

MART Finance Committee Meeting Minutes
February 27, 2017

The meeting was called to order at 11:11 a.m.

MEMBERS PRESENT: (constituting a quorum)

Keith Bergman	Littleton
Ken Troup	Bolton
Selectman Austin Cyganiewicz	Winchendon

MEMBERS ABSENT:

Mayor Stephen DiNatale	Fitchburg
Shaun Suhoski	Athol

STAFF PRESENT:

Mohammed Khan, Bruno Fisher, James Sluss, Jessica Lashua, Benilda Martinez and Keary Connors

GUESTS PRESENT:

Phil Rocca, Management of Transportation Services

- Approval of Minutes
Ken Troup from Bolton moved to approve the minutes from December 6, 2016. The motion was seconded and passed unanimously.
- Financial Update as of October, Fiscal Year 2017
- Budget and Expenditures Report 4 months FY2017
James Sluss informed the committee that on the transit side we are at breakeven or close now. During the winter expenses are higher. We are behind on closing the books due to a problem with the new software. Also we are still waiting on the \$400,000 earmark for Athol services. MART now also has a more data-driven capital plan; we are replacing equipment/items at the end of their useful life cycle.

Bruno Fisher informed the committee that MART has hired a consulting firm for the Ayer Parking Project. There was a public workshop last week in Ayer and we received a lot of great input from the public. The town now needs to select a concept and then go ahead with the preliminary design phase. When the project is done, Ayer will have approximately 200 spaces. All the funding for this project is in place.

James Sluss stated on the brokerage side this year we have been talking with HST to change the 3% incentive fee to a management fee. The State was looking to take \$1.2 million out of the 3% incentive this year. This option would devastate the brokerage. The State settled on \$340,000; this has put us in a tighter situation. We have had to cut some projects due to losing this funding. MART has seen our trip cost go up over the last few months. If things don't change we are trending towards a \$700,000 deficit. MART will be having a meeting with HST to discuss a change in the cost per trip rate and management fee.

Bruno Fisher stated the money from HST is \$400,000 a month in management fee and the rest comes from 3% incentive fee. In January 2017 HST raised the cost per trip.

Keith Bergman from Littleton asked how the Finance Committee can assist in the discussion with HST.

Bruno Fisher stated MART will meet with HST and hope to solve the problem. If we don't get a firm resolution, we will reach out to the Advisory Board for help and support.

Keith Bergman from Littleton asked what is the plan if we cannot close the deficit?

James Sluss stated there will be layoffs at the brokerage in the call center and scheduling departments. The brokerage will also not be doing anymore same day, next day trips for HST. This will hopefully help reduce costs.

The Finance Committee asked if MART would create a document to present to the Advisory Board, to summarize the budget analysis points. This will help the Advisory Board understand the plan for the rest of the year, to try to avoid a deficit.

- FY2018 Budget-Proposed

James Sluss informed the Committee this year we have had several changes to the budget including having all managers review the budget. There has been more involvement by all management in the budget process this year. The budget presented includes a 2% raise for all employees, the same percentage as FY2017.

The group then discussed some of the changes in the numbers on the budget as presented.

Ken Troup from Bolton moved to recommend to the MART Advisory Board approval of the FY2018 budget as presented by the Administrator. The motion was seconded and passed unanimously.

- Open Items

- Adjournment

The meeting adjourned at 12:47 p.m.