
**MINUTES OF PVTA'S
REMOTE FINANCE & AUDIT COMMITTEE MEETING
January 22, 2024**

1. CALL TO ORDER

The Finance & Audit Sub-Committee meeting of the Pioneer Valley Transit Authority was held on Monday, January 22, 2024 at 10:00 A.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.

MEMBERS PRESENT:

Members: Doug Slaughter, Amherst; David Moskin, Hadley; Steve Huntley, Chicopee;

NOT PRESENT:

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 10:02 A.M.

2. PUBLIC COMMENTS

Steve Huntley opened the floor for public comments. No Public Comments were made.

3. APPROVAL OF MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING OF OCTOBER 4, 2023.

Chairman Huntley asked for a motion from the Finance & Audit Committee to approve the meeting minutes of October 4, 2024.

MOTION: Moved and seconded (Slaughter/Moskin) to approve the minutes of PVTA's Finance & Audit Committee meeting held October 4, 2023.

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

David Moskin: Yes
Doug Slaughter: Yes
Steve Huntley: Yes

Motion passed, 3-0 vote.

4. APPROVAL OF FY24 BUDGET REVISION

Sandra Sheehan, PVRTA Administrator reported on PVRTA's FY24 Budget Revision:

EXPENSES

Administration:

- Revisions to merit increases from 3% to 5%
- Salary adjustments to certain positions as recommended by HR Department based on Salary Analysis conducted.

Fringe Benefits

- Pension contribution increased as recommended by pension plan manager and to account for the last couple of years when pension contributions were not made to the account.
- Insurance such as unemployment, long term disability and life were adjusted based on actual costs at half year.

Utilities

- Utilities adjusted based on actual costs at half year.

Paratransit Services

- Salary adjusted based on the contractual obligation for administrative staff who joined the union.
- Utilities adjusted based on actual costs at half year.
- Fuel was adjusted to reflect actual costs at half year.

Fixed Route Services

SATCo/VATCo

- Salary adjusted based on longevity payment and associated taxes made to employees. It was also adjusted to account for OT costs that have increased by 38% from last year.
- Additional staff hired including HR Assistant and CDL trainers.
- Increase in miles of service associated with service enhancements implemented and planned for implementation in the Spring.
- Increase in labor costs associated with service enhancements implemented and planned for implementation in the Spring.
- Utilities were adjusted based on actual costs at half year.
- Fuel was adjusted to reflect actual costs at half year.

Shuttles

- Increase in labor and miles costs associated with service enhancements implemented and planned for implementation in the Spring.

REVENUES

- Farebox Revenue – Fares collected at the farebox have been reduced to account for the Try-Transit Fare Free program sponsored by the MA Legislature.
- Federal Operating Assistance- Due to the increase in state funding and existing workforce shortfall, this line item is being decreased. Funds needed for PM and ADA will be allocated from the State Contract Assistance line item.
- Operating Subsidy State – this line item is being increased to reflect the additional funding received from the state as part of the State Contract Assistance.

- Operating Subsidy Fare Free Program – this line item is being added to account for the funds allocated to PVRTA for the Try-Transit Fare Free program sponsored by the MA Legislature.
- Other Federal Subsidy (CARES/ARPA) – this line item is being adjusted to reflect the federal subsidy needed to balance the budget.

MOTION: Moved and seconded (Slaughter/Moskin) to approve PVRTA’s FY24 Budget Revision and recommend approval to the full Board.

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

David Moskin: Yes
 Doug Slaughter: Yes
 Steve Huntley: Yes

Motion passed, 3-0 vote.

5. FARE REVIEW INFORMATION

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

Following the Board’s policy, PVRTA is obliged to review its fare structure and consider the need for a fare increase every three years. At present, the base fare is \$1.50, covering a single ride, with transfers sold separately for twenty five cents. PVRTA is considering four primary approaches to revising its fares in 2024, and will study the financial impact of each approach:

1. NO CHANGE – Recent inflation has raised costs for PVRTA, but also imposed pressure on the budgets of PVRTA riders, who may be reluctant or unable to bear higher costs at the farebox.
2. FLAT INCREASE – PVRTA’s last fare change raised the cost of all fare media (single rides, passes, etc.) by 20%. The following year showed a slight increase in aggregate fare revenue, but a loss in ridership. But this is likely due to significant service cuts. This approach is typical of past fare increases, but as it does not distinguish between different fare media, riders have no incentive to save money by switching to passes and may instead reduce their overall travel to compensate.
3. FARE FREE – PVRTA’s fares accounted for 14% of its operating expenses in FY23, or approximately \$6.3 million. If a reliable alternative funding source can be determined, PVRTA could eliminate fares throughout the system. This approach may increase ridership but is dependent on the reliability of the alternate funding source—especially its ability to keep up with inflation, and to expand service when ridership grows. It is important to note as well that simply eliminating fares alone will not guarantee long term ridership increases.
4. “ENSEMBLE” – In order to raise revenue without discouraging ridership, PVRTA is reviewing several changes to its overall fare structure. This approach does not require that all such changes be adopted, instead, a “package” can be put together by choosing some of the changes and rejecting others. All of these changes contribute to the same overall strategy of encouraging ridership by reducing the marginal trip cost for passengers:
 - a. BUNDLE TRANSFERS – this change could introduce a new “90-minute pass” that combines the role of the current \$1.50 single ride ticket and \$0.25 transfer. The resulting fare would cost \$1.75 and would become the new base fare.

- b. DISCOUNT PASSES – this change would lower the cost of PVTA’s existing 1-day, 7-day, and 31-day passes. Current pass prices are set very high relative to the base fare, so there is little incentive for riders to pay up front for a pass instead of buying tickets as needed. This imposes a marginal cost on each subsequent bus trip, discouraging ridership. By lowering the pass cost, ridership can be encouraged while minimizing loss of revenue and reducing transaction costs. These reductions could include some significant reductions that are noted here as starting points for discussion purposes only.
- c. RAISE BASE FARE – this change to a \$2.00 fare would raise revenue from infrequent riders while further encouraging regular riders to switch to longer-term passes. This change likely should only be considered as part of a more comprehensive package of changes some of which are outlined above.

6. OTHER BUSINESS

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

7. ADJOURNMENT

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

MOTION: Moved and seconded (Slaughter/Moskin) to adjourn.

Roll call vote:

- David Moskin: Yes
- Doug Slaughter: Yes
- Steve Huntley: Yes

Motion passed, 3-0 vote.

The meeting of the PVTA Finance & Audit Committee adjourned at 10:35 A.M.

A TRUE RECORD

ATTEST: _____
BRANDY PELLETIER

Documents filed with Finance & Audit Committee Meeting packet:

- October 4, 2023 Finance & Audit Committee Minutes
- FY24 Budget Revision

Minutes Approved: March 14, 2024