

**JOINT COMMITTEE MEETING OF THE
AUDIT COMMITTEE AND
THE FINANCE AND INVESTMENT COMMITTEE
MINUTES**

June 24, 2021

10:00 AM

RGRTA Conference Room 116 and Zoom
1372 East Main Street, Rochester NY

Audit Committee Members Present:

Richard Kosmerl, Commissioner-Chair
Michael Jankowski, Commissioner

Finance Committee Members Present:

James Bensley, Commissioner
Michael Jankowski, Commissioner
Richard Kosmerl, Commissioner

Others Present:

William McDonald, Commissioner
Terrence Rice, Commissioner
Judith Ahlfeld Seil, Commissioner
Bill Carpenter, RGRTA, CEO
Scott Adair, RGRTA, CFO
Michael Burns, RGRTA, Director of Accounting Services
Daniel DeLaus, RGRTA, General Counsel
Keeley Ann Hines, Principal, Bonadio & Co., LLP
Michelle Lesser, Audit Manager, Bonadio & Co., LLP
Christian Mahood, RGRTA, Director of Information Technology
Sharon Muir-Eddy, RGRTA, Director of Budget
Kelly Parisi, Executive Assistant to the CEO
Miguel Velázquez, RGRTA, COO

The meeting was called to Order by Commissioner Kosmerl at 10:03am. Commissioner Kosmerl then turned the meeting over to Scott Adair, Chief Financial Officer, to go over the agenda.

Mr. Adair reviewed the following agenda with the Committees:

- Financial Statement Presentation
- The Bonadio Group
 - Independent Auditor's Report
 - Required Communications
 - Agreed Upon Procedures-Variable Pay Program
 - Investment Compliance Report
- Executive Session
- Review of Documents – No proposed changes
 - Investment Guidelines (Finance/Investment Committee)
 - Debt Policy (Finance/Investment Committee)

- Audit Committee Charter (Audit Committee)
- PARIS Report

Mr. Adair turned the discussion over to Mike Burns to walk the committee through the financial statement presentation.

- *Commissioner Jankowski stated that he is concerned about the operating revenue because we are in the midst of Reimagine RTS. Have we started to see any recovery of Operating Revenue. Scott Adair, CFO stated that we were very conservative in budgeting for that this fiscal year, and we are seeing that we are on track with what we budgeted.*
- *Commissioner Kosmerl asked if there are any contractual revenue that we anticipate losing based on the Pandemic or other factors? In addition, we know that the City School district contract is less but is there anything else. Scott Adair, CFO responded that at this time there is no change from the budget, but I don't think some of our partners know exactly what they need at this point.*

Mr. Adair then introduced Keeley Ann Hines, Principal, to discuss the Overall Audit, the Independent Auditors Report and investment Compliance Report. Ms. Hines then proceeded to introduced Michelle Lesser, Manager, to discuss the agreed upon procedures for the Variable Pay Plan.

- *Commissioner Jankowski asked Ms. Hines and Ms. Lesser if during the Audit procedures did, they review the executive orders. Ms. Hines stated that there was no direct link to the financial statements. Scott Adair, CFO noted that the Auditors would see it in the payroll processing as part of the Audit making sure we are paying people properly. Commissioner Jankowski then asked about cyber security requirements and if we are in compliance with the executive orders and if we will be audited on those at some point. Ms. Hines stated that the Audit standards do require us to consider your IT environment and controls as it specifically relates to your financial records and the financial statement insertion. We have our enterprises risk management team slated for next year. Some items that will be looked at are your Firewalls, access points, are you backing things up and they can go as far as penetration testing and try to break into your network. Scott Adair, CFO noted that our internal IT function does contract for various levels of intrusion testing for which Commissioner Jankowski discussed in his and Commissioner Kosmerl's phone meeting with Chris Mahood, Director of IT earlier this year on this topic.*

Upon completion of Ms. Hines presentation, the meeting moved into Executive Session on motion of Commissioner Kosmerl, and a second from Commissioner Jankowski. All were in favor.

Commissioner Kosmerl stated that the committees came out of Executive Session and no votes were taken during executive session.

Mr. Burns then briefly reviewed the Investment Guidelines and Debt Policy,

Audit Committee Charter and Debt Policy noting no changes to the existing policies are required at this time.

Mr. Adair then reviewed and asked if there were questions on the PARIS Report.

The PARIS Report will be recommended to the full Board for approval during the Board Meeting later today.

Commissioner Kosmerl made a motion to accept the Audit as presented by Bonadio. With a second from Commissioner Jankowski, all voted in favor. The Audit, The PARIS report, which includes various other State required reports, are part of a Resolution on the Full Board Agenda for later today.

With no further matters to discuss Commissioner Kosmerl, adjourned the meeting at 11:32am. All were in favor.