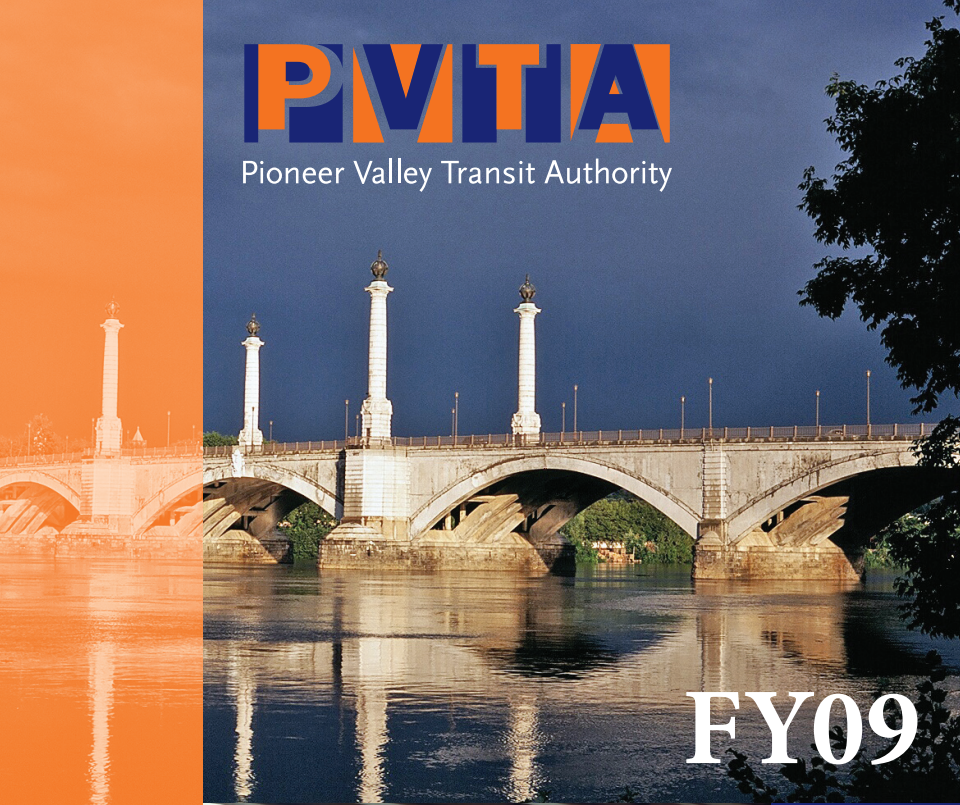




PVTA

Pioneer Valley Transit Authority



FY09



Annual Report

Administrator's Message

The new team that was developed in the previous two years produced many achievements in FY 09. This annual report highlights some of the more significant accomplishments including bringing bus advertising in-house and generating an additional \$128,000 in annual revenue.

PVTA had to implement a fare increase at the start of FY 09. The good news was that fixed-route ridership actually increased 1% over FY 08. It is highly unusual in the transit industry to have ridership increase after a fare increase.

There were two significant positive changes in cost savings and revenue enhancement. The restoration of the full faith and credit clause in our state enabling legislation resulted in a half-million dollar savings with a reduction in our interest rate on our borrowings. PVTA received \$16.2 million dollars in stimulus funds and we were able to use 10% of the stimulus funding for operations and the balance was used for the purchase of badly needed buses, vans and other capital projects.

Another significant occurrence for FY 09 was the successful negotiation of a new three-year labor contract for the employees of SATCo and VATCo.

I am confident that the PVTA team will embark upon more successful ventures in FY 10.



Mary L. MacInnes

Administrator, Pioneer Valley Transit Authority

Holyoke Multimodal Transportation Center Underway

A ground-breaking ceremony for the new Holyoke Multimodal Transportation Center (HMTC) was held on January 26, 2009. The project partners, represented by Mayor Michael Sullivan, PVRTA Administrator Mary MacInnes, and the President of Peter Pan Bus Lines, Peter Picknelly, were joined by Congressman John Olver, Senator Michael Knapik, Representative Michael Kane, Regional Administrator, Region I, Federal Transit Administration, Dick Doyle, the President of Holyoke Community College, William Messer, and members of Holyoke's business community.

Located in Holyoke's former Central Fire Station on Maple Street across from Veterans Park, the new HMTC will provide improved transportation access and facilities for people traveling to, from, and through downtown Holyoke.

Riders on the PVRTA will be able to access seven routes and travel to the Holyoke Mall, Northampton Springfield, Chicopee, Granby, Westfield and Hadley from the new multimodal center. The HMTC

will be served by Peter Pan Bus lines and downtown taxi services. Bicycle racks will be conveniently located outside the facility.

Upon the project's completion the PVRTA will maintain a customer service office with a ticket counter. The first floor will also feature a passenger waiting area, public restrooms and food venues. Springfield, Holyoke and Chicopee Head Start will lease the second floor for its daycare and preschool programs and the third and fourth floors will be leased to Holyoke Community College as a centralized location for its adult literacy programs.

The \$8.4 million project is funded with \$4.5 million in Federal Transit Administration (FTA) funds, \$2.9 million in State Transportation Funds and over \$1.0 million in private investment and matching funds. The project is in construction and scheduled to be completed and opened in August 2010.



Union Station Development Plans Move Forward

Springfield Mayor Dominic J. Sarno, Redevelopment Authority Chairman Armando Feliciano and PVTA Administrator Mary L. MacInnes formed an agreement between the Pioneer Valley Transit Authority and the Springfield Redevelopment Authority to design, build and operate the Union Station Transportation Center as a joint venture.

The Plan includes:

1. Restoration and reactivation of the terminal building for PVTA, Amtrak, commuter rail and intercity bus operating facilities; development of transit-related space and office space, including PVTA's new administrative offices, a transportation conference center; and commercial "opportunity space" for future economic development
2. Removal of the former baggage building and construction of a new bus terminal and parking garage connected to the main building for transit and public parking.
3. Reopening of the existing passenger tunnel providing a safe walking connection from the terminal building to the Amtrak commuter rail platforms and Lyman Street.
4. ADA upgrading of rail platform for Amtrak and future commuter rail service.

The estimated capital cost of the project in 2010 dollars is \$65.2 million. Funding will be provided by a combination of Federal Transit Administration and State Transportation Grants. It is anticipated that design of the project will begin in early 2010, construction in 2011 and project completion and opening in 2013.



Stimulus Funds Used To Purchase New Buses

In April 2009, PVTA signed a contract with Gillig Corporation to purchase 29 new buses. The buses are scheduled for production in August 2010. In June 2009, PVTA removed 22 garage doors at the Saco storage facility and maintenance shop and replaced them with new light-weight thermal doors. In May 2009, PVTA purchased 45 new bike racks that were installed on buses at VATCo and UMASS Transit. The new racks hold 3 bikes instead of 2.

First Comprehensive Intelligent Transportation System Deployment in Massachusetts

During fiscal 2009, PVTA contracted with Avail Technologies, Inc. of State College, Pennsylvania for the purchase, integration and installation of an Intelligent Transportation System (ITS). This ITS system will equip PVTA vehicles with information and communications technology that will increase the security of the transit system for operators and passengers, while providing real-time transportation data to dispatchers' and increasing operational efficiency.

The fixed route vehicles are being equipped with the following:

- Mobile Data Terminals (MDT)
- Global Positioning System/Automatic Vehicle Locator System (GPS/AVL)
- Voice/Data Radio
- Emergency Alarm and Covert Microphone
- Automatic Audible and Visual Announcement System (AAS)
- Automatic Passenger Counting System (APC)
- Video Surveillance System

These core systems will provide a communication link between PVTA operations and all fixed route vehicles. While in service, the vehicles will transmit GPS locations to a central computer system that will provide dispatchers with a real time view of fleet operations and schedule adherence. This real-time transmission of data also enables the use of automatic annunciation and display of next bus stop information for the fixed route passenger. This will make navigation of the PVTA system easier and safer for sight or hearing impaired passengers as well as the traveling public.

The paratransit vehicles are being equipped with the following:

- Mobile Data Terminals (MDT)
- Global Positioning System/Automatic Vehicle Locator System (GPS/AVL)
- Emergency Alarm and Covert Microphone
- Audible and Visual Navigation Assistance

The new paratransit ITS system will interface directly with the scheduling software to electronically transfer manifests to the driver and receive trip completion data from the vehicle. When a trip is added or deleted the schedule change is electronically transmitted without operator intervention, allowing the driver to focus on the critical mission of providing safe transportation. Additionally, the next address on a driver's manifest is automatically transmitted to the navigational assistance system; if the driver is unfamiliar with the next destination the system will provide audio and visual driving instructions to the correct address.

New Capital Tracking Systems & Programs Designed

The PVTA designed and implemented a capital tracking program that is utilized to:

- Monitor capital spending and commitments at the PO/contract level for each capital project (general capital, intermodal capital, and stimulus capital)
- Track projects on a budgetary and timeline basis to ensure projects are running on budget and schedule
- Facilitate monthly (or as needed) capital meetings to inform senior staff and project managers as to the budget and completion status of each project
- Ensure that “old” capital money is expended prior to “new” money
- Coordinate the accurate coding of payments to grants and grant line items
- Reconcile all capital spending to individual internal grant tracking sheets, accounting records, quarterly FTA financial status and milestone reports, and to the FTA automated grant tracking system (TEAM)
- Assist in tracking the full spending of each State RTA Capital contract, leaving no (or minimal) money unspent year-to-year



A fare increase to both fixed route and paratransit services that went into effect July 1, 2008 generated an additional \$1M in operating revenue while ridership remained relatively flat to the prior year. This additional revenue helped to offset the annual increase in negotiated contracted services for both the fixed route and paratransit operators. PVRTA also accessed an additional \$1.3M in revenue through the award of JARC (Job Access & Reverse Commute) and New Freedom grants. This allowed PVRTA to mitigate a reduction in State Contract Assistance without having to reduce service. PVRTA also utilized approximately \$200k of its ARRA (American Reinvestment and Recovery Act) operating assistance funds to meet the reduced State Contract Assistance funding.

PVRTA continued to manage administrative spending in all areas, paying particular attention to tight claim reserve balances and diminishing pension asset-to-liability ratios. PVRTA was able to make additional contributions to its claim reserves and pension accounts in FY2009 due to a positive net impact of additional bus advertising income and lower borrowing costs.

PVRTA's combined restricted and un-restricted cash position declined by (\$6.1M) in FY2009. The major drivers of the change in cash were the renewal of annual Revenue Anticipation Notes at a reduced level to FY2008, the slower reimbursement of State contracted payments for the local communities share of net cost of service, and the timing of preventive maintenance and ADA reimbursements through the Federal grant application award process. PVRTA also recognized another \$2M increase to its year-end accruals due to on-going compliance of GASB45 reporting requirements which accounts for the representation of non-pension post-retirement benefits.

In the 4th quarter of FY2009 PVRTA and PVPC identified additional JARC (\$412k) and New Freedom (\$167k) funds that will continue to preserve existing fixed route service. PVRTA will also utilize \$1.4M of its remaining ARRA operating assistance to meet anticipated State Contract Assistance funding levels in FY2010. In June, the PVRTA Advisory Board was able to approve the FY2010 budget without service reduction due to the availability of these funds.

PIONEER VALLEY TRANSIT AUTHORITY
(a component unit of the Commonwealth of Massachusetts)
STATEMENT OF NET ASSETS- JUNE 30, 2009 and 2008

ASSETS	2009	2008
Current assets		
• Cash and equivalents	\$ 1,766,567	\$ 6,003,708
• Receivables	33,718,751	28,102,882
• Prepaid expenses	1,066,252	884,765
Total current assets	36,551,570	34,991,355
Restricted cash	1,884,344	3,750,000
Prior receivables from the State	5,975,759	5,975,759
Property and equipment, net	49,256,455	43,073,227
Total assets	93,668,128	87,790,341
LIABILITIES		
Accounts payable	4,079,392	2,584,623
Accrued payroll and related liabilities	324,850	238,347
Accrued pension	279,910	142,944
Insurance claims reserve	1,034,595	576,591
Accrued interest	822,251	1,226,374
Notes payable	32,675,000	34,675,000
Total current liabilities	39,215,998	39,443,879
Due to Federal and State government	1,428,298	0
Capital grant advances	4,319,851	4,271,554
Deferred revenue	262,934	53,467
Accrued other post employment benefits	4,270,471	2,291,560
Total liabilities	49,497,552	46,060,460
NET ASSETS		
Invested in capital assets, net of related debt	49,256,455	43,073,227
Restricted for other purposes	—	335,323
Unrestricted	(5,085,879)	(1,678,669)
Total net assets	\$44,170,576	\$41,729,881

PIONEER VALLEY TRANSIT AUTHORITY
(a component unit of the Commonwealth of Massachusetts)
STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET ASSETS
June 30, 2009 and 2008

	2009	2008
Operating revenues		
• Fixed route income	5,825,858	4,954,162
• Paratransit income	649,735	491,739
• Shuttle service income	33,591	27,887
Total operating revenues	6,509,184	5,473,788
Operating expenses		
• Fixed route service	27,611,932	25,848,304
• Paratransit service	7,225,372	6,931,931
• Shuttle service	318,084	347,314
• Administration	3,003,305	2,964,881
• Nonreimbursable depreciation	5,313,383	5,842,670
Total operating expenses	43,472,076	41,935,100
Operating income (loss)	(36,962,892)	(36,461,312)

Non-operating revenues (expenses)**Operating assistance**

• Federal	5,767,007	5,503,209
• Massachusetts	16,313,301	17,289,783
• Member communities	6,245,053	6,092,735
Other Federal assistance	1,348,206	0
Other State assistance	110,000	110,000
Advertising income	247,753	122,259
Other income	73,137	250,847
Interest income	173,778	426,755
Interest expense	(942,961)	(1,428,451)
Total non-operating revenues (expenses)	29,335,274	28,367,137

Income (loss) before capital contributions & other items	(7,627,618)	(8,094,175)
Capital contributions	11,496,611	8,917,562

Disallowed Federal and State costs (1,428,298) 0

Change in net assets	2,440,695	823,387
Net assets, beginning as previously reported	41,729,881	41,248,588
Prior Period Adjustment	0	(342,094)

Net assets, beginning as restated 41,729,881 40,906,494**Net assets, ending 44,170,576 41,729,881****PIONEER VALLEY TRANSIT AUTHORITY**

(a component unit of the Commonwealth of Massachusetts)

STATEMENT OF CASH FLOWS

JUNE 30, 2009 and 2008

	2009	2008
Cash flows from operating activities:		
• Receipts from customers	\$6,653,169	\$5,712,074
• Payments for goods and services	(37,603,435)	(33,258,686)
• Payments to employees	(1,591,505)	(1,663,209)
Net cash provided (used) by operating activities	(32,541,771)	(29,209,821)
Cash flows from noncapital financing activities:		
• Receipts of operating grants	29,783,567	32,160,411
• Proceeds from issuing revenue anticipation notes	32,675,000	34,675,000
• Repayments of revenue anticipation notes	(34,675,000)	(28,000,000)
• Interest paid	(1,347,084)	(1,221,659)
Net cash provided (used) by noncapital financing activities	26,436,483	37,613,752
Cash flows from capital and related financing activities:		
• Receipts of capital grants	11,325,325	8,669,812
• Payments for capital acquisitions	(11,496,611)	(10,189,045)
Net cash provided (used) by capital and related financing activities	(171,286)	(1,519,233)
Cash flows from investing activities:		
• Interest on savings	173,778	426,755
Net cash provided (used) by investing activities	173,778	426,755
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(6,102,796)	7,311,453
Cash and equivalents, beginning	9,753,707	2,442,254
Cash and equivalents, ending	\$3,650,911	\$9,753,707

EXTENSIVE SOUTHERN ROUTE RIDER SURVEY CONDUCTED

In December 2009, the Pioneer Valley Planning Commission (PVPC) completed an extensive onboard rider survey of PVRTA's southern area routes. This bus rider survey was conducted on the 22 fixed bus routes in the southern region of the PVRTA service area. A total of 3,520 completed surveys were collected.

Riders were asked to rate their level of satisfaction in the following 13 categories of PVRTA bus service:

Category	Survey Results
✓ Driver enforces rules	90.98% - Excellent
✓ Schedules easily obtainable	88.05% - Good
✓ Ease of reading schedules	91.99% - Excellent
✗ Condition of bus shelters	78.99% - Priority for Improvement
✗ On-time performance	82.18% - Priority for Improvement
✓ Bus driving safety	92.62% - Excellent
✓ Driver courtesy	91.05% - Excellent
✗ Cleanliness of buses	82.83% - Needs Improvement
<i>(The following categories require additional funding to improve)</i>	
✗ Frequency of service	83.51% - Needs Improvement
✗ Cost of service	80.50% - Priority for Improvement
✓ Personal safety at stops	90.64% - Good
✗ Total travel time	85.78% - Needs Improvement
✓ Service where desired	86.92% - Good

FIXED ROUTE RIDER FORUMS ESTABLISHED

Forty to fifty riders participated in PVRTA's first Fixed Route Rider Forums that were held in May 2009. Staff from PVRTA, PVPC, SATCo, VATCo and UMASS Transit was on hand to meet with riders and advocates to discuss their thoughts on PVRTA service. The meetings had a positive atmosphere with several participants willing to assist PVRTA in a rider advisory capacity.

SECRET RIDER PROGRAM BEGINS

In January 2009, the PVRTA commissioned the PVPC to conduct "secret rider" surveys on PVRTA fixed route buses. The program assists PVRTA in oversight of performance of the system. "Secret Riders" have a checklist of items including on-time performance, customer service, cleanliness of vehicles and ADA requirements.



NEW ADA RIDER FLEX SHUTTLES OPTIMIZE SCHEDULING EFFICIENCIES

In an effort improve scheduling efficiencies and reduce cost the PVTA launched a Flex Shuttle program to existing eligible ADA riders. Outreaches, including workshops at housing facilities, Senior Centers were given and mailings and notices sent to areas along the shuttle routes. The group trips cost \$1.00 each way and go to medical and shopping destinations. The contractor running the shuttle for PVTA hired a new scheduler to optimize scheduling system efficiency.

MAIN STREET SPRINGFIELD STOPS REBALANCED AND RELOCATED

The PVTA commissioned a study of the downtown bus stops. Results indicated the existing Main Street stops were not accurately balanced with current rider demand. By relocating some Main Street bus stops the PVTA will provide fixed-route riders with better access to their starting and ending destinations.

The stops moved were:

From: Fort Street **To:** 1550 Main St. (former Federal Building)

From: 1350 Main St. (Sovereign Bank Building) **To:** Court Square

From: Falcons Way **To:** Mass Mutual Center

RIGOROUS CELL PHONE POLICY INSTITUTED

Under the direction of the Department of Telecommunication and Energy, PVTA and all Massachusetts Regional Transit Authorities implemented new policies regarding the use of personal electronic devices. The PVTA's amended policy prohibits the use of unauthorized devices while operating a vehicle owned or operated under contract or agreement with the PVTA. A first violation for use of an electronic device policy shall result in a 5-day unpaid suspension. A second violation shall result in dismissal. The policy further states that if a device is found to have been used during a preventable accident the driver will be dismissed.

MICRO-PURCHASE PO SYSTEM DESIGNED

A new micro-purchase software program that automates a micro-purchase was designed, completed and installed. The system creates a database of vendors, requires quotes, finance codes and approval from Finance and Procurement before a purchase order number can be issued and the purchase made.

CONTRACTS AND PROCUREMENT TRAINING

The Contracts and Administration Department in conjunction with the Procurement Department held two in-house training sessions. PVTIA's procurement/contracting policies and procedures as well as the revised federal rules and regulations for third party contracting (FTA Circular 4220.1F, Third Party Contracting Guidance, November 1, 2008), and proper application were reviewed. The sessions provided prospective project managers with the fundamentals and tools required to assist in effecting procurements and contracts that are compliant with PVTIA's Procurement Manual and the new FTA C 4220.1F.

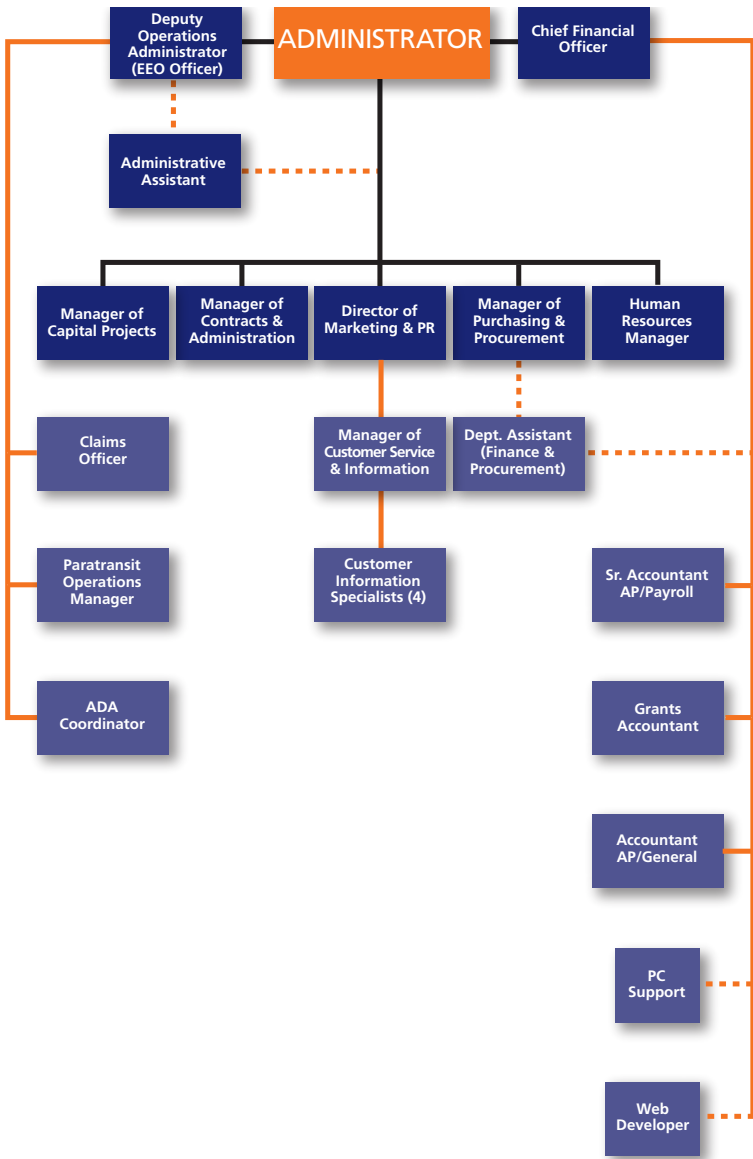
CLAIMS DEPARTMENT RECEIVES HIGH MARKS

Travelers Insurance conducted an audit of PVTIA's Claims Department and found the new policies and procedures put into practice met industry standard practices and were being followed. The audit stated that all aspects of the claims handling process were in place, documented well and actively investigated.

A new Claims System software program has been designed and is being installed. This web-based software development project will be completed in three phases and will replace the current system.



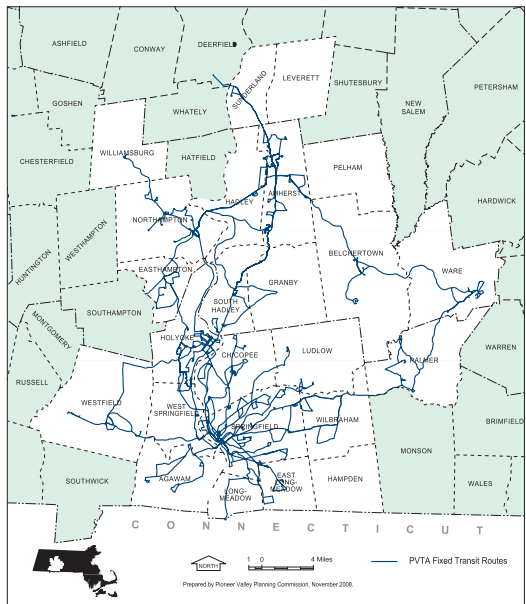
PVTA Organizational Chart



The Pioneer Valley Transit Authority (PVTA) is the largest regional transit authority in Massachusetts with 174 buses, 144 vans and 24 participating member communities, and provides fixed-route bus and ADA demand-responsive van service. Funding for the PVTA comes from local, state and federal sources. The Pioneer Valley Transit Authority was created by Massachusetts General Laws Chapter 161B in 1974 as a funding source and to provide oversight and coordination of public transportation within the Pioneer Valley region.

Pioneer Valley Transit Authority Participating Communities

Agawam
Amherst
Belchertown
Chicopee
Easthampton
East Longmeadow
Granby
Hadley
Hampden
Holyoke
Leverett
Longmeadow
Ludlow
Northampton
Palmer
Pelham
South Hadley
Springfield
Sunderland
Ware
Westfield
West Springfield
Wilbraham
Williamsburg



Pioneer Valley Transit Authority

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The PVTA values workplace diversity and is strongly committed to its policies on equal employment opportunity and affirmative action. To view our EEO policies, please visit our website at www.pvta.com. EEO/AA/DF.