

MINUTES OF THE BAT ADVISORY BOARD

AUDIT AND FINANCE COMMITTEE

April 13, 2023 10:00 AM

In Attendance:

Frank Hegarty, Town of Avon

Michael Dutton, Town of Bridgewater

Dottie Fulginiti, 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 10, 2023. 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 and called the meeting to order. He asked if there were any public comments. Mr. Lambert stated there were no public comment at this time but would address some issues brought to BAT's attention at the Advisory Board meeting to follow.

The minutes from the meeting of January 12, 2023 were reviewed. Mr. Dutton made a motion to accept the minutes as presented. Motion was seconded by Ms. Fulginiti. Motion passed.

Ms. Sacchetti provided the group with a financial update. The FY23 Budget was presented to the Committee. Ms. Sacchetti reminded the group that this budget would be amended in May and brought before the Committee. She pointed out the largest variances stating that the expenses were favorable to Budget by \$1.397 million based on open positions, mild winter and favorable fuel contract. Revenues are unfavorable to Budget due in large part to "Try Transit" when five weeks of free fares were offered. BAT did receive \$295,000 from the state to cover fares that were not collected. Before the budget is presented next month, adjustments will be made to State Contract Assistance as those numbers will be finalized for FY24 by then. BAT will have a balanced budget at the end of the fiscal year utilizing State Contract Assistance and federal operating assistance to balance.

Mr. Lambert gave an overview of the draft FY24 budget. Two versions were presented. It is anticipated that only two line items could change based on the budget to be released. The State Contract Assistance line item could be either higher or lower and budget adjusted utilizing Federal operating assistance.

Mr. Hegarty asked if anyone was aware of some talk about Republicans pulling back unused COVID Recovery funds. Mr. Lambert stated that he hadn't heard anything substantial. However, BAT plans to target and utilize the most at-risk funds first. He also stated that funds could be pivoted to capital projects if necessary. Ms. Fulginiti pointed out that the FY24 Budget appears to be 6.6% over FY23 and wanted to know if that was consistent with other agencies. Ms. Sacchetti explained that the fixed route operator was in labor negotiations with operators, insurance renewal could increase as much as 20% and interest rates for borrowing have increased. All these elements of the budget factored into the increase over last year.

Estimated local assessments were then discussed. Assessment to the City and towns all increased 2.5% with the exception of Rockland that had a higher increase based on the new service being provided to the town.

Mr. Lambert provided a federal and state funding update. On the state side news was good with the Governor's budget providing the RTAs with a 9% increase in operating assistance and \$15 million in competitive grant opportunities. The Ways and Means budget provides \$94 million in level funding and \$70 million for transit improvements. This is a significant increase but there was no clarity on what the transit improvements entailed. However, when the final state budget comes out, BAT expects to be in a fairly strong position for the upcoming year.

Number 5 on the agenda was the Administrator's Update. Mr. Lambert stated that BAT was suffering from the same underlying issues that are facing the industry and the economy at large. We have had a hard time hiring a qualified workforce. Fortunately, there has been no real impact to the fixed route service but paratransit's on-time performance has suffered. BAT and its operators are actively working to look at and improve the hiring process. Assuming a candidate is qualified, there may be ways offer options for full or part-time employment. This would allow BAT to increase service, assuming money is available. BAT would like to add service to address 2nd and 3rd shift employees. BAT has been able to increase service on the Route 9 and 10/11 without putting further stress on the workforce. MassHires offers CDL driver training. Ms. Sacchetti has had some discussions around hiring some of their candidates based on the candidates past driving experience, etc. BAT is making an effort to take a thoughtful and creative approach to building opportunities for local workers and how to best match them with our openings for mechanics, supervisors, drivers, etc.

Mr. Lambert gave the Committee an overview of BAT's application for a competitive Federal Low/No and Bus and Bus Facilities grants for seven (7) electric buses and charging infrastructure for a total of \$13,000,000. The application requests for the grant may far exceed the available money and we are not sure if the larger agencies will be favored in the review process. The good news is that BAT has planned through its Capital Improvement Program (CIP) and fleet replacement plan to replace the buses and infrastructure regardless of the outcome of the Federal competitive grant.

Mr. Lambert gave the Committee an overview of the Brockton Business Improvement District (BID) and how it will benefit BAT to participate. Once the program is up and running, it will provide a cleaner, safer, more pleasant experience for BAT patrons and the City at large. It is anticipated that the program will include trash removal, sidewalk snow removal and landscaping which is difficult for a municipality to provide but not collectively with local businesses and property owners participating through a non-profit legal entity. Mr. Dutton made a motion to support BAT's resolution which will be presented at the Advisory Board meeting to participate in the Brockton Business Improvement District and the motion was seconded by Ms. Fulginiti. All were in favor.

There was no Old/New Business to bring before the Committee. Mr. Dutton made a motion to adjourn and it was seconded by Ms. Fulginiti. All were in favor.

Meeting adjourned.

Respectfully submitted,

Kathy Riddell, BAT

List of handouts for 4/13/23 meeting:

1. Agenda
2. Minutes – 1/12/23
3. FY23 Budget
4. FY23 Budget Summary
5. FY24 Draft Budget
6. Brockton Business Improvement District