

Finance Committee Meeting
Thursday, July 11, 2024
GMT | 101 Queen City Park Road | Burlington, VT 05401

Present at GMT:

Nick Foss, Director of Finance

Present via ZOOM:

Commissioner Paul Bohne
Clayton Clark, General Manager
Commissioner Austin Davis
Commissioner Susan Grasso
Connor Smith, Capital Project Coordinator

Matt Kimball, Director of Capital Projects
Tim Bradshaw, Director of Grants
Kim Smith, Staff Accountant
Commissioner Chapin Spencer

Absent:

Commissioner Michael Scanlon
Commissioner Will Anderson

Meeting Called to Order:

Commissioner Bohne called the meeting to order at 8:02 AM.

Adjustment to the Agenda:

None.

Public Comment:

None.

Approval of the Minutes from May:

Commissioner Grasso moved to approve the May Minutes. Commissioner Davis seconded; all approved and the motion was passed.

Director of Finance Report:

Director Foss provided an update on the commercial insurance renewal, highlighting an increase in premiums required to support the policies. The largest change was the automotive liability policy, which resulted from an increase in vehicle count, and the higher value of those vehicles.

Director Foss indicated that due to the significant increase witnessed this year, the Authority made the decision to move one policy (Public Officials) to Indian Harbor, which is a new carrier. Travelers Insurance will continue as the carrier for the remaining policies.

Director Foss also noted that GMT intends to complete a Request for Proposal (RFP) for insurance brokers in FY25 to test the market.

Commissioner Grasso asked what other transit agencies use for insurance.

Director Foss stated that he was not aware of exactly what other carriers are being used by other Vermont public transit agencies, but that he would conduct research on the topic.

Other Highlights of the Finance Report included:

- Investment Portfolio Update
- Subrecipient Agreement Updates
- Change in Accounting Policy for GASB Statement 101 Compensated Absences
- Act 76 of 2023 – Childcare Contribution Tax
- ADA Update
- Resumption of Fares
- Audit Preparation

Grants and Projects Update:

Director Kimball and Director Bradshaw shared that the State of Vermont did receive funding for LONO projects, which will cover GMT's fire suppression improvements and other long term electric bus infrastructure. However, the State of Vermont did not receive funding for the 5339 Bus and Bus Facilities competitive grant, which included a request for diesel buses and facility upgrades.

GM Clark noted that this would increase GMT's reliance on electric vehicles.

Commissioner Bohne asked if the new electric buses were currently in service.

GM Clark responded that they are in service and performing well.

Financials Update:

Director Foss provided an overview of April Financials, which included a review of the operating and capital budget statements, as well as GMT's statement of net position.

Director Foss shared that GMT's operating statement was affected by two main factors this year: the delay of restarting fares in the urban division and the Washington County flood. The delay in restarting fares, as well as higher operating costs have resulted in over utilization of GMT's operating grants. The Washington County flood, although supported by insurance proceeds and grants provided by the State of Vermont, resulted in actual expenses being higher than budget.

Director Foss stated that GMT ended April with a total operating surplus of roughly \$197.5K and a positive change in net assets of roughly \$9.4M. Director Foss shared that the operating surplus was largely due to sufficient funding, especially in rural programs, which allowed local funds and operating revenues generated to fall to the bottom line. Director Foss also shared that the Authority has invested over \$13M in fixed assets this year, a far greater figure than depreciation expense, which is the primary driver of the increase in net position.

Director Foss reviewed GMT's statement of net position and answered any questions from committee members.

Commissioner Grasso asked how GMT controls the growth of its only long-term liability: compensated Absences or combined time-off (CTO)?

Director Foss explained that the company has increased the frequency and removed limits on the amount of CTO that can be cashed-out. Director Foss shared that although this has lowered the growth of the liability, it still costs the Authority significantly from a financial standpoint. Director Foss shared his concerns with the committee on GMT's CTO benefits.

Commissioner Grasso asked that the Authority's CTO policy be discussed at a future meeting.

GM Clark indicated that the CTO policy was being included in current union negotiations.

Service Reduction:

Discussion postponed to a future meeting.

Other Business:

None.

Commissioner Spencer moved to adjourn the meeting; Commissioner Grasso seconded; all others were in favor and the meeting was adjourned at 9:06 a.m.