

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 June 1, 2020 virtually on the GoToMeeting.com 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
Lance Fritz	Leyden

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 11:00am.

2. REVIEW AND APPROVE MEETING MINUTES FROM SEPTEMBER 26, 2019:

Robert J. Decker III made a **motion** to approve the meeting minutes from September 26, 2019. Lance Fritz seconded, the vote was unanimous, and the **motion** carried.

3. REVIEW FY20 3RD QUARTER REPORT:

Ed Sanborn stated that through the end of the 3rd quarter FRTA is running a surplus. This has to do with a number of factors including additional State Contract Assistance, our discretionary grant award, FTM keeping overtime and health insurance costs under control, FRTA managing costs but also understaffed, no unusual facility costs, and fuel costs have been advantageous. This all amounts to approximately \$175,000 surplus through the 3rd quarter. With the pandemic that settled in during the end of the 3rd quarter we also anticipate some additional cost savings with temporary service suspensions, the

JWO Transit Center being closed to the public, and employees working remotely from home.

Peter Otten asked about the progress on the new maintenance facility. Tina Cote explained that we are currently renegotiating the contract with our A/E firm, STV. Peter Otten asked if the property has been purchased yet. Tina Cote stated no that we are waiting until getting closer to construction before purchasing the property. Ed Sanborn added that the new Mayor of Greenfield has also given us some breathing room and is not pressuring us to leave the current facility. Robert J. Decker III asked what the relationship between STV and MassDOT is like. Tina Cote stated that STV has worked on several MassDOT projects in the past and continues to work on current MassDOT projects. There was discussion on the added cost to re-design and reduce the size of the new facility. Robert J. Decker III asked if FRTA has been keeping legal counsel informed of the project and updated on the contract renegotiation. Tina Cote stated legal counsel has been kept informed on all necessary communications with the project. Ed Sanborn added that to date FRTA has spent approximately \$686,000 to date on the project. \$107,000 has been for the OPM and the majority of the balance has been for STV. Tina Cote clarified that in addition to design, STV has also provided services such as completing the Categorical Exclusion document, which is a federal requirement needed prior to the purchasing property for construction.

Robert J. Decker III asked what happens to the extra funds if FRTA has a surplus at the end of the fiscal year. Ed Sanborn explained that FRTA can carry forward the surplus into the next year as federal 5311 which would need to be spent before the end of the federal fiscal year, which is September 30th.

4. REVIEW FY21 DRAFT BUDGET:

Ed Sanborn gave a brief overview of the budget highlighting some of the important line items most likely to be affected by the pandemic next year. We are already planning for a reduction in farebox collections, an increase in cleaning and sanitizing supplies, and projected to backfill those with federal CARES Act funds. In addition, we were awarded a Workforce Development Grant by MassDOT but because of the pandemic we are anticipating starting that project halfway into the fiscal year. Tina Cote added that there some additional unknowns that we are still awaiting guidance from MassDOT on. Our New Freedoms grant will end on June 30th but we will still have funds unspent and are looking to see if that grant could be extended. Additionally, we are waiting to hear from MassDOT about our discretionary grants, for our new microtransit project, and if those funds can be carried forward into next fiscal year.

Peter Otten asked about the line item for Van Use Rental of Rev. Veh. Tina Cote explained that FRTA leased one of our w/c vans to one of our HST contractors. That contractor has since shut down and the contract has since been discontinued due to the pandemic. Ed Sanborn further explained that the reason for the van use rental was because there was a shortage of HST contractors that had access to w/c vans.

Peter Otten asked about the increase in Admin. Salaries and Wages. It was discussed that in addition to modest salary increases for admin staff, there were increases built in for the admin maintenance staff for additional building /office cleaning hours and additional staff in the call center. Currently FRTA is down one full-time staff in the call center and we are looking at potentially replacing that position with a part-time position.

Peter Otten asked about this increase to the line item for supplies. Ed Sanborn explained that we are planning for purchases of face masks, sanitizer, and other personal protective equipment moving forward into next year. There was discussion that a similar increase in operating supplies for FTM. Their operations have taken additional steps for increasing driver safety by installing plexiglass shields on the buses.

Peter Otten asked about the large increase in D/R Operating Company expenses. Ed Sanborn explained that those expenses are pulled out from the Operating Company Expenses and the figure is based on the driver bids and calculated as a percentage of hours of fixed route bids versus demand response bids. Michael Perreault clarified that part of the increase is attributed to the discretionary grant award where that project was to expand on our current demand response program and included additional bids for demand response hours.

Robert J. Decker III asked if FRTA ever ended up purchasing cyber insurance. Tina Cote confirmed that we did purchase the policy. Ed Sanborn added that the cyber insurance policy was also highlighted in the 3rd Quarter Report. Robert J. Decker III asked if our Information Technology contractor had errors and omissions insurance coverage. Tina Cote stated that she was unsure but did not believe that they did.

There was discussion about increases for current admin staff's wages. The budget accounts for between 2-3% increase for current staff. Discussion concluded with the Finance and Audit Committee wanting to discuss the Administrator's salary before voting on the draft budget.

5. DISCUSSION OF ADMINISTRATOR'S FY21 SALARY:

Robert J. Decker III stated that in the Frontier Regional School District they are looking at renegotiating teacher contracts for next year. Peter Otten stated that people aren't necessarily working less because they're working from home. Peter Otten suggested that the Administrator should get what the admin staff gets for increases. Ed Sanborn explained that the FY21 draft budget for Admin. Salaries and Wages represents a 4% increase over FY20 but includes additional staff and additional hours for maintenance staff. Tina Cote added that the admin maintenance staff may need to stay at increased levels due to the pandemic and that 50% of the admin maintenance staff salaries is shared with the FRCOG as part of their rental agreement. Robert J. Decker III suggested that staff salary adjustments should be based on performance reviews but should not exceed 3%. Peter Otten asked if staff performance reviews have been completed yet. Tina Cote explained that normally she completes staff reviews in July. Lance Fritz stated that while

the Administrator is responsible for conducting performance reviews on admin staff, but that the Finance and Audit Committee does not review the Administrator.

Ed Sanborn stated that the Administrator's salary is currently \$103,500 and 3% would bring it to \$106,600. Robert J. Decker III asked if drivers were getting an increase. Tina Cote stated that drivers get an increase based on their contract agreement.

Robert J. Decker III made a **motion** to present the FY20 draft budget to the Advisory Board. Lance Fritz seconded, the vote was unanimous, and the **motion** carried.

Robert J. Decker III made a **motion** to recommend to the Advisory Board to set the Administrator's salary at \$106,600 for FY20. Lance Fritz seconded, the vote was unanimous, and the **motion** carried.

6. REVIEW OF FY21 CAPITAL PROJECTS LIST:

Michael Perreault presented the list of capital projects for FY20. The list included funding for the ongoing design and construction of the new maintenance and operations facility, replacing vehicle tablets, tires and other capital maintenance items, shop tools and equipment, funding for construction of the maintenance and operations facility, and the replacement of three minibuses..

Robert J. Decker III asked what the capacity of the minibuses are. Michael Perreault stated that generally minibuses are 18-passenger vehicles. Robert J. Decker III commented asked if minibuses could travel over the bridge over N. Main St. in South Deerfield. Michael Perreault stated that he was unsure of the exact vehicle weight but that those buses were more than 6 tons and would not be permitted over that bridge. Robert J. Decker III suggested that the Town of Deerfield is looking at improving the bridge over N. Main St. Lance Fritz made a **motion** to accept the report on the FY21 Capital Project List as presented. Robert J. Decker III seconded, the vote was unanimous, and the **motion** carried.

7. DISCUSSION ON FEDERAL CARES ACT FUNDS:

Tina Cote explained that FRTA was awarded grant which can be used to cover lost revenue from farebox, advertising, etc. and additional expenses for personal protective equipment relating to the COVID-19 pandemic. MassDOT has awarded approximately \$3.4 million, half of which will be allowed to spend in FY21. After that point MassDOT will re-evaluate all the RTAs funding needs before awarding the second half. These funds can be used for up to two years. Robert J. Decker III asked if we were collecting fares. Tina Cote stated that FRTA has not been enforcing fare collections on vehicles during the pandemic as we are trying to create social distancing on vehicles and permitting rear door boarding on large transit buses.

Lance Fritz made a **motion** to adjourn, Robert J. Decker III seconded, and the meeting was adjourned at 11:50am.