok, and requests to withdraw his 'no' vote.

Dick Stewart states that three County Council members have raised the question to him as an option there could be a special tax district which encompasses all properties. If we go to Daufuskie homeowners and say we are going to run these two routes. We will use the tickets sales to finance the rolling stock and the operations. If there are 1,500 lots and we need 3 million dollars, for \$2,000 each you can get full ferry service to Hilton Head and Savannah. They would be enthusiastic, but not if it was Hilton head only.

Chris Hutton states there is going to be a special tax district for roads and fire services anyway, so it could be included. We do not need to stumble around about it. It is eminent.

Dick Stewart states the ferry options are just for people, we haven't addressed cars unless we find places for that. We would like to send a letter to all municipalities and ask where you would like to have a ferry terminal, would you like it to include people and cars, if not, would they consider including it in their comprehensive plan which they are required to do every 10 years. Can we send this out?

Chair Carter states yes.

Dick Stewart thanks everyone for all the work they have done on the committee.

**Old Business** – Chris Hutton states the next Board meeting on July 26<sup>th</sup> is supposed to be on Daufuskie, but he is having a hard time finding a place to hold it. The September meeting might be better. Haig Point wants us to pay to use their meeting space.

Chair Carter asks Rochelle Ferguson about the Strategic Plan. Ms. Ferguson states she has submitted it but the professors have been very busy and she should have the revised version in the next couple of weeks for distribution to the Board. Chair Carter states we will need to revise it with the Daufuskie project regardless.

**New Business** – Fred Harvey asks if Colleton County doesn't give us matching funds, how does it affect our board seats. David Blauch asks if the Board still wants us to represent Colleton County. Chris Hutton states Colleton County is still on the LRTA resolution.

Chris Hutton states he would like to discuss a possible contract agreement for advertising on the buses with Tanger Outlets. Should we reinstitute advertising with them under a different format? Shall we contract with a marketing agency to do all the legwork and all we have to do is collect the revenue? I am completely open to this. In the past Tanger wouldn't sign a contract for various reasons. Fred Harvey states Charleston and Savannah both have advertising on their buses. We can contact them to see who they use. Chris Hutton asks if the Board wants us to pursue this. Dick Stewart says because of these economic times we should pursue all sources of income. Ask for a RFP as long as the advertising is appropriate. Chair Carter asks Ms. Ferguson if she knows anything about the advertising. Ms. Ferguson replies, yes, we were doing some advertising. However, when we changed our name to Palmetto Breeze and had a new logo, we wanted to maintain our image. I still have the RFP with all the wording to include appropriate advertising. Dick Stewart asks if Rochelle knows how much possible revenue it could generate. Ms. Ferguson states \$50,000 to \$100,000 in a good market with a good advertising firm. Chair Carter states she doesn't want to cover the Palmetto Breeze logo. Ms. Ferguson states that would be hard not to do. Chair Carter states she wants to maintain the integrity of the logo and name. Dick Stewart suggests we put that in a RFP, stating they cannot cover up the whole name or logo. Ms. Ferguson states when a vehicle is wrapped completely, you receive more money. Chris Hutton requests a motion to submit the RFP. Dick Stewart seconds. Motion Carried.

### **Announcements**

Happy Birthday Chair Carter!

Next meeting is July 27<sup>th</sup> on Daufuskie at a time to be determined, unless we hear different.

Motion to Adjourn: Dick Stewart. Adjournment 4:00 PM.