
**MINUTES OF PVTA'S
REMOTE FINANCE & AUDIT COMMITTEE MEETING
March 24, 2020**

1. CALL TO ORDER

The Finance and Audit Committee meeting of the Pioneer Valley Transit Authority was held on Tuesday, March 24, 2020 at 2:00 P.M. remotely in accordance with the Governor's State of Emergency Provisions of the Open Meeting Law, G.L. c. 30A, Section 20, relieving from the requirement of section 20 of chapter 30A that it conduct its meetings in a public place that is open and physically accessible to the public, permitting a public body to allow remote participation by all members.

MEMBERS PRESENT:

Members: Doug Slaughter, Amherst; Brian O'Leary, Belchertown; Steve Huntley, Chicopee; David Moskin, Hadley

NOT PRESENT:

N/A

Call to Order: Doug Slaughter, Chairman of the Finance & Audit Committee stated that the committee has a quorum and called the meeting to order at 2:05 P.M.

2. PUBLIC COMMENTS

Chairman Slaughter opened the floor for public comments. No Public Comments were made.

3. APPROVAL OF MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING OF JANUARY 21, 2020

Chairman Slaughter asked for a motion from the Finance & Audit Committee to approve the meeting minutes of January 21, 2020.

MOTION: Moved and seconded (O'Leary/ Moskin) to approve the minutes of PVTA's Finance & Audit Committee meeting held January 21, 2020.

Chairman Slaughter asked if there was any discussion, hearing none, asked for a roll call vote.

David Moskin: Yes
Steve Huntley: Yes
Brian O'Leary: Yes
Doug Slaughter: Yes

Motion passed by a unanimous vote.

4. **YEAR TO DATE – BUDGET TO ACTUAL REPORT**

Chief Financial Officer (CFO), Lisa Seymour, reported on the Year-to-Date Budget to Actual and stated that this budget should come in under budget, pending that happens with Covid-19.

The Budget to Actual information is listed on page seven of the Finance & Audit Packet and the detailed report is filed with the minutes of this meeting.

Chairman Slaughter asked for a motion from the Finance & Audit Committee to accept the Budget to Actual Report.

MOTION: Moved and seconded (O’Leary/Moskin) to accept the Budget to Actual Report.

Chairman Slaughter asked if there was any discussion, hearing none, asked for a roll call vote.

David Moskin: Yes
Steve Huntley: Yes
Brian O’Leary: Yes
Doug Slaughter: Yes

Motion passed by a unanimous vote.

5. **FY21 PVTA DRAFT BUDGET**

CFO Seymour reported the following:

The most important note is that this Draft Budget is reflective of estimations based on figures ending the period of January 2020 (which is pre- Covid-19). These numbers will change as will projections as the impact of the virus unfolds in the next few months. No prediction can be made as to the true impact.

Some of the percentage discrepancies in the categories are due to my budget being more detailed and broken out than the previous CFO’s budget so some categories do not match as to where I am putting the expenses/revenues and where she did.

Due to not be able to obtain the detailed information needed from SATCO this budget is not as complete or detailed as I intended. I will be working with them this next year so that their budget lines up with ours to provide the Board with a more complete picture for FY22.

FY 21 Budget:

Revenues

- Federal Operating Assistance – The same amount in federal operating assistance as in FY20 is budgeted. MassDOT’s preliminary RTCAP program is currently under review.

- State Contract Assistance – Increased from FY20 due to the preliminary Governor’s RTA budget of \$90.5 Million for formula distribution to the RTAs. This may change due to final budgets released by the House and the Senate. In addition, the State Budget may be delayed.
- CMAQ Funding – PVTA is hopeful to received \$400,000 in CMAQ funding to offset the cost of the P20E route. This funding for the past three years has been awarded for the P21E route. Projects are only eligible for three years of CMAQ funding. The P20E route proposal adds stops to assist the medical facilities as well as utilizing an electric bus on the route for environmental impact and cost efficiency. This funding is subjective to being awarded the grant and is not guaranteed funding for PVTA.
- SATCO/VATCO is reporting a decrease projection in fare revenue of 13.3% for the year. Ridership reports show ridership on those routes down by 10.6%. Pass sales are also down significantly from what was projected.
- Shuttle revenue to Palmer/Ware is showing a decline in revenue possibly due to a budgeting error since ridership has increased this year prior to COVID.
- Paratransit revenue is down due to declined ridership.
- Other revenue is down for Admin and Info systems due to the revenues being classed differently. These will be fixed by final budget and put in the appropriate accounts.
- The Local Assessments show the allowable increase of 2.5% but the COVID virus impact of declined ridership and decreased mileage will affect this amount due to decreases in the local assessments.
- The Other Operating Subsidy increased due to new funding opportunities that we were granted but please note that the CMAQ is in this amount which may not be funded.
- Although the Administrator agrees in principle to the formula for the RTA’s for Operating Assistance proposed by MARTA, PVTA is working with MARTA to allocate discretionary funding to PVTA to account for its service size as compared to the other RTAs.

Expenses

- The retirees Insurance is increased from FY20 to FY21 due to the addition of a retiree added to the pool.
- FY 20 Security Services for Customer Services at Union Station and Holyoke Transit Center increased due to a rate increase in the security guards per contract.
- FY 20 Planning is over budget due to budgeting difference between previous report and this one.
- Paratransit for the COA’s appears to be over budget slightly for FY20. This may be due to the budget layout difference.

- There are insurance claim payments for Paratransit that are over the budgeted amount due to there being a backlog of open claims. The new claims manager has been diligently working to complete as many of those cases in this fiscal year as well as next year.
- The Management contract for First Transit is expiring July of 2020. The FY21 budget reflects an increase in the management services contract.
- The Administration staff wages reflect a 3% increase for staff for FY21 to coincide with previous cost of living raises in past years.
- SATCO/VATCO Equipment/Maintenance and Miscellaneous are under budget due to budget differences between the previous budget and this one.
- SATCO/VATCO Telephone budget is over and Utilities budget is under due to certain expenses being reclassified into the appropriate category to reflect a more complete picture.
- Fuel cost for FY21 is decreased due to SATCO/VATCO Comptroller securing a cost for Diesel at \$1.78 a gallon down from \$2.06 this year. This savings is also reflected in UMass Transit fuel cost.
- The UMass Transit subsidy is showing a decrease of 2.13% due to their FY20 budget coming in under budget. The FY21 budget assumptions are based on the estimated FY 20 budget assumption with a 2% increase. For FY20 the college portion/reimbursement is decreased by their savings since the college costs factor in after PVTA pays the budgeted \$3.5 million.
- UMass Transit Telephone and Utilities differentials are due to reclassing. This will be fixed by final budget.
- UMass Transit claim payments were not budgeted in the previous budget. Due to a recent major accident, adjustments were made to reflect possible outcome of damages.
- It is estimated that the FY20 budget will come in under budget based on January figures due to the following factors:
 - Staff changes resulting in parts of the year with no CFO, Claims Manager, Procurement Officer among the staff openings.
 - Pension plan contributions by PVTA lowered due to 7 new employees that did not qualify for the company contribution during their first year.
 - New staff hired at lower amounts than the previous staff due to previous staff time with the company therefore at higher rates overall.
 - Many of the new staff did not take health and dental insurance when offered although the budget does reflect a portion of this for FY21 in case employees elect to take insurance at open enrollment or if their situation changes according to guidelines.
 - UMASS overall will come in at \$800,000 under budget due to staffing issues and senior staff covering. UMass Transit has significantly decreased service due to on-line education changes.
 - Supplies are under budget for ADA and Mobility Training due to classification differences. This will be fixed by final budget.
 - Travel is under budget due to changes and gaps in staffing departments.
 - The penalties for our paratransit vendor were significant this year for: On time performance. As the OTP was addressed through recent months the penalties are declining rapidly. As of

January, there were \$299,000 in penalties deducted from the paratransit fee. The penalty budget was only for \$105,000 through January. The estimate for next year considers these factors.

- The fuel for Paratransit is estimated to come in lower than budgeted. This may be due to less trips being performed. It will be researched and fixed before final budget.

Highlights:

Cottage Street Operating Costs

Included in the SATCO/VATCO Budget are operating costs for Cottage Street in the amount of \$1,199,302 as shown on page 18 of the Board packet. Cottage Street operating cost differentials and dual-facility operating costs, as currently estimated, have been incorporated into the budget.

UMass Transit

Included in the UMass Transit Budget is an additional position in the Labor Cost. Both PVTA and UMass feel that this is an important position anticipating future retirement needs of the staff. Even with this addition, UMass budget still falls below the FY20 budget.

Shuttles – Hulmes

Included in the Hulmes Budget for Shuttles services in Ware, Palmer and Easthampton is an increase of \$70 per day. This request was sent over to the CFO in January for an increase in cost starting in January but Hulmes agreed to wait until the new Budget year starting in July. This increase is due to the minimum wage requirements, EMAC and PFMLA that started in FY20. Hulmes did absorb those cost for FY20 and I feel that these are reasonable requests for FY21.

Paratransit – NEXT

As stated previously the penalties are declining for Paratransit as service improves with NEXT. Their monthly fee is reduced due to start-up costs that were paid during the base years of FY19 and FY20.

Chairman Slaughter asked for a motion from the Finance & Audit Committee to accept PVTA's FY21 Draft Budget.

MOTION: Moved and seconded (Huntley/O'Leary) to accept PVTA's FY21 Draft Budget.

Chairman Slaughter asked if there was any discussion, hearing none, asked for a roll call vote.

- David Moskin: Yes
- Steve Huntley: Yes
- Brian O'Leary: Yes
- Doug Slaughter: Yes

Motion passed by a unanimous vote.

6. OTHER BUSINESS

Chairman Slaughter reported that there is no other business to discuss.

7. ADJOURNMENT

Chairman Slaughter asked for a motion from the Finance & Audit Committee to adjourn.

MOTION: Moved and seconded (O’Leary/Huntley) to adjourn.

Chairman Slaughter asked for a roll call vote.

David Moskin: Yes
Steve Huntley: Yes
Brian O’Leary: Yes
Doug Slaughter: Yes

The meeting of the PVTA Finance & Audit Committee adjourned at 3:25 P.M.

A TRUE RECORD

ATTEST:


BRANDY PELLETIER

Documents filed with Finance & Audit Committee Meeting packet:

- January 21, 2020 Finance & Audit Committee Meeting Minutes
- Year to Date – Budget to Actual Report
- FY21 Draft Budget

Minutes Approved: May 18, 2020