

CENTRAL WEST VIRGINIA TRANSIT AUTHORITY

The Board of Directors of Central West Virginia Transit Authority met in the Training Room of the Central West Virginia Transit Authority on April 23, 2015 at 4:00 p.m. In addition to several members of the public the following were in attendance:

James Smith	Exponent
Bob Kramer	Vanessa Perkins
Jeff Nelson	Libby Cawthron
Anita Bower	Trey Simmerman, III
Chris McCarthy	Margaret Bailey
Cindy Fish	Stuart Stickle
Samantha Woods	Lisa Hopkins

Meeting brought to Order by President, James Smith, at 4:00 p.m.

Meeting began with the introduction of members of West Virginia State Auditor's Office. Introductions included Stuart Stickle, Deputy State Auditor, Lisa Hopkins General Counsel to West Virginia State Auditor's Office and Samantha Woods, Director of Professional Development. Also introduced was Cindy Fish, of the West Virginia Division of Public Transit.

First order of business was a question and answer session with the members of the West Virginia State Auditor's Office regarding the Audit Report of CENTRA for fiscal year ending June 30, 2014.

Anita Bower questioned the State Auditor's findings regarding Expenditures. Stickle indicated he could not provide specifics of those findings but explained that procedure is to utilize a sampling of transactions. Stickle indicated most of the findings addressed the failure of payments being marked as paid to avoid duplicate payments and lack of supporting documents. Bower also questioned the number of travel expenditures sampled. Auditors could not provide specifics but indicated that the work papers would have those numbers. Bower questioned findings regarding altered board minutes. Stickle indicated that they could not specifically identify individuals that may have altered minutes.

Kramer questioned State Auditor's findings dealing with Insufficient Inventory Controls. Stickle indicated that this is a control finding that dealt mainly with a lack of monitoring of miles driven in relation to actual fuel consumption.

McCarthy questioned whether current audit concerns were raised in previous CENTRA audits. Stickle indicated that prior audits are reviewed as part of the audit process, however, that he did not personally have knowledge whether current audit concerns were raised in past audits.

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Nelson questioned Audit findings regarding Investments. Nelson questioned which of CENTRA's investments were of concern to the Auditors. Stickle indicated that he could not identify a specific investment of concern but indicated that such information would be contained in work papers. Stickle indicated this is a common finding relating to governmental accounting standards regarding policies dealing with investments. Brief discussion followed regarding some old investments that this Board intends to address. Nelson questioned whether auditors found any duplication for travel expenses on the P-cards. Stickle indicated that findings do not suggest that occurred, however, any detail of that nature would be contained in the work papers.

Next President read into the record a letter from John P. Aman, dated April 14, 2015, same being attached hereto and incorporated herein as part of the record. The letter was sent to each member of the Board.

Next item of business addressed was the proposed ethics policy drafted by Mr. Simmerman. Simmerman discussed that the goal of the ethics policy is to regain the trust of the public by tailoring a policies that address many of the concerns set forth in the most recent Audit Report. Board agreed to table any action on the draft policy to allow further review.

Next Simmerman discussed options available to the Board regarding notification of the West Virginia Ethics Commission of the recent Audit findings. After a brief explanation of CENTRA's options regarding the Ethics Commission, Simmerman recommended sending the Audit findings to the Ethics Commission for consideration.

Motion made by Anita Bower to send a letter with audit findings to the Ethics Commission for consideration. Nelson seconded the motion. Motion carried unanimously. Counsel instructed to draft letter to send to the Ethics Commission.

Next Simmerman briefly discussed the obligations of the West Virginia State Auditor to provide any audit findings of malfeasance, misfeasance or nonfeasance to the West Virginia Attorney General and the county prosecuting attorney. Simmerman indicated that he believes both the offices were notified of the Audit findings.

Next item addressed was the amended minutes of the January 12, 2015 CENTRA Board Meeting. Motion made by Nelson to approve the Amended January 12, 2015, Board minutes. Motion seconded by Kramer. Motion approved unanimously.

Next item of business discussed was the April 6, 2015, Board meeting minutes. Motion made to approve the April 6, 2015 minutes made by Nelson. Kramer seconded the motion. Motion approved unanimously.



The Board next addressed the proposed Fiscal Year 2016 Budget. Smith reported that County Levy funds for the proposed CENTRA Budget are \$2,151,312.00.

Smith next discussed that the proposed FY 2016 Budget reflects some short term capital improvements that need addressed including fixing or replacing of canopy over the gas pumps, lighting improvements and the addition of security fencing. The FY 2016 Budget has included \$84,800.00 to account for these improvements.

Discussion regarding cash reserves for normal operations was discussed. In addition, Mr. Smith suggested the need to have a capital reserve as well.

Smith discussed that the FY 2016 Budget incorporates the bargaining and non-bargaining wage increases that take effect July 1, 2015.

Brief discussion as to income from fare box cash, fare box tickets, interest income, parking rental income, grants, charter revenue and VA fares.

After Budget discussions ended the Board agreed to schedule a meeting in May to allow the Board time to review the FY 2016 Budget before taking action.

Motion by Bower to table action on the FY 2016 Budget. Motion seconded by Nelson. Motion approved unanimously.

Next item of business addressed was election of officers. Smith sought motions for the office of President. Nelson made motion for Smith to serve as president. Motion seconded by McCarthy. Motion approved unanimously. Smith abstained from vote.

Nelson made motion that Kramer serve as Vice President. Motion seconded by Bower. Motion approved unanimously.

Motion made by Nelson for McCarthy to serve as Secretary/Treasurer. Motion seconded by Kramer. Motion approved unanimously. McCarthy abstained from vote.

Next item of business, President appointed members to various committees. First Bower and McCarthy were appointed to oversee By-Laws Committee. Smith then appointed Simmerman and McCarthy to oversee Policies and Procedures Committee. Brief discussion that By-Laws provide for an Executive Committee comprised of President, Vice President and Treasurer.

Next Board opened the floor to the public for questions or comments.

Nathaniel Herrod, a resident of Harrison County, questioned the net positive cash amounts discussed earlier as part of the FY 2016 Budget. Specifically, Harris questioned



whether it was possible to expand bus routes and still maintain the net positive cash. Smith responded that net positive cash should not be impacted since the goal is to reallocate assets not to increase costs which should not impact the Budget forecast.

Next Charlene Smyth, a resident of Harrison County, informed the Board that she utilizes CENTRA to get to work and doctors appointments and she wanted to make sure the public was aware of the good that CENTRA does for the public. Ms. Smyth expressed her concerns that the public will be hurt by the bad press surrounding the past Board.

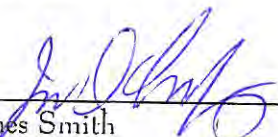
Comment from Margaret Bailey expressing appreciation for work of the current Board.

Next Chuck Arnett, had questions regarding the services provided at VA, how items for the Agenda are set for Board meetings and Ethics Commission authority. Arnett made several suggestions regarding how to expand service and suggested putting audio of meetings online.


Next the Board heard comments from Cindy Fish, of the West Virginia Division of Public Transit, regarding the public being the focus of public transit.

No other business to address a motion to adjourn was made by Kramer, a second by Nelson and approved by all. Motion carried and meeting adjourned at 5:17 p.m.

Approved:



James Smith
President



Christopher J. McCarthy
Secretary-Treasurer

April 14, 2015

Central West Virginia Transit Authority
Attn: Jim Smith
208 North 4th Street
Clarksburg, WV 26301

Re: John P. Aman – Former General Manager
Central West Virginia Transit Authority 2013-2014 “Audit Findings” response:

Mr. Smith:

This is my response to the “Audit Findings” so far, as I understand them:

- 1.) **My Pay Raise voted on June 1, 2014:** The Board of Directors voted to approve pay increases for the office staff. I then told the Board that “If they wanted to wait until after my sentencing on Federal Bank Fraud charges was final, that was absolutely fine with me, the Board then asked me to leave the room. A short time later they called me back in to the room and told me that they approved a pay raise for me also”.
- 2.) **Veronica Aman:** Hiring of my wife Veronica J. Aman as an Independent Contractor to sale tickets for our special transportation program at the VA Medical Center was known to Board Members Fazzini, Lopez & Blount in advance as was thought to be a great idea/hire for the program. Board Members Fazzini, Lopez and Blount thought it was even better that we hired her because of the amount of cash that was being handled (4) days per month. All (3) of them knew of the original (\$10) per hour wage which later was raised to (\$20) per hour. The wages amounted to (\$3,445) in Compensation for 2013, and (\$6,800) in compensation for 2014. The revenue generated by the ticket sales program at the VA Medical Center generated roughly (\$75,000 - \$80,000) per year for CENTRA. So, this shows that it was a very important job and revenue stream for the organization.
- 3.) **Board Minutes Being Altered:** The only Board Meeting minutes that were changed/alterred under my time as General Manager was the Board Minutes that we received from Pat Bower who was previously on the Board of Directors and would not turn over the minutes to CENTRA, he kept them in house, and CENTRA needed them for the former General Managers law suit. We finally received them and our corporate attorney’s changed them to take out personal items pertaining to current and former employees. Currently Pat Bower’s wife Anita Bower sits on the Board of Directors for CENTRA
- 4.) **Fazzini Trolley Use:** Bernie Fazzini called about using the Trolley for his daughter’s wedding and it was already booked that day. It later turned out that as the Trolley would be finishing its run that day it would have enough time to get to the Church in downtown Clarksburg to take the



Fazzini wedding party to Village Square; it took roughly 10-15 minutes to do that particular run. I never said to bill the Romano's for the Fazzini run, nor did I say to "not" to charge Fazzini for the Trolley use, also, I did "not" say to charge Fazzini the "employee discount rate" of (\$40), because we did not have an employee discount rate, we never had one.

- 5.) **Over Payment for Fuel:** We purchased fuel for CENTRA from the same supplier that was used for years, and it was the same supplier that had the State of West Virginia contract, so we received the state discount.
- 6.) **Employee Use of Fuel:** When I was General Manager we had (1) employee that used her personal car every day to go to the Bank, Post Office, Pick up Supplies and go onsite to investigate bus accidents if they occurred, I told her to get gas for her vehicle occasionally. I also, went to Charleston on 1 maybe 2 occasions where the CENTRA vehicle was broken down and I put fuel into my vehicle.
- 7.) **Employee Christmas Bonuses (\$17,000):** These bonuses had been at the time in several of the past Union Contracts, which is also the reason they were distributed in 2013-2014. The total was made up of (\$500) for Full-Time employees and (\$250) for Part-Time employees.

John P. Aman
Former General Manager of - CENTRA

