

NANTUCKET REGIONAL TRANSIT AUTHORITY
20 R SOUTH WATER STREET
NANTUCKET, MA 02554
508-325-9571
nrta@nantucket-ma.gov

AGENDA FOR THE MEETING OF THE

FINANCE AND AUDIT COMMITTEE
of the NRTA ADVISORY BOARD

March 15, 2017

6:00 P.M.

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

OPEN SESSION

- I. Approval of Minutes from the March 23, 2017 Meeting.
- II. Presentation of FY16 Audited Financial Statements by Bruce Norling, CPA, PC.
Per 801 CMR 53.00 and MassDOT Policy.
- III. Presentation of FY18 Preliminary Budget.
- IV. Adjournment.

**FINANCE AND AUDIT COMMITTEE
DRAFT**

Minutes of the Finance and Audit Committee Meeting of March 23, 2016. The meeting took place in the Training Room of the Nantucket Police Station, 4 Fairgrounds Road, Nantucket, MA 02554. Members of the Board present were: Robert DeCosta, Matthew Fee, Rick Atherton, Tobias Glidden and Dawn Hill Holdgate. Absent: Karenlynn Williams. Chairman DeCosta opened the meeting at 5:53 p.m.

Approval of Minutes from the July 22, 2015 Meeting. The minutes of the March 16, 2016 meeting were approved by unanimous consent of the Board.

Review/Comment on FY17 Final Budget. Paula Leary, NRTA Administrator went presented the FY17 final budget and informed the Board that the Department of Labor denied the appeal on the prevailing wage for bus drivers. The budget reflects that increase under purchased transportation. Ms. Leary stated the impact can be partially minimized by starting service on a Monday rather than a Saturday, Madaket Route starting May 27th, later start to increased frequency and beaches starting on a Saturday rather than a Monday and Labor Day and Columbus Day are earlier this year. Cost savings from van service, vehicle insurance and potential savings in leases as well as other line item reductions. Ms. Leary stated the operator and NRTA will work together to deal with the increased wage and continue to everything possible to continue to provide a high quality and efficient service without an impact to customers. Ms. Leary reported that the ferry connector funding has not been finalized and for budgetary purposes and approval included the highest level of service, but that service would based on the funding received. There was also discussion on the Town not paying for year round service and that riders should be paying for the service. Mr. Atherton moved acceptance of the FY17 final budget as presented; seconded by Mr. Glidden. So voted.

Mr. Atherton moved to adjourn; seconded Mr. Glidden. So voted. The meeting adjourned at 5:57 p.m.

Approved: **DRAFT**

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TO: NRTA ADVISORY BOARD FINANCE AND AUDIT COMMITTEE
FROM: PAULA LEARY, NRTA ADMINISTRATOR
RE: PRESENTATION OF FY16 AUDITED FINANCIAL STATEMENTS
DATE: MARCH 10, 2017

Per 801 CMR 53.00 and MassDOT Policy it is required that a presentation of the NRTA's FY16 Audited Financial Statements be presented to the NRTA's finance and audit committee.

Bruce Norling, auditor and Tom Thevenin, NRTA's accountant will be in attendance at the meeting to make the presentation.

Thank you.

FOR THE FY16 AUDIT PLEASE CLICK ON THE FOLLOWING
LINK

<http://www.nrtawave.com/about/annualreports/2016-financial.pdf>

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TO: NRTA ADVISORY BAORD FINANCE AND AUDIT COMMITTEE
FROM: PAULA LEARY, NRTA ADMINISTRATOR
RE: PRESENTATION OF FY18 PRELIMINARY BUDGET
DATE: MARCH 10, 2017

Attached please find the FY18 preliminary budget. A final budget will be presented to the finance and audit committee for review and comment and then presented to the NRTA Advisory Board for approval on March 22nd.

The operating budget directly supports transportation services provided by the NRTA – fixed route service and demand response service. Service for the 2017 season is attached. An explanation sheet of various revenue, expense and funding line items is also attached.

Please do not hesitate to contact me if you have any questions regarding the FY18 preliminary budget.

Thank you.

REVENUES

Transportation Services Revenue: Farebox revenue - includes fixed route and demand response fare and pass revenue

Contract Revenue – demand response revenue from human service brokerage service contract revenues for DSS and PT1 transportation

Federal 5311 – Federal operating assistance for fixed route service, the amount is not known until October/November, it is an arrears reimbursement

Third Party Reimbursements - funds from outside sources – Greenhound Information aides and Ferry Connector

EXPENSES

Other salaries & wages/Fringe benefits – salaries and benefits for employees of the NRTA (Full time: Administrator and Trip Scheduler/Office Assistant. Seasonal/Part time: Revenue and Processing Clerks and Information Aides)

Purchased Transportation – contracted fixed route and demand response services

Outside Services – services provided by outside vendors (ie: farebox repair, hazardous waste removal, rubbish removal, electrical)

Vehicle Repairs – preventative maintenance and repairs to demand response vehicles and non-revenue vehicles

Parts – cost of parts for preventative maintenance and repairs to NRTA fleet, this varies from year to year depending on what is required, what can be capitalized when capital money is available

Interest Expense – this expense is directly related to Revenue Anticipation Notes (RAN). With forward funding in place for FY15 the NRTA has not had to issue a RAN in FY16 or FY17, it is expected a RAN will be needed for FY18.

FUNDING

Net Cost of Service – Operating costs not covered by RTA generated income (farebox, reimbursements, federal funding and advertising etc.) funded through state contract assistance and local assessments

Local Assessment – represent community contributions for service and is the amount assessed to the local community for public transit services. Local assessment distributions are 18-24 months in arrears.

State Contract Assistance – amount funded by the Commonwealth of Massachusetts and is legislatively approved. Governor’s budget level funded RTA’s to FY15 levels (NRTA amount \$476,275 a decrease of about \$12,000)

NRTA FY18 PRELIMINARY BUDGET

	FY16 ACTUALS	FY17 APPROVED	FY18 PRELIMINARY
Revenue			
Transportation services revenue:Farebox revenue	\$ 426,132.91	\$ 435,000	\$ 440,000
Contract revenue	\$ 3,120.15	\$ 3,500	\$ 3,000
Transportation services revenue:Other income	\$ 1,800.00	\$ 2,500	\$ 2,000
Federal 5311	\$ 535,231.00	\$ 550,000	\$ 530,000
Interest income	\$ 2,059.94	\$ 4,000	\$ 2,500
Other Income	\$ 2,787.50	\$ 7,000	\$ 3,000
Third party reimbursements (private funding)	\$ 137,200.00	\$ 21,000	\$ 53,000
TOTAL REVENUE	\$1,108,331.50	\$ 1,023,000	\$ 1,033,500
Expenses			
Other salaries & wages	\$ 173,317.81	\$ 180,500	\$ 187,000
Fringe benefits	\$ 72,959.10	\$ 65,367	\$ 78,000
Post Employment Benefits	\$ 21,757.00	\$ 25,000	\$ 22,000
Purchased Transportation	\$ 1,322,908.70	\$ 1,294,604	\$ 1,225,000
Legal expense	\$ 191.25	\$ 100	\$ 100
Accounting expense	\$ 48,478.16	\$ 45,000	\$ 50,000
Consulting	\$ 4,009.47	\$ 1,000	\$ 2,000
Auditing expense	\$ 11,547.25	\$ 10,000	\$ 13,500
Outside services	\$ 46,584.80	\$ 35,000	\$ 47,000
Vehicle repairs	\$ 7,901.51	\$ 3,000	\$ 5,000
Fuels and lubricants	\$ 70,218.36	\$ 100,000	\$ 80,525
Tires	\$ 5,066.98	\$ 3,000	\$ 3,000

Parts	\$ 21,146.74	\$ 10,000	\$ 20,000
Vehicle Supplies	\$ 1,418.55	\$ 1,000	\$ 1,000
Miscellaneous maintenance expense	\$ 7,090.02	\$ 3,000	\$ 6,000
Insurance - Vehicle	\$ 79,178.11	\$ 46,000	\$ 85,000
Insurance - Other	\$ 12,871.95	\$ 9,000	\$ 15,000
Utilities	\$ 6,920.91	\$ 5,200	\$ 7,500
Promotion & marketing	\$ 14,669.57	\$ 10,000	\$ 20,000
Miscellaneous operating expense	\$ 1,807.44	\$ 1,000	\$ 1,000
Office supplies and expense	\$ 17,421.31	\$ 10,000	\$ 12,000
Leases	\$ 46,572.16	\$ 47,000	\$ 47,000
Travel	\$ 5,902.84	\$ 10,000	\$ 6,000
Training	\$ -	\$ 400	\$ 250
Uniforms	\$ 44.00	\$ 500	\$ 500
Interest expense	\$ -	\$ 4,500	\$ 3,000
TOTAL EXPENSE	\$1,999,983.99	\$ 1,920,171	\$ 1,937,375
Net Cost of Service		\$ 897,171	\$ 903,875
Local Assessment	\$ 398,943.00	\$ 417,171	\$ 427,600
State Contract Assistance	\$ 488,184.00	\$ 480,000	\$ 476,275