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Board of Directors –Finance Committee  
Meeting Minutes  
September 16, 2020

Minutes of the Board of Directors Finance Committee Meeting of Wednesday, September 16, 2020 held at 4:00 p.m. via ZOOM.

**Committee Members Present:**

Paul Bradbury  
Merrill Barter  
Nat Tupper

**Absent:**

Kim Cook  
Mike Foley

**Staff and Others Present:**

Greg Jordan  
Ed Suslovic  
Ellen Sanborn  
Shelly Brooks  
Lauren Shaw  
Josh Crooker

**Public:** None

- 1. With a quorum in place, the meeting was called to order at 4:04 p.m. by Paul Bradbury, Treasurer.**
- 2. Public comment**  
No members of the public were present.
- 3. Approval of Meeting Minutes**  
Merrill Barter moved, seconded by Nat Tupper, to approved the minutes of the August 5, 2020 meeting of the Finance Committee. A roll call vote was taken by Paul Bradbury. With approval by Merrill Barter, Nat Tupper, and Paul Bradbury, **the motion pass unanimously by all those present.**
- 4. CARES Act Funding – Phase II**  
Greg Jordan reviewed the information regarding funding received from the July-December 2020 period from the CARES Act in the amount of \$423k and asked for direction on how to allocate it. After this disbursement, \$31.5m remains in CARES Act funding to carry Metro and other agencies over the next 1-3 years.  
  
Following discussion about options, Nat Tupper moved, seconded by Merrill Barter, to recommend to the Board of Directors that 17% be allocated to the financial reserve and the remaining 83% be credited to the municipalities, leaving the determination of which fiscal year it should be credited to up to the Board. A roll call vote was taken by Paul Bradbury. With approval by Merrill Barter, Nat Tupper, and Paul Bradbury, **the motion pass unanimously by all those present.**
- 5. Draft 2021 Operating Budget**  
Greg Jordan and Ellen Sanborn presented the draft 2021 Operating Budget, which is currently estimated to be \$13.1m; 7.8% higher than 2020. A fall-off in ridership is expected with fares resuming and USM and PPS doing hybrid school models. There will be a 3% reduction in revenue

hours next year due to a slight reduction in service, due to anticipated ridership demand and budget pressure. Some offsets will be two fewer Bus Operator positions (done by attrition, not layoffs), fuel, maintenance, and other operations savings. Overall, there is an increase of 1 FTE between the proposed positions and fewer operator positions.

Revenue is down due to COVID-19 – fare revenue, advertising, school CNG fuel and maintenance billing. The estimated municipal responsibility increased by 2.5%, but this will be offset by credits back to the municipalities. It is better to maintain the assessment as usual and then make a credit back to avoid a large single increase in the future.

Discussion followed regarding the expected \$1.1m request from CARES Act funding being enough, keeping rates flat for the municipality, and three new proposed positions. Greg reminded the committee that this is just a first pass at the budget and needs more refinement to lessen the budget gap. Insurance costs are estimates as final numbers are not received until the end of the year, and the debt service was reduced in 2020 when the Board approved an early payoff.

Some major expenditures are Bus Operator steps increases, which are expected to be less in future years as longevity increases, personnel wages and benefits, PPE to continue pandemic measures, insurance (expected to increase due to newer buses), a 3% COLA increase, the retirement match increasing by .5%, and an increase in marketing costs for public outreach and advertising surround the Peninsula Loop Reboot.

Planning/Community Outreach Director position: has been discussed for several years to free up some of Glenn's time, and is a professional gap in our agency (most transit agencies have this position). There is available funding to cover up to 50% of this position, which is currently listed in the proposed budget without any offset and as a full-year job in 2021. This will be discussed further at the Executive Committee level.

Procurement Officer: will relieve workload of Finance Director and some of the administrative burden for directors and managers. FTA requirements are complex and closely scrutinized audit items. This position is expected to leverage grant funding from the operating budget to offset the financial impact. Also, time spent on procured projects can be charged to those projects, offsetting more of the financial impact of this position.

The typical CIP is approximately \$2.3m and has not been updated for the 2021-2025 period; it will be addressed in depth at the October meeting. Funding has been received (federal and state) to fully cover the cost of two replacement buses in 2021, with no local exposure. No other bus procurements are scheduled for 2021.

## **6. Future Agenda Items**

- Create internal Board policies around procurement and make them an appendix to the Procurement Procedures manual.
- Consolidate Board policies into one centralized document.
- Periodically review existing policies to keep the Board familiar with them.
- Closely track if actual fare collection is on track with projected budget figures as the new system goes into effect.
- Continuation of budget discussion.

## 7. Upcoming meetings.

- Executive Committee – October 14, 2020 at 4:30 p.m.
- Ridership Committee – September 17, 2020 at 4:00 p.m.
- Board of Directors – September 24, 2020 at 4:00 p.m.
- Finance Committee – October 7, 2020 at 4:00 p.m.

## 8. Adjournment

**Motion** made by Nat Tupper, seconded by Merrill Barter, to adjourn. A roll call vote was called for by Paul Bradbury, Treasurer. With approval by Merrill Barter, Nat Tupper, and Paul Bradbury, **the motion passed unanimously by all those present and the meeting adjourned at 5:11 p.m.**