

Draft Minutes of the Regular Meeting
Southeast Vermont Transit Board of Directors
Via Video
April 27, 2022 at 5:00 pm

Chip Stearns called the meeting to order at 5:18 pm. Those in attendance and constituting a quorum were as follows

Board Members:

Willis “Chip” Stearns II, President
Randy Capitani
Joel Bluming
David Moulton
Chris Company
Jason Rasmussen

Members of the Public: None Present

Staff Present:

Keith Johnson, Finance Manager, SEVT
Christine Howe, General Manager, SEVT

Invited Guests:

Tim Bradshaw, VTrans
Ross MacDonald, VTrans

Public Input: None

Review March 9, 2022, Meeting Minutes: No comment

Amendments of the Agenda: Keith presented changes as follows; add a motion to grant the Secretary check signature authorization; to table the discussion on the Grant application due to feedback from VTrans, including some updates needed to grant budget; approve the formation of the contract selection committee relating to financial consultant per the VTrans letter to be discussed during this meeting.

Adoption of Revised Bylaws: Chip stated the only change since our last revision is Article 4, 5d; “Approve all non-budgeted contracts and expenditures more than thirty thousand dollars... **Motion 1: Randy C. motioned to adopt the bylaws as presented and authorize the Secretary, Joel Bluming to sign the newly revised bylaws Dave Moulton seconded the motion. Motion passed 6-0.** Keith will meet Joel at same time as the bank signature cards need signed.

Approve Grant Application: Removed during Amendments to the Agenda. The full board will review the updated Grant Application for the Wednesday May 11th meeting.

Review VTrans Review Letter: The VTrans letter was received by all parties of the board prior to the meeting. Chip explained that within the letter there are a couple of requirements and a correction action plan required by VTrans. There will be a selection committee from Southeast Vermont Transit board of directors and staff, along with Tim Bradshaw at VTrans to define a scope

for the financial consultant to aid Southeast Vermont Transit as part of the corrective action plan required by VTrans. The contract selection committee will select the final consultant recommendation based on the bids received. VTrans is funding the consultant and that is one of the budget changes Southeast Vermont Transit will update for the grant application. **Motion 2: Dave Moulton motioned the Board needs to form and organize an ad hoc committee in awarding a consultant contract yet to be determined at a future date Joel seconded the motion.** This consultant hiring is based on the Action Plan required by Vtrans via the letter presented. Keith presented and reviewed the action plan included in the board packet. Christine and Keith will be involved in both sides of the process. Keith explained the timeline is a little flexible. Additional board members to be part of the committee include Randy C., Chris Campany, Jason Rasmussen stated in chat he would also be available. **Motion passed 6-0**

The letter was reviewed by Chip. It was noted that in the opening paragraph there was a misstatement “recent actions of the Board and General Manager” was not to read General Manager, but to read CEO. This is due to the author of the letter not recognizing Southeast Vermont Transits organizational structure. Christine, the General Manager, thanked Chip for the correction noted. Each paragraph was addressed, and it was noted that there were errors in the letter.

Item 1 Chip stated that since he has been on the board, he does not know this statement to be true. That it references a commitment from 2015 and is vague in the timeframe in which it occurred.

Item 2, Chip noted again this item is again from 2017 yet there is a review letter from 2018 signed by Tim that does not state this concern. Tim stated that this was acknowledged and resolved previously.

Item 3, Chip explained his knowledge of this item and how Southeast Vermont Transit territory for Medicaid has a high user rate. Chris asked if there would be a written response to VTrans from the board? Chip would like authorization from the board to draft a response based on self-history and knowledge to present at the May 11th board meeting for the board to review. Chris asked if the response is to Michelle? Chip answered yes. Chris asked for the staff to also put numbers and information to the responses to review as well. **Motion 3: Joel motioned to authorize Chip to draft responses to be reviewed by the board with information and documentation from staff for the response. Randy c. second.** Jason confirmed that the motion is to just draft the letter, and the board will review and finalize at next meeting? That is correct. Chris noted that if this will not be completed by May 11, then please take the time to properly respond. **Motion passed 5-0 Chip abstained due to author of drafting response.**

Item 4, Chip explained and expressed as having a tone of personal bias toward the CEO.

Item 5, Keith explained that since the monies for the Medicaid transportation had not been completely reimbursed at the end of FY21, the financial statements showed higher debt, when actually if VPTA had reimbursed SEVT we had a lower amount of debt from the previous year.

Item 6, Chip made a public records request, as Chip stated that the CEO was not involved, however the item states that he was involved. Chris asked a follow up question related to Item 6, and Chip stated he would follow up directly with Chris. When asked, the SEVT board did not request to Chip asking if they would like him to resign.

Item 7, Chip expressed concern that it is directed toward himself.

Findings of the letter for the Cost Allocation Plan from the review were addressed. Keith explained that when the State visited a statewide cost allocation plan for VPTA to have all transit providers on the same allocation plan, thus comparing apples to apples when looking at expenses across the transit providers. It was allowable to use either hours or miles to work the allocation. SEVT used miles, but the consultant found that hours may be more appropriate. Keith modeled our YTD with hours and modeling suggests that the net effect is only twelve thousand five hundred dollars. When considered the size of our budget, it is incidental. It does move the funding around within cost

centers. Chip clarified that the shift from miles to hours for cost allocation beginning in FY23 and Chip would like to make sure that is reflected in the action plan. Item 2 was addressed by Keith to explain that when officers drive it is directly costed into operations. In item 3 certain agencies bolstering their reserves during COVID, because SEVT does resort work we did not run our routes that produce most of our local share. Also, we had one hundred forty-three thousand less cash because we finally completed an earmark for construction in Rockingham. Randy C noted that VTrans has identified a place of improvement and if we work together, we can increase the cash from other areas to improve. Ross explained that is the goal for VTrans to help increase the local share. Randy C would like more information on the transit providers of Marble Valley and GMT that also run resort routes to see what they do differently to build better cash reserves. Keith reviewed the bullet points of the corrective action plan. Chip asked if there was any other information or actions the board wants to put forth in relation to the letter? Chip asked if the final Management Review was completed, and Tim answered it is not completed yet. Tim mentioned that VTrans continues to support SEVT and noted the additional midyear amendments for funding. Tim just stated that VTrans wants to work together and wants more transparency. Chip acknowledged Keith and Christine for their continuing workload while Rand is out. Day to day decision making has been handed to Keith and Christine. Chip has been in constant communication with both Keith and Christine.

Executive Session if needed: None needed.

Randy C asked if there was any update on the Board Member search. Christine noted that there was nothing from Brattleboro or Ludlow. Christine forwarded an email that was unsolicited from Rockingham that they have expressed interest in having someone on the board. Randy C and Chip discussed the short cycle to the next board meeting and therefore would hold off on meeting as a nominating committee until after the next board meeting.

Motion to adjourn by Joel, seconded by Dave Moulton. Chris thanked all for responding to the letter. Meeting adjourned 6:28 pm.

Submitted by: Christine Howe, General Manager