Berkshire Regional Transit Authority

Finance/Audit Committee

September 26, 2022 at 10:01 AM

In Person

BRTA Boardroom, 2nd Floor, 1 Columbus Avenue, Pittsfield, MA

**Berkshire Regional Transit Authority Finance/Audit Committee Members present:**

Sandy Lamb, North Adams and Doug McNally, Windsor.

Also present: Robert Malnati, Sarah Vallieres, and Kaylyn Hunkler, BRTA and David Irwin, Adelson.

No members of the public were present.

1. **Approval of Minutes for May 23, 2022 -VOTE**

The Finance Committee members reviewed the minutes of the May 23, 2022 meeting.

D. McNally made the motion to accept the minutes, was seconded by S. Lamb, and was approved by all.

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| Town | (1) Minutes of April 28, 2022 | (3) Draft FY 22 Financial Statement  | (4a) Pension: Investment Policy | (4b) Pension: Proposed Contribution |
| North Adams | Yes |  |  |  |
| Windsor | Yes |  |  |  |

1. **FY 22 Draft Financial Statements Review- David Irwin-Adelson**

D. Irwin thoroughly reviewed the audit and stated that Adelson provided the BRTA an unmodified or clean opinion on the financial statements. Finances were accurate with nothing missing, no issues and no material deficiencies. He shared that they Independent Auditors’ Report had changed to include the Auditors’ opinion, the basis of the opinion, and the role of the Auditors. He explained the narrative of the details of the audit and thoroughly reviewed the financial statements with the Finance Committee. All of the compliance testing and expense sampling was successful and coded correctly. There is no profit and no deficiency for the BRTA’s net position and is 100% fully funded. The finances were in conformance with the auditing principles, including government auditing standards and the BRTA complied with FTA and State funding requirements. There is no unusual calculation of the pension in discussion with the actuary and BRTA stayed within their guidelines. For the receivables, the year-end cut off is good. In reviewing bank deposits, all funding is insured by FDIC and DIF insurance.

D. Irwin explained that PMB was absorbed by BTM and all accounts in the PMB name were closed. BTM had an excess of working capital and was properly returned to BRTA. He also added a section that showed the Federal funding from the pandemic. This has been highly audited by the government within other agencies and he wanted this to be very transparent.

D. Irwin shared a recommendation due to the new GASB 86 regulation that BRTA should annually review their lease contracts. He stated that this has already been written in the BRTA policy and looks great. There were no material weaknesses

1. **FY 22 Draft Financial Statements- VOTE**

D. McNally made the motion to accept the draft Financial Statements as presented by D. Irwin, was seconded by S. Lamb, and approved by all.

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| North Adams |  | Yes |  |  |
| Windsor |  | Yes |  |  |

1. **Pension:**
	1. **Investment Policy- VOTE**

R. Malnati explained the process of the creation of the Investment Policy Statement. The Pension Committee met and signed off on this Policy agreeing to the rules and procedures set forth in the document. This provides guidelines and discloses the levels of risk for investments in the portfolio. Once the Finance Committee accepts the Investment Policy Statement, he can send to C. Phillips.

S. Lamb recused herself due to being on the Pension Committee. D. McNally suggested adding this to the Advisory Board Meeting on Thursday as a subcommittee agenda item. It was agreed.

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* 1. **Proposed Contribution- VOTE**

R. Malnati reviewed the Odyssey documentation about the pension contributions that were based upon the FY 21 evaluation. The FY 23 budget was $175K, Odyssey suggested $200K. The deficit amount from the previous years was $284K. R. Malnati was comfortable with a range of $175-$230. At the next Pension Committee meeting, he would let them know what the range is. S. Lamb stated that we should put in as much as we can, as retirement withdrawals will be large. D. McNally agreed with a higher range due to our financial capacity.

D. McNally made the motion to the $200K-$238K range for the Pension Contribution, was seconded by S. Lamb, and approved by all.

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| North Adams |  |  |  | Yes |
| Windsor |  |  |  | Yes |

1. **Next Meeting**

The next meeting will be January 23, 2022, at 10 AM.

Meeting adjourned at 11:10 AM.

**Meeting Materials**

* **BRTA Finance/Audit Committee Agenda**
* **BRTA Finance/Audit Committee Minutes- May 23, 2022**
* **BRTA Investment Policy Statement**
* **BRTA Financial Statements and Supplementary Information June 30, 2022**
* **Adelson & Company Letter to the Finance/Audit Committee**
* **BRTA Management Letter**
* **BRTA Schedule of Expenditures of Federal Awards and OMB Uniform Guidance Auditor’s Reports**
* **Odyssey Advisors Actuarially Determined Contribution for the FY ending June 30, 2022**