

**Finance Committee Meeting**  
**Thursday, September 12, 2024**  
**GMT | 101 Queen City Park Road | Burlington, VT 05401**

**Present at GMT:**

Nick Foss, Director of Finance  
Tim Bradshaw, Director of Grants  
Jon Moore, Assistant General Manager

**Present via ZOOM:**

Commissioner Paul Bohne  
Commissioner Austin Davis  
Commissioner Chapin Spencer  
Commissioner Michael Scanlan  
Commissioner Will Anderson  
Dan Currier, VTRANS  
Stephen Falbel, Steadman Hill  
Clayton Clark, General Manager  
Monica White, Director of Central Vermont Services  
Matt Kimball, Director of Project Development  
Connor Smith, Capital Project Manager  
Tammy Masse, Controller  
Kim Smith, Staff Accountant  
Mike Smith, Operations Manager  
Tammy Brady, Call Center Supervisor  
Elizabeth McKinney, Scheduling and Dispatch Supervisor  
Daniel Greaves, Scheduling and Dispatch Supervisor  
Justin Chamberlin, Foreman  
Alec Robinson, Maintenance Coordinator  
Theresa Johnson, Station Service Representative

**Absent:**

Commissioner Susan Grasso

**Meeting Called to Order:**

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

**Adjustment to the Agenda:**

None.

**Public Comment:**

None.

**Approval of the Minutes from July:**

***Commissioner Spencer moved to approve the July Minutes. Commissioner Davis seconded; all approved and the motion was passed.***

## **Proposed FY25 Capital Budget Adjustment Update**

Director Kimball outlined several changes in the amended Capital Budget. The capital budget adjustment includes updates to multiple project line items. Director Kimball indicated that non-carryforward capital is not yet in an executed grant agreement with VTrans, however expected capital funding is reflected in the adjusted capital budget.

Due to funding constraints, several projects have been removed from the FY25 Capital Budget.

Items removed from the FY25 Urban Capital Budget include:

- Replacement Essex Cutaway @ \$121,247
- Replacement Shop Truck (One Ton) @ \$65,000
- Upgrade garage doors to rapid-rise door system @ \$137,750
- Install Networked Building Climate Control System @ \$40,000
- Replace Three Building Make-Up Air Units (MAU) @ \$1,800,000

The removal of these projects has reduced the total capital budget by \$2,163,997 and has reduced GMT's local capital match from FY25 by \$204,275.

Adjustments made to existing line items include:

- Increased funding for 6 - Replacement 35' Heavy-Duty Buses (Electric) due to Producer Price Index changes
- Reduction in SSTA vehicle purchase that is carried forward from FY24 from \$1,270,000 to \$223,903
- "Upgrade Fire Suppression System at 101 QCP Bus Storage Area" has been decreased from \$1,000,000 to \$567,691
- Increase in "Phase 2 Electric Bus Charging Infrastructure (90% Fed/9% State/1% Local)" from \$1,328,400 to \$1,955,000
- Changes in Facility PM items to accommodate a reduction from \$105,000 to \$75,000

Adjustments to these projects have reduced the total capital budget by \$1,276,331 and reduced GMT's local capital match from FY25 by \$106,676.

Additions made to the FY25 Capital Urban Budget include:

- Non-Revenue Driver Relief Vehicle (Hybrid)" for \$36,500
- "31 QCP Facility Improvements + Master Plan Study" for \$70,000
- "Design/Consulting Assistance for 5339 Grant Application" for \$40,000
- "101 QCP Lift Replacement (FY24 Carryforward)" for \$153,505
- "Phase 1 Electric Bus Charging Infrastructure (FY24 Carryforward)" for \$1,851,801
- "Fare Collection System Upgrades (FY24 Carryforward)" for \$132,974

The addition of these line items have increased the total capital budget by \$2,284,780 and has increased GMT's local capital match from FY25 by \$14,650. \$65,512 is being programmed from GMT's local capital match fund to match the three carryforward projects from FY24.

The urban capital budget has decreased by \$1,155,548.

Items removed from the FY25 Rural Capital Budget include:

- "Replacement <30' non-CDL Cutaways - 3 Replacements" @ \$250,000
- "Replacement <30' Low-Floor non-CDL Cutaways - 3 Replacements" @ \$495,000
- "Replacement GMT Minivans (EV/Plug Hybrid) - 2 replacements" @201,000
- "Spare Parts, Misc. Support Equipment, etc" @ \$33,075
- "Facility PM - Rural Facilities" @ \$33,075
- "1 - Replacement Non-Revenue Vehicle (Hybrid)" @ \$36,500
- "Passenger Amenity Improvements (Refurbish/Install one shelter)" @ \$40,000

The removal of these projects has reduced the total capital budget by \$1,088,650 and has reduced GMT's local capital match from FY25 by \$108,865.

Adjustments made to existing line items include:

- Increase in "Replacement <30' CDL Cutaways Carbon Reduction Funding (LPG or EV)" by \$270,800 and reduction in local capital match of \$52,920
- Increase in "Replacement GMT Minivans (Gas) - 4 Replacements" from \$232,500 to \$280,000
- Increase in "Carbon Reduction Funding Vehicle Infrastructure (LPG or EV)" from \$22,635 to \$124,000 and a decrease in local capital match of \$2,264

Adjustments to these projects have increased the total capital budget by \$148,865 and have increased GMT's local capital match from FY25 by \$92,500.

Additions made to the FY25 Capital Rural Budget include:

- "Rural Share of GMT Bus Lift Replacement Project (FY24 Carryforward)" for \$75,000
- "Property Acquisition Activities & Design for New Wash County Facility (FY24 Carryforward)" for \$50,000
- Six (6) Replacement < 30' Cutaways\*\* - (2) Non-CDL + (4) CDL (FY24 Carryforward)" for \$735,344
- "Four (4) Replacement < 30' Cutaways - (3) Non-CDL + (1) CDL (FY24 Carryforward)" for \$485,836
- "2 - Replacement Battery-Electric Ford E-Transit Vans (FY24 Carryforward)" for \$314,000
- "Electric Cutaway Charging Infrastructure (FY24 Carryforward)" for \$20,000
- "Berlin Facility Workstations (FY24 Carryforward)" for \$9,434.13

The addition of these line items increased the total capital budget by \$1,689,614 and has increased GMT's local capital match from FY25 by \$146,961. Local capital match for these projects is programmed from the prior year local capital match fund as all of these projects are carried forward from FY24.

**Commissioner Spencer moved to recommend approval from the GMT Board of Commissioners to amend the FY25 capital budget to incorporate the changes outlined above and to authorize the General Manager to enter into agreements for vehicle purchases as outlined above. Commissioner Davis seconded and the motion was passed.**

**Rural Study Presentation:**

Mr. Falbel presented his financial analysis of Rural Service. Mr. Falbel explained that the estimated annual operating cost for each of the operating scenarios (other than the seasonal services) was calculated in two ways: by applying cost factors per vehicle hour or vehicle revenue hour to the amount of service operated by GMT, and by using staffing estimates from each of the agencies' directors to estimate staff costs directly, rather than using a per-vehicle-hour rate.

Mr. Falbel noted recent increases in driver wages at GMT resulting from recent contract negotiations would likely be reflected in other agencies' costs when their contracts are renegotiated. Cost comparisons showed greater differences between union and non-union shops. Potential scenarios included separating different types of service such as fixed-route, demand-response, and seasonal service.

Mr. Falbel stressed that there are many other considerations beyond the bottom line cost of operations. It is also the case that the cost figures presented above are just estimates based on past performance and staffing forecasts made by agency leaders. All of that is subject to change for unforeseen reasons.

Commissioner Bohne asked about other agencies' success in attracting volunteer drivers.

Mr. Falbel noted that volunteer participation has been a challenge since the COVID-19 pandemic, and also noted that agencies with dedicated volunteer recruitment staff have been more successful. Participation also varies by region within the state, with rural areas attracting more volunteer drivers.

Commissioner Scanlan asked about overhead cost increases at GMT if Rural service was removed.

Mr. Falbel stated that any reduction in service would increase the overhead rate, but there are unknown factors to be considered. Mr. Falbel noted that GMT administration is currently understaffed for the size and scope of its operations.

Commissioner Scanlon asked which other factors to be considered before drawing a conclusion.

Mr. Falbel explained that other agencies' boards have not yet agreed to take on additional service. Facility considerations and safety considerations should be included in the decision making process. Mr. Falbel also stressed that financial challenges are not exclusive to GMT. Many transit agencies are facing a fiscal cliff.

Commissioner Davis asked what the cost of transitioning service would be, and how it might change the net gain of changing service providers.

Mr. Falbel stated that costs would be difficult to estimate and depend on choices made by current staff. Mr. Falbel indicated that VTrans would be willing to accept the transition costs if it resulted in lower ongoing costs. Another consideration is whether management of urban service would be positively impacted by the separation of rural service.

Commissioner Davis asked if there would be higher costs due to the reduction in the size of GMT.

Mr. Falbel explained that the economies of scale would apply to other agencies when if they took on GMT's rural service, resulting in very little total net change in the overall use of state funds.

Commissioner Spencer asked if there was discussion about a state wide Transit Authority.

Mr. Falbel indicated that he believed that the creation of a state wide agency was unlikely.

Commissioner Scanlan asked about the impact on the cost of urban service.

Mr. Falbel indicated that there would be a small increase in urban service.

Director Foss indicated that there would be an effect on cash flow that must be considered.

**Special Assessment Discussion:**

GM Clark discussed the potential special assessment for urban municipalities. Possible methods of assessment compared a flat rate assessment to a service-based approach.

Commissioner Scanlan stated that South Burlington would support a service based approach.

GM Clark expressed concerns about the effect on GMT's relationships while negotiating assessments with each municipality.

Commissioner Davis stated that additional funds are urgently needed to prevent service cuts.

Commissioner Spencer discussed the impact of negotiating with each municipality on staff time and resources.

Commissioner Scanlan stressed the importance of flexibility and the willingness to consider new ideas.

Director Foss discussed ADA assessment reform as an alternative to a special assessment. Special assessments are one-time funds, while the ADA assessment would continue into the future.

GM Clark indicated his support for a combination approach to future assessments.

**Other Business:**

None.

**Commissioner Spencer moved to adjourn the meeting; Commissioner Davis seconded; all others were in favor and the meeting was adjourned at 9:36 a.m.**