

Nantucket Regional Transit Authority

3 East Chestnut Street, Nantucket, MA 02554
Phone: 508-325-9571 • Fax: 508-325-0788 • TTY: 508-325-7516
www.nrtawave.com • nrta@nantucket-ma.gov

AGENDA FOR THE MEETING OF THE

FINANCE AND AUDIT COMMITTEE
of the NRTA ADVISORY BOARD

FEBRUARY 18, 2015

6:00 P.M.

COMMUNITY ROOM, NANTUCKET POLICE STATION
4 FAIRGROUNDS ROAD
NANTUCKET, MASSACHUSETTS

- I. Approval of Minutes from the October 22, 2014 Meeting.
- II. Presentation of FY16 preliminary budget.



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DRAFT

Minutes of the Finance and Audit Committee Meeting of October 22, 2014. The meeting took place in the Community Room of the Nantucket Police Station, 4 Fairgrounds Road, Nantucket, MA 02554. Members of the Board present were: Rick Atherton, Robert DeCosta, Bruce Miller, Matthew Fee, and Karenlynn Williams. Absent was Tobias Glidden. Chairman Atherton opened the meeting at 5:48 p.m.

DRAFT

Approval of Minutes from the July 23, 2014 Meeting. The minutes of the July 23, 2014 meeting were approved by unanimous consent of the Board.

Presentation of FY14 Audited Financial Statements by Bruce Norling, CPA, P.C. per 801 CMR 53.00 and MassDOT Policy. Paula Leary, NRTA Administrator left the room. Bruce Norling introduced himself and is the auditor of the NRTA and performed the audit for year ending 6/30/14. Mr. Norling spoke about the findings and found no problems with the audit, issued opinions without complications and issued clean opinion sons of NRTA and also on the compliance of federal awards and issued which a separate statement that also had no findings on the compliance testing of major federal awards and stated that all went well. Internal controls were tested and there were no findings, the organization continues to do a really good job financially. Rick Atherton commented that was good to hear, it's a small organization not a lot of checks and balances. Mr. Norling stated there is an accounting procedure manual, monthly financial reports are issued and there is an outside CPA firm that helps do the monthly closings and they work as a good team with Ms. Leary. Mr. Atherton acknowledged that the Board does receive monthly financial statements to review. Mr. Norling explained that due to forward funding by the Commonwealth of Massachusetts the long term debt has been reduced down to \$600,000 from nearly \$2 million the year before and that this forward funding has shifted more money earlier into the NRTA's coffers and reduced the amount of the borrowings at less interest. The 6/30/14 balance sheet shows that. The organization was slightly under budget with expenditures and there was nothing noteworthy with the expenditures. The strength of the balance sheet is very liquid and the most important this is that the internal controls are operating the way it is designed to be and the federal awards are being expended properly in accordance with the rules. He stated that the Board should take comfort in that. Members of the Board acknowledged that. Mr. Miller commented that most audits that he's reviewed usually



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have a couple of areas of concern that require attention and asked if there were none in this case. Mr. Norling responded that there are not that it is a really tightly run organization, the size of the organization allows the arms to be armed tightly around everything and that he has no suggestions to have anything changed. Ms. Leary came back into the room. Mr. Atherton thanked Ms. Leary and Mr. Norling.

Accept FY14 Audited Financial Statements. Mr. Fee moved to accept the FY14 Audited Financial Statements and A-133 Report; seconded by Ms. Williams. So voted.


The meeting was unanimously adjourned at 5:55 p.m.

Approved: DRAFT



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TO: FINANCE AND AUDIT COMMITTEE of NRTA ADVISORY BOARD
FROM: PAULA LEARY, NRTA ADMINISTRATOR 
RE: PRESENTATION OF FY16 PRELIMINARY BUDGET
DATE: FEBRUARY 11, 2015

As you know the formation of the finance and audit committee is a requirement of DOT regulation; the finance and audit committee of the NRTA Advisory Board is to review/comment on the NRTA's preliminary FY16 budget. A final budget will be presented to the finance and audit committee for review/comment and then presented to the NRTA Advisory Board for approval.

The preliminary budget is attached for review. As in the past the operating budget directly supports the transportation services provided by the NRTA.

The FY16 Budget reflects:

- Purchased transportation is the contracted services for the management and operation of the fixed route and demand response services. Attached is the proposed 2015 fixed route service. Demand response is the year round elderly and disabled van service.
- All other budget line items support the level of fixed route and demand response services.
- The Fast Ferry Connector line item - as of this date funding is not committed for this service.

Please note the following:

- The Regional Transit Authorities were not subjected to non-9C state contract assistance cuts for FY15. Potential FY16 state contract assistance cuts are unknown at this time and will not be known until the Governor releases the states FY16 budget.
- FY13 Actual state contract assistance line item – this amount includes the state share of the NRTA's RAN paydown to facilitate current financing for FY15.
- Pending approval and funding of extended service hours – this line item will need to be added to the FY16 budget and would also require an amendment to the FY15 approved budget.

Please do not hesitate to contact me if you have any questions regarding the preliminary FY16 budget.

Thank you.



NRTA FY16 PRELIMINARY BUDGET

Revenue	FY14 ACTUALS	FY15 APPROVED	FY16 PROPOSED
Transportation services revenue:Farebox revenue	\$ 396,558.23	\$ 386,000	\$ 410,000
Contract revenue	\$ 3,464.24	\$ 3,200	\$ 6,000
Transportation services revenue:Other income	\$ 225.00	\$ 4,000	\$ 2,000
Federal 5311	\$ 531,803.00	\$ 537,588	\$ 550,000
Interest income	\$ 3,270.93	\$ 1,000	\$ 3,700
Fully Funded Staff	\$ 17,550.00	\$ 20,000	\$ 22,000
Other Income	\$ 6,533.00		\$ 6,500
Fast Ferry Connector		\$ 190,000	\$ 122,330
Total Revenue	\$ 959,404.40	\$ 1,141,788	\$ 1,122,530
Expenses			
Other salaries & wages	\$ 175,918.85	\$ 172,000	\$ 180,000
Fringe benefits	\$ 54,531.32	\$ 51,000	\$ 56,000
Post Employment Benefits	\$ 23,700.00	\$ 19,000	\$ 22,000
Purchased Transportation	\$ 1,031,248.67	\$ 1,110,000	\$ 1,169,934
Legal expense	\$ 52.50	\$ 100	\$ 100
Accounting expense	\$ 35,144.51	\$ 43,000	\$ 43,000
Consulting	\$ 10,188.75	\$ 11,588	\$ 7,500
Auditing expense	\$ 7,818.13	\$ 14,000	\$ 19,000
Outside services	\$ 40,301.60	\$ 53,800	\$ 42,000
Vehicle repairs	\$ 4,840.86	\$ 3,000	\$ 3,000
Fuels and lubricants	\$ 118,800.76	\$ 109,000	\$ 119,000
Tires	\$ 5,227.11	\$ 3,000	\$ 3,000
Parts	\$ 17,275.54	\$ 20,000	\$ 15,000
Vehicle Supplies	\$ 4,663.10	\$ 1,200	\$ 1,000
Miscellaneous maintenance expense	\$ 1,392.58	\$ 3,000	\$ 3,000
Insurance - Vehicle	\$ 64,689.22	\$ 63,000	\$ 66,000
Insurance - Other	\$ 12,559.66	\$ 13,000	\$ 18,000
Utilities	\$ 6,014.88	\$ 5,700	\$ 5,700
Promotion & marketing	\$ 12,967.10	\$ 16,000	\$ 10,000
Miscellaneous operating expense		\$ 1,000	\$ 1,000
Office supplies and expense	\$ 17,874.32	\$ 12,500	\$ 10,000

Leases	\$	47,827.90	\$	44,500	\$	48,000
Travel	\$	4,098.75	\$	6,271	\$	10,000
Training	\$	1,647.97	\$	-	\$	500
Uniforms	\$	476.00	\$	1,000	\$	500
Interest expense	\$	9,682.00	\$	10,000	\$	2,760
Fast Ferry Connector	\$	86,192.71	\$	190,000	\$	122,330
Total costs and expenses	\$	1,795,134.79	\$	1,976,659	\$	1,978,324
Net Cost of Service	\$	1,709,600.00	\$	834,871	\$	855,794
Local Assessment	\$	346,532.00	\$	356,928	\$	365,851
State Contract Assistance	\$	1,363,068.00	\$	477,943	\$	489,943

2015 Service

ROUTE/LOOP	DATES	HOURS	HEADWAY
Mid-Island Loop	May 18-June 21 and Sept.8-Oct. 12	7 am – 11:30 pm	30 minutes
Mid-Island Loop	June 22-Sept. 7	7 am – 11:30 pm	15 minutes
Miacomet Loop	May 18-June 14 and Sept.15-Oct. 12	7 am – 11:30 pm	30 minutes
Miacomet Loop	June 15 – Sept. 7	7 am – 11:30 pm	20 minutes
Madaket Route	May 22-June 21 and Sept. 8-13	7 am – 11:30 pm	60 minutes
Madaket Route	June 22– Sept. 7	7 am – 11:30 pm	30 minutes
Sconset via Old South Road Route	May 18 – Oct. 12	7 am – 11:30 pm	60 minutes
Sconset via Milestone Road Route	June 22 – Sept. 7	7:15 am – 7:15 pm	60 minutes
Sconset via Polpis Road Route	June 29 - Sept. 7	10 am – 6 pm	1 hr 20 minutes
Surfside Beach Route	June 22 – Sept. 7	10 am – 6 pm	40 minutes
Jetties Beach Route	June 22 – Sept. 7	10 am – 6 pm	30 minutes
Airport Route	June 22– Sept. 7	10 am – 6 pm	20 minutes
**Fast Ferry Connector	May 21 – Oct.12	7 am – 8 pm	20 minutes

** Tentative, funding not committed at this time