

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 Subcommittee of the Franklin Regional Transit Authority was held on April 24, 2018 at the John W. Olver Transit Center, 12 Olive St., Greenfield, MA 01301.

Finance Subcommittee Members present were:

<u>Name</u>	<u>Town</u>
Peter Otten	Buckland
Robert J. Decker III	Deerfield

Also present were:

Jeff Singleton, Montague Advisory Board member, Tina Cote, FRTA Administrator, Michael Perreault, FRTA Assistant Administrator and Ed Sanborn, FRTA Bookkeeper.

Peter Otten called the meeting to order at 9:00am.

1. REVIEW FY19 DRAFT BUDGET:

Ed Sanborn reviewed the FY19 draft budget indicating that FRTA reviewing each individual line item, trimming costs where possible, but using realistic revenue and expense amounts to come up with a balanced budget.

Tina M. Cote explained that as of this meeting the MA House has included \$80 million in the RTA state budget line item down from \$80.4 million in the Governor's budget proposal. The MA Senate is looking to add an additional \$3 million into the RTA state budget line item, but there is some language being considered for how that additional money would be allocated. More information to come as the Senate budget gets finalized and moves onto the Conference Committee.

The FTM union contract has been ratified for three years and includes 1% wage increase the first year, 2% the second year, and 2.5% the third year. Additionally, there are changes to the employee health insurance plan which should realize enough savings to offset those wage increases.

FRTA awarded its contract for management of transit operations and fleet maintenance with First Transit. The award was for 10 years which allow FRTA to better plan for management costs throughout the life of the contract. The contract is approximately \$20,000 more than the current contract with about a 2% increase year over year.

Tina M. Cote had recently met with Lifepath and was told that their RFP is scheduled for release in mid-May. The current contract is set to expire at the end of September. Lifepath is looking to proposal a substantial reduction in the per trip rate reimbursements. Once the RFP is released, FRTA will review and work to strategically renegotiate revenue rates, if possible.

Robert J. Decker III asked about staff raises for FY19. Tina M. Cote explained that there are no staff increases in FY19 budget and the line item was reduced by \$5,000. Ed Sanborn explained that the reduction is the product of current staffing levels and wages.

Tina M. Cote explained that farebox revenues assume a 10% increase over FY18 from proposed fare increases in both Demand Response and Fixed Route programs to be recommended to the Advisory Board.

Ed Sanborn also indicated that revenue for Medicaid brokerage would remain \$40,000 more than expenses. This is a relatively new incentive program which awards FRTA up to \$40,000 per year for scheduling shared trips. FRTA believes that this incentive plan will be renewed again with its brokerage contract at the same incentive levels.

Peter Otten asked about the large reduction in Mass Rehab revenues and expenses. Ed Sanborn explained that in FY17 there was a large increase in Mass Rehab transportation, so the increase was carried over into FY18 as it was expected to maintain that level of service. During FY18 we've now seen a sharp decrease in Mass Rehab transportation. Ed Sanborn reiterated that because Mass Rehab is a fully funded program so that any increases or decreases in expenses is mirrored by the same amount of revenue.

Robert J. Decker III asked if FRTA's insurance covers the volunteer drivers. Tina M. Cote explained that volunteer drivers use their own insurance policies to cover any accidents. There was discussion about whether FRTA should institute minimum insurance requirements. Michael Perreault stated that FRTA's application for volunteer drivers clearly defining the role of the volunteer and includes a section explaining insurance. This application was reviewed by both legal counsel and FRTA's insurance agent. FRTA tries to incorporate best practices from across the country with operating their volunteer program while reducing risks to an acceptable level.

Robert J. Decker III made a **motion** to recommend the FY19 draft budget as presented at the next Advisory Board meeting. Peter Otten seconded, the vote was unanimous, and the **motion** carried.

2. DISCUSSION OF ADMINISTRATOR'S FY19 SALARY:

Tina M. Cote indicated that she was not seeking an increase in her salary for FY19 considering the challenging budget year projected. There was no further discussion or action at this time.

3. REVIEW OF FY19 CAPITAL PROJECTS LIST:

Michael Perreault gave an overview of the FY19 capital projects (see attached). All capital projects fall outside of FRTA's normal operating budget and is funded separately through MassDOT's RTACAP program.

Robert J. Decker III asked about the project exterior door renovations and suggested that instead of using capital funds to re-design new exterior doors FRTA should go after the Architect of Record to be reimbursed for that cost.

Jeff Singleton asked to define OPM and A/E with the project for the Maintenance Facility. Michael Perreault explained that OPM stands for Owner's Project Manager and A/E stands for Architect and Engineer. This project is related to the design of the new Maintenance Facility.

Robert J. Decker III made a **motion** to adjourn, Peter Otten seconded and the meeting was adjourned at 9:40am.