

**BROCKTON AREA TRANSIT AUTHORITY
AUDIT AND FINANCE COMMITTEE MEETING AGENDA
8:30 am, Thursday, December 15, 2016
Avon Town Hall**

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|-----------|---|--------------------|
| 1. | Welcome | <i>Chairman FH</i> |
| 2. | Public Comments | <i>Chairman FH</i> |
| 3. | Minutes – October 20, 2016 | <i>Chairman FH</i> |
| 4. | KPMG | <i>RGL</i> |
| | i. FY2016 Financial Statement | |
| | ii. A-133 Audit – OMB Uniform Guidance | |
| | iii. Audit Service | |
| 5. | MassDOT Audit – November 2016 | <i>RGL</i> |
| 6. | Financial Report Update | <i>LAS</i> |
| 7. | Personnel | <i>LAS</i> |
| | i. Mayflower Health Group
Benefits & Retiree | |
| 8. | Other | <i>RGL</i> |
| | i. Banking – Harbor One | |
| 9. | Adjourn | <i>Chairman FH</i> |

Note: Invitees are respectfully requested to limit their comments to three minutes understanding the work before the Advisory Board and out of respect for others who may desire to offer comments.

MINUTES OF THE BAT AUDIT AND FINANCE COMMITTEE

Thursday, December 15, 2016

In Attendance:

Frank Hegarty, Chairman, Town of Avon

Frank Lynam, Town of Whitman

Beverly Harris, Town of Stoughton

Reinald G. Ledoux, Jr., Administrator

Linda Sacchetti, CFO

Kelly Forrester, Manager of Transit Operations

The meeting was called to order by Mr. Hegarty at 8:30 am at the Avon Town Hall 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 December 12, 2015.

Mr. Hegarty welcomed the group. Seeing no members of the public, there were no public comments. Minutes from the meeting of October 20, 2016 were presented. Mr. Lynam made a motion to accept the minutes and Ms. Harris seconded. There was no further discussion and the motion was unanimously passed.

Next, Mr. Ledoux discussed the OMB Uniform Guidance Audit (formerly called the A-133 Audit). He stated that this audit was completed and delivered on November 22nd, the original due date was scheduled for September 28th. Mr. Ledoux pointed out that there are no deficiencies in the Audit. He stated that there were some difficulties with the timeliness of the current auditing firm, KPMG, this year. The audited financial statements were also delivered late. Mr. Lynam made a motion to receive and accept the A-133 audit. Ms. Harris seconded. Motion was unanimously passed.

Mr. Ledoux stated that BAT is currently in the 2nd year of a three year engagement with KPMG for audit services. He explained that this is the second year in a row that the audit has been late. Mr. Ledoux asked the committee to consider seeking services from a new firm. Mr. Lynam made a motion to go forward with relief of third year engagement and move forward with seeking requests for proposals for audit service for a two year period with an option for one year. Ms. Harris seconded. Motion was unanimously passed.

Next on the agenda was the MassDOT audit. Mr. Ledoux explained that in November, representatives from MassDOT visited BAT to conduct a two day audit in an effort to show oversight of RTA's. Mr. Ledoux explained that the audit was very successful, there were no deficiencies and the auditors will be reporting the results to the Finance Review Board in the next month. Mr. Ledoux referenced the audit report included in the board package. Mr. Lynam made a motion to accept the draft report. Ms. Harris seconded, all were in favor and the motion passed.

Ms. Sacchetti gave a financial report update. She referred to the documents included in the Committee package including a FY17 Budget Update. She explained the report contained four

months of financials. Revenues are currently under budget, which is typical for the first months of the year. Ms. Sacchetti explained that BAT had locked into a fuel contract through May with a low price of \$1.3918, this will attribute to expenses being under budget as well. Mr. Lynam made a motion to accept financial update, Ms. Harris seconded. All were in favor and the motion passed unanimously.

Mr. Ledoux then discussed personnel. There was some discussion regarding the Mayflower Municipal Health Group. Mr. Ledoux stated that unless the committee had any objections, he would like BAT to move forward in researching retiree dental insurance. There were no objections. Mr. Ledoux stated that he would provide an update at the next meeting.

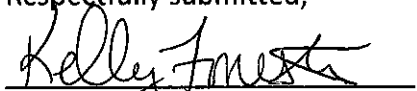
Next, Mr. Ledoux discussed sick time. Bat's current personnel policies allow for a part time employee working over 20 scheduled hours a week to earn one hour of sick time for every thirty hours worked. This is the minimum amount of sick time allowed based on the states sick time law. Mr. Ledoux stated that for such a small office, this requires a lot of time to track and implement. He suggested to the committee that unless there were any objections, BAT would like to offer 8 sick days to part time employees as of January 1st. BAT had also reduced sick time for full time employees recently. This will satisfy the law and make it easier to track and record this time. There were no objections.

Next on the agenda is Banking. Mr. Ledoux stated that he and Ms. Sacchetti recently met with Harbor One. HarborOne currently offers 100% insurance on balances in excess of the current FDIC limits. Mr. Ledoux nominated that BAT move its Capital and Insurance accounts, which is used to pay for projects using federal funds to HarborOne. Mr. Lynam stated that was BAT's management decision and that it made sense.

Mr. Ledoux then informed the committee about a potential environmental hazard. During the construction of the new fuel filling station at the Maintenance facility, some hazardous soil was found when digging. The Department of Environmental protection was informed and BAT is currently under a URM to allow completion of the fuel filling station. Mr. Lynam asked if this was diesel fuel that was spilled. Mr. Ledoux responded that it is unknown at this time, however prior to the building of the current maintenance facility in 1985, there was a car barn built in 1896 that was located at the site of the contaminated soil. Further digging has revealed that the contamination does not appear to go further east under the building and does not appear to be in the ground water. Mr. Ledoux stated he will keep the committee briefed if any major developments occur.

There being no more business to bring before the Committee a motion was made by Mr. Lynam and seconded by Ms. Harris to adjourn the meeting at 10:15am.

Respectfully submitted,



Kelly Forrester
Manager of Transit Operations