

Approved 9/16/24

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, Matthew Gorzkowicz, the meeting of the Finance and Audit Committee of the Franklin Regional Transit Authority was held on April 30, 2024 at the John W. Olver Transit Center, 12 Olive St., Greenfield, MA 01301.

**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 and Michael Perreault, Deputy Administrator.

Peter Otten called the meeting to order at 9:30am.

**2. REVIEW AND APPROVE MEETING MINUTES FROM MAY 3, 2023 AND SEPTEMBER 25, 2023:**

Robert J. Decker III made a **motion** to approve the meeting minutes from May 3, 2023 and meeting minutes from September 25, 2023. Eric Twarog seconded, the vote was unanimous, and the **motion** carried.

**3. REVIEW AND DISCUSSION ON FY25 RTACAP PROJECTS LIST:**

Michael Perreault presented a list of capital projects for FY25 including \$1,032,952 for the purchase of two 30-ft diesel transit buses, \$15,000 for tires and other capital maintenance items, \$10,000 for miscellaneous shop tools and equipment, \$75,000 for electronic fixed route and other bus stop-related wayfinding signs, and \$12,000 for additional vehicle options for Demand Response vehicles purchased through the Community Transit Grant Program. These projects have been requested for funding approval from MassDOT through the State’s eSTIP program. Approved contract funding for projects is expected by the end of FY24 or early FY25.

#### 4. REVIEW AND DISCUSSION ON DRAFT FY25 BUDGET:

Tina Cote presented the draft FY25 along with estimates for the FY24 budget year-end figures. General discussion on the FY24 budget figures was that the estimated budget includes actual revenues and expenses from July through February and estimated revenues and expenses for March through June. In a separate discussion recently with MassDOT it was discovered that our actual contract for FY24 Section 5311 revenues (line item 413040) will be about \$313,000 less, which will bring our estimated surplus for the year down to around \$289,000. Tina Cote will update this information prior to the full Advisory Board meeting.

Highlights for FY25 draft budget included \$530,000 for Admin. Salaries and Wages (line item 501020) as FRTA is still trying to hire for a Bookkeeping position along with another administrative staff position. With such a small administrative staff it can sometimes become difficult for staff to schedule vacation time and still have enough staff to run the administrative office. Robert J. Decker III suggested that the FRTA have a policy for vacation buy-out that would be approved by the Advisory Board or the Finance and Audit Committee. Tina Cote commented that using traditional job postings through Indeed (and others) have not been working and that we may look to staffing companies or headhunters to help fill vacancies, but that there will be additional costs for these services.

Robert J. Decker III had several general questions about different line items starting with telephone expense (line item 505020). Tina Cote explained that it also includes our elevator line and Wi-Fi. It was discussed that line item descriptions could be updated to provide additional information. General Insurance (line item 506050) included umbrella, directors and officers, and cyber insurance policies. Building insurance was removed from General Insurance and was moved to line item 509051 for FY25. Credit Card Fees (line item 509991) are for credit card purchases to load funds onto client demand response and/or general public transportation accounts to pay for fares instead of using cash. There was discussion about Heat & Electricity (line item 505030) and why it's not lower if the transit center building was designed to be net-zero. Michael Perreault explained that while the building was designed to be net-zero – meaning that we produce the same amount of energy as we use over the course of the entire year, that there are still electricity costs as rates for energy purchased from the utility company is not the same as rates for energy sold to the utility company. Cleaning Supplies (line item 505040) includes equipment that was purchased through RTACAP funds. Employment Trans. Expense (line item 508122) was for a grant for 2<sup>nd</sup> and 3<sup>rd</sup> shift transportation that we are no longer operating. Technical Support (line item 508717) includes Ecolane and Passio software for operations along with computers. Some funds may be shifted from this line item into Computer Exp (line item 503034) to separate out expenses for administration versus operations. Parts (line item 508728) includes some vehicles parts that were purchased through RTACAP.

Tina Cote stated that she is working with the auditors to clean up the chart of accounts and update line item descriptions to be easier to understand. Robert J. Decker III

suggested adding year-to-date actuals to better understand the difference between actuals and estimates. Tina Cote added that DOT State Assistance (line item 411010) includes additional revenues from the Fair Share Amendment and that those funds can be carried over to FY25 and with so many unknowns with that new funding source that line item remains level funded for next year. Union negotiations have been completed and new pay rates are accounted for in FY25. New starting rates for CDL drivers will be \$21.00 an hour, which represents an 8.6% increase, and the hope is that we'll be able to fill job vacancies with more competitive wages. Lastly, the FY25 budget also assumes continuation of fare suspensions on fixed route fare collections, while continuing to collect fares on the Demand Response, MedRide, and Access programs. Currently the Advisory Board voted last year to continue suspending fixed route fares through June 30, 2024, and that will be an agenda item to discuss and vote on at the next meeting.

Tina Cote will revise the draft FY25 budget as discussed above and re-send to the Finance and Audit Committee to review again prior to sending out in the agenda packet to the full Advisory Board.

#### **5. REVIEW AND DISCUSSION ON ADMINISTRATOR'S FY25 SALARY:**

Robert J. Decker III made a **motion** to recommend a 3% salary increase for the Administrator for FY25. Eric Twarog seconded, the vote was unanimous, and the **motion** carried.

Eric Twarog made a **motion** to adjourn, Robert J. Decker III seconded, and the meeting was adjourned at 10:30am.