

The Southeast Vermont Transit Board of Directors will hold their 2021 Annual Meeting at 5:00 pm January 12, 2022 online at the address below. The agenda is:

**Southeast Vermont Transit, Inc.
2021 Annual Meeting Agenda**

1. Public input
2. Election of board members
3. Election of officers
4. Committee appointments and dissolutions
5. Annual reports of the:
 - a. President
 - b. Treasurer
 - c. Secretary
 - d. Committees
 - e. CEO, and
 - f. Bylaw amendments
 - g. Any other business that is legally presented at the meeting that the Board approves
6. Adjourn

SEVT Meeting

Please join my meeting from your computer, tablet or smartphone.

<https://www.gotomeet.me/RandySchoonmaker>

You can also dial in using your phone.

United States: [+1 \(312\) 757-3121](tel:+13127573121)

Access Code: 397-091-717

New to GoToMeeting? Get the app now and be ready when your first meeting starts:

<https://global.gotomeeting.com/install/397091717>

FY21 SEVT Annual Report Executive Summary

Southeast Vermont Transit (SEVT) completed its sixth full year of operation in Fiscal 21 (July 1, 2020-June 30, 2021). This annual report executive summary briefly outlines key events during this period.

Financial summary

The Company continued to receive substantial financial support from the Vermont Agency of Transportation (VTrans). However, the cancellation of winter seasonal routes and the loss of fare income because of the pandemic reduced SEVT's local income by \$306,885.

FY21 Operating Financials <i>excludes depreciation</i>	
Operating Revenue	5,111,024
Operating Expense	4,794,425
Difference	316,599
Local capital match	99,675
Mortgage interest and principal	123,833
Net Operating Surplus/Deficit	93,091

The FY21 audit is still progressing but completion delayed by additional testing requirements imposed on the audit due to stimulus funding.

Operations summary

FY21 was a normal year in terms of operations and ridership until March 15, 2020, when the pandemic hit.

Like the rest of the world, the pandemic had a substantial effect on the Company. SEVT cut routes, continued sanitizing and hygiene programs, met constantly with our peers and partners, and worked very closely with VTrans and the Vermont Department of Health. Company properties were closed to the public, some staff chose not to work, and some worked from home. SEVT lost many drivers due to fear of the virus and early retirement, and as a result several winter seasonal routes were cut.

On February 1, 2021, SEVT re-instated Medicaid services in Windham County, and on March 1, 2021 Medicaid service in Windsor County was resumed. Both transitions from the previous providers were seamless and successful. VTrans provided significant financial support to provide SEVT with the capital resources necessary to meet Medicaid criteria. Medicaid substantially increases the scope of services and the need for additional drivers and volunteers. New staff were hired in Bennington and Rockingham, and a new bus storage facility was leased in Brattleboro.

The Company re-branded the Current division as the Rockingham division, and the MOOver division as the Wilmington division. Both regions are now marketed as The MOOver. A significant effort was accomplished to put all new graphics on 26 Current buses, as well as new bus schedules and signs at bus stops; new brochures; and a new single website. The effect on staff and riders was very positive, and the Company's social media programs were also updated and made much more effective.

The opportunities to expand winter resort services were increased in FY21 by interest from Stratton and Okemo to have SEVT provide service in FY22.

The Company became involved in two regional projects in FY21, both sponsored by the Boston Federal Reserve Bank. The Welcoming Communities Challenge in Brattleboro is attempting to recruit legal refugees into Windham and Bennington Counties as both a cultural diversification goal and an increase in the regional work force goal. The Working Communities Challenge group in Springfield is working to improve the skills and the size of the local work force through a number of initiatives. Both programs require an essential public transit element.

Microtransit and the electrification of the fleet are major initiatives taking place at SEVT. Two studies financed by VTrans and one produced through the Town of Ludlow were granted or started in FY21. Fleet electrification has been underway for several years in Vermont, and SEVT is included in the planning and procurement of electric vehicles going forward.

Capital

The Company was granted its largest non-construction capital program ever by VTrans in FY21. The Rockingham facility expansion program was finished in the spring 2021, along with substantial facility and equipment capital projects. VTrans provided extensive capital to facility SEVT's re-entry into the Medicaid program.

FY21 Capital	Federal	State	Local	Total
Four 14-seat buses	315,226	36,719	37,861	389,806
One 34-seat bus	151,736	18,967	24,466	195,170
RouteMatch annual charges	6,300	788	788	7,875
RouteMatch tablet data charges	1,600	200	526	2,326
Undercoating machine	2,810	351	351	3,513
Re-branding effort	156,000	19,500	19,658	195,158
Purchase eight used Medicaid vehicles	-	51,736	-	51,736
New phone system	38,400	4,800	4,858	48,058
Dispatch radios	7,200	900	910	9,010
Six new computers	6,318	790	790	7,897
Five desk and chairs	2,200	275	747	3,222
Computer set-up and networking	2,940	368	368	3,675
Office renovations and new carpet	36,000	4,500	4,653	45,153
15 new tablets	4,800	600	600	6,000
DPF & Injector Cleaning Machine		7,076		7,076
Plow truck, plower, sander		59,587		59,587
Snow scraper		20,550		20,550
LED garage lighting	4,800	21,350	600	26,750
Surveillance system	20,000	8,250	2,500	30,750
Bus wash not covered by earmark		41,615		41,615
Total FY21 Capital	756,331	298,921	99,675	1,154,928

Ridership

FY21's ridership was the lowest on record due to the pandemic. Service was cancelled or changed on several routes as a result of decreased riders and significant loss of drivers. The public continued to be wary of riding public transit nationwide despite SEVT's marketing and cleaning/disinfecting efforts. However, Medicaid ridership substantially increased SEVT ridership, and will continue to grow in successive years.

FY21 Ridership						
Rockingham	best since SEVT was formed					
Fixed Routes	21	20	19	18	17	16
White 7	16,108	20,271	17,541	11,462	10,933	12,033
Red 4	31,106	26,309	26,401	24,104	26,506	29,726
Blue 5	-	10,427	13,482	19,786	18,377	19,480
Springfield Intown 1	8,686	12,689	12,630	10,903	7,037	5,625
BF Intown 2	2,346	2,384	2,755	3,138	1,847	2,019
Bellows Falls-Brattleboro 53	9,609	9,610	14,065	14,227	11,429	11,718
Bellows Falls-Ludlow 57	3,531	6,703	7,578	6,277	5,516	7,083
Bellows Falls-Springfield 55	-	3,990	5,013	4,557	2,990	2,418
71 DHMC	3,428	6,066	7,607	7,088	8,069	8,324
72 DHMC	4,290	6,978	8,185	8,375	10,185	12,115
73 Dartmouth College	2,284	5,025	6,673	8,514	10,750	11,318
74 Dartmouth College/VA	1,000	4,110	5,244	5,215	5,698	7,153
Chester 101	448	441	544	688	607	800
Subtotal Fixed Routes	82,836	115,003	127,718	124,334	119,944	129,812
Winter Routes	21	20	19	18	17	16
Okemo 61	763	1,554	1,748	1,619	2,233	1,059
Total Rockingham Fixed Routes	83,599	116,557	129,466	125,953	122,177	130,871
Demand Response Routes	21	20	19	18	17	16
Medicaid Bus	9,928	-		13,792	28,692	30,029
E&D Bus	3,504	4,789	8,548	10,905	11,109	15,092
Other	-	11	341			
ADA	917	1,443	1,391	975	763	410
General public	110	470	550	1,849	2,552	3,816
Total Demand Response	14,459	6,713	10,830	27,521	43,116	49,347
Volunteer & Other	21	20	19	18	17	16
Medicaid & Hardship Volunteer	11,797			63,388	96,880	65,961
E&D volunteer	9,268	18,255	26,525	13,697	8,562	16,490
Other - Holt Grant, etc.	322	370	639	356	45	
ADA	809	4,130	4,639	2,393	23	
General public	105					
Total Volunteer & Other	22,301	22,755	31,803	79,834	105,510	82,451
Total Rockingham	120,359	146,025	172,099	233,308	270,803	262,669

Wilmington	<u>21</u>	<u>20</u>	<u>19</u>	<u>18</u>	<u>17</u>	<u>16</u>
Year Round Routes						
MOOver	16,502	79,888	86,818	93,808	76,871	79,030
West Dover	798	2,264	3,340	3,688	2,318	2,887
Readsboro	1,863	3,384	3,171	4,872	6,698	6,325
Brattleboro	5,275	17,449	22,112	24,683	25,905	25,831
Bennington	1,210	2,424	2,787	2,627	2,255	2,329
Total Year Round Routes	25,648	105,409	118,228	129,678	114,047	116,402
Winter Routes	<u>21</u>	<u>20</u>	<u>19</u>	<u>18</u>	<u>17</u>	<u>16</u>
Timber Creek	0	21,954	24,728	23,328	23,545	15,422
Mount Snow	13,835	37,720	46,294	42,038	39,723	32,500
Greenspring	-	18,295	20,812	18,581	19,418	13,188
Kingswood	-	7,889	7,642	6,284	6,821	5,806
Bears Crossing	-	10,102	12,100	11,836	11,872	9,549
Parking Lots	29,562	34,895	57,423	55,311	49,680	21,764
Total Winter Routes	43,397	130,855	168,999	157,378	151,059	98,229
Total MOOver Fixed Routes	69,045	236,264	287,227	287,056	265,106	214,631
Demand Response Routes	<u>21</u>	<u>20</u>	<u>19</u>	<u>18</u>	<u>17</u>	<u>16</u>
Council on Aging	70	912	1,180	1,617	2,135	2,669
Gathering Place	0	0	501	2,044	2,285	2,621
Total Demand Response	70	912	1,681	3,661	4,420	5,290
Total MOOver	69,115	237,176	288,908	290,717	269,526	219,921
TOTAL SEVT	<u>21</u>	<u>20</u>	<u>19</u>	<u>18</u>	<u>17</u>	<u>16</u>
Winter Routes	44,160	132,409	170,747	158,997	153,292	99,288
Fixed Routes	108,484	220,412	245,946	254,012	233,991	246,214
Demand Response Routes	14,529	7,625	12,511	31,182	47,536	54,637
Total Bus/Van	167,173	360,446	429,204	444,191	434,819	400,139
Total Volunteer & Other	22,301	22,755	31,803	79,834	105,510	82,451
Total Company	189,474	383,201	461,007	524,025	540,329	482,590
%Change from previous year	-51%	-17%	-12%	-3%	12%	

The Company recognizes and thanks the Vermont Agency of Transportation (VTTrans), USDA, KeyBank, and contributing human service, resorts, and municipalities for their support. It also recognizes and thanks the Board of Directors and staff for a very successful sixth year of operations.



Southeast Vermont Transit, Inc.

Annual Meeting – January 8, 2022

Report from the Board President

The COVID-19 pandemic continues to impact all public transportation systems. SEVT staff, drivers, clients, partners, State and Federal Agencies remain vigilant in working with these conditions. SEVT, and other providers, have been able to utilize additional resources made available by State and Federal Agencies to continue public transit in the best methods and practices possible for health and safety of all parties involved. This incredible co-operation has allowed our service to continue and return previously cut services from a year ago. SEVT is grateful to all our staff, partners, and clients for trusting in our services we provide. Ridership, the hallmark of tracking service levels, has begun to recover primarily due to SEVT's reentry into Medicaid service.

SEVT has completed the "rebranding" from two divisional "brands" to one "MOOver." Additional strides are ongoing to re-define websites and signage. Benefits have been realized with staff and equipment being able to seamlessly move throughout the SEVT service area. The SEVT Board investment in capital equipment with the immense help of our State and Federal partners is hampered by the ability of vendors to fill our order. SEVT has not only returned to full service but continues to expand service.

Federal and State grants require twenty or fifty percent match depending on the grant's use. Our private contributions from businesses remain our highest grant matching sources. The pandemic had resulted in temporary loss of contracted service and advertising revenue. Fortunately, these resources have returned in the current fiscal year. There has been no increase in amounts provided by towns. The pandemic has also resulted in some 100% grant funds to replace traditional matching grants! These funds recovered what was anticipated to be an FY21 operating deficit. The budget process for FY23 will begin shortly and the State and Federal funds are anticipated to decrease.

SEVT would not be able to provide the level of service we do if not for our employees. We are grateful for the efforts they all make in little and not so little ways! SEVT staff are remarkable individuals that continue to "do what it takes" to meet the needs of our clients. I am sure the board has the same appreciation of their efforts.

I want to acknowledge Ross McDonald and Tim Bradshaw for their endless support of SEVT. They remained as flexible as possible within the definitions of grant fund uses. They, and all partners, remain committed and co-operative to assisting SEVT in providing transportation services.

VTRANS is performing a comprehensive review of SEVT, Inc. as part of State and Federal processes. The Board of Directors is presently undertaking updating the CEO Job Description and Company By-Laws. Both tasks are hoping to be completed soon. I want to recognize the commitment and value of all the past and present board members for volunteering their time and talents to the service of SEVT, Inc.

Respectfully submitted,
Willis D. "Chip" Stearns II

Annual Meeting, January 2022, SEVT Financial Report

In general, SEVT does well with the revenues that are available, with a shortfall in the area of local match in FY21 due to the pandemic. The Federal and State shares amount to 80-90%, with the expectation that SEVT will make up the difference. While increasing local share has been a goal of SEVT, through CEO Randy Schoonmaker's efforts to generate additional revenues from sponsorships and direct requests to local communities within SEVT service areas, plus routes with ski businesses, it has been slowed with the advent of a pandemic (COVID-19). One bright spot this year is adding a new route with Stratton Mountain Resort and resuming routes with various resort condo associations in the Mount Snow region.

CEO Randy Schoonmaker describes FY21 as "a perfect storm" impacted by the pandemic, with a loss of \$205,000 of local match income for routes SEVT did not operate; labor and health care costs increased when we re-joined the Medicaid program, resulting in a classification as an "Applicable Large Employer" (ALE) under the Affordable Care Act. We expect a return to a more predictable finance year in FY22.

In FY21 debt to revenue for our local share was 29%, largely because of COVID. This year the revised budget with returning HOAs and Stratton places it at 13.4%. Local share is expected to go from \$423,212.38 in FY21 to \$921,471.00 in FY22. In FY21, debt to revenue from operations is 2.3%, and we expect it to be 1.7% for FY22. Salaries and benefits in FY21 are 54.1%, while FY22 will increase to 60.6%; Medicaid service, HOAs, Stratton Mtn., and expanding employee eligibility as an ALE contribute to this increase. In FY22, SEVT is under budget in the area of health benefits for the first 6-months because of hiring delays, turnover, and a 90-day waiting period.

As we examine labor costs more closely and its impact on the SEVT budget, in FY21 wages increased by 2% while continuing the \$3.00 per hour hazard pay that began in FY20. In FY22 we agreed to level-fund the hazard pay into wages, and then a 0.8% adjustment mostly going to Rockingham employees who experienced a lower-than-average hourly rate. We then raised the winter season rate for Wilmington drivers to \$25.00 per hour, which is a 10% increase for four months of the year (3.33% annually). Most wage increases in FY22 were offset with a remaining balance of \$39,000 from our sign-on bonus program that was originally included in the board approved budget, but was cancelled in lieu of pay increases. Health insurance rates increased 6.2% in calendar year 2021, and 2.1% for 2022. All other benefits posted no increases. SEVT budgeted a projected 7% increase in health, and 4% for dental, vision & life for the second half of FY22 – a normal practice, since our budget is based on a fiscal year and health insurance is set by calendar year. The results of the wage increases and expanded health insurance benefits were staff retainment and the addition of enough drivers to fully restore all routes, plus add the new Stratton route.

In a recent SEVT Board meeting with VTrans officials (Ross MacDonald and Tim Bradshaw) in attendance, they brought to the Board's attention that recent inflows of additional capital funds extended from the state may have been better spent on debt reduction. SEVT debt is in the form of four long-term debt obligations that amount to \$1,667,957; two mortgages have a 30-year maturity that will retire in 2046 on the Wilmington property. In addition, cash flow has been a concern with expenses exceeding federal and state monies. SEVT will receive \$100,000 in FY-22 from the state for mortgage assistance, which is greatly appreciated.

SEVT sought and received approval from VTrans to spend down state funds on the capital projects listed:

DPF & Injector cleaning machine	= \$ 7,076.25
Bus roof snow removal scraper	= \$ 20,550.00
Plow Truck	= \$ 42,205.00
Sander	= \$ 7,747.00
Snow Plow	= \$ 9,635.00
Bus #F9 & #F10 grant shortage	= \$ 13,066.00
Security Cameras – Rockingham	= \$ 5,749.98
Finish Bus Wash – Rockingham	= \$ 40,989.81
LED lighting Rockingham Bays	= \$ 20,750.01
Construction in excess of earmark	= \$ <u>625.00</u>
Total Paid by State Ops	= \$ 168,394.05

While VTrans is not in the business of micro-managing SEVT, there is concern that SEVT has no reserves (i.e.: 4-6 weeks) and is routinely in a cycle of short-term borrowing. Their preference would have been for SEVT to use the funds above to reduce debt. The CEO agreed, had we known of this concern at the time we would have done so. VTrans would like to see improvement in debt reduction and line of credit use which SEVT will work toward moving forward. The point was made that these additional state funds will not always be there and cannot be relied upon.

In addition, SEVT completed \$999,600.00 worth of capital projects of which \$130,528 were State funded and \$112,741 local match funded. Also, SEVT expended \$547,615.77 of the Rockingham Building Earmark (Federal 74%), \$143,389.66 was state funded.

What impacts do we expect to see in the short-term and long-term on SEVT's financial picture? As the pandemic continues to linger, there are known and unknown effects from COVID surges that remain a safety concern for employees and our ridership. As inflation takes hold, now over 6%, the Federal Reserve Bank moved their initial forecasting from temporary to something more lasting, tied to the supply chain problems. SEVT anticipates that new bus deliveries will be delayed. However, SEVT expects continued Federal support on operational costs to offset declining state funding. SEVT anticipates continuing labor challenges and a competitive hiring market for CDL drivers in our region.

In FY21, mortgage payments (\$123,833.64) and capital match payments (\$112,741.02) accounted for 56% of our local match income of \$423,212.38. For FY22 our local match is budgeted to grow to \$921,471.00 due to the resumption of HOA service, doubling of the sponsorship income, and the addition of the Stratton route. As a result, FY22 mortgage payments of \$123,833.64 and capital match payments of \$165,417.00 will only account for 31.4% of our local match income. Capital match increase for FY22 includes the anticipated delivery of nine new vehicles.

Respectfully,

Scott A Tucker, SEVT Treasurer

Minutes of the 2021 Annual Meeting
Southeast Vermont Transit Board of Directors
January 12, 2022 5:04pm
Via Video

President Chip Stearns called the meeting to order at 5:04 pm. Those in attendance and constituting a quorum were as follows:

Board Members: Chip Stearns, Scott Tucker, Seth Boyd, Joel Bluming, Randy Capitani, Dave Moulton

Staff Present: Christine Howe, Randy Schoonmaker, Keith Johnson

Guest Present: Tim Bradshaw and Ross MacDonald, VTrans

Public Guests: Colin Bratton, Windham Regional Commission

Public Input: None

Election of Board Members: Randy C would like to move over this until we have the bylaws in place based on input. Randy S stated that we can elect officers, while waiting for board member elections.

Election of officers Chip offered to keep the officers in place that are already in place. Scott respectively declined Treasurer. Joel questioned the two previous members not being on the board any longer. Randy C explained that since we are reviewing bylaws we are on hold until that is complete. Ross asked Chip why the two board members were not extending their terms pending the bylaw changes. Discussion ensued regarding previous conversations and emails. Randy S explained that counsel confirmed that members could not stay on the board when the term is over, and therefore we followed counsel's advice. Until the bylaws are finished we cannot offer towns seats. Randy reviewed all the other transit providers bylaws and we had talked about increasing size of the board, have RPC's on the board and have majority of board seats include towns served. The next question is how to select towns and candidates. Discussion ensued regarding board member selection. Chip asked the board to return to election of officers as this is on the regular meeting agenda.

Chip presented a slate as follows:

President Chip Stearns

Vice President Seth Boyd

Treasurer Randy Capitani

Secretary Joel Bluming

Motion 1: Scott moved the question, Joel seconded, Motion passed 6-0

Committee appointments and dissolutions:

Finance and Administration; Chip Stearns and Randy Capitani

Personnel Committee: Joel Bluming, Seth Boyd, Dave Moulton

Executive Committee: composed of President, Vice President, Treasurer and Secretary

Nominating Committee: Seth Boyd, Randy Capitani, Joel Bluming

Motion 2: Scott motioned to accept the slate of appointments and dissolutions. Motion passed 6-0

Annual Reports:

President: Chip presented his President's report. It was included on DirectorPoint. Report accepted by general consent.

Treasurer: Scott thanked Randy and Keith for answering a number of questions, and he hopes this gives some perspective to the finances. If there are more specific questions, please ask. Seth thanked Scott as this was well presented.

Secretary: Joel did not submit a report.

Committees: Discussed throughout the year based on meetings.

CEO: The annual report executive summary was produced and presented for the board and is available in Director Point.

Bylaw amendments: None still under review

Any other Business: None

Motion 6: Motion to adjourn annual meeting was made by Scott seconded by Joel. Annual meeting concluded 5:34 pm.