

Approved 4/25/22

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 April 4, 2022 at the John W. Olver Transit Center, 12 Olive St., Greenfield, MA 01301 and virtually on the Zoom.us platform by computer and by phone.

1. INTRODUCTION:

Finance and Audit Committee Members present were:

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

Also present were:

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

Peter Otten called the meeting to order at 10:00am.

2. REVIEW AND APPROVE MEETING MINUTES FROM SEPTEMBER 27, 2021:

Robert J. Decker III made a **motion** to approve the meeting minutes from September 27, 2021. Eric Twarog seconded, and the vote was as follows:

<u>Name</u>	<u>Town</u>	<u>Vote</u>
Peter Otten	Buckland	Yes
Robert J. Decker III	Deerfield	Yes
Eric Twarog	Greenfield	Yes

The vote passed and the **motion** carried.

3. REVIEW AND DISCUSSION ON FY22 FIRST HALF REPORT:

Ed Sanborn gave a brief overview of the first half report. We had anticipated ramping up service levels back to pre-COVID levels, but there have been some unexpected delays due to hiring and retention challenges. Through the first half of the year there shows a surplus of \$190,000.

Eric Twarog asked about the impacts of not collecting fixed route fares. Tina Cote explained that with access to federal COVID funds there have been no negative impacts to our budget. Discussion concluded that FRTA is still finding its way back to normal with recovery from the COVID pandemic and the loss of the HST contract.

4. REVIEW AND DISCUSSION ON FY22 BUDGET THROUGH FEBRUARY 2022:

Through February 2022 there shows a \$184,000 surplus. The MAPC grant for our 2nd/3rd Shift Employment Transportation and the Discretionary grant for our Access program have been fully expended in the 3rd Quarter. Even with both grants fully expended we anticipate an approximate \$160,000 surplus at the end of the fiscal year. In addition to federal COVID funds, FRTA still has access to the original federal grant from the construction of the JWO Transit Center. That grant has continued to pay for capital repairs and improvements to the Transit Center, such as the recent upgrade of the building HVAC software. This has also been a benefit for the FRCOG as they have not had to contribute funds for capital repairs to date. Robert J. Decker III suggested FRTA request documentation from the FRCOG to show that they are setting aside capital funds for future use. Tina Cote stated that she will get together with FRCOG Executive Director, Linda Dunlavy, to discuss future capital repairs for the Transit Center and request documentation. There was discussion on the projected year-end surplus and what can be done with those funds. Ed Sanborn explained that FRTA has engaged MassDOT in conversations and were told those funds could be carried forward as federal 5311 funds to be spent in the next fiscal year.

5. REVIEW AND DISCUSSION ON SPENDDOWN PROJECTION FOR FEDERAL COVID FUNDS AND THE MAINTENANCE FACILITY PROJECT:

Michael Perreault presented a spreadsheet with estimated revenues and expenses through FY27. This was an exercise requested by MassDOT to include a projected spenddown for federal COVID funds. It is assumed that FRTA is expected to spend approximately \$586,000 in federal COVID funds from FY22 through FY27. So far, FRTA has received contracts for federal CARES Act funds and CRRSAA funds with both contracts combined totaling approximately \$4,000,000. There have been discussions with MassDOT on federal ARP funding, but FRTA has not been awarded a contract for those funds to date. Peter Otten asked if FRTA can use additional COVID funds for capital purchases for things such as purchasing buses. Michael Perreault explained that COVID funds can be used for either operating or capital projects. This projection is only looking at operating projections and not capital projects.

As discussed previously, funding for the FRTA Maintenance Facility project has been difficult and MassDOT has indicated that they do not wish to contribute any additional state capital funds towards our project. FRTA has had additional discussions with MassDOT and agreed that any project overages more than current project funds could be covered by capitalizing federal 5311 operating funds and then using federal COVID funds to replace federal 5311 operating funds. This is due in part to the manner that MassDOT has previously used federal COVID funds, and they can no longer be capitalized. As FRTA receives funding from MassDOT and not directly from the federal government, we must follow the same spending rules that apply to MassDOT. Robert J. Decker III shared some concerns that MassDOT would not follow through on their word to allow use of 5311 and COVID funds as described.

6. DISCUSSION ON DRIVER SHORTAGE AND EMPLOYMENT RETENTION:

FTM is still working to get back to pre-COVID staffing levels and getting back to full pre-COVID fixed route service. Once back to full service, next step is looking at a pilot project for weekend fixed route service. Some organizations such as MassRMV and MassHire are working state-wide to help RTAs with publicizing open transit jobs. It has been a difficult hiring environment over the last several months. While FRTA staff has longevity and great retention, it is equally important for retention with FTM staff, including managers. Both the General Manager and Assistant General Manager have been newly promoted into those positions due to the loss of the previous General Manager, who had been with us for the last five years. Robert J. Decker III suggested that the Advisory Board, or the Chair on behalf of the Advisory Board, should send a letter of recognition to the previous General Manager for her years of service.

The next Finance and Audit meeting is scheduled for April 25, 2022, at 10:00am. Eric Twarog made a **motion** to adjourn, Robert J. Decker III seconded, and the meeting was adjourned at 10:45am.