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**MINUTES OF PVTA'S  
FINANCE & AUDIT COMMITTEE MEETING  
January 21, 2020**

**1. CALL TO ORDER**

The Finance and Audit Committee meeting of the Pioneer Valley Transit Authority was held on Tuesday, January 21, 2020 at 12:00 P.M. at the Pioneer Valley Transit Authority Administration Office located at 2808 Main Street in Springfield, MA.

**MEMBERS PRESENT:**

Members: Doug Slaughter, Amherst; Brian O'Leary, Belchertown; Steve Huntley, Chicopee; David Moskin, Hadley

**NOT PRESENT:**

N/A

Call to Order: Doug Slaughter, Chairman of the Finance & Audit Committee stated that the committee has a quorum and called the meeting to order at 12:21 P.M.

**2. PUBLIC COMMENTS**

Chairman Slaughter opened the floor for public comments. No Public Comments were made.

**3. APPROVAL OF MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING OF SEPTEMBER 23, 2019**

Chairman Slaughter asked for a motion from the Finance & Audit Committee to approve the meeting minutes of September 23, 2019.

**MOTION:** Moved and seconded (Huntley/O'Leary) to approve the minutes of PVTA's Finance & Audit Committee meeting held September 23, 2019.

Chairman Slaughter asked if there was any discussion, hearing none, asked for all those in favor to say aye.

Steve Huntley abstained.

Motion passed by a vote of 3-0.

**4. FY20 BUDGET AMENDMENT**

Chief Financial Officer (CFO), Lisa Seymour, stated that the revised FY20 Budget includes discretionary funds received from MassDOT for \$600,241 for the B7 Express, P20 Express and the G1. A budget amendment recommendation is requested from the Finance & Audit Committee for Board approval to account for these funds.

Chairman Slaughter asked for a motion from the Finance & Audit Committee to approve the FY20 Budget Amendment and recommend approval by the full Board.

**MOTION:** Moved and seconded (Moskin/O’Leary) to approve the FY20 Budget Amendment and recommend approval by the full Board.

Chairman Slaughter asked if there was any discussion, hearing none, asked for all those in favor to say aye.

Motion passed by a unanimous vote.

## **5. YEAR TO DATE – BUDGET TO ACTUAL REPORT**

CFO Seymour reported the following:

This budget to actual report is an estimation on the first half of the year. The books are closed through September 2019 with progress being made by the Controller to get them closed in a timely manner.

The federal operating grant for preventive maintenance and ADA assistance historically has been billed at the end of the year. This is being changed to be billed quarterly to control cash flow.

We received discretionary funds from MassDOT for \$600,241 for the B7 Express and P20 Express as well as the G1.

We received the grant for FY20 for Travel Training in the amount of \$82,724 which is more than the \$71,251 that was in the Budget due to it still being processed by DOT. The Beyond ADA Operating Assistance was granted in the amount of \$129,203 which is more than the \$40,411 that was in the Budget due to it still being processed by DOT. We also received a new grant for the Quaboag Region Micro Transit in amount of \$193,304 to be matched with \$48,326 in local funds.

Currently processes are being updated and looked at with fresh eyes and some things have already been changed or spotted that are improving time and cost efficiency. The jobs in the finance department are also being tweaked to better suite each department function and make a smoother process. All accounts receivable and accounts payable invoices are being seen by CFO to assist in accuracy of billing as well as timely billing. Invoices are now reviewed against contracts to see if there are any cost savings available. Three separate contracts were identified that were incorrectly billed and we are waiting on refunds from those invoices.

Local Assessments for the towns and for Five Colleges have been completed and sent out to the appropriate persons. They have been also sent to DOT and uploaded to the Department of Revenue website.

The NTD report has been submitted to FTA as well as two revisions. It should be closed shortly.



I am working with the Grant Manager to better organize the grant system and develop a better process for submitting grants.

The workers compensation yearly audit conducted by Travelers Insurance has been completed and submitted.

(A full report of the FY20 Budget to Actual Estimated 1<sup>st</sup> half end 12/31/19 has been filed with the minutes of this meeting.)

Steve Huntley: Can you show the gallons of fuel used in addition to the price.

CFO Seymour: Yes, I will be sure to report that at the next meeting.

Chairman Slaughter asked for a motion from the Finance & Audit Committee to approve the Year to Date Budget to Actual Report.

**MOTION:** Moved and seconded (Huntley/O'Leary) to approve the Year to Date Budget to Actual Report.

Chairman Slaughter asked if there was any discussion, hearing none, asked for all those in favor to say aye.

Motion passed by a unanimous vote.

## **6. AUDITOR'S RECOMMENDATION PROGRESS**

CFO Seymour stated that we are continuing to work on the auditor recommendations and have made the following progress:

1. During fiscal year 2019, the Authority's Finance Department experienced a high rate of staff turnover. In addition, the Authority switched to a new general ledger software, Abila MIP. Recommendation: The staff of the Finance Department should familiarize themselves with accounting rules and regulations applicable to the Authority.

### **Action Taken:**

The new Grants Manager attended a training for the Triennial review as well as the planning/analysis Manager attended the NTD training course. The Planning/Analysis Manager will also be attending a Mobility Training that will be at PVTA in the upcoming months. The Grants Manager will be sent to extended Grants training as it becomes available in the upcoming months. The new CFO is familiar with auditing/accounting requirements as well as trained in NTD, DBE, TRAMS, ECHO, federal Capital, Capital reporting of FFR's and MPR's, Title IV and is able to support and assist the staff in their new roles. Abila, the accounting system, will be conducting a training in the upcoming month for the entire finance staff to better assist in understanding the software.

2. The Authority's capital grant accounts receivable balance as of June 30, 2019 was \$6,104,227. Subsequent to fiscal year end, the Authority collected \$2,931,071 leaving an outstanding balance of \$3,173,156 as of September 10, 2019. As these receivables are related to capital asset purchases funded with specific federal and state grants, the collection of the receivables should be more timely. Recommendation: Capital asset purchases charged to Federal grants are reimbursed by drawing the funds down directly from the Federal ECHO system by the Authority. The drawdown should take

place no later than 3 business days after the purchase, or soon enough thereafter as allowed under the terms of the grants.

**Action Taken:**

The CFO has been working diligently with the Grants Manager to clean up some of the old grant balances and to help the Grants Manager better understand her role. The outstanding receivable balances are in the process of being reconciled properly. The Capital grants are being drawn down in a more timely manner currently.

3. The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, which establishes new financial reporting requirements for governments. The implementation of this statement will require a lessee to recognize a lease liability and an intangible right-to-use lease asset or capital asset on its balance sheet and will require a lessor to recognize a lease receivable and a deferred inflow of resources on its balance sheet. The Authority's required implementation date of GASB Statement No. 87 is for the fiscal year ended June 30, 2021. Recommendation: Management of the Authority should familiarize itself with GASB Statement No. 87 in order to prepare for its implementation and impact on the Authority's financial reporting which begins on July 1, 2020 (fiscal year 2021). The Authority should also begin the process of identifying and documenting all lease contracts, whether as lessee or lessor, and determine if any contracts meet the reporting requirements of GASB Statement No. 87.

**Action Taken:**

The CFO has recently begun this project and it is ongoing. She will establish a timeline with key milestones. This could not be completed by December 30, 2019 due to other commitments.

4. There is an increasing threat of cyber and ransomware attacks against organizations of all sizes and industries, including public government agencies. An attack on the Authority's computer systems could cause significant disruption to the Authority's operations and result in the potential theft or loss of electronic files and data, including financial records, payroll information, and employee data. Recommendation: The Authority should review its information technology policies and procedures to make sure the appropriate safeguards are in place to mitigate the risk of a cyber-attack, as well as minimize the theft or loss of data should an attack occur.

**Action Taken:**

The Authority's Information Technology (IT) department has updated their procedures and manual as well as the PVTA Disaster Recovery plan to incorporate the auditor recommendations. The Authority also has Cyber risk insurance in place for FY20 as another level of protection. PVTA requires that all server systems maintained by the PVTA IT Department are backed-up using one of several backup profiles as described below.

## **7. OTHER BUSINESS**

Chairman Slaughter reported that there is no other business to discuss.

## **8. ADJOURNMENT**

The meeting of the PVTA Finance & Audit Committee adjourned (Huntley/O'Leary) at 1:09 P.M.

**A TRUE RECORD**

**ATTEST:**

  
**BRANDY PELLETIER**

Documents filed with Finance & Audit Committee Meeting packet:

- September 23, 2019 Finance & Audit Committee Meeting Minutes
- Year to Date – Budget to Actual Report

**Minutes Approved: March 25, 2020**

