



WRTA ADVISORY BOARD AUDIT & FINANCE COMMITTEE
APRIL 06, 2020
MINUTES

WRTA ADVISORY BOARD AUDIT & FINANCE COMMITTEE MEETING

Chairperson Lehtola called the meeting to order at 8:30 a.m.

ATTENDANCE

Advisory Board Audit & Finance Committee Members via conference call attendance: Gary Rosen-Worcester, Kristen Las-Shrewsbury, Brian Pigeon-Worcester, Robert Spain-Millbury, Douglas Belanger-Leicester, Adam Menard-Auburn, and William Lehtola-Spencer. Other participants: Jim Parker, Anna Kosterski, Mary McHugh, Timothy O'Day, Meaghan Lyver, Tom Coyne, Dennis Lipka. 8:45am Mark Binnall-Auburn.

ACCEPTENCE OF THE MINUTES

Chairperson Lehtola asked for a motion to accept the minutes for November 05, 2019. On motion by Douglas Belanger, seconded by Robert Spain, the Audit and Finance Committee accepted the minutes of November 05, 2019, the vote was carried unanimously.

Chairperson Bill Lehtola opened the meeting and thanked the dedicated staff working to keep the WRTA moving forward with service during the Covid-19 pandemic. Chairperson Bill Lehtola clarified the procedural rules for the tele-conference meeting and listed the order of Committee participants for questions pertaining to the budget. All members of the committee were invited to speak after the presentation.

Mr. Lipka stated the purpose and importance of the WRTA budget process and the need for a recommendation by the committee to the full board for approval at the April 2020 WRTA Advisory Board meeting. He thanked the committee members for their participation via conference call and asked for any suggestions or ideas for future remote sessions. Mr. Lipka introduced Mr. Coyne who presented the FY`21 Consolidated Budget for their recommendation.

Discuss WRTA, PBSTM, SCM Elderbus and COA Budgets

Mr. Coyne gave an overview of the FY`21 Consolidated Budget (all materials were mailed to the committee members before the meeting date). The total amount for the proposed operating budget is \$28,246,882, an increase of 3.5% over fiscal year 2020. A new demand response transit services in Westborough as well as a new fixed route serving the towns of Dudley,

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Barre	Brookfield	Dudley	Holden	New Braintree	Oakham	Princeton	Spencer	Warren	West Brookfield
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Boylston	Clinton		Leicester	Northbridge		Shrewsbury	Sutton	Westborough	



Webster, and Southbridge that are funded through the Commonwealth’s Discretionary Grant Programs have been budgeted at a cost of \$737,956.

Revenue from fare boxes is projected to be down -1.5% and this is likely to continue as we move through the Covid -19 pandemic. We are not expecting a deficit for 2020 and are monitoring the development of the State FY2021 budget, and the yet to be released guidelines for the CARE ACT. All of which will in some way impact the WRTA budget for FY2021. The currently proposed FY2021 WRTA budget was developed using the allocations proposed for transit in the Governor’s Budget Proposal for FY2021.

In addition to the new transit services, major cost drivers include a 2.5% wage increase for the 161 union drivers, mechanics and administrative personnel, a 2.5% increase in health insurance premiums, a projected 5.0% increase in both automotive and facility liability insurance and a 7.4% decrease in the cost per gallon of diesel fuel. Other increases include two persons out on family leave (requiring temporary backfilling) in administration and the Hub facility (due to general aging) needs maintenance work to keep the facility in a state of good repair.

Projected increases in State Contract Assistance along with Local Assessments and the funding received through the Commonwealth’s Discretionary Grants program allows for sustaining existing service levels while also introducing new services to areas that have traditionally been underserved. This along with maintaining the current fare structure has allowed for a balance budget. The total Federal Operating Assistance for FY`21 is \$6,013,956 which is down -3.3% from last year. The Net Cost of Service for FY`21 is \$17,817,748 the increase from last year totals \$526,254 or 3.0%. We will continue to monitor and review the moving parts of the budget, fare box revenue (CARE Monies) Covid-19 considerations and expenses as well as State and Federal funding.

COMMITTEE MEMBERS

Gary Rosen asked about the payment schedule for funding the OPEB in FY`21. Mr. Lipka explained how the WRTA has continually paid \$15,000 per month towards the OPEB liability. This factor places the WRTA in better standing when being rated. Gary Rosen asked about the diesel fuel contract. Mr. Coyne replied that the number was locked in at \$1.99 as the decision was made when prices were dropping before the larger drops related to the pandemic. Gary Rosen asked about future budgeting and costs pertaining to other pandemic situations. Mr. Lipka stated and Mr. Parker confirmed that they are tracking expenses and are hoping to off-set such costs with State and Federal monies.

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Robert Spain asked the Administration how confident they are with the budget number. Mr. Coyne explained that this budget was made pre-Covid-19 but was revised as we are continuing to work through the Covid-19 pandemic, which as you know is ongoing. From the numbers in the present climate it is doubtful that ridership will get back in the first quarter. Mr. Lipka stated that the budget reflects a modest increase in Paratransit services for FY`21. The WRTA is currently experiencing a 75% to 80% decline in passenger trips, the fixed route service is running at 50% of normal daily service. The WRTA has 85 drivers of which 47 are out due mainly to childcare issues and self-quarantine. As of today, no one on the WRTA staff has been diagnosed with symptoms or tested positive for Covid19. Fare box revenue losses may be covered with State or Federal funds. For April and going forward, there is no expectations for fare box revenue due to the emergency policy of allowing rear door boarding and the suspension of enforcement of the WRTA Fare Policy. Given the uncertainty of the State budget, the potential impact of CARE ACT funds, and the unpredictable duration of the Covid 19 pandemic, the Administration will work to produce a balanced budget for FY2020 and FY2021. Robert Spain requested a report from the Administration that tracks the actual cost vs. budget pertaining to the operational costs for the M&O Maintenance and facility needs.

Chairperson Lehtola asked for a motion to recommend the FY`21 as presented to the Advisory Board.

Motion: The Audit and Finance Committee votes to recommend the FY`21 Budget as presented to the Advisory Board.

On motion by Douglas Belanger, seconded by Robert Spain, the Audit and Finance Committee voted to recommend the FY`21 Budget as presented to the Advisory Board, the vote was carried unanimously.

BUSINESS FROM THE AUDIT & FINANCE COMMITTEE MEMBERS

Gary Rosen asked about the budget adjustment process. Mr. Lipka stated that what the state adopts as funding for the RTA's as well as the CARE monies will determine further adjustments to the budget. As in the past, the amended/adjusted budgets have gone directly to the full board.

Mr. Lipka informed the committee that the timeline for the money may have administration reporting to the board in August or September this year which is out slightly from the normal 60 to 90 day process. Administration will keep the board posted as the process moves forward.

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Mark Binnall asked about the availability of hand sanitizers on the vans. Mr. Lipka stated they are looking into viable ways to provide this. Mr. Parker stated that the drivers were given masks (not N95 hospital grade) for use during work. Mr. Lipka informed the committee about his ideas for providing touchless hand sanitizers and the need to possibility continue rear door boarding (this policy is slated to be reviewed every 30 days). Mr. Lipka informed the board of the retrofitting of driver shields similar to the fixed route buses but now on the Vans. The need to look at how cleaning schedules should be maintained as well as future social distancing dynamics is a real variable considering the ever changing landscape of this pandemic. Gary Rosen asked about portable hand sanitizers in the Hub lobby. Mr. Lipka stated social distancing for the lobby is not presenting any challenges due to extremely light foot traffic and ridership numbers. Effective hardware and refills are difficult to procure at this time. Mr. Lipka explained post pandemic advertising and possible PSA's to assure riders that the buses are safe, clean, and a viable alternative for transportation. Committee members agreed that this was an excellent idea and was hopeful that government funding may cover many of these initiatives.

ADJOURNMENT

Chairperson Lehtola asked for a motion to adjourn. On motion by Douglas Belanger, seconded by Mark Binnall and carried unanimously, the Audit & Finance Committee meeting adjourned at 9:18 a.m.

NEXT MEETING DATE

The next WRTA Advisory Board Audit & Finance Committee Meeting schedule has not been determined.

Minutes Prepared By: Elizabeth R. Pokoly

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