

MINUTES

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM

AUDIT AND OVERSIGHT COMMITTEE

November 3, 2022

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. The full comment can be heard by reviewing the recording at the [MTS website](#).]

1. Roll Call

Vice Chair Sotelo Solis called the Audit Oversight Committee meeting to order at 9:12 a.m. A roll call sheet listing Audit Oversight Committee member attendance is attached.

[Clerk's Note] At this time, the Committee did not meet quorum, with only three members present.

COMMITTEE DISCUSSION ITEMS

4. Draft of Fiscal Year (FY) 2022 Annual Comprehensive Financial Report (ACFR) (Erin Dunn with Ken Pun and Coley Delaney of The Pun Group)

Erin Dunn, MTS Controller, Ken Pun and Coley Delaney with The Pun Group, presented on FY 2022 ACFR. They outlined the following items: management and auditors' responsibilities, approach to the audit, overview of the financial statements, key pension and OPEB information audit results.

Public Comments

Corinna Contreras – A representative of Climate Action Campaign made a verbal public comment to the committee during the meeting. Contreras asked about available funding for quick build projects to fund the Social Equity Listening Tour projects.

Committee Comment

Sharon Cooney, MTS Chief Executive Officer, replied that the budget item in the Executive Committee agenda would better address the public speakers' questions.

Board Member Elo-Rivera asked if the financial market volatility impacts the way audits are conducted. Mr. Pun replied that volatility and market fluctuation does impact the reportable fair market value; as seen by the pension plan that is being reported that will show the effects in the next couple of years, due to delays in the evaluation. Audit wise, there is no change in terms of the evaluation of the financial statement. The financial statement is a historical record based on the year end of 2022. Board Member Elo-Rivera verified that his explanation addressed his question and clarified that the agency is following sound accounting practices, based on this report. Larry Marinesi, MTS Chief Financial Officer, added that in Spring, the agency will be presenting the Actuarial Valuation which will provide an insight on the market volatility and the San Diego Transit Pension Plan. In addition, similar discussions will be part of the Budget Development Committee in terms of the funding status of the pension plan and long-term impacts of the market volatility. Board Member Elo-Rivera acknowledged that MTS pensions are impacted by the market. Due to high volatility, he wanted to ensure sound accounting practices during volatility and fluctuations.

Action Taken

Informational item only. No action taken.

2. Approval of Minutes (TAKEN OUT OF ORDER)

Board Member Hall moved to approve the minutes of the July 14, 2022, MTS Audit Oversight Committee meeting. Board Member Elo-Rivera seconded the motion, and the vote was 4 to 0 in favor with Chair Fletcher, Board Member Moreno and Board Member Salas absent.

3. Public Comments

There were no Public Comments.

OTHER ITEMS

5. Committee Member Communications and Other Business

There was no Committee Member Communications and Other Business discussion.

6. Next Meeting Date

The next Audit Oversight Committee meeting is to be determined.

7. Adjournment

Vice Chair Sotelo-Solis adjourned the meeting at 9:48 a.m.

/S/ Stephen Whitburn
Chairperson
San Diego Metropolitan Transit System

/S/ Dalia Gonzalez
Clerk of the Board
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
AUDIT OVERSIGHT COMMITTEE

ROLL CALL

MEETING OF (DATE): November 3, 2022 CALL TO ORDER (TIME): 9:12am
 RECESS: _____ RECONVENE: _____
 CLOSED SESSION: _____ RECONVENE: _____
 PUBLIC HEARING: _____ RECONVENE: _____
 ORDINANCES ADOPTED: _____ ADJOURN: 9:48am

REPRESENTING	BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
County Chair	FLETCHER	<input type="checkbox"/> (Vargas) <input type="checkbox"/>	ABSENT	ABSENT
Vice Chair	SOTELO-SOLIS	<input checked="" type="checkbox"/> (no alternate) <input type="checkbox"/>	9:12am	9:48am
City of San Diego	ELO-RIVERA	<input checked="" type="checkbox"/> (Montgomery Steppe) <input type="checkbox"/>	9:12am	9:48am
East County	HALL	<input checked="" type="checkbox"/> (Frank) <input type="checkbox"/>	9:12am	9:48am
SANDAG Transportation Committee	MORENO	<input type="checkbox"/> (Aguirre) <input type="checkbox"/>	ABSENT	ABSENT
Chair Pro Tem	SALAS	<input type="checkbox"/> (no alternate) <input type="checkbox"/>	ABSENT	ABSENT
South Bay	SANDKE	<input checked="" type="checkbox"/> (Aguirre) <input type="checkbox"/>	9:12am	9:48am

SIGNED BY THE CLERK OF THE BOARD:

/S/ Dalia Gonzalez