PVTA	**Administrative Headquarters**
Pioneer	**Old North Main St. Firehouse**
Valley	**2808 Main Street**
Transit	**Springfield, MA 01107**
Authority	**(413) 732-6248**

MINUTES OF PVTA'S ADVISORY BOARD MEETING
November 20, 2024

1. CALL TO ORDER

The Regular Advisory Board Meeting of the Pioneer Valley Transit Authority was held on Wednesday, November 20, 2024, at 12:00 P.M. remotely in accordance with Chapter 2 of the Acts of 2023, supplemental state budget provisions for Fiscal Year 2023, authorizing public bodies to continue to hold entirely remote meetings, or so-called "hybrid" meetings, upon the provision of "adequate, alternative means" of public access, until March 31, 2025.

	Present (39.66 votes)	*Not Present (22.34 votes)*
Agawam	Cindy Sullivan	
Amherst	Douglas Slaughter	
Belchertown		Edward Boscher
Chicopee		Steve Huntley
East Longmeadow	Erin Koebler	
Easthampton	Cindy Tarail	
Granby		Glen Sexton
Hadley	David Moskin	
Hampden		Becky Moriarty
Holyoke	Stephen Fay	
Leverett		Tom Hankinson
Longmeadow	Mark Gold	
Ludlow		Derek DeBarge
Northampton	Mayor Gina-Louise Sciarra	
Palmer	Benjamin Hood	
Pelham		Tara Loomis
South Hadley		Andrea Miles
Springfield	Brian Connors	
Sunderland		Geoff Kravitz
Ware		Nancy Talbot
West Springfield		Mayor William Reichelt
Westfield	Peter Miller	
Wilbraham		Paula Dubord
Williamsburg	J.M. Sorrell	
ADA Representative		Vacant
Rider Representative		Vacant

A quorum of 31.01 votes being present, Chairman of the Advisory Board, Doug Slaughter, called the remote meeting of PVTA's Advisory Board to order at 12:03 PM; majority vote of 39.66 present at meeting call to order.

2. PUBLIC COMMENT

No Public Comments were made.

3. APPROVAL OF MINUTES

Motion: Moved and seconded (Mayor Sciarra/Miller) to approve the meeting minutes from the September 18, 2024 Advisory Board Meeting.

Chairman Slaughter asked if the Board had any discussion. Hearing none; asked for a roll call vote.

	Yes	*No*	*Abstained*
Agawam	Cindy Sullivan		
Amherst	Douglas Slaughter		
Belchertown			
Chicopee			
East Longmeadow	Erin Koebler		
Easthampton	Cindy Tarail		
Granby			
Hadley	David Moskin		
Hampden			
Holyoke	Stephen Fay		
Leverett			
Longmeadow	Mark Gold		
Ludlow			
Northampton	Mayor Gina-Louise Sciarra		
Palmer	Benjamin Hood		
Pelham			
South Hadley			
Springfield	Brian Connors		
Sunderland			
Ware			
West Springfield			
Westfield	Peter Miller		
Wilbraham			
Williamsburg	J.M. Sorrell		
ADA Representative			
Rider Representative			

Motion passed by a vote of 39.66 in favor.

4. PVTA FY24 AUDIT REPORT

David Irwin, CPA of Adelson & Company PC reported on PVTA's FY24 Audit and reported the following:

On October 3rd, I met with PVTA's Finance & Audit Committee to discuss in depth, PVTA's FY24 Audit Report. During the meeting, PVTA Management stepped out of the room to give the Finance & Audit Committee time to discuss any comments, questions/concerns the Committee had without PVTA Management present.

The FY24 Audit has no findings. There were no material weaknesses, and we have issued a clean, unmodified opinion.

Financial highlights for the year ended June 30, 2024:

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at June 30, 2024 by $68,812,329.

- The total operating revenue decreased $1,116,076 or 22% from fiscal year 2023.

- The total operating expenses increased $5,019,300 or 10% from fiscal year 2023.

- The Authority's net cost of service, after applying operating assistance and revenues, for eligible reimbursable expenses for fiscal year 2024 was $48,269,884. The net cost of service was funded with local assessments of $10,123,712 and state contract assistance of $38,146,172. The calculation of the net cost of service can be found on page 50 of this report.

- The Authority expended $24,450,242 on capital assets, which were funded with federal and state capital grants.

The Authority's operations are funded annually through a state required computation of the net cost of service. Except for the establishment of a restricted reserve, as allowed under Massachusetts General Laws, the Authority's funding cannot exceed its net cost of service.

The Authority's assets exceeded its liabilities by $68,812,329 at the close of fiscal year 2024. An additional portion of the Authority's net position, restricted reserve, represents resources that are subject to approval of the Secretary of Transportation. As of June 30, 2024, the Authority's reserve for extraordinary expenses was $1,975,358. During fiscal year 2024, the Authority's unrestricted net position increased a net amount of $960,347 from fiscal year 2023 for a total negative unrestricted balance of $45,915,970 at June 30, 2024. The negative unrestricted net position of $45,915,970 is primarily the result of the Authority reporting its projected long-term obligations for its net pension liabilities of $2,167,486 and other postemployment benefits liabilities of $42,082,550. The recognition of these long-term liabilities are estimates based on actuarial valuations.

Operating revenues decreased $1,116,076 or 22% from the prior year comprised of a decrease in fixed route revenue of $1,026,173, decrease in paratransit revenue of $87,084, and a decrease in shuttle service revenue of $2,819. This net decrease in operating revenues is due in large part to the fare-free periods funded by State government assistance during fiscal year 2024.

Non-operating revenues increased $7,465,458 or 15% from the prior year primarily due to a decrease in federal operating assistance of $4,021,190, an increase in State Operating assistance of $11,258,387, an increase in local assessments of $246,920 as allowed under Massachusetts General

Laws, an increase in federal and other state assistance of $50,972, an increase in advertising income of $64,550, an increase in interest income of $259,255, a decrease in miscellaneous income of $211,388, and an increase in interest expense of $182,048.

Fixed route costs came in over budget by $744,746, which was also affected primarily by the Authority's adjustment to its net pension and other postemployment benefit (OPEB) liabilities for the Authority's fixed route operator. These liabilities are determined through actuarial valuations performed by Odyssey Advisors. The net pension and OPEB liabilities (net of deferred outflows and inflows of resources) decreased by $989,541. This expense included in fixed route costs is non-reimbursable at this time and is therefore not budgeted for. After removing the effect of the net pension and OPEB adjustment of $989,541, the variance of $1,734,287 over budget is associated with the fixed route operator's overages for payroll and fringe benefits and utility costs.

Paratransit service expense was under budget by $9,744 and is primarily due to ridership being lower than what was originally estimated.

Shuttle service was under budget by $11,481 and is primarily due to the timing of the implementation of the service enhancements.

Administrative salaries, taxes and fringe benefits came in over budget by $170,938 primarily because of the Authority's adjustment to its net pension and other postemployment benefit (OPEB) liabilities. These liabilities are determined through actuarial valuations performed by Odyssey Advisors. The net pension and OPEB liabilities (net of deferred outflows and inflows of resources) increased by $222,073. This expense is non- reimbursable at this time and is therefore not budgeted for. After removing the effective of the net pension and OPEB adjustment of $222,073, the expenses were under budget by $51,135.

Every year the auditors make comments and recommendations. The following were made regarding this year's audit:

1. The Authority has a large volume of capital activity, including capital asset acquisitions, maintaining and updating the fixed asset module, and keeping up with capital grant drawdowns and compliance, all of which require significant time and attention to detail. The amount of time required for these tasks continues to increase each year, especially with multiple large capital projects in process for fiscal years 2024 and 2025.

   Additionally, it was noted that capital assets are not added to the fixed asset module at the time they are recorded in the general ledger (at the time of purchase). This increases the risk that assets may be incorrectly added or omitted from the fixed asset module, which is used to calculate and record depreciation.

   Recommendation:

   a. In order to ensure the Authority can devote the necessary time and effort required for the grants accounting and capital asset tracking, the Authority should consider adding a second position to support the Grants Accountant.

   b. The Authority should record its capital assets in the fixed asset module at the time they are recorded into the general ledger. Additionally, the fixed asset module should be reconciled to the accounting general ledger on a monthly basis. This reconciliation should be documented and included as part of the Authority's month-end closing process.

   Action Taken:

The Administrator will work with the Advisory Board to discuss restructuring the department and the feasibility of adding a position to the Finance Department. In addition, the Administrator and the Director of Finance will work with Human Resources Manager to revise department job descriptions to ensure a position is identified through the restructuring that will include the responsibilities associated with capital asset tracking. The restructuring of positions and/or addition of a position will ensure support to the Grants Accountant.

The Finance Department staff will commence recording its capital assets in the fixed asset module at the time they are recorded into the general ledger. In addition, the fixed asset module will be reconciled to the accounting general ledger on a monthly basis. This reconciliation will be documented and included as part of the Authority's month-end closing process. Fiscal year 2024 is the first year that the fixed asset module has been in use by the Authority and was implemented as a two-step process; invoice entry and fixed asset entry were two separate functions. The Finance Department is working through the process of a seamless fixed asset module entry, through the accounts payable entry process, that will record the fixed asset acquisition when the invoice is being recorded.

2. The Governmental Accounting Standards Board (GASB) has issued the following Statements which will be effective for the Authority's fiscal year ending June 30, 2025:

    a. GASB No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

       The Authority's compensated absence policy allows employees to accrue and carry over vacation and sick time from year to year.

    b. GASB No. 102, *Certain Risk Disclosures*. The objective of this statement is to identify potential risks in governmental environments and develop disclosure requirements associated with information about risks related to a government's vulnerabilities due to certain concentrations or constraints. As a result of this statement, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

       The Authority has an economic dependency on the Commonwealth of Massachusetts and the Federal government for operating subsidies.

    Recommendation:

    Management of the Authority should familiarize themselves with GASB No. 101 and 102 in order to prepare for their implementation and the impact on the Authority's financial reporting for fiscal year 2025.

    The Authority should include maintaining calculations of the compensated absence liabilities for sick and vacation time allowed to be carried over to subsequent fiscal years per GASB No. 101.

    The Authority should also identify whether there are any other concentrations or constraints meeting the definitions per GASB No. 102 that would require disclosure in the financial statements, in addition to its economic dependency disclosure on the federal and state government for operating subsidies.

Action Taken:

The Authority's directors and managers will be provided with the information necessary to familiarize themselves with GASB No. 101 and 102 in anticipation of the implementation of the Authority's financial reporting for fiscal year 2025.
The Finance Department, through its Senior Accountant, will continue to maintain calculations of the compensated absence liabilities for sick and vacation time allowed to be carried over to subsequent fiscal years as specified in GASB No. 101.
The Authority, through its Director of Finance, will identify any other concentrations or constraints meeting the definitions per GASB No. 102 that would require disclosure in the financial statements, in addition to its economic dependency disclosure on the federal and state government for operating subsidies.

Status of Prior Year Recommendations:

1. As recommended, the Authority has updated the authorized signers on its bank and short-term investment accounts.

2. As recommended, the Finance Department has assumed responsibility for the fixed asset module.

3. As recommended, the Finance Department has been regularly monitoring and following up on outstanding accounts receivable balances.

4. As recommended, the Authority has improved its monitoring procedures of its federal subgrantee in accordance with the Uniform Guidance.

Chairman Slaughter asked the Board for a Motion to approve PVTA's FY24 Audit Report.

Motion: Moved and seconded (Sorrell/Fay) to accept and approve PVTA's FY24 Audit Report.

Chairman Slaughter asked if the Board had any discussion. Hearing none; asked for a roll call vote.

	Yes	*No*	*Abstained*
Agawam	Cindy Sullivan		
Amherst	Douglas Slaughter		
Belchertown			
Chicopee			
East Longmeadow	Erin Koebler		
Easthampton	Cindy Tarail		
Granby			
Hadley			
Hampden			
Holyoke	Stephen Fay		
Leverett			
Longmeadow	Mark Gold		
Ludlow			

Northampton	Mayor Gina-Louise Sciarra
Palmer	Benjamin Hood
Pelham	
South Hadley	
Springfield	Brian Connors
Sunderland	
Ware	
West Springfield	
Westfield	Peter Miller
Wilbraham	
Williamsburg	J.M. Sorrell
ADA Representative	
Rider Representative	

Motion passed by a vote of 37.92 in favor.

A full copy of PVTA's FY24 Audit Report has been filed with the minutes of this meeting.

5. **<u>APPROVAL OF PVTA'S TITLE VI UPDATE (Public Participation Plan & Language Access Plan)</u>**

Paul Burns, Director of Transit Operations reported the following:

In your packet are the final updates for PVTA's Title VI Program as well as The Public Participation Plan and the Language Access Plan.

This 2024 Title VI Program Update of the Pioneer Valley Transit Authority is presented to verify compliance with Civil Rights Act of 1964 and its amendments, which prohibit discrimination on the basis of race, color, or national origin in programs and activities that receive federal funds.

This document has been produced consistent with the guidelines in Federal Transit Administration (FTA) Circular 4702.1B and other federal requirements. Updates to this Title VI Program are submitted to the Federal Transit Administration Region One Civil Rights Officer every three years.

This 2024 Title VI Program Update has been prepared to verify that:

1. PVTA benefits and services supported by FTA funds are available to, and fairly distributed among, transit customers without regard to race, color, or national origin.

2. The opportunity and ability of persons to participate in transit planning, programming and implementation is not limited on the basis of race, color, or national origin; and

3. Any necessary corrective, remedial and affirmative actions have been taken to eliminate and prevent discrimination against people on the basis of race, color, or national origin.

Chairman Slaughter asked the Board for a motion to approve PVTA's Title VI Update.

<u>Motion</u>: Moved and seconded (Sorrell/Fay) to accept and approve PVTA's FY24 Audit Report.

Chairman Slaughter asked if the Board had any discussion. Hearing none; asked for a roll call vote.

	Yes	*No*	*Abstained*
Agawam	Cindy Sullivan		
Amherst	Douglas Slaughter		
Belchertown			
Chicopee			
East Longmeadow	Erin Koebler		
Easthampton	Cindy Tarail		
Granby			
Hadley	David Moskin		
Hampden			
Holyoke	Stephen Fay		
Leverett			
Longmeadow	Mark Gold		
Ludlow			
Northampton	Mayor Gina-Louise Sciarra		
Palmer	Benjamin Hood		
Pelham			
South Hadley			
Springfield	Brian Connors		
Sunderland			
Ware			
West Springfield			
Westfield	Peter Miller		
Wilbraham			
Williamsburg	J.M. Sorrell		
ADA Representative			
Rider Representative			

Motion passed by a vote of 39.66 in favor.

6. DIRECTOR OF TRANSIT OPERATIONS REPORT

Paul Burns, Director of Transit Operations, reported the following:

Fixed Route Ridership: Systemwide September 2024 ridership was 889,404. This was a significant increase of 109,435 (14%) over September 2023 despite the resumption of fare collection on September 1st.

- DGR: 517K up from 441.5K (17.1%) in September of 2023
- UMass: 369K 33K up 8K (10.9%) from August 2023

Paratransit ridership continues to increase steadily when compared to the previous year. September paratransit ridership at 17,352 was an increase of 1805 passengers (11.6%) over September of 2023. Year to date, paratransit ridership has increased 17.3% over FY 2023.

Ridership Recovery: Year to date, ridership in FY 2025 totals 2,195,554 on the fixed route and 51,310 on paratransit. Fixed route ridership for the year is currently 93.5% of 2019's ridership for the first quarter of the fiscal year.

Paratransit ridership recovery for the first quarter of FY 25 at 51,310 is 79.9% of 2019 ridership for the same time period.

Route Updates:
Amherst / Greenfield Pilot: This route began operation on October 7. Ridership for the each of the first three weeks averaged just over 10 per week for an average of 2 riders per day. For the last four days of October ridership was 21 passengers with average ridership reaching more than 5 per day.

Effective with the winter bid beginning December 22, 2024, the following service adjustments will be implemented.

G5: Saturday morning service will be added to this route at the request of employees working at the Leavitt Family Jewish Home to arrive by 7am.

B7: Between the hours of 10:00 AM and 6:00 PM one trip per hour will service Colonial Estates on Beacon Circle in Springfield. Trips servicing Colonial Estates will end there and return via Parker St. to Boston Road. The remaining three trips per hour will continue to operate the current route, ending at Wilbraham Big Y. An additional trip will be added in the evening at 7:33 PM.

R24: eliminate the on-demand deviation to Kmart plaza. This will enhance efficiency on this route and eliminate confusion among riders. Fewer than one rider every three days uses this deviation. Eliminating this deviation has a minimal impact on riders since the primary use is a connection to the P20 both routes also stop at the Holyoke Mall so there is no significant impact to riders with the elimination of this deviation.

7. ADMINISTRATOR'S REPORT

Sandra Sheehan, Administrator, reported the following:

PVTA staff projects:

- Completed the NTD Report for FY24
- The Local Assessments are being finalized
- Three year finance operating cost projection will be submitted to MassDOT
- Working on the Five Year Capital Plan

For FY26, MARTA is proposing a request of $200M for operating.

- 3% for the Transportation Fund ($94-$97M)
- $103M from the Fair Share Funds

A larger portion of operating funds is needed to offset the CBA increases, as well as the eventual loss of federal funds from ARPA/CARES. It will also allow us to decrease our dependency on for capital dollars flexed to operations.

PVTA started the Fare Free program on November 1st. Passengers are very grateful for this program.

8. NEW BUSINESS

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

9. <u>OLD BUSINESS</u>

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

10. <u>ADJOURNMENT</u>

Chairman Slaughter asked for a motion to adjourn.

<u>Motion</u>: Moved and seconded (Sorrell/Mayor Sciarra) to adjourn.

	Yes	*No*	*Abstained*
Agawam	Cindy Sullivan		
Amherst	Douglas Slaughter		
Belchertown			
Chicopee			
East Longmeadow	Erin Koebler		
Easthampton	Cindy Tarail		
Granby			
Hadley	David Moskin		
Hampden			
Holyoke	Stephen Fay		
Leverett			
Longmeadow	Mark Gold		
Ludlow			
Northampton	Mayor Gina-Louise Sciarra		
Palmer	Benjamin Hood		
Pelham			
South Hadley			
Springfield	Brian Connors		
Sunderland			
Ware			
West Springfield			
Westfield	Peter Miller		
Wilbraham			
Williamsburg	J.M. Sorrell		
ADA Representative			
Rider Representative			

Motion passed by a vote of 39.66.

The meeting of the Advisory Board adjourned at 1:02 P.M.

A TRUE RECORD **ATTEST:____________________**

BRANDY PELLETIER

Documents filed with Board Meeting packet:

- Roll Call Votes
- Advisory Board Minutes of 9-18-24
- PVTA FY24 Audit Report
- PVTA's Title VI Update

Minutes Approved: January 22, 2025