

Seth Boyd called the meeting to order at 10:04 am. Those in attendance and constituting a quorum were as follows:

Board Members:

Sue Fillion
Randy Capitani
Dan Thoemke
Seth Boyd
Brenden McNamara
Joel Bluming
Jason Rasmussen

Members of the Public: None

Staff Present:

Randy Schoonmaker, SEVT CEO
Christine Howe, SEVT General Manager
Keith Johnson, SEVT Finance Manager

Invited Guests:

Jeremy Whiting, VTrans

Public Input: None

Amendments to the Agenda: none

Review Finance Committee Summary: There were no additions to the report.

VTrans Update: Jeremy explained that Ross had a meeting conflict, and that VTrans was working on grants and awards.

MTI Grant: The Board reviewed the document on the grant. Randy S was looking for the Board's approval to submit an application for Springfield Microtransit in connection with the Springfield Regional Development Corporation. In Year One we would run microtransit before and after the Route 1 Springfield In-Town route. Year Two would see microtransit all day, and Year Three would possibly look at eliminating the fixed route and going with two full-time microtransit vehicles. Randy C asked how much of the program would be funded by this grant. Randy S has asked them to come with some local match of their own to make the grant more appealing. Brendan asked where the existing \$40,000 microtransit local match income for Brattleboro and Windsor is coming from, and the answer is from the MTI program. Randy C asked if this is a better solution than expanding the fixed route. Randy S said microtransit would go into all parts of Springfield that the fixed route bus couldn't serve. Sue asked what the cost would be. It would depend on what service level we choose. She asked if we looked at other projects for this grant, and the answer is we did but nothing really popped out. Jason asked if SEVT would supply any match, and the answer is no we would not, but Springfield would have to come up some.

Motion 1: Jason motioned to proceed with an application designed for this program and bring it to the Board for final approval. Sue seconded. The motion passed 7-0.

FY24 Budget Shortfall Review:

Randy reviewed the handout which showed that we are \$308,039 behind budget vs projected actual. Various expenses were less than budgeted, and overall on operating expenses we were \$150,978 better than budget but for income we were \$333,043 behind budget mostly due to Medicaid. We had enough total cash to meet budget, but the expenses and therefore the reimbursements did not fall into the right funding silos. Most of this occurred in 5311 Ops. During the pandemic, Ops expenses were reimbursed at 100%, but now we are reimbursed at 50%. This dramatically increases our need for generating new local funding. Of the loss, \$168,841 is Ops funds that we have to pay back to VTrans, and \$139,198 is our operating loss for the year. This pattern will probably recur in the coming years. Randy S reminded the Board that we do a grant budget in April, and then we revise it after our awards are announced. A revised FY25 budget will be given to the Board in August or September, reflecting a combination of savings and new income. Randy C brought up the question from the Finance Committee meeting about cutting routes. The answer is, if we cut routes, then VTrans may cut grant funding. The routes we have are performing well and are well-rated, so we would be putting riders on the street if cut them. Jason asked if this snuck up on us. Randy S explained that we saw it coming, that expenses are allocated four weeks after month-end, and that we have been talking about this since February. Keith explained that in terms of cash flow we are okay, that we would have spend \$168,841 more than we did to draw down the grant, and that this overage is basically an interest-free loan. We are fine for now in terms of cash flow, but carrying future losses will challenge our line of credit.

Shortfall and Plan to Address It:

Randy presented a local match review which showed that, after the state's funds were applied to 5311 expenses, \$711,909 was left to be raised locally. We generate \$1,000,000 annually in local match, but much of this goes to support other programs, our capital match, debt service, and line of credit interest. We thank VTrans for all the funding they provide, but we need \$300-350,000 in new local match moving forward. The options are: (1) to increase our non-grant/resort contributions substantially; (2) support a new statewide transit funding source; (3) look at any new sources of revenue; and (4) cut expenses/programs. A pie chart showed resort increases would generate \$67,427 of new income; expense savings or other new income of \$32,573; other new income of \$20,000; new statewide funding of \$100,000; and \$80,000 generated by charter. Sue asked about increasing town contributions. Randy said that increasing these funds is logistically difficult and very time consuming relative to the funds generated. But we are looking at every possible source. Jason asked about making this a 3% annual increase, which still involves getting petition signatures and the effort mentioned above. It is still the same process regardless of how it is presented. Joel suggested marketing this idea to the population. Randy C thought it might be better to do this with resorts or using the SEVEDS model. Seth had proposed a development director position. Randy will come to the Board in the near future with a proposal.

Charter:

The Board reviewed the proposed charter narrative which has been updated. Randy S asked for Board approval to work with counsel in options for setting up a charter company, and to get an estimate on commercial insurance costs. If no hurdles were met in this phase, we will ask the Board to give us 120 days to capitalize this company or else we would pull the plug. Jeremy outlined VTrans' position which is not in support of this because of time spent to get this program going; serving charter riders instead of those who need transit as their primary source of transportation, and potential federal concerns. Seth supports the first phase of this concept. Jason thought that thinking outside of the box is fine but is concerned that VTrans is not supportive. He is not convinced that we can keep this separate from The MOOver. Randy C feels it is worth exploring and feels that there is a big demand for charter service. Sue is not comfortable with it, appreciates the creativity but wants us to serve the people who need it. Joel supports the concept, feels that we have the capacity to do this, that there is a need for it and that it would give our drivers more work, and that there should be a way to use these resources.

Motion 2: Joel motioned to allow staff to seek a legal opinion on the questions presented, and to report back to the Board in a month or two for the Board's further consideration. Randy C seconded. Sue asked if we have an attorney on retainer. We do not, we use Robert Fischer as our attorney, and we would use local funds up to around \$2,000 to fund it. Jason questioned the validity of an attorney's opinion in that they may possibly tell us what we want to hear. Jeremy said that SEVT generates the lowest match of any agency in the state from town contributions. Randy will survey the other providers to qualify this statement. Keith mentioned that if we can't raise substantially more local match that the state and feds cannot provide that we will have to cut services which is a stark alternative, in contrast to our company's mission. Seth, Randy C, and Joel voted in favor; Sue, Jason, and Dan voted against. We will re-visit it at a future meeting.

Executive Session if Necessary: None

Motion to adjourn by Joel, meeting adjourned at 11:11 am.