Finance Committee Meeting
Thursday, October 9th, 2025
GMT | 101 Queen City Park Road | Burlington, VT 05401

Present at GMT:
Nick Foss, Director of Finance
Tim Bradshaw, Director of Grants
Rich Carmo, Senior Staff Accountant

Present via ZOOM:
Commissioner Paul Bohne
Commissioner Austin Davis
Commissioner Chapin Spencer
Commissioner Susan Grasso
Tammy Masse, Controller
Chris Damiani, Director of Planning
Clayton Clark, General Manager
Connor Smith, Capital Project Manager
Dan Currier, VTRANS

Present from the Public, via ZOOM:
Kimberly Clark

Absent:
N/A

Meeting Called to Order:
Commissioner Paul Bohne called the meeting to order at 8:02 a.m.

Adjustment to the Agenda:
N/A

Public Comment:
Kimberly Clark recommended Jon Moore for General Manager of Green Mountain Transit.

Approval of Minutes:
Commissioner Grasso moved to approve the Minutes; Commissioner Davis seconded; the motion approved unanimously.

FY26 Operating Budget Adjustment Presentation:
Presentation by Director of Finance, Nick Foss

GMT Overview

Urban Highlights

- Balanced budget achieved
- Expense reductions of $1.28M (more than the $1.1M gap)

- Reduced use of 5307 formula funds (from $4.2M to $3.3M)
- Additional $700K in carbon reduction funds and $200K in state operating funds from VTRANS
- Service reductions and lower driver headcount contributed to savings
- Four-year CBA signed with urban operators
- No bonuses or special assessments included
- Full utilization of ARPA funds expected by end of FY26
- Forecast for FY27 improved due to carryforward of unused 5307 federal funds

Rural Highlights

- $688K deficit projected
- 15% reduction in federal, state, and local revenues
- Major cuts in CMAQ, 5311, and O&D funding
- Increased local contributions from Stowe and Sugarbush (+$150K)

Revenue Analysis

Urban Revenue

- Passenger revenue increased by 4% over approved budget
- Credit card transaction fees lower than expected
- Fare collection costs deemed manageable

Rural Revenue

- Medicaid revenue dropped from $3.2M (FY24) to $2.8M (FY25), so FY26 budget target was lowered
- Investment income budgeted lower than recent actuals due to expected Fed rate cuts

Expense Analysis

Urban Expenses

- Driver Wages:
  - FY25 actual: $5.4M → FY26 adjusted: $4.7M
  - Reduced by 14% from FY25 due to service reductions and lower headcount.
  - Elimination of special assessment ($240K retirement buyouts)
  - No bonuses in the new operator CBA
- Fringe Benefits decreased 10% due to lower headcount and more employees opting for cash-in-lieu.
- Fuel & Maintenance have lower costs due to electric vehicle (EV) integration and reduced outsourcing.
- Fare Collection Costs:
  - Credit card transaction fees lower than expected.
  - Staff at DTC were already budgeted, so limited new cost incurred.

Rural Expenses

- Fringe benefits up 7% due to added staff and medical insurance costs
- Commercial insurance costs up 19%

- Maintenance costs reduced due to less outsourcing and increased internal capacity
- Fuel costs lowered on urban side due to fixed contracts and EVs

Finance & Administration

- Audit Fees, a correction was noted during the meeting, the original presentation overstated the audit cost. Revised figures to be shared in updated materials.
- Investment Income, budgeted at $87,500 for FY26 (down from $220K in FY25) due to expected Fed rate cuts.

Medicaid Program

- Revenue Drop, FY24: $3.2M → FY25: $2.8M
- Program operating at a loss statewide.
- Management Costs, ongoing efforts to clean up data and improve billing accuracy. Although Jon Moore, the Program Manager is credited with improving oversight in the middle of ongoing challenges.

Operational & Strategic Notes

- New maintenance software (RTA in-fleet management) expected to improve forecasting
- Planning expenses increased due to CCRPC RAISE grant and budgeting corrections
- Capital match funds dropped significantly (Urban -37%, Rural -80%)
- Cost allocations to Rural side increased (admin, maintenance, link route)

Future Fiscal Challenges:

- Rural transfer for St. Albans, forecasted for January 1st, 2026 will affect Urban budget in FY27
- Loss of COVID relief funds post-FY26
- Rising ADA costs due to aging population
- Ongoing local match and capital investment pressures

Capital & Reserves:

- **ARPA Funds** - Fully utilized by end of FY26; no carryover expected into FY27.
- **5307 Formula Funds** - Usage reduced in FY26 (from $4.2M to $3.3M), allowing carryover into FY27.
- **Restricted Net Position** - (1) Urban: $2M+ available for local match or deficit coverage. Reminder, Urban's unrestricted net position is largely illiquid, due to high inventory and prepaid insurance balances being included. (2) Rural: $142K available, and there are more liquid unrestricted funds on rural side.
- **Strategic Considerations** - Rural Transfer Impact, there was discussion on the implications of the Rural transfer and funding reallocation changes. Mid-year adjustments likely needed

Motions & Approvals:

Commissioner Davis moved to recommend approval of the Proposed FY26 Operating Budget Adjustment to the GMT Board of Commissioners; Commissioner Spencer seconded; the motion was approved unanimously.

Motion to adjourn:
Commissioner Davis moved to adjourn the meeting; Commissioner Grasso seconded; the motion was approved unanimously.

The meeting adjourned at 8:58AM.

Q&A during Finance Committee Meeting:
Questions and Answers

1. Question: What are the major changes in the FY26 operating budget adjustment?
Answer:

- Urban side now has a balanced budget due to service reductions and increased grant funding
- Rural side shows a significant deficit (~$688K) due to reduced federal, state, and local revenues.
- Full utilization of ARPA funds is planned, with no COVID relief funds expected for FY27.
- VTRANS provided additional funding: $700K in carbon reduction funds and $200K in operating support.

2. Question: How will the rural deficit be addressed?
Answer: Discussions with VTRANS suggest potential mid-year funding support. However, the rural budget currently includes a $135K fund balance allocation to help offset the deficit.

3. Questions: What impact do service reductions have on fare revenue?
Answer: While FY25 met fare revenue targets, recent bi-weekly cash counts show a decline, possibly due to service cuts. There is concern this trend may continue.

4. Question: What is the outlook for FY27?
Answer: Improved. Due to reduced use of 5307 formula funds in FY26 and additional VTRANS support, GMT expects to carry forward nearly $900K into FY27, softening the projected deficit.

5. Question: What is happening with rural Medicaid revenue?
Answer: Medicaid revenue dropped from $3.2M in FY24 to $2.8M in FY25. The program is operating at a loss statewide, and GMT is working to clean up data and improve management.

6. Question: What is the status of the Mobility for All funding?
Answer: VTRANS discontinued the $300K CRVT funding, which had been used to cover O&D overages. GMT expects to run out of O&D funding about three-quarters into the year.

7. Question: How are local contributions changing?
Answer: Increased by nearly 30%, primarily from Stowe and Sugarbush, with an additional $150K secured after negotiations.