

**Finance Committee Meeting**  
**Thursday March 16, 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  
Tammy Masse, Controller

**Present via ZOOM:**

Commissioner Paul Bohne  
Commissioner Amy Brewer  
Commissioner Austin Davis  
Commissioner Tom Derenthal

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

**Meeting Called to Order:**

Commissioner Bohne called the meeting to order at 8:15AM.

**Adjustment to the Agenda:**

None.

**Public Comment:**

None.

**Approval of the Minutes from February:**

***Commissioner Brewer moved to approve the February Minutes; Commissioner Davis seconded with a comment that he was not present; all others were in favor and the motion was passed.***

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

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

**Highlights included:**

- FY22 Audit
- ADA Assessment Update
- House Transportation Committee Testimony
- Investment Portfolio Update
- Transit Rate Update
- Grants and Project Development Update

Director Foss reminded Committee members that a copy of the FY22 Audit report has been sent to VTrans by the auditor, uploaded to Clearing House, and staff is happy to mail out hard copies. He acknowledged Debbie's great work with another year of no findings.

Due to the need to adjust the FY23 Capital Budget this month, as well as approve a new auditing services contract, the ADA Assessment Study presentation has been moved to April.

Director Foss acknowledged the memorandum for the recommendation for the next audit award for the next 5 years but didn't go into detail as there is a dedicated agenda item later in this meeting.

Director Foss reported that he and GM Clark presented to the House Transportation Committee to advocate for bridge funding for fare-free service in Chittenden County. He included the link for anyone who would like to watch the testimony.

GM Clark applauded Director Foss for doing a great job summarizing our financial systems which was critical to our recent success there.

Director Foss will begin including updates to GMT's investment portfolio. There has been some volatility in the regional bank sector, and he has been in contact with GMT's banker M&T Bank to check-in.

Commissioner Bohne asked for more details in the report about what employees are doing to keep their investments safe for retirement.

Director Foss acknowledged such discussions are being held by the Retirement Committee and that our investment advisor will be available to meet with staff regarding their individual portfolios in the coming months.

Director Foss reported that both transit rates fell by double digits in December. The urban transit rate decreased roughly 11% to \$98.41 bringing us to about \$113, which is closer to our \$110 target range. The rural transit rate fell roughly 10% in December to \$88.42 bringing us to the YTD range of \$100.84, the top range of staff's forecast of \$95-100.

Director Foss presented December financial reports indicating as of December 31st, the Authority is showing a total deficit of roughly \$40K across the whole system.

Director Kimball provided a brief summary report from Grants and Project Development that included an update on funding fare collection replacement equipment which he will go into greater detail during the capital budget adjustment agenda item. He also reported that we've entered the grant application season for both state and federal grants which will be a large focus of the grants team over the next few months.

Commissioner Dimitruk asked about the timing of the application in regard to the request from VTrans for Board endorsement of grant applications.

Director Kimball suggested that we have a draft application available for the April board meeting that will occur before the April 19<sup>th</sup> state application deadline.

Commissioner Dimitruk asked if there is an opportunity for discussion and general overview at the March Board Meeting.

Director Foss recommended that discussions happen within committees. Board needs to approve final executed version which can be presented to the full board at the April Board meeting.

AGM Moore suggested we reach out to Ross MacDonald to ask if they can push out the application deadline to accommodate board participation in the endorsement process.

Director Kimball indicated that the state application deadline is the day after the board meeting.

Commissioner Dimitruk requested that we attempt to have board engagement earlier in the grant application process rather than just an endorsement of the final draft.

Director Foss indicated that we will have a discussion with Ross to see if it is possible to postpone our submission deadline to accommodate more board engagement. Director Foss also stated that staff will do whatever they can to ensure that there is as much board engagement as possible

GM Clark acknowledges that holding the meeting the day before the application deadline puts the board in a difficult position to accept the application or not and wonders if that may provide a compelling argument for submission postponement.

Director Kimball suggested staff could provide substantial drafts available for committee meetings to encourage discussion there.

GM Clark agreed that suggestion makes sense

Commissioner Dimitruk indicated that it would be helpful to have at least a general overview of the key points of the application as early as possible for discussion.

Director Kimball stated that staff will meet internally and find the best approach.

Commissioner Bohne agreed with that plan

**FY23- FY27 Audit Services Contract:**

Director Foss reported that staff evaluated several audit proposals submitted from the Auditing Services RFP. In total six firms requested the RFP, with GMT receiving 2 proposals. Staff recommended approval of a new auditing services contract to RHR Smith & Co based on their higher score. The contract will be awarded through one-year engagements in FY23 – FY27.

***Commissioner Dimitruk moved to endorse the recommendation of staff. Commissioner Brewer seconded. All were in favor and the motion carried.***

**FY23 Capital Budget Adjustment**

Director Kimball proposed capital budget adjustments for FY23. Proposed adjustments include the following:

Urban Capital Budget Adjustments

- Budget reduction to line item A - purchase orders were lower than what we budgeted. Budget was adjusted to align with actual expense
- Reducing Line M - Passenger amenities from \$47,000 down to \$10,000, which will be sufficient to move along current shelter activities until FY24.
- Increasing Line N - Replacement Office and Support Equipment - to help fund part of the fare collection replacement project.
- Pushing the Master plan Study to next fiscal year.
- Added new line Item S - 5 New Flyer XE40 Charging Infrastructure Design and Planning for a total of \$100,000. Part of last year's Low-No grant award to VTrans
- Added a new Line Item for "Fare Collection Equipment Replacement and Upgrades" for a total of \$572,000. This will include both new and used equipment as well as necessary staff training.
- Added Line Item U - SEVT Farebox Purchase. VTrans Approved transfer of equipment, GMT only needs to reimburse SEVT for their remaining local interest.

Rural Capital Budget Adjustments

- Increase Line Item AA - Contract adjustment to the statewide cutaway busses due to unforeseen inflation issues impacting the bus industry. This adjustment reflects new purchase orders for a total increase of \$15,344.
- Increase Line Item AB - New Flyer adjustment identical to the change on the urban side.

- Increase Line Item AG - -Rural Facilities PM - Wastewater permit for Berlin Facility.
- New Line-Item AU - Catalytic Converter Replacements to replace the stolen equipment from GMT buses.
- Commissioner Bohne asked if we had insurance on that theft.
- Directors Kimball and Foss confirmed that the deductible was higher than the cost to replace individual items.

**Commissioner Brewer moved to approve the proposed FY23 Capital Budget Adjustment. Commissioner Davis seconded. All were in favor and the motion carried.**

### **Paratransit Contract Discussion**

Director Foss provided a briefing regarding GMT's ADA/Paratransit contract with SSTA. Currently, GMT is paying roughly a \$72 transit rate, however SSTA's costs equate to a \$78 transit rate. SSTA has requested an increase to their contract. This request amounts to further cost increases in GMT's ADA program, which have already increased significantly over the past few years. Director Foss stated he is asking the FC for feedback on how best to address these requests.

GM Clark added that he's met with SSTA Executive Director and Ross MacDonald and believes that their request is not unreasonable but if we meet their request, this will be a shift onto the municipalities. GM Clark is looking to the FC for how he should approach making this adjustment.

Commissioner Davis indicated that he has extreme concerns about this issue. His municipality is continually frustrated with ADA rates increasing and the volatility in those rates. He doesn't think this news would be received very well.

GM Clark added that he believes that ADA demand should be reduced when fares return.

Director Foss recapped how ADA costs are allocated and indicated that he also believes demand should decrease when fares return.

Commissioner Brewer commented that the ADA rate reduction would be the result of less people riding the bus because fares will likely limit access to a number of riders. She indicated that this feels unaligned with goals to create an equitable system. She indicated that it seems unfair to make fiscal policy on the fact that there would be a decrease in access for people. She acknowledged that nobody on the committee is the driving force behind this result but is ultimately frustrated with the current situation.

GM Clark noted that there are conflicting points of view about the frequency of ride availability and that he sees where Commissioner Brewer is coming from. He indicated that some think that riders will be able to have their needs met with 1-2 rides per week while human service agencies see the benefit of people accessing 4-5 rides per week.

Commissioner Davis noted that he doesn't think anybody is happy about going back to fare collection but we're trying to make the best decisions possible in an environment with constrained and finite resources.

Commissioner Spencer asked about ADA rates around the state and in comparable cities around New England

Director Foss and AGM Moore indicated that based on past reports, SSTA falls within, or slightly below the average rate but it has been awhile since they last checked and it may be worth looking into again.

Commissioner Dimitruk indicated that Clayton's approach was favorable and asked if the FC needed to make any decisions.

GM Clark noted that while he's still new, he is only looking to hear the thoughts of the committee before he proceeds so he can represent the organization well. He indicated that the discussion was very helpful.

**Other Business:**

None

**Executive Session**

***Commissioner Austin made a motion to go into pursuant to 1 VSA 313(a)(1)(b) to discuss matters related to labor relations. GM Clark, AGM Moore, and Director Foss were asked to stay.***

**Adjourn:**

**The committee exited out of Executive Session and unanimously agreed to adjourn the meeting at 9:34 a.m.**

DRAFT