

AGENDA FOR THE MEETING OF THE  
FINANCE AND AUDIT COMMITTEE  
of the NRTA ADVISORY BOARD  
March 16, 2016  
5:45 P.M.  
COMMUNITY ROOM, NANTUCKET POLICE STATION  
4 FAIRGROUNDS ROAD  
NANTUCKET, MASSACHUSETTS

- I. Approval of Minutes from the July 22, 2015 Meeting.
- II. Presentation of FY17 preliminary budget.

## **DRAFT MINUTES**

### **Finance and Audit Committee Meeting**

Minutes of the Finance and Audit Committee Meeting of July 22, 2015. 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, Rick Atherton, Matthew Fee, Tobias Glidden, Dawn Holdgate-Hill and Karenlynn Williams. Chairman Atherton opened the meeting at 5:50 p.m.

Approval of Minutes from the March 18, 2015 Meeting. The minutes of the March 18, 2015 meeting were approved by unanimous consent of the Board.

Discussion of the Fiscal Affairs of the Authority. Paula Leary, NRTA Administrator provided the Board with the following information: The NRTA has an independent accountant that reviews the financial activities of the NRTA on a monthly and annual basis. An internal controls checklist has been developed that verifies various transactions. A review of various areas is done to identify fraud risk and inherent risk and make sure they don't exist and are covered by controls. The independent accountant completes and does an internal audit of balance sheet accounts both monthly and annually. An analytical review is done monthly and annually. Monthly financial reports and analytical reviews are provided to the Board. The NRTA has an Accounting Procedure Manual in accordance with the Federal Government's Office of Management and Budget's (OMB) Common Rule (49 CFR Part 18). There are internal controls Relative to Federal Award Programs that are reviewed and tested. Effective for fiscal year 2015 there are new pension accounting standards under GASB 68 that requires entities to report net pension liability, as well as the fair value plan assets available to pay pension benefits and significant footnote disclosures are part of the requirement. The independent auditor reviews internal controls over financial reporting and testing internal controls and transactions. The NRTA has not had any findings relative to internal controls for the past several years and none are expected for FY15. The fiscal affairs of the Authority are sound. The FY15 audit is currently being conducted and the auditor will make a report to the Finance and Audit Committee upon its issuance. Mr. Glidden asked about the reduction in the borrowing.

Ms. Leary stated the NRTA was in good cash flow position. Mr. Atherton followed up that it was due to forward funding. Mr. Atherton asked if the independent accountant made all the daily entries. Ms. Leary responded that those were done by her. Mr. Fee moved to accept the report given; seconded by Mr. Glidden. So voted.

The meeting was unanimously adjourned at 5:54 p.m.

Approved: DRAFT

TO: FINANCE AND AUDIT COMMITTEE of NRTA ADVISORY BOARD  
FROM: PAULA LEARY, NRTA ADMINISTRATOR  
RE: PRESENTATION OF FY17 PRELIMINARY BUDGET  
DATE: MARCH 10, 2016

Attached please find the FY17 Preliminary 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 on March 23<sup>rd</sup>.

The preliminary budget is attached for review. As in the past the operating budget directly supports the transportation services provided by the NRTA. Service for 2016 season is attached.

The FY17 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 2016 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 Ferry Connector line item - as of this date the contributions do not meet the costs to operate the service.

Please do not hesitate to contact me if you have any questions regarding the preliminary FY17 budget.

Thank you.

2016 Service

ROUTE/LOOP	DATES	HOURS	HEADWAY
Mid-Island Loop	May 23-June 19 and Sept.6-Oct. 10	7 am – 11:30 pm	30 minutes
Mid-Island Loop	June 20-Sept. 5	7 am – 12:00am	15 minutes
Miacomet Loop	May 23-June 12 and Sept. 6 -Oct. 10	7 am – 11:30 pm	30 minutes
Miacomet Loop	June 13– June 19	7 am – 11:30 pm	20 minutes
Miacomet Loop	June 20 – Sept. 5	7 am – 12:00 am	20 minutes
Madaket Route	May 23-June 19 and Sept. 5-11	7 am – 11:30 pm	60 minutes
Madaket Route	June 20– Sept. 5	7 am – 11:30 pm	30 minutes
Sconset via Old South Road Route	May 23 – June 19 and Sept. 5-Oct 10	7 am – 11:30 pm	60 minutes
Sconset via Old South Road	June 20- Sept. 5	7 am – 12:00 a.m.	60 minutes, 11:35 pm and 12:00 am
Sconset via Milestone Road Route	June 20 – Sept. 5	7:15 am – 7:15 pm	60 minutes
Sconset via Polpis Road Route	June 27 - Sept. 5	10 am – 6 pm	1 hr 20 minutes
Surfside Beach Route	June 20 – Sept. 5	10 am – 6 pm	40 minutes
Jetties Beach Route	June 20 – Sept. 5	10 am – 6 pm	30 minutes
Airport Route	June 20– Sept. 5	10 am – 6 pm	20 minutes
Ferry Connector	TBD	7 am – 10 pm	20 minutes

	FY 14 ACTUALS	FY15ACTUALS	FY16 APPROVED	FY17 PRELIMINARY
<b>Revenue</b>				
Transportation services revenue: Farebox revenue	\$ 396,556.23	\$ 399,475.94	\$ 435,000	\$ 435,000.00
Contract revenue	\$ 3,464.24	\$ 3,003.90	\$ 7,000	\$ 3,500.00
Transportation services revenue: Other income	\$ 225.00	\$ 900.00	\$ 2,000	\$ 2,500.00
Federal 5311	\$ 531,803.00	\$ 531,946.00	\$ 550,000	\$ 550,000.00
Interest income	\$ 3,270.93	\$ 4,002.54	\$ 3,700	\$ 4,000.00
Fully Funded Staff	\$ 17,550.00	\$ 17,550.00	\$ 22,000	\$ 21,000.00
Other Income	\$ 6,533.00	\$ 7,779.91	\$ 6,500	\$ 7,000.00
Ferry Connector	\$ 86,192.71	\$ 206,608.18	\$ 141,505	\$ 141,505
<b>Total Revenue</b>	<b>\$ 1,045,597.11</b>	<b>\$ 1,171,266.47</b>	<b>\$ 1,167,705</b>	<b>\$ 1,023,000.00</b>
<b>Expenses</b>				
Other salaries & wages	\$ 175,918.85	\$ 175,437.68	\$ 190,000	\$ 180,500.00
Fringe benefits	\$ 54,531.32	\$ 59,169.02	\$ 56,000	\$ 65,367.00
Post Employment Benefits	\$ 23,700.00	\$ 24,297.00	\$ 22,000	\$ 25,000.00
Purchased Transportation	\$ 1,031,248.67	\$ 1,033,617.38	\$ 1,169,934	\$ 1,294,604.00
Extended Service Hours		\$ 3,121.72	\$ 41,145	\$ 41,145
Ferry Connector	\$ 86,192.71	\$ 206,608.18	\$ 141,505	\$ 141,505
Legal expense	\$ 52.50	\$ 61.25	\$ 100	\$ 100.00
Accounting expense	\$ 35,144.51	\$ 39,360.00	\$ 45,000	\$ 45,000.00
Consulting	\$ 10,188.75	\$ 9,077.03	\$ 8,500	\$ 1,000.00
Auditing expense	\$ 7,818.13	\$ 14,616.66	\$ 19,000	\$ 10,000.00
Outside services	\$ 40,301.60	\$ 46,913.37	\$ 42,000	\$ 35,000.00
Vehicle repairs	\$ 4,840.86	\$ (2,044.00)	\$ 3,000	\$ 3,000.00
Fuels and lubricants	\$ 118,800.76	\$ 97,145.69	\$ 119,000	\$ 100,000.00
Tires	\$ 5,227.11	\$ 8,402.17	\$ 5,000	\$ 3,000.00
Parts	\$ 17,275.54	\$ 15,589.70	\$ 19,057	\$ 10,000.00
Vehicle Supplies	\$ 4,663.10	\$ 1,991.69	\$ 1,000	\$ 1,000.00
Miscellaneous maintenance expense	\$ 1,392.58	\$ 3,796.58	\$ 3,000	\$ 3,000.00
Insurance - Vehicle	\$ 64,689.22	\$ 66,072.57	\$ 66,000	\$ 46,000.00
Insurance - Other	\$ 12,559.66	\$ 12,653.63	\$ 18,000	\$ 9,000.00
Utilities	\$ 6,014.88	\$ 5,141.74	\$ 5,700	\$ 5,200.00
Promotion & marketing	\$ 12,967.10	\$ 14,119.10	\$ 10,000	\$ 10,000.00
Miscellaneous operating expense		\$ 7,402.65	\$ 1,000	\$ 1,000.00
Office supplies and expense	\$ 17,874.32	\$ 14,752.82	\$ 10,000	\$ 10,000.00
Leases	\$ 47,827.90	\$ 46,385.98	\$ 48,000	\$ 47,000.00
Travel	\$ 4,098.75	\$ 11,520.21	\$ 10,000	\$ 10,000.00
Training	\$ 1,647.97	\$ 335.00	\$ 500	\$ 400.00
Uniforms	\$ 476.00	\$ 968.00	\$ 500	\$ 500.00

Interest expense	\$	9,682.00	\$	2,617.50	\$	2,760	\$	4,500.00
<b>Total costs and expenses</b>	<b>\$</b>	<b>1,795,134.79</b>	<b>\$</b>	<b>1,919,130.32</b>	<b>\$</b>	<b>2,057,701</b>	<b>\$</b>	<b>1,920,171.00</b>
<b>Net Cost of Service</b>	<b>\$</b>	<b>1,709,600.00</b>	<b>\$</b>	<b>747,863.90</b>	<b>\$</b>	<b>889,996</b>	<b>\$</b>	<b>902,567.00</b>
Local Assessment	\$	346,532.00	\$	355,195.00	\$	406,996	\$	417,171.00
State Contract Assistance	\$	1,363,068.00	\$	476,277.00		477,943	\$	480,000.00
Fund Capital Expenditures			\$	83,608.00				

2016 Season Ferry Connector Service	5/25-10/10		5/26-9/5		6/1-9/5			
Ferry Connector Revenue - Farebox	\$	10,000.00	\$	7,000.00	\$	4,500.00		
Ferry Connector Revenue - Contributions	\$	120,000.00	\$	120,000.00	\$	120,000.00		
Total Ferry Connector Revenue	\$	130,000.00	\$	127,000.00	\$	124,500.00		
Ferry Connector Expense	\$	280,000.00	\$	202,000.00	\$	187,000.00		
	\$	(150,000.00)	\$	(75,000.00)	\$	(62,500.00)		