

## VTA Advisory Board

### Meeting Minutes

August 2, 2019

The Martha's Vineyard Transit Authority Advisory Board met Friday, August 2, 2019, at 9:30AM at the offices of the Transit Authority, 11 A Street, Edgartown. Present were Alice Butler (Oak Bluffs), John Alley (West Tisbury), Lenny Jason (Chilmark), June Manning (Aquinnah), Elaine Miller (Tisbury) and Carlton Crocker (Rider Community Representative - Chilmark). Also present were Angela Grant (VTA) and Lauren Thomas (VTA).

Guests at the meeting: John Christensen, Anne Sylvester, Virginia Diamond, Richard Townes, Jason Chalifoux, Zach MacDonald-Baird, Charles Ryan, Jonathan Chatinover.

The meeting was called to order at 9:34AM.

### **Revised FY20 Budget**

Ms. Grant provided the Board with a revised version of the FY 20 Budget, which had originally been approved in March 2019. Ms. Grant highlighted the major changes in the revised budget, including an increase in Purchased Transportation and a 100% increase in Insurance, noting that there were three significant claims causing the high figure. Three claims are: a discrimination case that is proceeding through the court system of which the carrier is withholding money in anticipation of a payout, an auto accident in which a bus struck two pedestrians, and another auto claim involving a passenger in a mobility device not being properly secured in a bus and tumbled down the steps when the vehicle took a corner. The third auto claim is the largest of the three. Ms. Grant stated the VTA got two different quotes for insurance for FY20, and both were priced the same. Ms. Miller inquired as to whether Ms. Grant thought these claims were solid or can they be appealed – Ms. Grant responded that no, they could not be appealed, but will be defended, stating there are a lot of complexities that go into insurance, especially general liability and property. Ms. Miller asked now with the higher rate, what is the timeframe before it would come back down again – Ms. Grant responded three to five years, but it may not even come down then. Policies have been adjusted so that the non-revenue vehicles are on a separate policy with lower coverage amounts, as the general public is not transported in those vehicles, which saved about \$20,000. Ms. Grant stated at the VTA did the best it could do to get the insurance number down.

Ms. Grant stated that she expects fuel costs to go down, as the diesel price is currently at \$2.17/gallon, but had been as high as \$2.40-\$2.50/gallon during FY19, and cited the additional

fuel savings expected with the transition of the fleet to electric. Currently, the solar project will start in October and then VTA will have a fixed price for the electricity purchased and the software and microgrid system will curb demand charges, which is a big variable in electric bills.

Mr. Alley inquired what the big bump in the Insurance Other line item was – Ms. Grant explained that was due to the general liability/property policy which is covering the discrimination suit. She advised, with the auto policy VTA had never had to hire outside counsel, but because the general liability piece has become so complex, the VTA had to hire outside counsel, and it is believed there going to be some changes in how that case is being handled due to cross claims between TCI and VTA. Ms. Grant got VTA counsel involved about two weeks ago, to ensure the VTA's best interests were being looked out for. Ms. Miller questioned if the claimant was an island or off-island resident – Ms. Grant answered to her knowledge he resided off island, as of last year.

## Revenue

Ms. Grant stated that the board had approved the FY 20 budget that had \$1,971,836 in farebox revenue for FY20, and thought that to be legitimate due to the \$0.75 fare increase that went into effect on July 1, 2019 for the zone fare. The State number plugged for FY20 is lower than anticipated, Local Assessment is the same, Other Income and Rental income are the same, 5311 will probably go up to \$970,000. The other large number for FY20 is rent – VTA lease is up with the Airport in March. Ms. Grant stated she had spoken to MassDOT again to see if they were going to have a conversation with Mass Aeronautics, as the RMV rents from the VTA, and the VTA pays the Airport – same money exchanging hands. The RMV has agreed to extend their lease through February, and are aware that their rent could triple. Looking toward the FY21 Budget, this number would be about \$250,000/year in rent, as opposed to about \$80,000, which is what VTA pays now. Discussion followed. Ms. Miller inquired if they were a State Agency, or who exactly we're renting from as a State Agency can only increase by a certain percent – Ms. Grant replied that it is the Airport Commission, and that they are not a State Agency. Mr. Jason added that there is a Federal Regulation that says they have to rent the property for Fair Market Value, and that's what this is all about. Mr. Alley added that it is all based upon appraisals. Ms. Grant state the VTA got their own appraisal and it didn't help. Mr. Jason asked why it did not help – Ms. Grant stated that it still came in at over \$1.00/sq ft – Mr. Jason inquired what we're paying now – Ms. Grant replied \$0.39/sq ft. Mr. Jason continued that there was a provision in the law that said transit agencies were exempt from paying Fair Market Value, but it apparently only applies to privately funded transit authorities. Ms. Grant stated the RMV currently pays around \$29,000/year in rent to VTA, including utilities. Mr. Alley added that two years ago, the former Airport Manager brought two Federal Aviation Officials

here for a meeting about the subject of the Fair Market rent, but they didn't follow up with any clarifications. Mr. Jason suggested talking to Senator Markey about the issue instead of Warren, and Ms. Grant replied she had spoken to Jim Cantwell several times about it. Ms. Miller suggested that Markey's office be contacted every Monday or Friday morning to ask for a status update - Ms. Grant replied that she would check back in with him.

Ms. Grant moved the conversation back to revenue and stated the zone fare increase that went into effect on July 1 should bring in about \$225,000 in revenue. Mr. Jason inquired if there were numbers for July yet - Ms. Grant responded not yet, as FY19 is still being closed. Ms. Miller inquired what the end date of the FY was - Ms. Grant replied 6/30. Ms. Grant stated she had done the math out on increasing the One Day Pass, and by going up \$1.00, it would bring in about \$182,000. Mr. Crocker asked what that would raise it to - Ms. Grant replied \$9.00 - Mr. Crocker stated that sounded more than reasonable and that he thought we could even go higher than that. Ms. Grant warned that going too high could make the day pass less attractive for certain trips and that the last time the day pass increased, we lost some potential purchasers. The implications of raising the day pass too high could become direct competition with Uber. Discussion followed. Ms. Grant reminded the Board that the zone fare will return to \$1.25/town on September 29, and that in raising the cost of the one day, we may need to reconsider the timeframe of the seasonal zone fare increase - also that you can ride on CCRTA from Woods Hole to Hyannis for \$2.00. Mr. Crocker stated he thought it would be better to have bus routes like that, which went back and forth on the same trips instead of interlining - Ms. Grant replied that the VTA had a route study done at the Legislature's request in 2015, and it is available on the website. The route redesign done on our current system was done by the consultants of the route study.

Mr. Jason shifted the conversation back to how are we going to make up the shortfall in revenue. Ms. Miller added that the money needs to come from somewhere and that everyone needs to contribute - the State and the towns. Ms. Grant replied that we needed to stay realistic about expectations from the State and that the State budget had been signed for FY20, and that \$95,000 was dependent on performance measures, but the VTA should be fine for this current year. Ms. Grant stated that not all towns have a special meeting in the Fall, and most will be meeting in April to approve their budgets and what if some towns vote to raise appropriations and some don't. Ms. Grant explained to the Board the lengthy process of how town appropriations get to the VTA via MassDOT, and does not believe that town or State aid can be relied upon to fund the shortfall for FY20; that we need to rely on ourselves to fund FY20. Ms. Grant stated that we absolutely do not want to be in a deficit going into performance measurements with MassDOT. Ms. Miller asked what are the choices for funding. Ms. Manning added that she thought we should start charging for bicycles, especially during the

summer and to eliminate the 12:30am departure in Aquinnah. Ms. Grant replied that bike fare has been talked about in the past, and that that trip had already been cut, as have all the nonproductive periphery trips. Ms. Grant stated that she thinks we should increase the One Day Pass. Mr. Jason stated he thinks if the day pass is raised, it needs to be marketed better, and inquired how much tour buses are getting, and that it seems we will be going into competition with the private sector. Mr. Crocker stated that he thought it was still a reasonable deal, even if it went to \$10. Ms. Miller added that people will have a negative reaction to such change at first, but will become accustomed to it, and that perhaps there will be a decline in purchases of it, but were the only game in town, and it is still a great deal. Mr. Crocker inquired if there was a month pass – Ms. Grant responded yes, there is a 31 day pass. Ms. Miller stated that she still thinks we should go back to the towns for money, as they all have a surplus fund. Ms. Grant replied that there wasn't time for that in this FY, as we need to set the winter schedule in the next two weeks. Ms. Miller asked for further discussion on where more funding could come from besides cutting service – Ms. Grant replied raising fares. Ms. Grant followed up by stating that there are many transit agencies in Massachusetts that don't run Sunday service or late evening service, so that we have been lucky to be able to provide so much service for so many years. Ms. Miller stated that she is going to continue tapping the resources of the State and towns, and asked what we need and when – Ms. Grant replied at least \$300,000, realistically more and as soon as possible. Mr. Crocker inquired whether the VTA could accept philanthropic donations – Ms. Grant replied yes, that NRTA had done so. Ms. Manning inquired about the advertising on the buses – Ms. Grant replied it brought in very little revenue. Ms. Miller reported that she has been in constant contact with Senator Cyr and Rep. Fernandes' office in regard to getting more funds for the VTA – she further stated that both had stuck their necks out for the striking drivers and now it was time to perform and uphold their end of the deal. Discussion followed.

Ms. Miller inquired how much revenue could be collected by raising the day pass – Ms. Grant replied around \$200,000 over the course of a full year. Ms. Miller stated that she thinks the day pass should go to \$10.00, and Mr. Crocker agreed that it made the most sense, and would make the transactions on the bus quicker.

Mr. Jason made a motion to increase the One Day Pass to \$10.00 Mr. Alley 2<sup>nd</sup>. Vote was interrupted by discussion on when the increase would take place and how the increase would be advertised. Ms. Miller asked for further discussion on how she can ask Jay Grande and Tisbury Selectmen to help with funding. Ms. Grant explained the town appropriations process again, reminding that local aid is a year in arrears.

Mr. Alley redirected the conversation, stating that he did not think a vote had been taken on the motion for the One Day Pass increase. Vote: 6-0 to approve One Day Pass increase to \$10.00. The increase will go into effect August 4, 2019.

Ms. Manning stated that a notice of the increase should be put up on the fareboxes in the buses and disseminated by the drivers. Mr. Crocker suggested that the Ticket Sellers should also be sure to advise passengers. Ms. Manning inquired whether it was time to charge fares on the Tisbury Park n Ride – Ms. Grant replied that we could not charge, due to a contract with the Steamship Authority and Town of Tisbury.

Ms. Miller stated that we needed to get back onto where we are going to make up the rest of the shortfall, and that our funding partners need to know what is expected of them for the next FY. Mr. Jason agreed, but said we need to focus on funding for now, and what service cuts will need to be made. Ms. Grant stated that VTA is currently evaluating the shoulders and off-season by doing analysis for threshold for performance standards. Ms. Miller stated that when the numbers are concrete, it is a result of negotiations that everyone was in favor of – we’re doing this with fare increases and service cuts and those who showed their support will need to step up.

Ms. Grant brought up the need to discuss the Boston Medivan service – stating it’s currently \$30 roundtrip, and believes a minimum number of riders per trip need to be established due to the high cost of the service. Ms. Manning made a motion to move the roundtrip fare to \$40 with a six person minimum for the trip to go. Discussion followed as to whether a minimum of six was too high. Mr. Jason thought there should be no minimum numbers of riders. Ms. Miller suggested raising the round trip to \$50 – Ms. Grant thought that was too much and Ms. Manning agreed. More discussion followed pertaining to when people would be notified whether the trip had the minimum passengers to go. Ms. Manning amended her previous motion to raise the Boston Medivan fare to \$40 roundtrip with a four person minimum, beginning 10/1/19, and passengers would be notified on the Friday prior by 10:00am and Ms. Miller seconded. Vote: 6 -1 to raise Boston Medivan roundtrip fare to \$40, with a 4 person minimum, beginning 10/1/19. Mr. Jason was a no vote.

11:07AM - Mr. Alley made a motion to adjourn; Ms. Manning 2<sup>nd</sup>. M/s/c/ 7-0-0.

Documents: Revised FY20 Budget

-----  
Date

-----  
Signed