**Finance Committee Meeting**

**January 16, 2020 8:00 AM**

**101 Queen City Road, Burlington VT 05401**

Present:

Commissioner Dimitruk (phone)

Commissioner Davis (phone)

Commissioner Bohne

Jon Moore, Interim General Manager

Nick Foss, Director of Finance

Jamie Smith, Director of Marketing and Planning

Debbie Coppola, Senior Accountant

Jordan Posner, Mobility Manager

Kim Wall, Grant Manager

Matt Kimball, Capital Projects Manager

Ron Smith, RHR Smith & Company (phone)

**Meeting Called to Order:**

Commissioner Bohne called the meeting to order at 8:32AM. This meeting started 30 minutes late due to inclement weather.

**Adjustment to the Agenda:**

None

**Public Comment:**

No one present from the public

**Approval of the Minutes from December:**
Commissioner Dimitruk made a motion to approve the December Finance Committee minutes, Commissioner Davis seconded. All were in favor and the motion carried.

**FY19 Audit Presentation:**

Mr. Smith gave a presentation the FY19 audit. He mentioned spending a significant amount of time with GMT staff during the recent transition and noted they did a great job despite the turmoil. Mr. Smith spoke of the letter he provided to the Finance Committee and the Board of Commissioners regarding the “birthrights” of the organization. Commissioner Bohne asked how much of the unrestricted money is available cash? Mr. Smith said $1.1 million as of June 30, 2019. Commissioner Dimitruk asked what is the change in the unrestricted between FY18-FY19? How does that unrestricted reserve, compared to the budget, how does that compare to other transit agencies? Mr. Smith said the unrestricted should be like 8%, GMT is like 1%. Many transit providers are in the same situation. GMT’s size and the volume of service is a key factor.

Mr. Smith also noted that GMT has outgrown our financial software, and GMT really needs a software that is fund accounting, and can manage the size of the agency.

**Review of October Financials & Preliminary November FY20 & FY21 Capital Budget Adjustment:**

Mr. Foss gave an overview of October and November financials noting that staff will begin providing two months’ worth of Financials to the committee. This would mean some forecasting of the revenues, but would give a more realistic picture of the current financial situation.

Commissioner Bohne asked if forecasting would that be easier with the purchase of a new software system? Mr. Foss said billing takes the longest, especially with Volunteer Drivers and the E & D program.

*October statement:* Mr. Foss gave an overview of the October financials. GMT is right around where we should be with a benchmark of 33%. Passenger revenue on the urban side is lower by one percentage, still a concern. Paul asked how many new fareboxes GMT has with the addition of the new electric buses. Mr. Moore said 17 in total. Mr. Foss noted that the Medicaid program is an issue and the PMPW rate cut was not beneficial. Commissioner Bohne asked if the Medicaid program would be in the red. Mr. Foss answered hard to say.

Commissioner Dimitruk said NWMC seemed amenable to scheduling efficiencies to help save costs on Medicaid trips. Mr. Moore said we’ve tried to coordinate the trips in Washington without much success, but it was worth exploring in Franklin County. Mr. Posner mentioned that Northwest Medical Center has the highest level of late-night discharges compared to anywhere else.

*Expenses side:* Mr. Foss gave an overview of expenses, noting that we were in a good place.

**ADA Fare Adjustment:**

Mr. Foss and Mr. Posner gave a brief overview of the ADA fare structure, noting GMT is allowed to charge an ADA fare to times the urban fixed route fare. The fare increase would mean an increase of $.50. Commissioner Dimitruk said she was torn between seeking new revenue and raising fares on a vulnerable population. Mr. Posner mentioned that a large percentage of folks have their rides paid for by human service groups. He also mentioned the fare has been $2.50 for more than a decade and still only covers a small fraction of the trip cost; which is an average of $25 or more. Commissioner Dimitruk asked if we could gather data on what percentage of passengers pay their own fares? Mr. Posner said he was presenting the increase to the ADA Advisory Committee.

**FY20-21 Capital Budget Adjustments:**
Mr. Kimball gave a brief overview of the capital budgets for FY20 and FY21. FY20 changes result in a decrease of $500,000 including removing a bus from the replacement plan. FY21 changes were a result of balancing the FY21 budget. For example, replacing 3 buses instead of 5 would allow GMT to save capital local match. In addition, GMT is exploring the purchase of smaller vehicles for parts of the urban system. Commissioner Dimitruk asked if the smaller vehicles would result in operational savings? Mr. Foss answered they would.

**Adjourn:**

Commissioner Bohne adjourned the meeting at 9:40AM without a motion, there was no quorum.