

Finance Committee – Remote Meeting
Minutes of the GP Metro Finance Committee of March 2, 2022 at 4:00 p.m. via Zoom
ZOOM Attendee Link:

<https://us02web.zoom.us/j/85106866214?pwd=OCtwRGl3VkppQlc3ekw0am9lMTQ1dz09>

Webinar ID: 851 0686 6214 | Passcode: 936932

<p>Committee Members Present: Paul Bradbury, Chair Nat Tupper William Rixon Ashley Rand</p> <p>Non-Committee Members Present: None</p> <p>Committee Members Absent: Ryan Leighton</p>	<p>Staff and Others Present: Greg Jordan, Executive Director Shelly Brooks, Finance Director Mike Tremblay, Dir. of Transit Development Lauren Shaw, Executive Assistant</p> <p>Members of the Public: None</p>
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Attendance roll call was taken by Lauren Shaw, Executive Assistant.

1. With a quorum in place, the meeting was called to order at 4:01 p.m. by Paul Bradbury, Chair.

2. Public comment: No members of the public were present.

3. Approval of Meeting Minutes

Ashley Rand moved, seconded by Paul Bradbury, to approve the meeting minutes of the December 1, 2021 meeting of the Finance Committee as presented. A roll call vote was taken by Lauren Shaw, Executive Assistant. With approval by Ashely Rand, Nat Tupper, and Paul Bradbury, **the motion passed unanimously by all those present.**

4. Automated Fare Collection System

As of January, monthly ridership as a percentage of 2019 is at about 48%. Fall is typically the strongest time of year. Reviewed Ridership by route. The presentation slides will be sent to the Committee following the meeting.

Fare Payments by type: Cash fares are still the largest portion at approximately 50%. TouchPass fares are approximately 40%, and organizational fares about 18%. Revenue shows cash being at a higher proportion, due to the higher cost-per-fare (\$1.85) vs. TouchPass. In actuality, a higher percentage of fares are paid for with the TouchPass program. Metro received the highest portion of 2021 Revenue distribution.

Per the Fee Schedule (in the packet), generally, the more taps, the lower the fees, but we have not hit that tier yet (shows the fees for the whole system, not just Metro, to which about 70% of the fees apply. Still on a learning curve for the TouchPass system, but it has been going fairly smoothly. Reception by other providers has been quite positive, though there are some requests to re-establish a 10-ride ticket option for easier travel by families. Low utilization of the reload network. Much more use at the Pulse. Hope that will even out in the future.

5. Review Year-End 2021 Budget Performance

Ended 2021 with a \$195k budget surplus. Passenger fares did not rebound as anticipated, so only collected at 67% of the budgeted amount. Wages and benefits were under budget by \$297k and overtime was under budget. Savings in health insurance and retirement categories. FICA is overbudget due to COVID credit paybacks. Overages were offset by savings in bank fees, technology, and non-executed custodial contract. Fuel savings and overages in tires due to supply chain issues (purchased tires available at year-end). Diesel contract is 3-years, beginning in 2021, so prices are locked with built-in increases per year. Savings in supplies and parts offset overages and unbudgeted items. Newer buses have saved money in the parts area. Debt Service – less use of the TAN due to timing and amount of CARES Act funding received.

6. Financial Reserve Policy

In May 2018 the Board approved a Financial Reserve Policy with a goal of 16.66% or two months of expenditures in reserve. The current balance is \$900k. May need additional explanations of why the level was set at 16.66%. Presented suggested revisions to reduce dependency of borrowing for operating cash flow; contingency for unexpected funding delays/decreases; funding flexibility for projects.

Should also add Staff Authorized use of Reserve Funds: permanent expenditures approved by the Board; allow staff to use short-term operating or capital cash flow; short-term investment of reserve funds. Committee would like to see the policy, in writing (with Track Changes on), showing the proposed changes within the language of the policy before taking a vote. The 16.66% figure (2 months) is the standard recommendation of the Government Finance Officers Committee. Also, clearly state that short-term investing is only for an FDIC insured account or CD. This requested document will be brought to the Committee in April.

7. Future Agenda Items: ADD Presentation on Utilization of Fare Capping

- Committee members may request future agenda items.
- Review board policy for fund balance (Mar)
- Update on fare collection and boardings (Mar)
- 2021 Financial Audit (April)
- Review board policies pertaining to procurement (May)
- Comprehensive review of board policies (May)
- Reassess cost and revenue allocation policies (Jun-Aug)
- Long Range Financial Forecasting (Jun-Aug)

8. Upcoming Meetings

- Executive Committee – March 9, 2022 at 3:30 p.m.
- Ridership Committee – March 17, 2022 at 4:00 p.m.
- Board of Directors – March 24, 2022 at 4:00 p.m.
- Finance Committee – April 6, 2022 at 4:00 p.m.

9. Adjournment

Nat Tupper moved, seconded by Ashley Rand, to adjourn. A roll call vote was taken by Lauren Shaw, Executive Assistant. With approval by Nat Tupper, Ashley Rand, Bill Rixon, and Paul Bradbury, **the motion passed unanimously by all those present and the meeting adjourned at 4:44 p.m.**