

Approved 4/24/19

Pursuant to written notice sent to Board Members and pursuant to notice posted at least forty-eight hours prior to the meeting, copies of said notice having been sent to the Secretary of the Commonwealth, William F. Gavin and the Secretary of the Executive Office of Administration and Finance, Michael Heffernan, the meeting of the Finance and Audit Committee of the Franklin Regional Transit Authority was held on March 21, 2019 at the John W. Olver Transit Center, 12 Olive St., Greenfield, MA 01301.

Finance Subcommittee Members present were:

<u>Name</u>	<u>Town</u>
Robert J. Decker III	Deerfield
Lance Fritz	Leyden

Also present were:

Tina Cote, FRTA Administrator, Michael Perreault, FRTA Assistant Administrator, and Ed Sanborn, FRTA Bookkeeper.

Lance Fritz called the meeting to order at 3:00pm.

1. REVIEW AND APPROVE MEETING MINUTES FROM SEPTEMBER 21, 2017 AND AUGUST 31, 2018:

Lance Fritz made a **motion** to approve the meeting minutes from September 21, 2017. Robert J. Decker III seconded, the vote was unanimous, and the **motion** carried.

Lance Fritz made a **motion** to approve the meeting minutes from August 31, 2018. Robert J. Decker III seconded, the vote was unanimous, and the **motion** carried.

2. REVIEW FIRST HALF REPORT:

Ed Sanborn gave a brief overview of the budget for the first half of FY19. Overall through the first half we are over budget on expenses, but we are over budget by a greater amount on revenues. Some of the highlights include: additional trips on the Route 23 to Sunderland that began in January; FRTA recently hired another call center staff position and is now fully staffed; an increase in State Contract Assistance; re-contracting with Lifepath has resulted in a loss in revenue for that line item; and the loss of PeterPan intercity trips in Greenfield has resulted in a loss in docking fees. Fixed route ridership has been increasing and so has farebox collections.

Lance Fritz asked about the overages related to Fully Funded Brokerage line items. Ed Sanborn that the programs keep expanding which continues to increase expenses but is off-set by additional revenues. Tina M. Cote added that she is working with other RTA Administrators on a committee to review these programs and look for better coordination and integration into existing transit programs. Robert J. Decker III asked if FTM settled the contract with the union. Tina M. Cote confirmed that their contract had been settled last year. There was some discussion regarding a couple of the demand response expense line items. The line items for Hilltown/Goshen and Shelburne COA show as over budget but both have additional revenue offsets tied directly to their programs in corresponding demand response revenue line items. Lance Fritz asked Ed Sanborn if he could create an additional column reference those linkages between line items for those types of examples to make it easier to understand.

Lance Fritz made a **motion** that the Finance and Audit Committee has received the first half report for FY19 and has placed on file. Robert J. Decker III seconded, the vote was unanimous, and the **motion** carried.

3. REVIEW FINAL STATE AUDITOR'S OFFICE AUDIT REVIEW:

Tina M. Cote explained that the State Auditor's Office performed an audit of FRTA in 2018 covering the period from FY16-FY17. There were two findings from the audit review, which both have since been addressed; 1) FRTA did not submit required financial information to the Commonwealth to be made available to the public on a searchable website, and 2) FRTA did not properly document the use of non-revenue vehicles by its employees.

FRTA's response to the first finding is that we, along with all the other RTAs, worked with the State Comptroller's Office to link FRTA's open government data on the EOAF website. FRTA's response to the second finding will to create a written policy for its non-revenue vehicles. In both instances the State Auditor's Office was satisfied by our responses and measures being taken.

4. VOTE TO ADOPT DRUG AND ALCOHOL POLICY:

Robert J. Decker III made a **motion** to adopt the Drug and Alcohol Policy as presented. Lance Fritz seconded and discussion followed. Tina M. Cote explained that as part of MassDOT's Drug and Alcohol review audit, MassDOT is requiring the FRTA to have their Drug and Alcohol Policy adopted by the Finance and Audit Committee. There was some discussion as to why the policy is FTM's and why the Finance and Audit Committee must adopt their policy for this audit. Tina M. Cote further explained that as part of MassDOT's review process FRTA must be in compliance with all of the federal drug and alcohol regulations. As FRTA does not directly operate revenue vehicles, FRTA must ensure that its contractor, First Transit, and their sub-corporation, FTM, are in compliance with all regulations. Having the FRTA Finance and Audit Committee adopt FTM's policy will be the final piece of this review audit and allow the audit to close. Discussion concluded about the unorthodox way of having the Finance and Audit

Committee vote on the policy regarding an audit review before having an opportunity to review the results of the audit. Lance Fritz asked to have it noted in the minutes that the Finance and Audit Committee has concerns about the sequence of events in Section 15.0 that employees that have tested positive are taken out of safety-sensitive duty, referred to a SAP, and terminated without an investigation. The vote was unanimous, and the **motion** carried.

There was discussion that the next Finance and Audit Committee would be scheduled for April 24, 2019 at 10:00am.

Lance Fritz made a **motion** to adjourn, Robert J. Decker III seconded and the meeting was adjourned at 3:40pm.