

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, Kristen Lepore, the meeting of the Finance and Audit Subcommittee of the Franklin Regional Transit Authority was held on April 27, 2017 at the John W. Olver Transit Center, 12 Olive St., Greenfield, MA 01301.

Finance Subcommittee Members present were:

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

Also present were:

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

Peter Otten called the meeting to order at 11:30am.

1. REVIEW FY18 DRAFT BUDGET:

Tina Cote explained that the FY18 draft budget was put together based on current funding levels, because we don't yet know what next years' state and federal funding figures are. Ed Sanborn explained that some of the key changes in budget line items revolve around the fixed route transportation, most notably include G-Link JARC revenue. The last JARC contract required us to start spending down funds in FY16, which resulted in closing out the contract in FY17, which leaves us with no more funding from that source moving forward.

Tina Cote explained that FRTA has been working on a restructure of the fixed route system to reduce travel time, miles, and driver layovers where appropriate to help improve bus service and find cost savings.

There was discussion about the difference between First Transit employees and Franklin Transit Management employees that are all working under contract at the garage. Both the General Manager and Assistant General Manager are employees of First Transit and all other managers, drivers, dispatchers, and maintenance personnel are employees of

Franklin Transit Management, which is a sub corporation under First Transit. The salaries for the GM and AGM are a part of the Management Fee line item. All other employee salary information is found within the Benefits & Taxes Fees, Supervisory Fees, Drivers & Dispatchers Fees, and Mechanics Fees line items. FRTA has been working with First Transit to evaluate the possibility to bring other management positions under First Transit, as opposed to under Franklin Transit Management, which may result in additional cost savings. Robert J. Decker III asked about post-employment benefits for FTM employees. It was discussed that FTM employees have access to a retirement savings account, such as a 401k plan, but do not have any post-employment benefits.

Tina Cote added that FRTA will soon be rolling out monthly passes starting on July 1st. This will hopefully help increase both ridership and revenues.

Lastly, Ed Sanborn explained that starting in FY18 the current incentive plan that is part of our fully funded brokerage program, Human Service Transportation, will end but it is expected that there will be an increase in the HST Management Fee to offset the reduction in revenue. FRTA continues to negotiate next year's and is waiting for final contract figures in the coming weeks.

Dianne Cornwell made a **motion** to move and present the proposed draft FY18 budget to the full Advisory Board. Robert J. Decker III seconded, the vote was unanimous, and the **motion** carried.

2. DISCUSSION OF ADMINISTRATOR'S FY18 SALARY:

Tina Cote and Ed Sanborn discussed that the budget line for Admin. Salaries and Wages have room for up to a 3% overall increase for staff salaries. There was further discussion that this would be dependent upon the state and federal revenue projections staying level funded. There has been some recent turnover and we are looking to replace a previous 37.5 hour per week position with a 25 hour per week position. Dianne Cornwell stated that she would not be comfortable having no wage increases in the budget, especially when weighing the costs of employee retention against hiring and training new staff. Robert J. Decker III suggested waiting until next year when funding figures are set and union negotiations are completed and then establish what the budget can afford and set wage increases retroactively back to July 1st. Peter Otten suggested that the Administrator should get the same percentage increase as the other employees. Dianne Cornwell made a recommendation to increase the Administrator's salary 2.5%. Robert J. Decker III seconded and discussion continued. Robert J. Decker III stated that FRTA must be able to live within the budget. The vote passed and the **motion** carried.

3. REVIEW OF FY18 CAPITAL PROJECTS LIST:

Michael Perreault gave an overview of the FY18 capital projects (see attached).

Robert J. Decker III made a **motion** to adjourn, Dianne Cornwell seconded and the meeting was adjourned at 12:15pm.