

**DRAFT
MINUTES OF PVTA'S
REMOTE FINANCE & AUDIT COMMITTEE MEETING
March 16, 2023**

1. CALL TO ORDER

The Finance and Audit Committee meeting of the Pioneer Valley Transit Authority was held on Thursday, March 16, 2023 at 2:00 P.M. remotely in accordance with the Governor's 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.

ROLL CALL MEMBERS PRESENT:

Members: Doug Slaughter, Amherst; Steve Huntley, Chicopee; Brian O'Leary, Belchertown; Michael Squindo, Agawam;

NOT PRESENT:

David Moskin, Hadley; Gloria Caballero, Holyoke;

Call to Order: Steve Huntley, 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 Huntley opened the floor for public comments. No Public Comments were made.

3. APPROVAL OF MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING OF NOVEMBER 14, 2022.

Chairman Huntley asked for a motion from the Finance & Audit Committee to approve the meeting minutes of November 14, 2022.

MOTION: Moved and seconded (O'Leary/Slaughter) to approve the minutes of PVTA's Finance & Audit Committee meeting held November 14, 2022.

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

Michael Squindo: Yes
Doug Slaughter: Yes
Brian O'Leary: Yes
Steve Huntley: Yes

Motion passed, 4-0 vote.

4. FY24 DRAFT BUDGET UPDATE

Chief Financial Officer, Lisa Seymour, reported the following:

The FY24 Budget will require \$4,452,996 of AARPA funds to balance the budget. This will leave approximately \$1M for FY25.

EXPENSES

Administration

- Administration Wages minimally increased by a little over 2% due to a cost-of-living increase and new positions being filled at a lower salary.
- Administration Services increased significantly due to the higher price of electricity, heat, diesel and parts and supplies.
- Dues and Subscriptions were increased to reflect current expense performance.
- Mobility Training increased significantly due to grant funding. When the funding was awarded there were two full time Mobility Trainers. Currently there is one full time employee and one part time employee in this role. PVRTA is currently seeking to fill another part-time position. All Mobility Training positions are fully grant funded and offset by federal or state grants.
- Conferences, Meetings and Travel were restored to pre-pandemic costs as the Authority's employees can complete in person training that is critical to the new Safety Plan (the PTASP) as well as other in person events.
- The pension reserve is a zero line item as a cost saving measure.
- A new line item has been added to capture the fees of Bytemark our fare collection company. The fees had been offset by the fares in past budgets but due to improvements with Bytemark's reporting system we are now able to obtain a clearer picture of the fares and fees associated.
- Health insurance for Administration increased by 10% due to market trends.
- The retirees' health insurance decreased due to two retirees being removed from the insurance plan.
- Life/LTD benefits decreased due to new employees joining the plan therefore changing the premiums.
- Unemployment insurance increased due to current market trends.
- Services Miscellaneous have remained the same as the previous fiscal year due to snow removal services at shelters being a variable every year.

Paratransit

- The COA's paratransit program is level funded as Ware being added to the Beyond ADA grant funding and Northampton removed.
- The Paratransit Vendor, MV, service assumption is a return to service at post pandemic levels.
- Equipment, Maintenance and Miscellaneous have been adjusted to more accurately reflect costing of these categories based on FY23 financials.
- The current paratransit contractor is responsible for the auto insurance thus lessening PVRTA's claim risk. Accidents are subrogated with the Contractor therefore eliminating much of the claims process.
- Fuel Cost increased system wide due to the current market. This figure could increase depending on the market trend.

Fixed Route

- The subsidy for SATCo/VATCo increased by 4% due to contractual obligations as well as an increase in health insurance and legal expenses attributed to ongoing arbitration cases. In addition, in-house CDL training is scheduled to commence during this spring.
- The management fee increased due to contractual obligations.
- Fuel Cost increased system wide by 8% due to the current market. This may change as the Contractor analyzes the market changes and is able to lock in at a suitable price.
- UMass Transit Services budget is funded at a 3% increase.

Shuttles

- The shuttle subsidy for Wilbraham and Northampton has been adjusted as the paratransit contractor is able to perform these trips at a lower rate than in previous years.
- Fuel has been adjusted to reflect fuel and parts/supplies market increases.

Allocated Insurance

- Allocated Insurance is assumed to increase by 3% based on the completion of an RFP process for an insurance broker that may be able to result in lower rates.

Allocated IT Support

- Allocated IT increased by 3% as the threat of cybercrime requires that IT systems are continually upgraded with new security releases. The current environment requires constant vigilance to ensure the PVTA networks are as secure as possible. Included in this budget is an increase in IT service costs to support this effort.

REVENUES

Farebox

- SATCo/VATCo revenues are based on full service of the transit system and post-pandemic ridership predictions.
- College passes increased due to the assumed restoration of the 39E service.
- Mobile fare collection is resulting in the increase in pass sales revenue as riders continue to embrace the contactless mobile fare option.
- Shuttle revenue has been adjusted to reflect current performance.
- Paratransit revenue assumes post pandemic ridership predictions as well as the continued success of the extended hours Dial-A-Ride program.

Advertising/Interest and Insurance Recovery

- Other non-fare revenue for Administration containing Interest is increased based on the time the SCA payments are received from that state. A breakdown of three payments allows a higher rate of Interest on the funds.
- Although Insurance Recoveries are higher for FY23, an accounting analysis of current claims shows a recovery rate lower than the previous year.
- Other Non-Administration line item has been reduced to reflect current financials.
- The anticipated sale of buses during the fiscal year is attributed to the gain on assets.

Operating Subsidy, Other

- The expected return of full service to UMass and Five College Inc. resumes their subsidies for the service.

- The remainder of the CMAQ grant funds are available to offset the cost of operating the P21E portion of the G73E.
- Funding has been awarded for another year for the Amherst/Worcester route.
- The Brennan Express service grant funding is no longer available. The success of this service recommends it be absorbed into the budget as the ridership and the demand for express service is high.
- Other Operating Subsidy – the Beyond ADA assistance to the communities of Agawam, Hadley, East Longmeadow/Longmeadow/Hampden, and now Ware has been awarded for FY24.
- The Travel Trainer Program has been awarded Mobility Grant that funds for FY24.

Federal Operating Grants

- This amount of operating assistance for ADA and Preventive Maintenance is being adjusted to \$4 million to assist in balancing the budget.

State Contract Assistance

- The amount for FY24 increased in accordance to the Governor’s H1 budget. RTAs are being funded at \$96,820,000 from the Commonwealth’s Transportation Fund, an increase of \$2,820,000 from FY23 levels and an additional \$6M allocation from the Fair Share Amendment. This line item shows PVRTA expected allocation.

Local Assessments

- The Local Assessments are increased by the allowable 2.5% by statute.

5. **OTHER BUSINESS**

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

6. **ADJOURNMENT**

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

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

Chairman Huntley asked for a roll call vote.

Michael Squindo: Yes
 Doug Slaughter: Yes
 Brian O’Leary: Yes
 Steve Huntley: Yes

Motion passed, 4-0 vote.

The meeting of the PVRTA Finance & Audit Committee adjourned at 2:48 P.M.

A TRUE RECORD

ATTEST: _____
BRANDY PELLETIER

Documents filed with Finance & Audit Committee Meeting packet:

- November 14, 2022 Finance & Audit Committee Minutes
- FY24 Draft Budget