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**MINUTES OF PVTA'S  
REMOTE FINANCE & AUDIT COMMITTEE MEETING  
January 19, 2021**

**1. CALL TO ORDER**

The Finance and Audit Committee meeting of the Pioneer Valley Transit Authority was held on Tuesday, January 19, 2021 at 11:30 A.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.

**ROLL CALL 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 11:37 A.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 NOVEMBER 16, 2020**

Chairman Slaughter asked for a motion from the Finance & Audit Committee to approve the meeting minutes of November 16, 2020.

**MOTION:** Moved and seconded (O'Leary/Moskin) to approve the minutes of PVTA's Finance & Audit Committee meeting held November 16, 2020.

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

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

Motion passed, 4-0 vote.

#### 4. **5-MONTH BUDGET TO ACTUAL REPORT**

Chief Financial Officer (CFO), Lisa Seymour, reported the following:

Revenue:

Farebox Revenue is significantly down due to the ridership decrease associated with COVID-19.

School Passes: Schools are not back to in-person sessions and conducting remote learning thus no revenue can be collected as of yet.

Insurance Recoveries, Interest, Miscellaneous are expected to even out as claims are processed and the interest is booked.

Operating Subsidy: Other grants will even out by end of year. Difference in amounts is a reflection on how they are processed.

Federal Operating Grants: TrAMS reopened at the beginning of November. Nothing could be recovered this quarter.

Paratransit Service Expenses:

NEXT trips are down significantly due to COVID effects on ridership.

Fuel: Less ridership mean less service on the road directly effecting this category.

Maintenance: Van maintenance is under budget as less service is being provided. Less mileage is being put on the vans along with less service hours.

Fixed Route Expenses:

SATCO/VATCO: Both are close to budget.

UMass: Down due to college just recently bringing some students back. UMass has been on reduced service since the start of COVID.

Maintenance Recovery: Expected to even out next quarter due to late billing.

Allocated Insurance and IT: Expected to even out next quarter due to billing.

A full copy of PVTA's 5-Month Budget to Actual Report has been filed with the minutes of this meeting.

Chairman Slaughter asked for a motion from the Finance & Audit Committee to accept PVTA's 5-Month Budget to Actual Report.

**MOTION:** Moved and seconded (O'Leary/Huntley) to accept PVTA's 5-Month 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

Doug Slaughter: Yes

Brian O'Leary: Yes

Motion passed by a 4-0 vote.

## 5. FY21 BUDGET UPDATE

Chief Financial Officer, Lisa Seymour, reported the following:

The amount of State Contract Assistance, after going back and forth, including vetoes by the Governor and override votes by the Legislature, RTAs ended up with \$94 Million. \$90.5M distributed to the RTAs. \$87M to be distributed using the old formula and \$3.5M distributed through a new formula based on ridership, population of member communities and service area coverage. The \$3.5 balance of the appropriation funds are to be distributed by Mass DOT as discretionary grants.

## 6. FARE REVIEW

Manager of Transit Planning and Analysis, Tolu Oke, reported the following:

In FY 2018, PVTA's Advisory Board reviewed a fare impact and equity analysis that included various fare increase options. It approved a 20% increase in fares for FY 2019 fare and options for increasing fares in future years on a regular and predictable basis as part of a single fare increase action. Following the FY 2019 fare increase, the Board approved a policy to review fares in three-year intervals and consider a fare increase ranging from 5% to 25%. If the Board supported a fare increase, these increases would take effect on July 1, 2021 for FY 2022 and on July 1, 2024 for FY 2025 (every 3 years). Prior to these effective dates, PVTA would perform fare impact and equity analyses to better understand what is likely to happen to PVTA's ridership and fare revenue if the prices of bus and van fares are raised.

PVTA, in collaboration with PVPC, has kicked off the fare impact analysis for FY 2022 fare updates. The current volatile environment, including the ongoing travel and financial impacts from the pandemic, add layers of complexity to an otherwise relatively straight forward task of evaluating fare changes.

PVTA raised fares by 33% in 2003 (from \$0.75 to \$1.00), ridership fell 11.5% the next year. However, when PVTA raised fares by 25% in 2008 (from \$1.00 to \$1.25), ridership increased 2.2%. It is important to note that a fare increase is typically not accompanied by ridership increase, and in this case, other factors were likely at play. Most recently, when PVTA raised fares by 20% in FY 2019 (from \$1.25 to \$1.50), ridership dropped by 8.6%. While the fare increase may have contributed to the decline in ridership, it is important to note that transit ridership was declining nationally at this time as well. We are not able to separate the impacts of the fare increase from this trend.

(Doug Slaughter left meeting at 12:00pm. Quorum still present.)

Impacts of the FY 2019 Fare Increase: Fare change options for FY2019 were developed to be comparable with the size of PVTA's fare increases in the past (15% in 1997, 33% in 2003, and 25% in 2008). Fare increase scenarios of 20%, 25%, and 50% were modeled, and the 20% fare increase was implemented. The rest of this review focuses only on the 20% fare increase scenario applied to

the PVTA riders who pay via the farebox (non-school routes run by the Springfield and Northampton garages.) Ridership and revenue from UMass Transit Services, Holyoke and Springfield Public Schools, Children, Senior Fare-Free Tuesday and PVTA employees were excluded from the study because they do not pay fares via the farebox.

Between FY 2018 and FY 2019, the combined effect of the non-fare related ridership drop of 10% and the fare related ridership reduction of 7% was a total of 17% decline in ridership, 17% decline in tickets sold, and 0.9% gain in revenue.

The preliminary draft forecasts for FY 2022 were estimated generally following the forecasting approach from the FY 2019 fare increase while also making modifications to the non-fare and elasticity factors based on the observed impacts.

The FY 2022 baseline data for the forecasts were calculated by adjusting the FY 2021 actual ridership from July to December. This choice was made to ensure that the COVID impacts and the ongoing ridership recovery were accounted for. This, in effect, assumes that ridership levels from the first half of the Fiscal Year would continue in the second half of the year and into FY 2022. This is a conservative assumption as ridership and revenue are expected to increase as seen from current trends, as COVID vaccines are made available, and as the universities and colleges bring more students back.

PVTA is considering other fare structures, fare levels, and fare policy scenarios to implement in FY 2022. They include:

- No Fare Change
- Change Pass Multiples – change pass fares (31 and 7 day) at a different rate than pay per use fares in order to change the number of single rides corresponding with day/week/month; this can affect consumer behavior in multiple ways.
- Implement Fare Capping – when a rider reaches a certain number of one ride trips, usually the pass multiple, there is no charge for any additional trips in a set period, like a 31-day period.
- Remove Transfer Fares
- Fare free
- Low-Income Pricing

Analysis and forecasts of these other fare scenarios will be provided in subsequent Board meetings.

## **7. OTHER BUSINESS**

Steve Huntley, acting Chair, reported that there is no other business to discuss.

## **8. ADJOURNMENT**

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

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

Steve Huntley asked for a roll call vote.

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

Motion passed 3-0.

The meeting of the PVTA Finance & Audit Committee adjourned at 12:27 P.M.

**A TRUE RECORD**

**ATTEST:** \_\_\_\_\_  
**BRANDY PELLETIER**

Documents filed with Finance & Audit Committee Meeting packet:

- November 16, 2020 Finance & Audit Committee Meeting Minutes
- Year to Date – 5-Month Budget to Actual Report
- Fare Review

**Minutes Approved: June 21, 2021**