

MINUTES OF THE BAT ADVISORY BOARD

AUDIT AND FINANCE COMMITTEE

May 23, 2019

In Attendance:

Frank Hegarty, Committee Chair, Town of Avon

Frank Lynam, Town of Whitman

Michael Dutton, Town of Bridgewater

Linda Sacchetti, CFO

Michael Lambert, Administrator

Reinald G. Ledoux, Jr., BAT

Kelly Forrester, BAT

The meeting was called to order by Mr. Hegarty at 8:30 AM for the purpose of discussing business brought before the Audit and Finance Committee in accordance with the agenda presented and the notice sent out on May 20, 2019.

Mr. Hegarty welcomed the group. No members of the public were present, therefore there were no public comments.

Next, minutes from the meeting of April 8, 2019 were presented. Mr. Hegarty asked for a motion to accept the minutes. Motion carried.

Mr. Lambert directed the committee's attention to the handouts in the meeting packet. Mr. Lambert discussed the state budget, which is currently in the Senate. He stated that BAT is currently preparing for an MOU with MassDOT that was part of last year's state budget. Mr. Ledoux then commented on the performance measure that will be a part of this MOU. BAT already has extensive performance measures in place.

Ms. Sacchetti then discussed the FY19 budget update referring to the budget narrative in the meeting packet.

Mr. Ledoux then discussed the extraordinary reserve and stabilization fund. He stated that after discussions with the auditor BAT's intention is to fund the extraordinary reserve and fund the stabilization fund as BAT has room in the budget. Mr. Ledoux discussed further the circumstances in which each fund could be accessed. There was additional discussion about identifying these funds as restricted by either setting up a separate account or identifying these funds as restricted in the financial statements. He then asked the committee to agree to fund the extraordinary reserve and stabilization fund. Mr. Lynam made a motion to support funding the extraordinary reserve and stabilization fund, and Mr. Dutton seconded. The motion passed.

Mr. Lambert reminded the committee that there is a fare increase going into effect on July 1, 2019. This increase was approved by the Advisory Board last May and is the second phase of the fare increase.

Next, Ms. Sacchetti discussed the FY20 budget. She went through the draft budget handout. Ms. Sacchetti explained that this budget was based on a State Contract Assistance number of \$84,000,000 even though the budget has not been finalized. Ms. Sacchetti highlighted some of the changes in the FY20 budget, which include a slight increase in fixed route fares due to the fare increase and an increase in the fleet insurance line item. Mr. Dutton made a motion to accept the FY20 budget and recommend presenting the budget to the Advisory Board. Mr. Lynam seconded and the motion passed.

Mr. Ledoux then discussed the OPEB. He explained that in order to stay in compliance with GASB changes and to keep funding levels consistent with prior year, at 80-85% funded, BAT implemented GASB 84 early last year. Mr. Ledoux stated that in previous years, the Board had approved BAT to fund OPEB to 80 – 85 percent and he would like to continue that. Mr. Dutton made a motion to have management continue to fund OPEB at a level between 80 and 85 percent. Mr. Lynam seconded and the motion passed.

Under the Administrator's report Mr. Lambert explained that his first three weeks as Administrator have gone well. He stated that BAT just finished up a MassDOT audit with no findings or deficiencies.

Mr. Lambert then stated that MGL 161b. Requires that the Administrator have a performance bond and will be asking the Advisory Board to set a bond at \$100,000. Mr. Lynam made a motion to recommend a value of the performance bond be set at \$100,000 to the Advisory Board. Mr. Dutton seconded and the motion passed.

Motion was made by Mr. Lynam and seconded by Mr. Dutton to adjourn the meeting. Meeting adjourned at 9:55 am.

List of handouts

Agenda

Minutes – 4/8/19

FY2019 Budget

FY2019 Budget Update

Pass Fare Update

FY2020 Budget

Schedule for Proposed New Service FY20

Respectfully submitted,

Kelly Forrester - BAT