



DRAFT MINUTES

MBTA ADVISORY BOARD
BUDGET & AUDIT COMMITTEE

February 5, 2024

Meeting 10:00 AM – 11:00 AM

- A. Call to order:** Colette Aufranc (Wellesley) Committee Chair called the meeting to order at 10:04AM.
- B. Public Comment:** There was none.
- C. Introductions and committee organization:** Brief introductions of meeting participants were given. Lia Fabian (Lakeville) volunteered to serve as Vice Chair. Frank Tramontozzi (Quincy) moved to elect Lia Fabian as Vice Chair of the Budget & Audit Committee. Erin Chute (Brookline) seconded this motion, which was approved unanimously via a roll-call vote.
- D. Audits Update:** The draft audited financial statements for the periods 1/1/21 to 12/31/21 and 1/1/22 to 12/31/22 were received and presented. C. Aufranc, a former corporate auditor, presented the statements. She suggested that the committee consider the following:
- That the committee add a paragraph on page 4 noting that while the MBTA Advisory Board ran planned deficits in the years 2020, 2021, and 2022, the Advisory Board Actual results for 2023 and budget for 2024 end in surpluses and a sustainable financial model is proposed following the conclusion of lease and equipment contracts that were driving the deficits.
 - Ms Aufranc suggested the addition of a note to the financial statement that gave more insight into “other liabilities” as shown on page 8 of

the financial statements. Other liabilities include deferred income, salary and retirement payments. As of February 2024, these salary and retirement payments have been made and these liabilities satisfied.

- On page 14, under “lease agreements” that this paragraph be updated to reflect the fact that the lease ended on 12/31/22 and the security deposit partially repaid.
- Two small adjustments suggested by Ms. Gonsalves of QRG, the board bookkeeper will be reflected in the financial statements.

Following discussions of these points, the Chair requested a motion to accept the audit, subject to the revisions discussed, and transmit the audits to the full Advisory Board for its consideration. L. Fabian made such a motion which F. Tramontozzi seconded. The motion was approved unanimously via a roll-call vote.

The Chair also noted that the agreement signed with Powers & Sullivan in 2021 includes an audit of the Financial Statements for the period 1/1/23-12/31/23 for the cost of \$7,500. B. Kane noted that he is also seeking other quotes for this time period for the committee’s information.

- E. Financial Update:** Finalize and approve budget for the year ended 12/31/24. Brian Kane (Executive Director) presented the proposed budget. It projects a surplus at the end of the fiscal year. E. Chute asked about the organization’s revenue source. B. Kane answered that by statute 0.25% of total assessments are forwarded to the MBTA Advisory Board for its operations. This revenue is in the MBTA’s annual budgets, and certified by the Department of Administration and Finance. Hon. Breanna Lungo-Koehn (Medford) made a

motion to approve the budget as presented. F. Tramontozzi seconded this motion, which was approved unanimously via roll-call vote.

F. Old Business

1) Insurance update: Delanson. B. Kane provided a memorandum outlining the organization's insurance policies. The MBTA Advisory Board holds the following insurance policies:

- Business Owners
- Management Liability (Director's & Officers)
- Worker's Compensation.

All policies are under a local brokerage, Delland & Gibson and all premiums, deductibles, and limits appear to be reasonable and based on market conditions.

2) Space at transportation building B. Kane gave the update. Space is not available at 10 Park Plaza.

3) Santander and MMDT rates: B. Kane provided a memorandum presented the item. In summary:

- Santander Money Market: 0.05%
- MMDT: 5.56% This is where the majority of the Advisory Boards funds are invested.
- Santander Checking: 0.05%

G. New Business:

- Update on accounting decisions since last meeting
 - Deferred revenue write-off: B. Kane gave the update. Working with the 3rd party bookkeeper, it appears that the MBTA owes the Advisory Board \$20,503.46 through the end of calendar

year 2023. This has been transmitted to the MBTA with payment requested. The MBTA is processing.

- Vacation time accrual accounting: Starting with 2023, vacation time is to accounted for in the books of the organization. This is a new approach.
- Summary of any unbudgeted expenses (if any): There was nothing to report.

H. Upcoming Meetings:

- May 13, 2024 (prepare for reports to Annual Advisory Board meeting if necessary)
- September 9, 2024 (Update on audit status, financial update, initial budget discussions)
- December 2, 2024 (Budget discussions)

I. Executive Session: The Chair requested a motion that Committee vote to convene in Executive Session for the purposes of discussing strategy regarding non-union personnel, Executive Director Brian Kane. The Chair declared that having such discussions in Open Session would have a detrimental effect on the Advisory Board's negotiating position. F. Tramontozzi moved to enter Executive Session under M.G.L c. 30A §21A, exemption #2 to conduct strategy sessions in preparation for negotiations with non-union personnel (Executive Director Brian Kane and Executive Director Position) under M.G.L c. 30A §21A, and to invite Bernard Lynch and Ray Santilli of Community Paradigms to join as the Chair has declared that having such discussion in open session would have a detrimental effect on



the Advisory Board’s position. E. Chute seconded this motion, which was approved unanimously via roll-call vote. The committee would return to open session only to adjourn.

J. Adjourn: With all business transacted. The Chair requested a motion to adjourn. L. Fabian moved to adjourn, a motion which B. Lungo-Koehn seconded. This motion was approved unanimously via roll-call vote, and the meeting adjourned at 10:58 AM.

Attendees:

Committee Members:

Brookline	Erin Chute
Lakeville	Lia Fabian
Medford	Hon. Breanna Lungo-Koehn
Quincy	Frank Tramontozzi
Wellesley	Colette Aufranc

Other:

Brian Kane	Executive Director
Ray Santilli	Community Paradigm Associates
Steve Smirti	Medford
Bernand Lynch	Community Paradigm Associates
Seth Gadbois	Conservation Law Foundation