

**SAN MATEO COUNTY TRANSIT DISTRICT (DISTRICT)
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA**

Via Zoom Teleconference

**MINUTES OF AUDIT COMMITTEE MEETING
NOVEMBER 16, 2020**

Committee Members Present: R. Guilbault, D. Pine

Committee Members Absent: None

Other Board Members Present: K. Matsumoto (Chair)

Staff Present: J. Hartnett, J. Cassman, S. van Hoften, D. Hansel, J. Ye, G. Martinez,
D. Olmeda, J. Brook

Others Present: A. Gharaibeh, Eide Bailly LLP

1. CALL TO ORDER

Chair Karyl Matsumoto called the meeting to order at 2:03 pm.

2. ROLL CALL

Assistant District Secretary Jean Brook called the roll. A quorum was present.

3. PUBLIC COMMENT

None.

4. APPROVAL OF MINUTES OF THE AUDIT COMMITTEE MEETING OF DECEMBER 9, 2019

Motion/Second: Guilbault/Pine

Ayes: Guilbault, Pine, Matsumoto

Absent: None

**5. COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING
JUNE 30, 2020**

Derek Hansel, Chief Financial Officer, said that the year's audit process proceeded successfully with a high degree of cooperation and collaboration.

Grace Martinez, Deputy Chief Financial Officer, introduced Ahmad Gharaibeh, Partner, Eide Bailly LLP. They both provided the presentation.

Committee Member Dave Pine asked if the liability has grown. Mr. Hansel said it increased between Fiscal Year 2017 and Fiscal Year 2018. Mr. Gharaibeh said that the pension liability had increased significantly.

Committee Member Pine asked about sales tax receipts. Mr. Hansel said San Mateo County sales tax receipts came in at approximately the budgeted amount at between an 8 to 9 percent drop.

Chair Matsumoto asked what percentage of District staff were consultants. Mr. Hansel said that Caltrain has consultant staff that are in permanent positions. He said that the Finance and IT departments use a fair number of temporary staff, but that the majority of staff overall are not consultants.

Chair Matsumoto asked what "unrestricted" net positions were. Mr. Hansel said that refers to debt with no corresponding asset.

Committee Member Rose Guilbault asked if Measure A and W funds went to unfunded liabilities. Mr. Hansel said the unfunded liabilities, including pension and OPEB (Other Postemployment Benefits), are funded annually and use the variety of available revenues. She asked where SamTrans stood on the fare stabilization fund. Mr. Hansel said it was important to think about fare stabilization in the context of bus electrification infrastructure. Committee Member Guilbault asked about separating the reserve from the general operating revenue. Mr. Hansel said the goal for the operating reserve is to be able to maintain general liquidity in the short term, while the revenue stabilization fund is more for unforeseen events.

The Committee made a motion to accept the FY 2020 Comprehensive Annual Financial Report.

Motion: Pine/Guilbault

Ayes: Guilbault, Pine, Matsumoto

Absent: None

6. STATUS OF THE FINDINGS NOTED IN THE FISCAL YEAR 2019 AUDIT

The Board members discussed findings for Fiscal Year 2019 during the previous item.

7. STATUS OF ACCOUNTS RECEIVABLE AND GRANTS BILLING

Mr. Hansel said that liquidity was challenged in Fiscal Year 2017. He noted the success of the current staff team.

Committee Member Guilbault asked about the ongoing airport tax issue. Joan Cassman said that the FAA has not yet requested the revenue from sales tax that is charged for aviation fuel. She said that a lot of local services are funded by local sales taxes. She said that a lot of taxes received directly benefit the airport. Mr. Hansel said any money spent to mitigate sea level rise at North Base also benefits the airport.

8. ADJOURN

The meeting adjourned at 2:55 pm.