

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 12, 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 1:00pm.

**1. REVIEW AND APPROVE MINUTES FROM THE FINANCE AND AUDIT SUBCOMMITTEE MEETING OF SEPTEMBER 29, 2016:**

Dianne Cornwell made a **motion** to approve the meeting minutes from the September 29, 2016 Finance and Audit Subcommittee. Robert J. Decker III seconded, the vote was unanimous, and the **motion** carried.

**2. REVIEW FY17 FIRST HALF REPORT:**

Ed Sanborn explained some of the highlights for the budget thus far through the first half of FY17. By the end of February we recouped 100% of the Medicaid incentive. We are short about \$10,000 from our 5311 funds from the projected amount we anticipated in receiving. We are short with some of our JARC (Job Access Reverse Commute) revenue. This is due to when the contract amendment was signed last year and we had to begin spending down the funds before the start of this fiscal year. Basically, some accounts are over and others are under initial budget figures but we are anticipated to break even.

Dianne Cornwell asked about the line item for Demand Response for FTM. Ed Sanborn explained that the line item is based on a formula to derive a percentage of demand response work versus fixed route work based off of the driver bids. This does allow for some amount of error during the year if bids change, but overall when you look at the FTM Fixed Route and FTM Demand Response line items together they are actually showing under budget. Tina Cote explained that some of the overage for the Demand Response side could also account for the service in the Orange area now being provided by FTM whereas in the past it was provided by the Orange COA. Tina Cote also stated that it appears ridership in the Orange area is increasing and we may have to look at adding another van in the future. Robert J. Decker III wanted to make sure that the town of Orange is picking up additional assessments due to the increased costs for service. Both Tina Cote and Ed Sanborn confirmed that Orange will be paying their fare assessment, but to keep in mind that assessments are still paid in the arrears.

Dianne Cornwell asked about the expense overages for Office Expenses. Ed Sanborn explained that line item for Equipment Expense along with Consulting, under Professional & Technical Svc, included items paid for with RTA Capital funds that were too small to depreciate, so instead they were expensed.

Peter Otten asked about the Operating Company Expenses and what the D/R Operating Company Allocation means. Ed Sanborn explained that the Operating Company (Franklin Transit Management) shows expenses for both Fixed Route and Demand Response operations. We use a formula that calculates a percentage of costs related to Demand Response and have a negative entry in the Operating Company Expenses. This total for Operating Company Expenses then nets out to show just Fixed Route costs.

Overall, the budget is in good shape this year and we will need to continue to be vigilant next year as well.

Dianne Cornwell made a **motion** to accept the FY17 First Half Report. Robert J. Decker III seconded, the vote was unanimous and the **motion** carried.

Robert J. Decker III asked about the maintenance facility project and if we are moving ahead with the purchase and sale of the property in Montague. Tina Cote stated that we are moving ahead with the purchase and sale and that the attorney has submitted information on the P&S to the Montague Selectboard and they should be taking it up shortly in an upcoming Selectboard meeting. In addition, we've brought on an Owner's Project Manager to the project and are working towards bringing on an Architect and Engineering firm as the next step.

Dianne Cornwell made a **motion** to adjourn, Robert J. Decker III seconded and the meeting was adjourned at 1:30pm.