

Berkshire Regional Transit Authority
Minutes of the Finance/Audit Committee Held Virtually

May 15, 2020

11:00 AM

BRTA Intermodal Transportation Center
One Columbus Avenue, Pittsfield, MA 01201

MINUTES

Berkshire Regional Transit Authority Finance/Audit Members present:

Peter Gallant, Lanesborough, Sandra Lamb, North Adams, and Doug McNally.

Also present: Robert Malnati and Sarah Vallieres, BRTA staff.

1. **Covid-19**

Mr. Malnati reviewed the Budget to Actual through March 2020 document emailed to the committee. Reviewing this sets the stage for the discussion on the FY 21 Budget. March 16th was the date of the shutdown and is reflected on the decrease of fare revenues. The Budget to Actual is underbudget by \$24,000 and after depreciation is factored in, underbudget by \$42,000. After calculating April's fares, they are still \$15,500 above the budget. BRTA is still \$36,000 underbudget.

May and June's ridership will continue to be down, possibly more decreased in May than April and there is 2 months left in FY 2020.

Mr. McNally stated Governor Baker will have a phased rollout and each RTA will decide on how to rollout transit. Mr. Malnati said he is unsure of what the Governor will say and whether it would be a regionalized rollout or if MassDOT will review. Mr. McNally shared the summer camps and theatres will not be opening, which may impact ridership.

Mr. Malnati mentioned the Senator Warren article in the Berkshire Eagle about BRTA receiving \$5.7M in Cares Act funding from the small urban apportionment. This was a quick grant process and BRTA has already received the funding to be used from January 20, 2020 through January 30, 2022. BRTA also received \$908,620 from the rural CARES Act funding.

2. **Draft Budget**

Mr. Malnati discussed the assumptions that were emailed to the committee. The fixed route fare for July-August would be 50% of the FY 20 actual; September-March would be 75% of the FY 20 actual, and April-June would be 90% of the FY 20 actual. This is similar to the ADA and non-ADA fares. For July-August, ADA fares would be 60% of the FY 20 actual and non-ADA fares would be 20%. The local assessment for towns would increase 2.5%. The Governor's budget pre-COVID-19 was \$90.5M, with BRTA receiving \$2.8M. BRTA has projections for both \$87M and \$84M, where BRTA would receive \$2.62M. The \$301K discretionary funding has already been awarded and The continued evening service will begin on July 1. \$3.1M for Federal funding, the majority is CARES. BRTA will use the funding this year and then the remaining 2 years. This is 100% Federal funding. This will be the budget balancing point. BRTA's Auditors will have a soft closing to figure out the remaining 5307 funding.

Mr. McNally asked what CARES Act expenses would recover? Mr. Malnati said this is for any operating expense, less fares and can be used at 100%.

Mr. Malnati shared the expense portion of the budget and there would be a 2% increase for cost of living for the staff. There will be a 10% increase in health insurance and 5% increase in dental insurance. There is a \$13K decrease in Administrative staff as there will no longer be Peter Pan staffing on the weekends. The fringe pension will have an increase for this year.

Professional services include RouteMatch's invoice and will be allocated appropriately to each department. Last year's material expenses were due to replacement computers. Utilities has a more accurate number this year. Additional cyber-insurance was unnecessary; BRTA only needs one policy. The interest this year will be budgeted at 2% for \$5.15M. Another RTA went out last week for their borrowing and they had a 2% interest with a face value of 1.8%. The reimbursable depreciation will be budgeted for this year.

This is the last year remaining on the fixed route/paratransit contract. The fixed route operating advances is \$701,000. \$157K is wages and \$196K is union health insurance, both are part of collective bargaining. Auto insurance doubled (BRTA is currently shopping around) and there was a miscalculation on their pension from last year (\$56K). There is a \$132K increase or 2-3% increase from last year. Paratransit operating expense went down, as staffing levels have been changed and decreased.

Mr. Gallant stated professional service had a big jump. Mr. Malnati explained the RouteMatch software used to be covered by a grant which has expired. These are the annual fees of the software.

Mr. Gallant asked about the rental adjustment. Mr. Malnati answered they receive a PPP loan and the renter will be squared up with BRTA by next month.

Mr. Malnati is looking forward to finding out more about the Governor's 5/18/2020 rollout. He and Mr. Caine have been discussing ideas for full service and knows MassDOT is concerned with over-crowding. BRTA has lost 70% of its ridership and any increase in riders will depend on how the State opens. BRTA has installed plexiglass barriers on all buses, protecting the drivers and riders; and has distributed masks and hand sanitizers. BRTA has ordered 1000 KN-95 masks and 12,000 surgical masks. BRTA is offering bandanas to riders that have no face covering. BRTA is geared up in case this continues in the fall. The draft budget would be emailed to the Board prior to the meeting.

3. **Next Meeting**

Mr. Malnati set the next meeting for May 20, 2020 at 10AM to review the budget.

Mr. Malnati explained to the Finance Committee that staff have accumulated vacation time that they will not be able to use prior to the end of the fiscal year. This is due to the extenuating circumstances from COVID-19. This will not exceed \$14,500. There is not enough time for staff to use vacation time, while properly staffing the office. BRTA would cut a check to the employee but keep their 5-vacation day rollover. All members of the Finance Committee were agreement.

Ms. Lamb said Mr. Malnati has a done a good job with these many unknowns.