



CERTIFICATION OF MINUTES

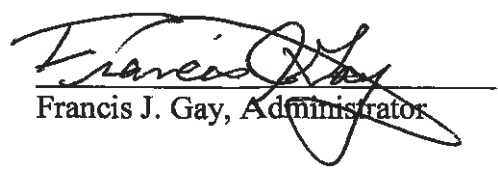
**CERTIFICATION OF NOTICE OF THE
AUDIT & FINANCE COMMITTEE MEETING**

I hereby certify that the attached minutes are a true copy of the minutes of the meeting of the Audit & Finance Committee, Subcommittee of the Advisory Board of the Greater Attleboro-Taunton Regional Transit Authority held on **November 6, 2019**.

I further certify that the votes were taken at a meeting open to the public; that no vote was taken by secret ballot; that a notice stating the place, date, time and agenda for the meeting (which agenda included the adoption of the budget) was (i) filed with the Municipal Clerk of each of the member municipalities (collectively, the "Municipal Clerks") and copies thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal buildings in which the offices of the Municipal Clerks and the Authority Administrator are located, or in accordance with an alternative method of notice prescribed or approved by the Attorney General as set forth in 940 CMR 29.03(2)(b) or (ii) posted on the Authority's website in accordance with 940 CMR 29.03(3)(b), at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting; that no deliberations or decision in connection with the adoption of the budget were taken in executive session; and that the official record of the meeting was made available to the public promptly; all in accordance with G.L. c.30A, §§ 18-25 as amended.

I further certify that notice of the meeting was given to all members of the Committee and Advisory Board in accordance with the by-laws of the Authority.

Date: 1/22/2020


Francis J. Gay, Administrator



MEMO

To: GATRA Advisory Board Audit & Finance Members and/or Designees
From: Francis Gay, Administrator
Date: October 30, 2019
Subject: GATRA Audit and Finance Committee Meeting, November 6, 2019 12:45 p.m.
Location: Stoneforge Restaurant, 90 Paramount Drive, Raynham, MA 02767

AGENDA

1. Review/Approve Minutes from May 21, 2019
2. Fiscal Year 2019 Financial Report Discussion
3. GATRA Weighted Vote FY 2020
4. FY2020 Budget Revision 1
5. Discussion



**GATRA Audit & Finance Committee Meeting
November 6, 2019**

The meeting was called to order at 12:45 p.m. by Mayor Thomas Hoye, in Raynham, MA

Those in attendance were:

- | | |
|----------------------------------|---|
| Mayor Thomas Hoye, Taunton Rep | Michael Gallagher, North Attleboro Rep. |
| Joseph Ryan, Pembroke Rep. | Mayor Paul Heroux, Attleboro Rep. |
| Richard Leitch, Norton Rep. | Dan Burgess, CFO, GATRA |
| Francis Gay, Administrator GATRA | Andrew Lima, Hague, Sahady Co., Inc. |
| Nancy Foley, Secretary GATRA | |

1. Approval of the May 21, 2019 Minutes:

The Minutes of the May 21, 2019 Audit & Finance Committee meeting were distributed to the Committee for approval.

Motion by Joseph Ryan to approve the minutes of the May 21, 2019 Audit & Finance Committee. The motion was **Seconded** by Dick Leitch, Mike Gallagher abstained as he was not present. The motion was **Passed** by the Audit & Finance Committee.

2. Fiscal Year 2019 Financial Report

Andrew Lima, Account Manager from Hague Sahadey Co., Inc. presented the GATRA Annual Financial Statement June 30, 2019 and the GATRA Single Audit Report Year ended June 30, 2019. The auditors believe the financial statements are in line with the Audit Principals accepted by the United States Government. There were no material findings in both the Annual Financial Statement and the Single Audit Report.

Regarding the Condensed and Comparative Statement of Revenue, expenses have changed. In the current year the net position increased \$958,882. Current assets increased by \$1.9 million due to an increase from government grants. This is due to timing differences in receipt of operating and capital assistance from Federal and State sources.

Current liabilities increased as well due to increase in accounts payable this year due to timing differences in payment of operating and capital invoices at year end.

Non-current liabilities also increase by \$696,664 typically we will see an increase year to year for the same reason, the pension liability and the OPEB liability.

There was also a substantial increase in capital assets due to Additional State RTA Capital funding that came in from MassDOT right at the end of the fiscal year. Purchases were \$4.6 million for busses, facilities, equipment and other assets.

GATRA has no long term debt outstanding. The Authority regularly borrows a Revenue Anticipation Note each year to sustain cash flow until State and Federal payments come in. The note is \$7.8 million outstanding. The new year note went up to \$8.2 million. Based on cash flow that number will hover in that area from year to year.

There is a significant amount due from other governments, which is the local assessment reimbursement which goes out from the State treasurer. Also OPEB liability which is calculated by an independent actuary. The Net pension liability is GATRA's portion of the Taunton Retirement contributory unfunded liability.

Restricted net position. Chapter 161B section 6 allows the authority to establish a reserve for extraordinary expense. There are some limits to that amount. During the fiscal year 2019 GATRA contributed \$125,000 to the reserve, it is currently \$650,000.

There is a unique situation in the contract between GATRA and the MBTA for the Attleboro Station. This has its own stipulation that a certain amount of the money be earmarked for a capital improvement fund. The balance is \$1.1 million in that fund as of 6/30/19.

Andrew reported that there was no instance of non-compliance and the reports have been submitted to the State. The audit went smooth. GATRA was very well prepared. GATRA contracts with an outside source to draft the annual financial statement. They do an excellent job.

A **Motion** was made by Michael Gallagher to accept the Annual Financial Statements and the Single Audit Report and present to the full Board. **Seconded**, by Joseph Ryan. The motion **Passed**.

3. GATRA Weighted Vote FY2020

Frank circulated a copy of the new weighted vote. Frank reported that there were not a lot of significant changes. This will be presented to the full Advisory Board. No other discussion.

4. FY 2020 Budget Revision I

Frank circulated the handout status of funding. Frank noted that this is a good summary of where GATRA is overall. It shows where we are using our state and federal money. In FY 2019 we were able to put a significant amount of money into the reserve fund. There was an increase in fare box revenue. We did raise fares in February and to date it did not have a big impact on ridership.

The 3 footnotes are we do have receivables due from the State for the last 3 years. The difference is what the communities are paying and the State has been funding us. By statute GATRA is getting at least 50/50 and the state has been continually underfunding. Their position has been that do not feel they owe the money. The chairman did write a letter after the May board meeting to the Secretary with no response. There is some discretionary money and we put in again for another grant. Currently we are talking to a legislative person to file for a

supplemental budget in January. If those don't work the Board will have to decide the next course of action. We have an opinion from K.P. Law that by statute, we are owed the money

Fiscal Year Budget Revision I was distributed and discussed. In May when the board voted to adopt the FY 2020 budget they level funded it because of the uncertainty with the State Legislature and what state funding we would get. We were successful in getting \$90.5 million for the all the RTA's, which is about \$8 million more than FY2019. The State took \$3.5 to set up the discretionary fund. To fund operations the RTA's got \$87 million. Revision I of the Budget is to bring us in line where we are to fund our operations. This allocates a 3% cost of living increase for staff. The only other big change is on the interest expense. We had to borrow more money and the rate has gone up. The interest expense has a significant increase. In our operations, most line items on Fixed Route have been increased by 3%. Our Taunton, Attleboro and Plymouth operators' union contracts are still in negotiation. The parties are significantly apart. At a minimum we are looking at a 3% increase. Our contractor is making their best and final offer to the Taunton/Attleboro drivers tomorrow.

On the fixed route side of the budget there are increases of 3%. Demand Response went up little more, the towns of Caver and Middleboro are adding more service. The rest is pretty much a 3% increase. There was a \$4 million increase in Human Services Transportation reflected in revenue side which indicates anticipated increases in riders

It was questioned what the Micro transit pilot was. Frank explained it was funded through the first round of discretionary funding from MassDot. It is the pilot operating in Mansfield/Foxboro area.

Mr. Leitch brought up that there is a lot of duplicate school runs and communities could possibly cut off school busses by creating more GATRA runs to the schools. GATRA usually picks up students on regular routes that are within the 2 miles area that school buses do not pick up. Mayor Hoyer reported that the Superintendent of Schools was planning a pilot program for transportation for students. It was reported that in Fall River all students are on SRTA. Frank reported that in our Federal requirements GATRA cannot provide exclusive school bus service. All of our service has to be open to all. We can run diversion trips to the schools, which we do now. GATRA does not have the capacity like SRTA. GATRA would have to gear up with more buses in the community.

A **Motion** was moved by Michael Gallagher to accept the FY2020 Budget Revision I as submitted. This was **seconded**, by Joseph Ryan. The motion was **passed** by the Audit & Finance Committee.

A **Motion** was moved by Michael Gallagher to adjourn the Audit & Finance Committee Meeting. It was **seconded** by Joseph Ryan. The motion was **passed**.

The meeting was adjourned at 1:15 p.m.