

MINUTES OF THE BAT ADVISORY BOARD

AUDIT AND FINANCE COMMITTEE

April 15, 2021 10:00 AM

In Attendance:

Frank Hegarty, Town of Avon

Michael Dutton, Town of Bridgewater

Dottie Fulginetti, Town of Easton

Michael Lambert, Administrator

Linda Sacchetti, CFO

Kelly Forrester, Manager of Transit Operations

Kathy Riddell, BAT

The virtual meeting was called to order by Mr. Hegarty, for the purpose of discussing business brought before the Audit and Finance Committee in accordance with the agenda presented and the notice sent out on April 9, 2021. The meeting was held virtually and streamed live on BAT's YouTube channel to meet the public meeting engagement requirements.

Mr. Hegarty welcomed the group. He asked if there were any public comments. Seeing as there were none, the group moved to the next item on the agenda.

The minutes from the meeting of January 28, 2021 were reviewed. Mr. Dutton made a motion to accept the minutes as presented. Motion was seconded by Mr. Hegarty.

Ms. Sacchetti provided the group with a budget update. The budget presented represents six months of data. Revenues are unfavorable to budget by \$461,000 excluding state, federal and local assessments. This is due to slower growth in farebox revenue than estimated. Expenses are favorable to budget by approximately \$2,100,000. This is due to fixed route operating on a less frequent 30-minute pulse, a reduction in overtime, 2.5 less DIAL-A-BAT operators, Mini-maller replaced with expanded Stoughton service, the combining of Routes 10 and 11 and the delay in beginning the new Rockland service. In addition, the new fuel contract was awarded at less than budgeted. A new budget line item "Emergency Preparedness," has been added to reflect supplies purchased due to COVID-19. An amended budget will be presented to the committee at the May meeting. Mr. Dutton asked if BAT was required to amend the budget. Mr. Lambert said no, it was not a requirement. However, the amendment does help for comparison purposes and provides an open and transparent accounting.

Next was a review of the Draft 2022 Budget. Mr. Lambert stated that the document provides two scenarios based on state contract assistance and federal operating funds. The first column is based on the governor's original budget submission and the second column is based on the House's budget submission. With the aid of the CARES Act, CRRSAA and the Recovery Act, BAT will balance its budget utilizing more or less state contract assistance in conjunction with federal operating funds depending on the final state budget. BAT is minimizing variables as much as possible by using the ceiling on insurance costs based on industry trends, which would be a worst-case scenario. Entering into two long-term fuel contracts at favorable costs will provide a positive effect on the budget.

Next was a review of the estimated local assessments based on service provided in 2021. The \$3.2 million dollars reflects a 2.5% increase over the prior year.

Under the Federal and State update, there was good news. BAT expects an additional \$8.5 million apportioned under the 2021 Recovery Act. There are still negotiations underway with the T, NH and the RTAs but Mr. Lambert is confident that \$8.5 million will be forthcoming. BAT's goal for the funds is to solve the issue of reduced farebox revenues and stabilization of the capital program. BAT is exploring the electrification of some of its fleet as a capital investment driven to benefit member communities with less particulates and environmental considerations. There are some operational factors to be considered including topography and cold weather. It appears not all routes would be suitable for electric vehicles. Mr. Lambert mentioned discretionary grants and how they have benefited the budget. Mr. Dutton asked if the discretionary grants came with "strings" attached. The grants are covered under a Memorandum of Understanding with MassDOT which calls for goal setting and reporting requirements. The Stoughton discretionary grant has been very successful and a bright spot in the first quarter of the year. Mr. Lambert expects the upward trend in ridership on that route to continue. The second discretionary grant is a Commuter Rail pass program that provides reduced fares on the Commuter Rail between the three Brockton stations and JFK and South Station in Boston. The grant provides substantially reduced fares to the commuter rail riders and relieves some of the potential overcrowding on the Ashmont bus during peak times. The contract for the Commuter Rail grant is due to expire May 31, 2021 but he hopes MassDOT will keep it going until the Governor's State of Emergency is lifted. Mr. Hegarty asked if there were any questions on the financial update. There were none.

Next Mr. Lambert presented the Committee with updated Personnel Policies. The policies include changes to tuition benefits and family leave. BAT's strategy has been to follow the state "red book" by adhering to its limits but BAT is enhancing family leave and tuition benefits to be employee friendly. The Social Media policy is directed not to employees but addresses record retention and interactions with customers. The policy will be posted to our website so the public is aware that their comments and submissions are public record and if the conversation is non-polite, individuals can be blocked. The policy improves up-front transparency.

Next was a discussion around the Administrator's contract. Mr. Hegarty informed the group that Mr. Lambert's contract was due to expire next year. He proposes to extend the contract four more years to 4/2026. A motion was made by Mr. Dutton and seconded by Mr. Hegarty to extend the Administrator's contract. Motion carried. Mr. Dutton applauded Mr. Lambert's efforts particularly over the last year. Ms. Fulginetti offered her full support and thought the extension was well deserved.

Mr. Lambert delivered a COVID-19 update. He stated BAT's focus has been to continue with response and recovery communications with the operating staff. In addition, a priority has been to ensure that employees have access to the vaccine. As of Friday, April 16, all employees that wanted the shots would be fully vaccinated. That will bring the count to about 75% of all staff. At present there are two individuals who have either tested positive with minor symptoms or have been exposed to someone who tested positive.

On May 3rd, the BAT Centre will reopen to the public. There will probably be a change to boarding practices by moving to a hybrid or full front boarding and alighting process.

Old/New Business: Mr. Hegarty thanked Ms. Fulginetti for joining the Audit and Finance Committee and stated he would announce it to the full Advisory Board later that morning.

Next meeting will take place on May 27, 2021 at 10:00 am.

A motion was made by Mr. Dutton to adjourn and seconded by Mr. Hegarty.

Meeting adjourned.

Respectfully submitted,

Kathy Riddell, BAT

List of handouts for 4/15/21 meeting:

1. Agenda
2. Minutes – 1/28/21
3. FY21 Budget Summary
4. FY21 Budget Update
5. FY2022 Draft Budget
6. FY2021 Estimated Local Assessments
7. Personnel Policies
8. Social Media Policy
9. Tuition Reimbursement Policy
10. Michael Lambert Employment Agreement