

MINUTES OF THE BAT ADVISORY BOARD'S

AUDIT AND FINANCE COMMITTEE

October 6, 2022 10:30 AM

In Attendance:

Frank Hegarty, Town of Avon

Dottie Fulginiti, Town of Easton

Jennifer Cook, CliftonLarsonAllen, LLP

Michael Lambert, Administrator

Linda Sacchetti, CFO

Kelly Forrester, Manager of Transit Operations

Kathy Riddell, BAT

The virtual meeting was called to order by Mr. Hegarty, 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 October 3, 2022. The meeting was held virtually based on Governor Baker's declaration of a state of emergency on March 12th, 2020. Enhanced open meeting regulations were being utilized for the meeting. The meeting was being recorded and live streamed on BAT's YouTube video platform to provide a public forum/access. All legal requirements have been met.

Mr. Hegarty welcomed the group. He asked if there were any public comments. Seeing as there were none, the group moved to the next item on the agenda.

The minutes from the meeting of May 26, 2022 were reviewed. Ms. Fulginiti made a motion to accept the minutes as presented. Motion was seconded by Mr. Hegarty. All were in favor.

Number 4 on the agenda was a presentation by Jennifer Cook of CliftonLarsonAllen, LLP, BAT's auditing firm. Ms. Cook started the presentation by explaining the terms of the engagement, followed by the financial highlights. She noted that revenues had increased over the prior year due in part to the increase in ridership and contract assistance. Expenses are basically level compared to prior year. Net cost of service is trending generally as expected. She noted that disclosures were neutral, consistent and clear. No difficulties or disagreements incurred with management and there were no identified passed and corrected adjustments. Additionally, no significant issues were discussed with management. In summary, in regard to the Financial Statements, no material weaknesses or significant deficiencies were identified and no noncompliance was reported. Under the Single Audit, no compliance or internal control findings were reported and the Authority qualified as a low-risk auditee. CliftonLarsonAllen did suggest, after performing an IT assessment, that BAT's internal controls be put into a more formal document. Ms. Cook stated that BAT had a great management team and thank them for the cooperation provided under a very tight time frame. Mr. Hegarty asked if there were any questions regarding the Audit. Mr. Lambert thanked Ms. Cook and her team for their in-depth review of not just the typical things but made best practice suggestions that gives BAT the option

to make choices that are best for the organization. Their suggestions are valuable to future courses of action and strategic planning.

Ms. Fulginiti commented that in the few years she has been on the Advisory Board, BAT has consistently provided exemplary service, showing great financial management. She offered her congratulations to BAT for their accomplishments year after year. Mr. Hegarty seconded the remarks provided by Ms. Fulginiti and offered his congratulations on the BAT team's achievements during the past few difficult years. Motion to accept the Financial Statements and Single Audit as submitted was made by Ms. Fulginiti and seconded by Mr. Hegarty. All were in favor and motion passed unanimously.

Ms. Sacchetti presented the Committee with the FY22 certified assessments. The numbers were 2 ½% above last years assessments and consistent with prior years. She directed the Committee's attention to the second page of the assessments which identified weighted vote by community. The weighted vote had not changed from the prior year. Ms. Fulginiti made a motion to accept the FY22 local assessments as submitted and motion was seconded by Mr. Hegarty. All were in favor and motion passed unanimously.

Ms. Sacchetti then presented the Committee with a FY23 budget update. She provided two months' worth of actual data. She highlighted the line items she anticipates to have an impact by the end of the fiscal year. They include the Department of Developmental Services (DDS), fuel costs and interest expense. DDS's service contract with BAT increased by 10% this year, thus increasing revenues. BAT went out to bid yesterday for fuel and was able to secure a contract that will take BAT well in FY23. Cost of gasoline came in at \$2.70 and diesel fuel at \$3.35. Two hours after the contract was awarded OPEC announced a cut back in oil production. Today fuel prices increased \$.27 per gallon of gas and \$.03 for diesel fuel. Mr. Hegarty commented that the timing worked out favorably for BAT. There were no questions on Ms. Sacchetti's report.

Number 7 on the agenda was the Administrator's Report. Mr. Lambert informed the Committee of MassDOT's \$2.5M pilot/discretionary program to provide free or reduced fares on public transit in the Commonwealth. Applications are due tomorrow and Mr. Lambert stated that an application will be submitted on behalf of all 15 RTAs to provide free service, in some fashion, between Thanksgiving and New Year's Day. The group believes this will be beneficial in increasing ridership during a traditionally low ridership period and will provide a financial reprieve to customers at a time of overall fiscal difficulties. Ms. Fulginiti thought this was a great idea and any relief would be wonderful for riders. Mr. Lambert stated it would also benefit local businesses. Mr. Hegarty suggested that the Chamber of Commerce push its membership through outreach, social media, etc. to advertise the service. Mr. Lambert said that MassDOT is under a great deal of stress to make a decision quickly so riders can be informed promptly, should the application be approved.

Statewide, the Governor's office and MassDOT are working to address staffing shortages being faced by transit providers, the trucking industry and school bus operators. Discussion is taking

place around CDL licensing costs and other restrictions which are hindering hiring. It is hoped that some flexibility might ease the shortage across the state. BAT is looking at its hiring application process, employment practices and other barriers that might exist for drivers. BAT would like to smooth out the process and remove some of the obstacles candidates face when applying for a driving position.

Ridership seems to be steady. However, September did not provide the “bump” hoped for. Boston has been very quiet on Mondays, Wednesdays and Fridays with a little more activity on Tuesdays and Thursdays. Many businesses have moved to a hybrid schedule and BAT is tracking its ridership closely, especially to Ashmont. It seems to have plateaued at about 75% of pre-COVID levels. The same trend is being experienced across the Commonwealth.

Mr. Lambert gave the Committee an overview of the progress being made at the mini-hub at Westgate Mall and Market Basket. It is one of BAT’s most popular stops. The space will be able to accommodate three buses instead of one and will include shelters, electronic signage and planters. This should provide improvement in safety and customer service. He then informed the Committee that from time-to-time BAT disposes of buses and equipment that are beyond their useful life or obsolete. All federal and state guidelines requirements are met. Partners and others are informed so they can bid via auction on the surplus property.

Ms. Fulginiti asked about MassHire and its collaboration with BAT to provide a van to act as a mobile training center. Ms. Sacchetti stated that they acquired an older van from BAT and had it converted and rehabbed at Southeastern Regional Technical High School. Ms. Fulginiti said she had seen the van and it has been to a number of locations. She noted the difficulty so many individuals have applying for a job when they don’t have access to a computer. It is usually not possible to fill out employment applications on a mobile device. She thanked BAT for partnering with MassHire to provide this valuable service.

There was no Old/New Business to bring before the committee.

Ms. Fulginiti made a motion to adjourn the meeting and it was seconded by Mr. Hegarty.

Meeting of the Audit and Finance Committee adjourned.

Respectfully submitted,

Kathy Riddell, BAT

List of handouts for 10/6/22 meeting:

1. Agenda
2. Minutes – 5/26/22
3. FY2022 Audited Financial Statement
4. FY2022 Single Audit Report
5. FY22 Certified Local Assessments
6. FY23 Budget Update
7. Administrator Goals