

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 • nrtan@nantucket-ma.gov

AGENDA FOR THE MEETING OF THE
NRTA ADVISORY BOARD
JUNE 12, 2013
5:45 P.M.
TRAINING ROOM, NANTUCKET POLICE STATION
4 FAIRGROUNDS ROAD
NANTUCKET, MASSACHUSETTS

- I. Public Comment.
- II. Approval of Minutes for the March 27, 2013 Meeting.
- III. Approval of FY14 Revenue Anticipation Note.
- IV. Establishment of Finance/Audit/Compensation Committee of the Board.
- V. Other Business.



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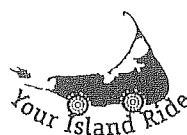
Minutes of the Meeting of March 27, 2013. The meeting took place in the Community Room of the Nantucket Police Station, 4 Fairgrounds Road, Nantucket, MA 02554. Members of the Board present were: Patricia Roggeveen, Robert DeCosta, Rick Atherton, Bruce Miller and Jeanette Topham. Chairman Roggeveen opened the meeting at 6:01 p.m.

Public Comment. There were no comments from the public.

Approval of Minutes of the June 13, 2012 Meeting. The minutes of the July 25, 2013 meeting were approved by unanimous consent of the Board.

Employee Recognition – Richard Austin. Paula Leary, NRTA Administrator took the opportunity to recognize and thank Richard “Rick” Austin for his years of service. Rick was “an original” driver for the NRTA’s elderly and disabled van service and recently retired on February 15th after nearly 12 years of service with the NRTA. Rick was an exemplary driver, committed to service and dedicated to the clients he served and he is missed. The Board asked Ms. Leary to send a letter to Mr. Austin.

2012 Season Update. Ms. Leary provided the Board with the following information for the 2012 season: There were 141 days of operation, 206,846.5 revenue miles, and 16,143.5 revenue hours. Passenger boardings increased 2% totaling 268,670 passenger boardings, compared to 262,239 in 2011 which was a 5% increase over the 2010 season. The Miacomet Loop had the most utilization with 62,881 passenger boardings, compared to 60,010 in 2011, followed by the Mid Island Loop with 53,068 passenger boardings, compared to 54,365 in 2011. The Mid Island and Miacomet Loops comprised 43% of total passenger boardings. The season average daily ridership was 1,905. July’s passenger boardings were 93,104 with an average daily ridership of 3,003 and August’s passenger boardings were 92,994 with an average daily ridership of 3,000. 3,372 short term and long term passes were sold. The MCD pass sales are included in the commuter pass total of 749 and were used 33,622 times. Ms. Roggeveen suggested a survey be conducted. Ms. Leary said that a survey was done last year and will get the Board the results.



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Legislative/MassDOT Update – Transportation Funding. Ms. Leary provided the Board with a transportation funding update. The Regional Transit Authorities (RTA's) have worked with the Department of Transportation since September to develop a statewide transportation plan and determine what new services are needed for each RTA and the cost of those services would be. MassDOT filed the transportation budget in January and recommended \$146 million in state assistance to the RTA's with a 21/2% increase each year. Current state funding for the RTA's is \$62 million with an additional \$84 million being proposed. The NRTA's state funding for FY14 is expected to be \$394,651 and with the increase could be \$ 799,895. The "new money" distribution would be based on a ridership developed by MassDOT that includes the RTA's being split into 3 groupings based on type of RTA with minimum percentages of new funding that would be guaranteed for each grouping and then distributed based on ridership share within the grouping. The new service would be reviewed after three (3) years with service standards which are currently being developed. The NRTA's 10 year service plan includes restoration of service, Sunday and additional weekday van service, extended season and hours of service, demand response service, service to Cisco and Tom Nevers, employee park and ride lot, ferry service and year round service. While some of these services can be provided without additional equipment other services would require capital funding. The Governor's budget included \$1.9 billion in new spending and includes \$269 million in transportation funding and would eliminate the MBTA's structural operating deficit, provide modest MBTA service enhancements, discontinue the decades old practice of using bonds to pay for MassDOT personnel and other operating costs, sustainably fund RTA's by ending the practice of arrears funding; and additional money for Chapter 90 local road and bridge funding. Revenue proposals including an increase in the income tax rate while lowering the sales tax, and eliminating 44 deductions. The Governor's budget has met with some resistance from the Legislature, as a result House Speaker DeLeo has proposed the House will separate transportation and look at this as a separate issue from the full state budget with three (3) priorities: MBTA debt, take highway employees off bonds and funding RTA services. This is expected to be taken up in early April. It will then go to the Senate then to conference. Mr. Miller asked what the list of priorities were. Ms. Leary stated the following were included in the NRTA's ten (10) year plan The NRTA's 10 year service plan includes restoration of service, Sunday and additional weekday van service, extended



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season and hours of service, demand response service, service to Cisco and Tom Nevers, employee park and ride lot, ferry service and year round service. While some of these services can be provided without additional equipment other services would require capital funding.

Approval of FY14 Administrator's Salary. Ms. Leary requested a 1.5% salary increase from \$82,510.11 to \$83,747.76. Mr. Miller moved approval; seconded by Mr. Atherton. So voted.

Approval of FY14 Budget. Ms. Leary presented the FY14 operating budget. The total FY14 operating budget is \$1,656,184, operating revenues are \$915,001, the net cost of service is \$741,183, SCA is \$394,651 and the local assessment is \$346,532. The FY14 Budget reflects an increase in Federal 5311 Funding provided by MassDOT and state contract assistance amount provided by MassDOT. The FY14 budget reflects the 2013 season fixed route service as presented. It is important to note this amount does not include any new funding that may become available from the approved FY14 State budget. Mr. Miller asked if the finance committee reviews the NRTA budget. Ms. Leary responded that the NRTA is not part of the town so the finance committee does not review the NRTA's budget. Mr. Atherton moved approval of the FY14 budget; seconded by Mr. Miller. So voted.

Approval of 2013 Fixed Route Service. Ms. Leary presented the following levels of service for 2013, which is consistent with previous years of service: Mid-Island Loop, Miacomet Loop, and Sconset via Old South Road Route will operate May 20th through October 14th from 7:00 a.m. to 11:30 p.m.; the Madaket Route will operate May 24th through September 8th, from 7:00 a.m. to 11:30 p.m.; the Sconset via Milestone Road Route will operate June 24th through September 2nd from 7:15 a.m. to 7:15 p.m.; the Surfside Beach Route, Jetties Beach Route, and Airport Route will operate June 24th through September 2nd from 10:00 a.m. to 6:00 p.m.; and the Sconset via Old Polpis Road Route will operate June 29th through September 2nd from 10:00 a.m. to 6:00 p.m. Mr. DeCosta moved approval of the 2013 Fixed Route Service, seconded by Mr. Atherton. So voted.

Other Business: There was no other business.


Mr. DeCosta moved adjournment of the NRTA Advisory Board; seconded by Mr. Miller. The meeting unanimously adjourned at 6:27 p.m.

Approved:



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TO: NRTA ADVISORY BOARD
FROM: PAULA LEARY, NRTA ADMINISTRATOR 
RE: APPROVAL OF FY14 REVENUE ANTICIPATION NOTE
DATE: JUNE 6, 2013

Three bids were received for the NRTA's \$1,800,000 million Revenue Anticipation Note (RAN) for FY14 operations:

BANK	NET INTEREST COST
Eastern Bank	.5490%
Oppenheimer & Co.	.6165%
Jefferies LLC	.8337%

I recommend the Board vote to approve the Revenue Anticipation Note with Eastern Bank at a net interest cost .5490% with a due date of the note on June 20, 2014 and authorize the NRTA Advisory Board Chairman and NRTA Administrator to sign the appropriate documents.

Please do not hesitate to contact me if you have any questions. I can be reached at (508) 325-9571 or nrtan@nantucket-ma.gov.


Thank you.



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TO: NRTA ADVISORY BOARD

FROM: PAULA LEARY, NRTA ADMINISTRATOR 

RE: ESTABLISHMENT OF FINANCE/AUDIT/COMPENSATION COMMITTEE OF THE BOARD

DATE: JUNE 6, 2013

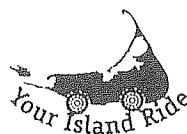
As required by MassDOT and 801 CMR 53.00, regional transit authority advisory boards are to establish a finance/audit/compensation committee. The responsibilities include but are not limited:

- Accept and report to the Board on the audit and any management letter forwarded by the auditor
- Meet independently of management to review compensation of Authority employees
- Review the operating budget and report to the Board
- Make recommendations to improve the fiscal affairs of the Authority
- Undertake any projects referred to the committee by the Advisory Board

I've attached a copy of 801 CMR 53.00 for your information and a subsequent letter sent as requested by A&F and the State Auditor's office.

It is my recommendation that the Board appoint two (2) members of the Board to serve in this capacity.

Thank you.



801 CMR 53.00: ACCOUNTABILITY AND TRANSPARENCY FOR STATE
AUTHORITIES

Section

- 53.01 Application, Purpose, and Authority
- 53.02 Definitions
- 53.03 Audits and financial reports
- 53.04 Executive compensation and severance
- 53.05 Prohibition on state-subsidized benefits

53.01: Application, Purpose, Effective Date and Authority

- (1) Application. 801 CMR 53.00 shall apply to state authorities as defined in 801 CMR 53.02.
- (2) Purpose. The purpose of 801 CMR 53.00 is to carry out G.L. c. 29, § 29K by ensuring accountability and transparency for state authorities.
- (3) Authority. 801 CMR 53.00 is adopted under the authority of G.L. c. 29, § 29K(f).

53.02: Definitions

As used in G.L. c. 29, § 29K and 801 CMR 53.00, the following terms shall have the following meanings:

Executive. The authority's chief executive officer (including an executive director), chief financial officer, general counsel, and the other senior executives of the authority as determined by its compensation committee.

Highly compensated employees. Employees whose salary exceeds that of the Governor.

Meet independently of management. Hold a meeting that no executive or other manager of the authority shall attend.

State authority. A state authority as defined in M.G.L. c. 29, § 1, except the Massachusetts Department of Transportation, which under M.G.L. c. 6C, § 15 is governed by many of the statutes that apply to state agencies. But the Massachusetts Bay Transportation Authority is a state authority.

53.03: Audits and financial reports

(1) (a) Each state authority shall establish an audit committee that shall meet independently of management at least once per calendar year, retain an independent auditor and hear the results of the annual audit. A state authority may rely upon an audit required by any general or special law in meeting the requirements of this paragraph (a).

(b) In addition, each state authority that receives total appropriations from the commonwealth equal to or in excess of \$500,000 in any fiscal year shall, on an annual basis, conduct an audit of those funds to confirm that those funds were expended according to their intended purpose. Each such audit shall be conducted by an independent auditor and shall be filed with the state Auditor for examination, review and comment.

(2) Each state authority shall prepare an annual financial report which shall disclose operating revenues and expenses, including the salaries and other compensation of its executive director, officers, board members and senior management, and other highly compensated employees.

(3) Audits and financial reports shall be based on generally accepted accounting principles or generally accepted government auditing standards and shall be public records.

(4) The first audits and financial reports required by 801 CMR 53.03 shall be for fiscal year 2012.

53.04: Executive compensation and severance

(1) Each state authority shall establish a compensation committee, which shall:
(a) determine which employees of the authority are executives under 801 CMR 53.02;
(b) meet independently of management at least once per calendar year and evaluate and establish compensation for all authority executives, including, but not limited to, base salary, bonuses, severance, retirement or deferred compensation packages and policies relative to the accrual and payment of sick and vacation time, including payouts for unused sick and vacation time. In establishing executive compensation, the compensation committee shall analyze and assess comparable compensation for positions with similar functions and responsibilities at state agencies and authorities, as well as for-profit and nonprofit private-sector employers; and

(c) establish policies that the chief executive officer shall apply in fixing the compensation of other authority employees.

(2) No executive of a state authority shall be compensated for sick, vacation or other leave time to an extent greater than the leave time granted to a state employee.

(3) No executive of a state authority shall be granted severance pay after removal for cause, and no executive shall be granted severance pay in excess of 3 months' salary if removed other than for cause.

53.05: Prohibition on state-subsidized benefits

The commonwealth shall not subsidize the health insurance, pension, and other post-employment benefits of employees and retirees of a state authority that participates in the state retirement system or the Group Insurance Commission. Each such state authority shall contribute the employer share of the cost attributable to that authority of the state retirement system as determined by the actuary of the Public Employee Retirement Administration Commission, and of the state group insurance system as determined by the Group Insurance Commission. Each such state authority shall be responsible for the full actuarial value of its liabilities as determined no less often than every 3 years by the Public Employee Retirement Administration Commission and the Group Insurance Commission after consulting the Secretary of Administration and Finance, the state Treasurer, and the State Board of Retirement. An authority shall defray its unfunded retirement and other post-employment benefits on the same schedule, if any, that applies to the Commonwealth or on a more rapid schedule.

REGULATORY AUTHORITY

801 CMR 53.00: M.G.L. c. 29, § 29K(f)

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May 16, 2013

Glen Shor, Secretary
Executive Office for Administration and Finance
Commonwealth of Massachusetts
State House, Room 373
Boston, MA 02133

Suzanne Bump, Auditor
Office of the State Auditor
Commonwealth of Massachusetts
State House, Room 230
Boston, MA 02133

Dear Secretary Shor and Auditor Bump:

Pursuant to G.L. c. 29, § 29K and 801 CMR 53.00, I hereby certify the following:

1. I am the Administrator of Nantucket Regional Transit Authority, a State Authority as defined in 801 CMR 53.00.
2. An Audit Committee of the NRTA Advisory Board will be established at its June 2013 meeting, by resolution and a chairman will be named at that time. The June meeting will be a posted public meeting, open to the public and also televised. The committee will be named the Audit and Finance Committee. The NRTA Advisory Board in its entirety has been presented the Fiscal year 2012 Annual Audit and it is posted on the Authority's website.
3. The Audit Committee will meet independently of management after the completion of the audit with Bruce D. Norling, CPA, P.C., the independent auditor of the State Authority.
4. An audit was conducted on total appropriations received from the Commonwealth equal to or in excess of \$500,000. The fiscal year 2012 audit was submitted to the State Auditor in September, 2012. The total Commonwealth appropriations received during fiscal year 2012 are as follows:



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5.

\$Amount Received	Account/Appropriation #	Grant or Appropriation Name
\$416,669	121/6612-015	State Contract Assistance
\$208,756	123/6622-0881	RTACAP

6. The following information is also included in the audit:

- a. Operating revenues and expenses

The following information was not included in the fiscal year 2012 audit:

- a. Salaries and other compensation of the executive director, officers, board members, senior management and other highly compensated employees. This information will be included in the FY 2013 audit. The NRTA Administrator is the only position that falls within the definition of the Executive. Advisory Board members are not compensated. There are no other senior management or highly compensated employee positions at the Authority.

- 7. The audits and financial reports are based on generally accepted accounting principles and generally accepted government auditing standards and are public records.
- 8. The Compensation Committee will be formed as part of the Audit and Finance Committee at the Advisory Board's June 2013 meeting. A chairman will be elected at that time or at a future meeting. The Advisory Board did approve the compensation of the Administrator for fiscal year 2012.
 - a. Determined which employees are executives under 801 CMR 53.02 (must include CEO or executive director, CFO, and general counsel, among others)



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Employee Name	Title	2012 Total Compensation
Paula Leary	Administrator	Base Salary: \$81,291.11 Bonus: \$0 Severance: \$- Retirement Contribution: \$14,623 Other: \$3,923
		Base Salary: Bonus: Severance: Retirement Contribution: Other:
		Base Salary: Bonus: Severance: Retirement Contribution: Other:
		Base Salary: Bonus: Severance: Retirement Contribution: Other:

- b. They will meet independently of management to evaluate and establish the compensation for all executives, prior to the development of the budget, including:
 - i. Salary
 - ii. Bonuses
 - iii. Severance
 - iv. Retirement or deferred compensation packages
 - v. Policies relative to the accrual and payment of sick time and vacation time including payouts for unused time.

9. The NRTA paid its share of any health insurance, retirement, and other post-employment benefits. Therefore, it is not receiving a subsidy from the Commonwealth.

Sincerely,

Paula Leary
NRTA Administrator

