

Finance Committee Meeting
Thursday, January 12, 2023
GMT | 101 Queen City Park Road | Burlington, VT 05401

Present at GMT

Jon Moore, Assist. General Manager
Nick Foss, Director of Finance
Clayton Clark, General Manager
Debbie Coppola, Controller

Present via ZOOM:

Commissioner Paul Bohne
Commissioner Austin Davis
Timothy Bradshaw (VTrans)
Commissioner Amy Brewer

Commissioner Chapin Spencer
Matt Kimball, Director of Grants & Project
Development

Absent:

Commissioner Catherine Dimitruk

Meeting Called to Order:

Commissioner Bohne called the meeting to order at 8:16AM.

Adjustment to the Agenda:

None.

Public Comment:

None.

Approval of the Minutes from December:

Commissioner Brewer moved to approve the December Minutes; Commissioner Davis seconded; all others were in favor and the motion was passed.

Director of Finance/Director of Grants Reports – Updates and Opportunity for Questions

Mr. Foss and Mr. Kimball presented their reports and answered any questions from committee members.

Commissioner Spencer entered the meeting at 8:24 a.m.

Highlights included:

- Staffing Update
- FY24 Public Budget Meeting
- FY22 Audit
- Transit Rate Update
- FY22 Audit status
- Overview of Formula and COVID Relief Funding/Spending
- VTRANS Mid-Year Amendment

Mr. Foss stated that financials as of October 31st were provided this month for the committee's review, as well as November expenses.

Mr. Foss presented that as of October 31st, the Authority is showing a total operating deficit of roughly \$71.5K and a negative change in net assets of roughly \$612.8K. Mr. Foss explained that the operating deficit was driven by losses

in GMT's Medicaid program and that the negative change in net assets was due to a low level of fixed asset investment year-to-date.

Mr. Foss stated that operating expenses for both the urban and rural system are under benchmark as of November. Mr. Foss also shared his expectation that rural operating expenses would increase in the winter months because of the advent of seasonal service in Washington County. In addition, Mr. Foss stated that ADA expenses are trending higher than expected as of November, which is the result of a higher level of demand in that program.

Commissioner Bohne asked if the Finance Department had completed an analysis on the most efficient number of full-time drivers for the urban system, noting that GMT's overtime rate is elevated? Mr. Foss responded that he was planning on completing this analysis soon, and that with the current overtime rate, he was confident additional full-time drivers should be added. Commissioner Brewer stated that other qualitative factors, such as driver stress and retention should also be taken into account.

Mr. Kimball presented his overview of how the urban system spent its COVID relief funds since FY20 and answered any questions from committee members.

Commissioner Spencer asked what the projected cash burn was on the Authority's banked 5307 and COVID relief grant funds? Mr. Foss responded that staff expects to have roughly \$3.8M of total 5307 funds remaining in its grant bank at the start of FY25, of which roughly \$1.9M is expected to be COVID relief.

Commissioner Spencer asked if staff had a sense of when the Authority would have exhausted fully its COVID relief funds? Mr. Foss responded that there are several variables, such as the Authority remaining fare-free, which could change the forecast, however if fares were resumed, staff would expect all COVID relief funds to be exhausted by the start of FY27. Mr. Foss also noted that because the Authority is spending over its annual 5307 appropriation, staff could be forced to drawdown a higher amount of COVID relief funds to preserve its traditional formula 5307 funding. If this were to occur GMT would likely exhaust its COVID relief funds before the start of FY27.

Medicaid (NEMT) Contract & Financial Update:

Mr. Moore updated the committee on the recent contract extension for Non-Emergency Medical Transportation (NEMT) between the Vermont Public Transportation Association (VPTA), which GMT is a member, and the Department of Vermont Health Access (DVHA). Mr. Moore noted that the previous contract expired on December 31, 2022, and that VPTA and DVHA agreed to a 6-month contract extension.

Mr. Moore also shared that VPTA did request a reimbursement rate increase during contract negotiations, which was denied, despite a program-wide deficit.

Mr. Foss shared that as of October 31st, GMT had lost roughly \$125K in the Medicaid (NEMT) program. Mr. Foss shared that the programs financial situation could improve if the rural transit rate decreased in the coming months.

Mr. Moore shared that VPTA is currently working on applying for contingency grant funding through DVHA, however it is unknown how that will materialize. Mr. Moore also shared that VPTA does have roughly \$250K in escrow funds, which would likely be distributed to member partners in the coming months.

Other Business:

None.

Adjourn:

Commissioner Davis moved to adjourn; Commissioner Spencer seconded; all others were in favor and the motion passed.

The committee adjourned the meeting at 9:15 a.m.