

**PVTA
Pioneer
Valley
Transit
Authority**

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**DRAFT MINUTES OF PVTA'S
FINANCE & AUDIT COMMITTEE MEETING
January 23, 2017**

The Finance and Audit Committee meeting of the Pioneer Valley Transit Authority was held on Monday, January 23, 2017 at 10:00 A.M. at the PVTA.

PRESENT:

Doug Slaughter, Amherst; Marilyn Ishler, South Hadley; David Moskin, Hadley;

Other's Present: Patty O'Leary, PVTA; Brandy Pelletier, PVTA;

NOT PRESENT:

Brian O'Leary, Belchertown; Stephen Huntley, Chicopee;

David Moskin stated that the committee has a quorum and called the meeting to order at 10:10 A.M.

1. APPROVAL OF MINUTES OF FINANCE & AUDIT COMMITTEE

David Moskin asked for a motion from the Finance & Audit Committee to approve the meeting minutes of September 21, 2016.

Motion: Moved and seconded (Ishler/Slaughter) to approve minutes from PVTA's Finance & Audit Committee meeting of September 21, 2016.

Mr. Moskin asked if there was any discussion, hearing none, asked for all those in favor to say aye.

Motion passed by a unanimous vote.

2. FY 17 BUDGET TO ACTUAL REPORT

Chief Financial Officer, Patty O'Leary, reported on the FY 17 Budget to Actual and stated the following:

Explanations of Variances Revenues, Under Budget by 1%: Overall revenue is down 1% or \$272K, primarily due to the decrease in farebox revenue. Ridership has fallen for all modes of service; Motor bus, shuttle, and paratransit.

Farebox: Both fixed route and paratransit ridership are down from last year through the first 5 months (8% and 10.5% respectively). At budget time it was expected that ridership would remain even with the prior year. That drop in ridership has contributed to the decrease in budgeted farebox revenue.

Advertising: The 1st 5 Months of FY 17 showed advertising slightly behind budget, however in the past 2 weeks a bus wrap was purchased and a few other contracts entered into, suggesting this line item will be closer to budget by year end.

Interest & Insurance Recoveries, Misc.: Insurance recoveries are running over budget through the 1st 5 Months. Aggressive subrogation procedures will continue to be carried out by the Claims Manager to recover funds for PVRTA whenever fault can be assigned to another party.

Expenses, Under Budget by 5%: Overall expenses are under budget by 5% through the 1st 5 Months of fiscal year 2017. Major reasons are insurance claim savings, bus operator labor savings, and fuel savings with the paratransit fleet.

Administration: The majority of this variance is in the service category (-\$216K). Marketing for the smartcard and printing of associated material for that program was expected in the 1st 5 Months but has been moved to the second quarter, causing an under budget amount of \$135K. Legal is budgeted at \$12.5K per quarter and we have been fortunate to have spent less than \$11K. Planning is under budget by \$43K due to the fact that PVPC has not invoiced for the all capital projects in the 1st 5 Months. The planning line is expected to be on budget by year end. All other Administration line items are on or close to budget, totaling another \$43K under the budget at this time.

Allocated Insurance: Every contractor's claims are down for the 1st 5 Months of the year. Rigorous defense of claims to which PVRTA is not at fault appears to be paying off. PVRTA has built a reputation over the past couple of years that going to court to defend erroneous law suits is absolutely a standard operating procedure.

Allocated ITS Support: This line item is under budget only due to timing of invoices. It is expected this line item will come in on budget for the year.

Paratransit Service: Paratransit ridership is down by 10% through the 1st 5 Months of FY 17. Off peak ridership is down by 833 trips saving PVRTA \$23K in the 1st 5 Months. Penalties (negative incentives) have been assessed to the contractor in the amount of \$22K through the 1st 5 Months which was not budgeted for. Fuel has run under budget for the quarter by almost \$73K. We have purchased 10,200 gallons less than expected (less ridership) and the price has been 29 cents less than budgeted for. Van maintenance has run under budget by \$82K for the 1st 5 Months and \$22K budgeted for the pilot COA program did not occur. That program was budgeted to start on September 1st but has been delayed.

Fixed Route Service: Primary savings are with SATCo's operating labor. There are still 2 unfilled maintenance positions and just recently SATCo has achieved attainment of a full complement of Operators.

David Moskin asked if the Finance and Audit Committee had any questions on the FY17 Budget to Actual Report.

Hearing none.

David Moskin asked for a motion from the Finance & Audit Committee to accept the FY 17 Budget to Actual Report.

Motion: Moved and seconded (Ishler/Slaughter) to accept the FY 17 Budget to Actual Report.

David Moskin asked if there was any discussion, hearing none, asked for all those in favor to say aye.

Motion passed by a unanimous vote.

3. OTHER BUSINESS

Chief Financial Officer gave an overview of PVTA's 5 year capital needs. Full report of PVTA's 5 year capital needs has been filed with the minutes of this meeting.

4. ADJOURNMENT

The meeting of the PVTA Finance & Audit Committee adjourned (Slaughter/Marilyn) at 10:43 A.M.

A TRUE RECORD

ATTEST: _____
BRANDY PELLETIER

Documents filed with Finance & Audit Committee Meeting packet:

- FY17 Budget to Actual Report
- September 21, 2016 Finance & Audit Committee Meeting Minutes
- PVTA's 5 Year Capital Needs