

ESTUARY TRANSIT DISTRICT
SPECIAL MEETING
December 1, 2011

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT
ESTUARY TRANSIT DISTRICT MEETING ON December 16, 2011

CALL TO ORDER

The Special Meeting of the Estuary Transit District Finance Committee was called to order by Treasurer John Forbis at 9:10 AM at the Estuary Transit District in Centerbrook, Connecticut.

PLEDGE

John Forbis led the Pledge of Allegiance.

ROLL CALL

A Quorum was established.

Those in attendance included: John Forbis, Jack Spangler, Roland Laine and Rich Cabral

Absent: none

Staff: Joe Comerford and Halyna Famiglietti

Visitors: Pat Trotta and Gayle Carbone

AGENDA ITEMS

Audit Review

Pat Trotta of Seward and Monde presented the draft of the FY 2011 audit. He explained that they encountered no difficulties completing the audit. John Forbis asked about the term “misstatements” that was used in the audit. Pat Trotta explained that the books were kept on a cash basis throughout the year for management purposes and are converted to an accrual basis at the end of the year. He also explained that this was probably the best way for an organization the size of ETD to keep its books for ongoing analysis. John Forbis, Jack Spangler and Rich Cabral all expressed discomfort with the term “misstatement”. Pat Trotta said he would see if GAP rules allowed him to use another term, such as “change in presentation”.

Pat Trotta explained that a state and federal audit were required due to the amount of funding received. During the federal audit, a contradiction was found with the federal rules regarding overhead allocation and the direction given by DOT. After much discussion with both DOT and FTA, FTA finally provided written confirmation to Pat Trotta that the DOT directed overhead allocation was allowable. Pat Trotta said that there were no findings on the state or federal single audits.

Pat Trotta said that no significant deficiencies were detected during the audit. There were findings of other matters with recommendations to management that were presented in the management letter. He also explained that Joe Comerford had requested a review of the cash handling procedures, and reviewed the results. He also recommended that training be conducted for Halyna Famiglietti so that she can cut off the books at year end to be better prepared for the audit.

Pat Trotta presented a clean opinion on the income statement and balance sheet. Unrestricted net assets grew to \$162,657. John Forbis said that we needed to explain to board and towns that our growth is not allowing us to maintain the growth of our unrestricted net assets. More town money is going to senior fares due to an increase in on-route senior ridership.

Town Dues

John Forbis asked what increase was necessary considering the increase of senior fares. Joe Comerford explained that at least a 10% increase was required to maintain our current levels of contribution to the unrestricted net assets considering the growth of senior fares and the addition of service to the Southeast Shuttle. John Forbis, Jack Spangler and Roland Laine all felt 15% would be best and that their prospective towns could afford the increase since it was fairly small in terms of the overall town budget. Rich Cabral feared that a 15% increase might cause hesitation in Killingworth. It was agreed that both options would be presented to board for consideration.

Southeast Shuttle Expansion

Joe Comerford presented the estimated cost of provided one additional trip on the Southeast Shuttle from 5:00 PM until 7:00 PM Monday through Friday. For six months, the cost is projected to be \$11,000. The service will begin concurrently with the Mid-Shore Express expansion. John Forbis made a motion to approve the expansion of service by 2.75 hours Monday through Friday. Roland Laine seconded the motion. The motion was unanimously approved.

Discussion of Other Items for the Board Meeting

Joe Comerford presented the cost allocation plan for review. He explained that the only changes were on the non-core services, therefore the overhead allocation would remain at 70% Shoreline Shuttle, 20% Riverside and 10% Transit-On-Call. John Forbis made a motion to accept the cost allocation plan as presented. Roland Laine seconded the motion. The motion was unanimously approved.

ADJOURNMENT

Jack Spangler made a motion to adjourn, Roland Laine seconded the motion. John Forbis adjourned the meeting at 12:05 PM.

Respectfully Submitted,

John Forbis
Treasurer