

November 4, 2019

[SUBMITTED VIA E-MAIL]

Nathan Poore
Town Manager
Town of Falmouth
271 Falmouth Road
Falmouth, ME 04105

Re: Preliminary 2020 Budget and Formula

Dear Mr. Poore:

In accordance with 30-A-MRS §3516 (Attachment B), Metro is submitting its fiscal year 2020 preliminary budget and formula for allocating local contributions. On October 29, 2019, the Greater Portland Transit District (Metro) Board of Directors unanimously approved the fiscal year 2020 preliminary budget and formula. The “municipal officers” (i.e. the city council) of Town of Falmouth is required to notify Metro of a rejection of the method (i.e., formula) by which local contributions are distributed within thirty (30) calendar days of this submission.

For **BUS SERVICE** in Falmouth, the Metro Board of Directors approved a 2020 local contribution of **\$203,183**. This is a 12.9% increase compared to 2019. The increase is principally related to the final phase down of the Job Access and Reverse Commute (JARC) federal grant program which has supported Falmouth’s portion of the Route 7 since the mid-2000s. This federal funding was secured to help support the Route 7 in its early years, but with the route mature and in place for over 10 years, the Board of Directors reached consensus to phase out the funding over a three-year period beginning in 2018. The original credit last applied in 2017 totaled \$40,500; the final credit applied in 2019 was \$15,500.

For **ADA PARATRANSIT SERVICE** in Falmouth, the 2020 local contribution is projected to not exceed **\$2,000**. ADA Paratransit costs are estimated based on projected ridership and the cost-per-trip charged by Metro’s provider, Regional Transportation Program (RTP). Each municipality is billed based on 20% of the cost of actual utilization. Federal funding makes up the other 80%. The anticipated actual cost to Falmouth in 2019 is estimated to be under \$2,000 for Metro’s fiscal year (January-December).

For your convenience, I have incorporated the major elements of the approved preliminary budget in the body of this letter. In addition, I have attached a document outlining the statutory budget procedures prepared by Metro’s legal counsel.



METRO OVERVIEW

Metro operates ten (10) bus routes serving the communities of Brunswick, Falmouth, Freeport, Gorham, Portland, South Portland, Westbrook, and Yarmouth. Metro works with the Portland Area Comprehensive Transportation System (PACTS), the Greater Portland Council of Governments (GPCOG), multiple partner transit agencies, and member communities to implement a coordinated regional transit system.

The following key performance metrics are provided for information:

- *Projected 2019 Ridership* – 2,100,000 which represents an 8% increase compared to 1,947,038 in 2018. The increase relates to the annualization of service and boardings associated with the August 2018 service expansion.
- *Projected 2019 Fare Recovery Ratio* – 23% which is the same as 2018. The fare recovery ratio represents the portion of the total budget covered by passenger fares. The agency's goal is 25% which should be met in 2020 in connection with a planned fare increase and deployment of the new automated fare payment system.
- *Projected 2019 LOCAL System Productivity* – the 2019 projection of 1.8 boardings per mile is down from 2.0 in 2018. This reduction was expected as new transit service takes some time to mature and generate its boardings potential.

Figure 1: Metro 20 Year Ridership Trends

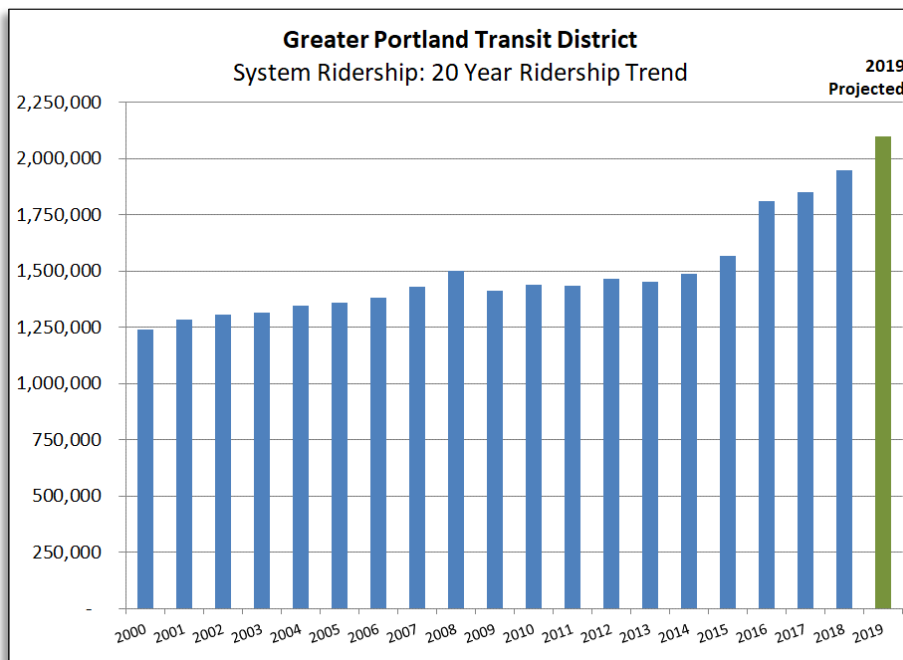
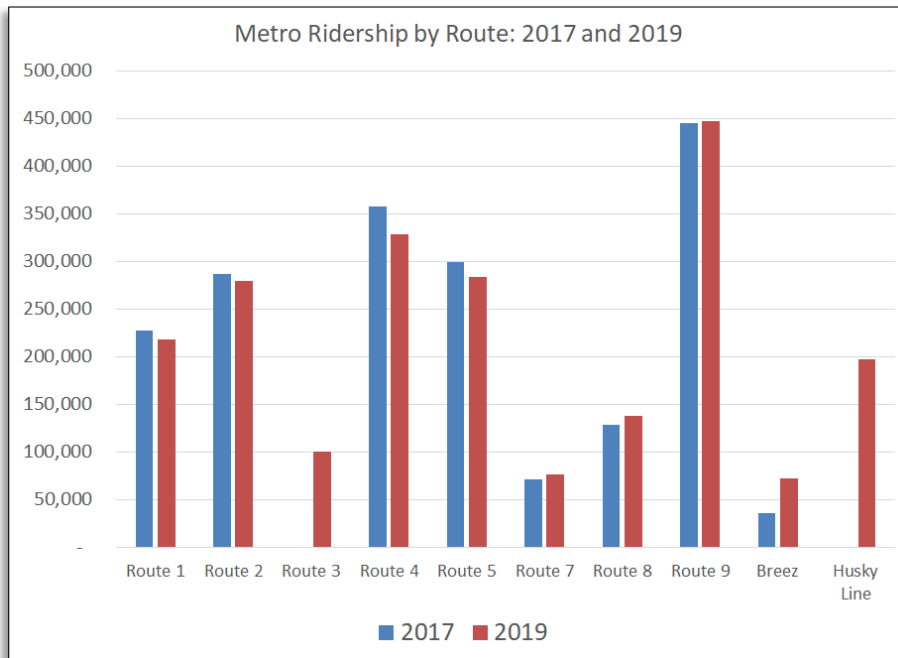


Figure 2: Boardings by Route for 2017 and 2019 (2018 excluded in order to compare full year boardings pre and post service expansion in 2018):



2020 TOP OBJECTIVES

- **Automated Fare Payment** – complete procurement phase for deployment of automated fare payment, which will allow better fare payment options for customers (e.g., payments by mobile app and smart cards) and roll-out of more special programs for universities, schools, and major employers. Implementation is planned for early 2020.
- **Fare Pricing Changes** – alongside improvements in fare payment options, Metro plans to modify and increase pricing of the single one-way cash fare along with the various pass products. However, new fare payment technology and “fare capping” will allow a major improvement in the cost equity of fare payment. Fare capping is a method whereby passengers using smart cards or smart phone apps will receive price discounts based on trips taken. This stands in contrast to the current system, which provides discounts based on up-front costs.
- **Portland Peninsula Transit Restructure** – In 2019, Metro commenced phase 1 of a community planning process to re-imagine and restructure how public transit on the peninsula can be improved. This phase focused on gathering public and stakeholder input on the challenges and desires for improved transit service on the peninsula. Metro anticipates working in partnership with the City of Portland, stakeholders and the public to advance a slate of service



changes and improvements that can be implemented in mid-2021. These service improvements will be focused on improving mobility options for getting onto and around the peninsula.

- **Electric Bus Project** – Metro has received federal funding as well as funding from the State of Maine’s VW Settlement Program to purchase two (2) Battery Electric Buses and associated charging infrastructure. Metro is in the process of developing the technical specifications for the buses and charging systems and anticipates buses to be in service in 2021.
- **Falmouth Transit Service** – Metro anticipates working with the town of Falmouth in 2020 on options to improve transit service within the town.
- **Metro BREEZ Permanence** – During 2019, Metro worked with the communities of Brunswick, Freeport and Yarmouth to evaluate the performance of the Breez to determine its long-term viability. The service has been determined to be a success and worthy of long-term investment. As of this writing, the towns of Freeport and Yarmouth have voted to financially support the Metro Breez on a permanent basis and join the Greater Portland Transit District as members of the Board of Directors. Brunswick is expected to follow suit by the close of the year. By early 2020, Metro will have onboarded three (3) new member communities.
- **Replacement Facility Preliminary Study** – Metro plans to complete a preliminary study of the options, locations, cost, funding strategies and overall feasibility of constructing a replacement facility within 5-7 years. This study would be based on a reasonable long-range forecast of service expansion needs and projected fleet size.

2020 OPERATING AND CAPITAL BUDGET

The current draft of the 2020 operating budget totals \$12,153,316 and represents a 6.6% increase compared to the 2019 budget. The local assessments for BUS SERVICE are outlined below:

Revenue Category	2019 Budget	2019 Projected.	Actual to Budget %	2020 Budget	# Change	% Change
Municipal (Current Members)	\$ 3,742,162	\$ 3,742,162	100%	\$ 3,876,077	\$ 133,915	3.6%
Falmouth	\$ 179,941	\$ 179,941		\$ 203,183	\$ 23,242	12.9%
Portland	\$ 2,787,772	\$ 2,787,772		\$ 2,877,058	\$ 89,286	3.2%
Westbrook	\$ 774,449	\$ 774,449		\$ 795,835	\$ 21,386	2.8%

There are three (3) major projects on deck for 2020 including: 1) implement a fare increase and automated fare payment technology, 2) complete the planning process for the Peninsula Loop Reboot, and 3) advance the electric bus project. There are no major service changes planned for 2020 that impact cost.



Service Levels

With no major service changes planned for 2020, the level of service provided is essentially unchanged compared to 2019 although there are minor adjustments to various routes, changes in the distribution of weekdays to weekend days and the impact of 2020 being a leap year. Planned minor service adjustments include:

- Husky Line: planned re-route of the Husky Line to serve Westbrook Crossing and Rock Row's Phase 1 commercial complex at Main Street and Larrabee Rd.
- Route 4 (Brighton-Main): re-route of the outbound Route 4 to provide access to the Westbrook Crossing shopping center on Main Street instead of pulling onto the property.
- Schedule and trip adjustments to optimize running times and on-time performance.

Estimated revenue hours by route and municipality are provided in Table 1 below.

Table 1: 2020 Revenue Hours by Route and Municipality

	Brunswick	Falmouth	Freeport	Gorham	Portland	S. Port.	Westbrook	Yarmouth	Total	Route %
Route 1					10,639				10,639	10%
Route 2					9,446		1,661		11,107	10%
Route 3					671	2,761	6,812		10,245	9%
Route 4					7,716		6,820		14,536	13%
Route 5					8,297	2,911			11,208	10%
Route 7		2,758			1,625				4,383	4%
Route 8					6,824				6,824	6%
Route 9		545			16,204				16,750	15%
Breez	2,251		2,251		2,251			2,251	9,003	8%
Husky Line				4,289	5,125		4,119		13,534	13%
Total	2,251	3,304	2,251	4,289	68,799	5,672	19,412	2,251	108,229	100%
Municipality %	2%	3%	2%	4%	64%	5%	18%	2%	100%	



The 2020 proposed budget is summarized below in Table 2. Also included are the budget and estimated actual figures for 2019.

Table 2: 2020 Budget (Major Expenditures)

Expenditure Category	2019 Budget	2019 Est. Actual	Actual to Budget %	2020 Budget	# Change	% Change	Note #
Salaries-Wages	\$ 5,668,193	\$ 5,581,580	98%	\$ 6,158,259	\$ 490,066	9%	1
Employee Benefits	\$ 2,241,879	\$ 2,493,294	111%	\$ 2,555,724	\$ 313,845	14%	2
Services and Fees	\$ 537,439	\$ 491,731	91%	\$ 616,718	\$ 79,279	15%	3
Fuel-Fluids-Tires	\$ 899,720	\$ 731,166	81%	\$ 794,669	\$ (105,051)	-12%	4
Supplies-Equipment	\$ 461,265	\$ 527,166	114%	\$ 455,050	\$ (6,215)	-1%	5
Utilities	\$ 384,555	\$ 424,347	110%	\$ 428,554	\$ 43,999	11%	6
Auto/Liability Insurance	\$ 228,619	\$ 225,573	99%	\$ 245,000	\$ 16,381	7%	7
Miscellaneous	\$ 79,455	\$ 85,443	108%	\$ 93,980	\$ 14,525	18%	8
Debt Service (principal+interest)	\$ 240,642	\$ 244,724	102%	\$ 285,200	\$ 44,558	19%	9
Capital Improvement Program	\$ 166,000	\$ 166,000	100%	\$ 25,162	\$ (140,838)	-85%	10
Fund Balance Contribution	\$ 45,000	\$ -	0%	\$ 45,000	\$ -	0%	11
ADA Paratransit	\$ 450,000	\$ 441,000	98%	\$ 450,000	\$ -	0%	12
Total Operating Budget	\$ 11,402,767	\$ 11,412,024	100%	\$ 12,153,316	\$ 750,549	6.6%	

Notes on 2020 Operating Budget Expenditures

- Salaries-Wages:** The increase in this line item relates to the anticipated annual cost of living increase (subject to conclusion of union contract negotiations), contractually mandated wage step increases for union covered employees in years 1-3 of service and the annualization of cost related to IT Coordinator which was budgeted at a half-year in 2019. In particular, the contractually managed wage step increases are a major cost driver as the agency is employing more bus operators due to the 2018 expansion of service. Overtime expense is increasing in proportion to the increase in regular wages along with compensating for an ongoing shortage in the availability of active bus drivers. Finally, the Metro Board of Directors approved two additional full-time positions, including a Fare Revenue Administrator and additional Dispatcher/Field Supervisor.
- Employee Benefits:** This category includes multiple elements including: FICA/Social Security; medical, dental, vision and disability insurance; a health reimbursement account; employer-matched retirement program; worker's compensation program; and employee uniforms. Overall expenditures are increasing due to the following reasons: FICA costs increase in proportion with wages; premium costs for medical coverage increasing by 5%; cost related to the worker's compensation program are expected to rise due to an increase in payroll and a 2018 accident; the employer cost of the agency's employee retirement program is higher than anticipated due to higher than forecast employee match contributions.



3. **Services and Fees:** This category includes expenses such as legal counsel, audit services, bank and credit card fees, advertising, contracted services and maintenance services. The major factor driving the increase in this category relates to the deployment of a new fare collection system in 2020. The new system is a cloud-based Software as a Service (SAAS), which provides the platform for riders to use smart cards and mobile devices to pay fares as well as providing the financial backend for processing and reporting on transactions. Additionally, Metro's Computer Aided Dispatch (CAD)/Automatic Vehicle Location (AVL) System will surpass five (5) years in operation meaning ongoing system maintenance fees will kick in.
4. **Fuel-Fluid-Tires:** The major expenses are diesel and Compressed Natural Gas (CNG) fuel. Costs are lower due to better than expected pricing, fuel efficiency and fuel use.
5. **Supplies-Equipment:** Parts for bus and vehicle repairs represents 65% of this budget and is expected to reduce slightly due to the replacement of older buses with new equipment. Metro is working to even out its bus replacement cycle in order to optimize capital and operating costs.
6. **Utilities:** This category includes natural gas for facility heating, electricity, water/sewer/stormwater and phone-internet systems. The anticipated cost is rising due to an anticipated increase in natural gas prices and increased water usage due to an increase in fleet size. Metro staff was able to mitigate a potential increase in electricity costs by working with an energy broker to shop contracts.
7. **Auto/Liability Insurance:** As of this writing, Metro is assuming a 5% increase in premium costs for auto-liability insurance. However, the biggest factor driving the increase is the replacement of six (6) 2005 buses in 2019 and seven (7) 2005 buses in 2020. The new buses acquired in 2019 and 2020 carry higher per bus premium costs.
8. **Miscellaneous:** This category includes short-term interest expense, agency dues and subscriptions, professional development-travel, employee recognition activities and licenses and permits. The largest source of this increase relates to an increase in short-term interest expense as the agency's larger budget requires a larger "Tax Anticipation Note (TAN)." Metro must utilize a TAN every year due to the timing of local and federal contributions. Additionally, there is a small increase in programs for supporting and recognizing employees.
9. **Debt Service:** This line item represents the expenditures for principal and interest related to debt issued to cover the initial local match on bus purchases. Federal funding generally covers 80-85% of the cost of new buses. The local match is typically sourced using bonds with the member communities paying their proportional share of the debt service annually through the operating budget.



- 10. Capital Improvement Program:** Metro's 2020-2024 Capital Improvement Program is provided as Attachment A.
- 11. Fund Balance Contribution:** The Metro Board of Directors has adopted a goal of achieving a fund balance of at least 16.6% of the annual operating budget. The current fund balance is approximately 4-5% of the operating budget.
- 12. ADA Paratransit:** In accordance with federal law, Metro is required to provide complementary ADA paratransit service within a $\frac{3}{4}$ mile radius of each bus route. Metro contracts with the Regional Transportation Program (RTP) to provide this service. Metro's contract with RTP is based on actual boardings multiplied by a negotiated rate per boarding. Metro leverages federal funding to cover up to 80% of the cost of the service and bills each member community for the remaining 20% based on actual utilization.

Table 3: 2020 Budget (Sources of Revenue)

Revenue Category	2019 Budget	2019 Projected.	Actual to Budget %	2020 Budget	# Change	% Change	Note #
Fare Revenue	\$ 2,634,201	\$ 2,457,000	93%	\$ 2,991,593	\$ 357,392	14%	1
Miscellaneous Revenue	\$ 420,000	\$ 470,000	112%	\$ 440,033	\$ 20,033	5%	2
State Funding	\$ 170,426	\$ 170,426	100%	\$ 170,426	\$ -	0%	3
Federal 5307 (Operations)	\$ 2,029,157	\$ 2,029,157	100%	\$ 2,228,386	\$ 199,229	10%	4
Federal 5307 (Prev. Maint.)	\$ 845,000	\$ 845,000	100%	\$ 895,000	\$ 50,000	6%	5
Federal 5307 (ADA)	\$ 360,000	\$ 360,000	100%	\$ 367,000	\$ 7,000	2%	6
Federal CMAQ (Breez)	\$ 329,800	\$ 329,800	100%	\$ -	\$ (329,800)	-100%	7
Federal CMAQ (Transit West)	\$ 623,822	\$ 623,822	100%	\$ 824,000	\$ 200,178	32%	8
Federal (Alt Fuel Tax Credit)	\$ -	\$ -	n/a	\$ -	\$ -	n/a	9
Municipal (Non-Members)	\$ 158,200	\$ 158,200	100%	\$ 35,000	\$ (123,200)	-78%	10
Municipal (Members - ADA)	\$ 90,000	\$ 90,000	100%	\$ 92,000	\$ 2,000	2%	11
Municipal (New Members - Breez)	\$ -	\$ -	n/a	\$ 233,801	\$ 233,801	n/a	12
Municipal (Current Members)	\$ 3,742,162	\$ 3,742,162	100%	\$ 3,876,077	\$ 133,915	3.6%	13
Falmouth	\$ 179,941	\$ 179,941		\$ 203,183	\$ 23,242	12.9%	
Portland	\$ 2,787,772	\$ 2,787,772		\$ 2,877,058	\$ 89,286	3.2%	
Westbrook	\$ 774,449	\$ 774,449		\$ 795,835	\$ 21,386	2.8%	
Total Operating Budget	\$ 11,402,768	\$ 11,275,567		\$ 12,153,316	\$ 750,548	6.6%	
Total Expenditures	\$ 11,402,768	\$ 11,412,024		\$ 12,153,316			
Estimated Variance	\$ -	\$ (136,457)		\$ -			

Notes on 2020 Sources of Revenue

- Fare Revenue** – Fare revenue estimation is ongoing, but is presently budgeted to total \$2.99 million. This figure is based on the planned fare increase being implemented in March-April 2020. The estimate was generated by applying the anticipated Average Fare Statistics for LOCAL and BREEZ as calculated and presented by Four-Nine Technologies in its May 20, 2019 Title VI Fare Change Review.



Year	Boardings	Avg Fare	Fare Revenue	Notes
2017	1,850,686	\$ 1.05	\$ 1,942,610	Figures represent actuals.
2018	1,947,038	\$ 1.07	\$ 2,089,000	Figures represent actuals.
2019	2,138,311	\$ 1.15	\$ 2,459,058	Based on year to date ridership and revenue.
2020	2,138,311	\$ 1.40	\$ 2,991,592	0% ridership decline; 22% increase in average fare; Mar-Apr increase.

For budgetary purposes, staff are projecting no ridership decrease for the following reasons: the automated fare payment system should spur ridership growth, new employer-based pass programs will be created following system deployment, and there was no ridership loss associated with Metro's last fare increase. Based on the estimated fare revenue and budget for operating Metro's fixed route bus service (excluding ADA paratransit and capital program), the projected fare recovery ratio (i.e., the percentage of the budget covered by fare revenue) would be 26%.

2. **Miscellaneous Revenue** – includes revenue from advertising, lease revenue, fuel/maintenance services provided to other agencies and interest income.
 - a. *Advertising Revenue* – is budgeted to total \$291,000. The 2019 budget was \$269,252 and actual sales this year indicate the budget will be met. The increase in revenue in 2020 relates to deployment of additional bus shelters with advertising panels.
 - b. *Vehicle Maintenance Services* – Metro provides limited vehicle maintenance services to Portland Public Schools, primarily space for conducting inspections of CNG fuel tanks and access to the automated bus wash facility. The 2019 year-end projection is \$9,030 based on a budget of \$7,393. The estimated 2020 budget for this line item is \$9,000.
 - c. *Sale of Fuel* – Metro sells CNG fuel to Portland Public Schools and the City of Portland Public Works Department. Revenue from the 2019 sale of fuel was budgeted to be \$45,000 and staff expects actuals to meet this estimate. The 2020 budget is estimated to be \$45,000.
 - d. *Interest Income* – Interest income was budgeted to be \$12,000 in 2019, but is projected to total \$21,000 by year's end. The reason for the increase stems from the overall increase in the agency's budget and corresponding bank balances. Staff is estimating interest income of \$25,000 in 2020.
 - e. *Reimbursement of Automated Fare Payment Fees* – This is a new revenue item and relates to the fees incurred with the new automated fare payment system. As a part of the new system, Metro will pay fees to the vendor based on the number of transactions in the system. This revenue relates to the recovery of fees from the partner agencies (South Portland and Shuttlebus-Zoom), which Metro will pass back to the vendor. The anticipated 2020 revenue for this item is estimated to be \$21,283.



- f. *Lease Revenue* – Metro receives revenue from the lease of its facility space to the Regional Transportation Program. Lease revenue is expected to increase from \$40,732 to \$41,750 based on the terms of the lease. Please note that RTP plans to vacate the Metro facility at the end of 2020 and occupy a new transportation facility in Westbrook.
 - g. *Miscellaneous Income* – this item was budgeted at \$46,100 based in part on anticipated advertising revenue from USM. USM is advertising on Metro buses up to \$40,000 per year during the 2019-20 and 2020-21 academic years, but this revenue is recognized in the Advertising Revenue line item above. Actual miscellaneous income in 2019 is projected to total \$6,704. For 2020, miscellaneous income is estimated to be \$7,000.
3. **State Funding** – includes annual funding from the State of Maine. This funding source is static at \$170,426 and is not expected to increase for several more years.
 4. **Federal Funding (Operations)** – represents FTA Section 5307 funding to support operations as allocated by PACTS. Based on the current PACTS Six Year Operating and Capital Program (SYCOP), this figure is programmed to be \$2,054,281. Metro staff plan to submit a proposal to PACTS to increase this amount by \$174,105 to \$2,228,386. This revised allocation will be the base going forward and escalated by 2% annually. There is funding available to support this request, but will be evaluated against requests made by partner agencies and in relation to the long-term sustainability of the region’s federal 5307 funding program. Because this process takes place in the late winter of 2020, staff will need to develop contingency funding and/or cost reductions (including potential service changes) in case the funding is not awarded. Until PACTS completes a revision to the funding prioritization process, the review process remains grounded in accommodating agency needs to the extent feasible.
 5. **Federal Funding (Preventive Maintenance)** – represents FTA Section 5307 funding for Preventive Maintenance activities. Based on the current PACTS Six Year Operating and Capital Program (SYCOP), this figure is programmed to be \$756,000. Metro staff plan to submit a proposal to PACTS to increase this amount by \$139,000 to \$895,000. This revised allocation will be the base going forward and escalated by 2% annually. There is funding available to support this request, but will be evaluated against requests made by partner agencies and in relation to the long-term sustainability of the region’s federal 5307 funding program. Because this process takes place in the late winter of 2020, staff will need to develop contingency funding and/or cost reductions (including potential service changes) in case the funding is not awarded. Until PACTS completes a revision to the funding prioritization process, the review process remains grounded in accommodating agency needs to the extent feasible.
 6. **Federal Funding (ADA)** – includes FTA Section 5307 funding that supports the required ADA Complementary Paratransit services for Metro’s bus service area. The amount of federal funding is expected to increase by 2% from \$360,000 in 2019 to \$367,000. RTP’s costs for



paratransit service are stable and ridership has also stabilized. Metro staff is exploring the extent to which a portion of this funding can be allocated to cover Metro's indirect cost to manage the RTP contract and monitor ADA paratransit to ensure federal compliance.

7. **Federal Funding (CMAQ BREEZ)** – includes Federal Highway Administration (FHWA) Congestion Mitigation and Air Quality (CMAQ) funding to support three (3) years of operations for the BREEZ. This revenue will be exhausted in 2019.
8. **Federal Funding (CMAQ Transit West)** – includes Federal Highway Administration (FHWA) Congestion Mitigation and Air Quality (CMAQ) funding to support three (3) years of operations for the Transit West Routes. This revenue is allocated by revenue hour to the Transit West Routes only (Husky Line and Route 3). The current grant is estimated to provide \$623,822 in 2020. However, Metro staff has submitted a request to Maine DOT to increase this amount to \$824,000.
9. **Alternative Fuel Tax Credit** – The tax credit helped offset the cost of Compressed Natural Gas (CNG) and totaled approximately \$100,000 with a small portion of the proceeds passed on to the city of Portland and Portland Public Schools related to their use of the CNG station. Congress last authorized the tax credit in 2018. Legislation has been introduced to extend the tax credit, but has not yet advanced.
10. **Municipal (Non-Members)** – the budgeted amount of \$35,000 represents the contractual amount due from the Town of Gorham to support the Husky Line during its pilot phase. The decrease in this line item reflects the shift in funding by the towns of Brunswick, Freeport and Yarmouth to the new category Municipal Members-Breez.
11. **Municipal (Members-ADA)** – the budgeted amount of \$92,000 represents the anticipated local funding needed to support ADA Complementary Paratransit services for Metro's bus service area.
12. **Municipal (Members-Breez)** – This line item reflects the now ongoing local funding amounts from the municipalities of Brunswick, Freeport and Yarmouth. Each town will be contributing \$77,934.
13. **Municipal (Members-LOCAL)** – Based on current estimates of expenditures and revenue (along with additional budget reduction measures), this is the total amount that would be required from the municipalities of Falmouth, Portland and Westbrook. The estimated overall percentage increase stands at 3.6%, but the increase applicable to each municipality differs based on minor changes in revenue hours per route, ridership and how grant funding is allocated.



Notes on municipal assessments:

- Falmouth – the percent increase is relatively higher due to the final elimination in 2020 of the Falmouth JARC Grant Program Credit. This credit was \$15,500 in 2019.
- Portland – the allocation includes a portion of the Breez now that it is a permanent element of the transit system. The costs, revenues and funding associated with the Breez are allocated evenly across all four (4) municipalities.
- Westbrook – a modest increase in ridership for Westbrook is assumed related to the completion of Rock Row's Phase 1 and the realignment of the Husky Line.

On behalf of the Metro Board of Directors, please accept our thanks for supporting public transportation. We look forward to continuing our efforts and record of results in advancing transit in the region. If you have any questions, please do not hesitate to contact me.

Respectfully,

Greg Jordan

Greg Jordan
General Manager/CEO

Attachment A – 2020-2024 Capital Improvement Program

Attachment B – Statutory Budget Procedures Applicable to the Greater Portland Transit District



Greater Portland Transit District: 2020-2024 Capital Improvement Program (CIP)

#	PROJECT NAME-DESCRIPTION	FUNDING SOURCES	2019	2020	2021	2022	2023	2024	5-Five Year Program
	Sum of CIP Local Share + Annual Debt Service on Fleet Purchases		406,882	310,362	475,022	452,685	426,036	422,681	2,086,786
	Debt Service (principal + interest) - includes Breez buses		240,882	285,200	306,547	276,001	287,757	274,402	1,429,906
TOTAL CIP	Local Share (Metro)		166,000	25,162	168,475	176,684	138,279	148,279	656,880
	Local Share (Other)		9,000	6,498	96,000	-	-	80,000	182,498
	Federal Grant (5307)		3,601,688	3,542,510	592,250	1,054,813	1,169,368	1,141,693	7,500,633
	Federal Grant (5339)		1,145,000	-	214,792	-	-	-	214,792
	State		-	1,500,000	52,500	53,550	-	-	1,606,050
	Locally Issued Bond		468,105	693,958	120,000	-	108,750	213,144	1,135,852
	TOTAL INVESTMENT		5,389,793	5,768,128	1,244,017	1,285,047	1,416,397	1,583,116	11,296,705
1	Metro Facility <i>This category contemplates moving toward an expanded or new Metro facility following appropriate study. The proposed 2019 project is a planning project to conduct a feasibility study for either an expanded or new facility.</i>	Local Share	15,000						-
		Local Share (Other)							-
		Federal Grant (5307)	50,000						-
		Federal Grant (5339)							-
		State							-
		Locally Issued Bond							-
		Project Total	65,000	-	-	-	-	-	-
2	Fleet Major Components <i>The 2020 federal amount represents the estimated cost to purchase and install "yield-to-bus" equipment on 35 buses. The remaining 9 units will be sourced as part of replacement bus purchases. The local match is shown as \$0 as staff recommends repurposing \$8,000 in previously approved local match for a bus repaint project that was not implemented. The 2021-22 amounts represents a mid-life engine replacement campaign for the agency's 5 2014 CNG Gillig buses.</i>	Local Share		-	14,000	21,630			35,630
		Local Share (Other)							-
		Federal Grant (5307)		32,000	56,000	86,520			174,520
		Federal Grant (5339)							-
		State							-
		Locally Issued Bond							-
		Project Total	-	32,000	70,000	108,150	-	-	210,150
3	Safety-Security <i>Metro plans to hire third party support to complete required security plans develop recommendations for high priority facility improvements. Funding proposed in 2019-2020 would complete facility security improvements.</i>	Local Share		-	10,000				10,000
		Local Share (Other)							-
		Federal Grant (5307)		-	40,000				40,000
		Federal Grant (5339)							-
		State							-
		Locally Issued Bond							-
		Project Total	-	-	50,000	-	-	-	50,000

#	PROJECT NAME-DESCRIPTION	FUNDING SOURCES	2019	2020	2021	2022	2023	2024	5-Five Year Program
4	<u>Bus Purchases (Replacement)</u> <i>Purchase new buses to replace existing buses that have exceeded their useful life. This project includes the replacement of the thirteen (13) 35 foot 2005 Gillig CNG buses over the course of 2019-2020. Six (6) buses will be replaced in 2019 and nine (9) will be replaced in 2020. All replacement buses will be 40' diesel New Flyers using Metro's existing contract with New Flyer. Bus purchases in 2021-2022 are to replace the 2016-17 Metro Breez shuttles with heavy-duty 35-40 foot buses. Purchases in 2023-2024 start the replacement cycle for the agencies seven 2011 Gillig buses.</i>	Local Share			26,250	26,775			53,025
		Local Share (Other)							-
		Federal Grant (5307)	2,851,688	3,343,871	446,250	455,175	616,250	628,575	5,490,121
		Federal Grant (5339)							-
		State			52,500	53,550			106,050
		Locally Issued Bond	468,105	693,958	-	-	108,750	113,144	915,852
		Project Total	3,319,793	4,037,829	525,000	535,500	725,000	741,719	6,565,048
5	<u>Battery Electric Pilot Bus Project</u> <i>Metro secured \$1,145,000 from FTA's Low-No Emmission Grant Program to purchase two (2) electric buses with supporting charging infrastructure. These two (2) buses will replace two (2) of the four (4) 2004 Gillig Diesel buses in 2020. The state of Maine has committed up to \$1.5 million to support Metro's share of this multi-agency project.</i>	Local Share		-	84,225				84,225
		Local Share (Other)							-
		Federal Grant (5307)	100,000						-
		Federal Grant (5339)	1,145,000						-
		State		1,500,000					1,500,000
		Locally Issued Bond							-
		Project Total	1,245,000	1,500,000	84,225	-	-	-	1,584,225
6	<u>Equipment (Facility)</u> <i>This project anticipates replacing Metro's automatic bus wash facility in 2021 (presuming the whole facility is neither rebuilt nor replaced). A facility back-up generator will require replacement between 2022-2024.</i>	Local Share (Other)			24,000	-	-	20,000	44,000
		Federal Grant (5307)			96,000	-	-	80,000	176,000
		Federal Grant (5339)			-	-	-	-	-
		State							-
		Locally Issued Bond							-
		Project Total	-	-	120,000	-	-	100,000	220,000
7	<u>Equipment (Support Vehicles)</u> <i>Metro operates five support vehicles including three (3) maintenance trucks and two (2) operations/administrative vehicles. In accordance with Metro's Transit Asset Management plan, one of the maintenance trucks (a 2010 F-350 Ford truck) is scheduled for replacement in 2023.</i>	Local Share					10,000		10,000
		Local Share (Other)							-
		Federal Grant (5307)					40,000		40,000
		Federal Grant (5339)							-
		State							-
		Locally Issued Bond							-
		Project Total	-	-	-	-	50,000	-	50,000
8	<u>Bus Stop Improvement Project</u> <i>The 2019 project secured local match for a future bus stop improvement project aimed at improving overall conditions at bus stops system wide. The associated federal amounts need to be applied for thru the PACTS process or other grant program. Amounts programmed for 2020-2021 are needed to support any needed bus stop improvements on the Portland Peninsula based on the planned restructure of bus routes.</i>	Local Share (Metro)	10,000	10,000	10,000	40,000	40,000	40,000	140,000
		Local Share (Other)							-
		Federal Grant (5307)		80,000	50,000	160,000	160,000	160,000	610,000
		Federal Grant (5339)							-
		State							-
		Locally Issued Bond							-
		Project Total	10,000	90,000	60,000	200,000	200,000	200,000	750,000

#	PROJECT NAME-DESCRIPTION	FUNDING SOURCES							5-Five Year Program
			2019	2020	2021	2022	2023	2024	
9	<u>Transit Stop Access Project</u> <i>This is a regional project that will make targeted ADA, pedestrian and bicycle improvements at/near Metro's bus stops and potentially build 1-3 min-hubs. The project will be coordinated with applicable cities/towns as necessary.</i>	Local Share (Metro)	21,000	15,162		88,279	88,279	88,279	280,000
		Local Share (Other)	9,000	6,498					6,498
		Federal Grant (5307)	120,000	86,639		353,118	353,118	353,118	1,145,992
		Federal Grant (5339)	-						-
		State	-						-
		Locally Issued Bond	-						-
		Project Total	150,000	108,299	-	441,397	441,397	441,397	1,432,490
10	<u>Electronic Messaging Signs</u> <i>Following the deployment of the AVL system, this project will install electronic messaging signs that provide real-time bus arrival information at high volume transit centers/bus shelters. This is a regional project with Metro as lead agency. Federal funding (\$214,792) allocated to this project has yet to be placed into an active grant as staff needs to work with PACTS, FTA and regional partners to isolate the proper funding. The local match(\$42,958) was secured and set aside in 2017.</i>	Local Share	-	-	-	-	-	-	-
		Local Share (Other)	-	-	-	-	-	-	-
		Federal Grant (5307)	-	-	-	-	-	-	-
		Federal Grant (5339)	-	-	214,792	-	-	-	214,792
		State	-	-	-	-	-	-	-
		Locally Issued Bond	-	-	-	-	-	-	-
		Project Total	-	-	214,792	-	-	-	214,792
11	<u>Electronic Fare Collection System</u> <i>This project will replace Metro's aging fare collection system with an electronic fare collection system. The new system will support payments using smart cards and mobile apps while maintaining options for paying cash. The anticipated strategy involves layering smart fare payment system onto traditional cash based fareboxes.</i>	Local Share	120,000						-
		Local Share (Other)	-						-
		Federal Grant (5307)	480,000						-
		Federal Grant (5339)	-						-
		State	-						-
		Locally Issued Bond	-						-
		Project Total	600,000	-	-	-	-	-	-

August 20, 2010

David C. Redlefsen
General Manager
Greater Portland Transit District
114 Valley Street
Portland, ME 04102

RE: Statutory Budget Procedures Applicable to Greater
Portland Transit District

Dear Dave:

I am writing as you requested to outline the statutory procedures for the preparation and adoption of the annual budget and for the assessment and collection of taxes by the Greater Portland Transit District (the "District"). The statutory procedures for the preparation and adoption of the annual budget are governed by 30-A MRS §3516 and the procedures for assessment and collection of taxes are governed by 30-A MRS §3517. In the balance of this letter, I will outline these statutory procedures.

Preparation and Adoption of Annual Budget.

Under 30-A MRS §3516, the procedure for preparation and adoption of the annual budget of the District is as follows:

1. Formula for municipal contributions. On or before October 31, and before submitting the budget estimates required by paragraph 2 below to the municipal officers of the member towns, the board of directors of the District, by a 2/3 vote of its entire membership (i.e., 7 in favor), must approve a formula for calculating the contribution to be made by each member municipality to defray any projected deficit of the District. Under 30-A MRS §3516(2)(A) this formula must be based on such items as route mileage, profit or loss resulting from service to each municipality, population and any other factors that the board of directors considers relevant.

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August 20, 2010

Page 2

2. Estimate of expenditures and revenues. After establishing the formula for municipal contributions under paragraph 1, the board of directors of the District must adopt a vote on or before October 31 at a duly called meeting approving an estimate of expenditures and revenues for the ensuing year and directing that it be submitted by the District to the municipal officers of each of the member towns. Under 30-A MRS §3504(2) a majority of the board of directors of the District constitutes a quorum and action taken by two-thirds of the directors is considered to be the action of the full board. The "municipal officers" in Portland, Westbrook and Falmouth are the members of the Portland City Council, Westbrook City Council and Falmouth Town Council respectively. Under 30-A MRS §3516(1)(A)-(E) the required estimate must include:

- A. An itemized estimate of anticipated revenues during the ensuing fiscal year from each source;
- B. An itemized estimate of expenditures for each classification for the ensuing fiscal year, including payments of principal and interest on bonds or notes issued or to be issued by the District;
- C. An itemized statement of all actual receipts from all sources to, and including September 30th of each previous fiscal year, with estimated receipts from those sources shown for the balance of the year;
- D. An itemized statement of all actual expenditures, up to and including September 30th of each previous fiscal year, with estimated expenditures shown for the balance of the year; and
- E. An estimate of revenue surplus or deficit of the District for the fiscal year for which estimates are being prepared.

The formula for municipal contributions adopted under paragraph 1 above and the amount of the contribution required from each member municipality must be shown in the estimates submitted to the municipal officers of each town.

3. Failure of Board of Directors to approve formula for municipal contributions by November 1st and petition to Public Utilities Commission. If the Board of Directors is unable to establish a formula for municipal contributions by a two-thirds vote of the entire membership (i.e., 7 favorable votes) then, also by November 1st, the Board must petition the Public Utilities Commission to adopt a formula. A vote of the directors approving the petition and directing its submission to the PUC should be approved by two-thirds of the members of the Board present and voting at a meeting at which a quorum of the Board is present. This vote must be adopted, and the petition must be submitted, to the PUC prior to November 1st, and prior to filing the estimates required under paragraph 1. In addition, if the board has failed to approve a formula, the estimates filed under

August 20, 2010
Page 3

paragraph 2 must include a statement "that a formula has not been established but that a petition has been made to the PUC for findings and a decision with respect to a formula." Under 30-A MRS §3516(2)(c), if a petition is filed with the PUC, the PUC must give notice to the member municipalities, hold a hearing, make findings and establish a formula within sixty (60) days from the filing of the District's petition. The findings and decision of the PUC are binding on the District and the member towns, provided that the District or any member town may appeal the PUC's decision to the Law Court in accordance with 35-A MRS §1320.

4. Refusal of municipal officers to accept the formula established by the District's Board of Directors. If the District's board of directors establishes a formula for municipal contributions by a two-thirds vote of its full membership and submits that formula to the municipal officers of the member towns by November 1st, but the municipal officers of a member town refuse to accept the formula, then the municipal officers are required, within thirty (30) days after the District's submission of the formula, to notify the District's board of directors of their refusal. If the District receives notice of such a refusal to accept the formula by the municipal officers of a member town, the District's board of directors is then required to petition the PUC by December 15th to establish a formula. In that situation, two-thirds of the board of directors present and voting at a meeting at which a quorum is present should adopt a vote approving the petition to the PUC and directing its submission to the PUC prior to December 15. The PUC must then give notice to the member municipalities, conduct a hearing, make findings and a decision with respect to the formula within sixty (60) days of the filing of the District's petition. The district or any member municipality may appeal the PUC's decision to the Law Court under 35-A MRS §1320.
5. Adoption of final District budget. By March 1st of each year, the board of directors of the District is required to adopt a final budget for the District for that year which is itemized in the same manner as required for the estimates required under paragraph 2. The final budget must be approved by two-thirds of the members of the district in accordance at a meeting at which a quorum is present. The final budget is then required to be submitted immediately to the municipal officers of the member municipalities. The amounts required to defray any projected deficit must be included in a warrant issued to the assessors of each member municipality as provided in 30-A MRS §3517. 30-A MRS §3516(3)(A) establishes the procedures to be followed if an appeal has been taken from a decision of the PUC and that appeal is still pending on March 1st.
6. The District's Warrant for Taxes. Pursuant to 30-A MRS §3517, the directors of the District are required to issue their warrant for the collection of taxes to the

August 20, 2010

Page 4

assessors of the member municipalities. The form of warrant should be based on the form of the warrant which has been used by the Treasurer of State for State taxes, with proper changes to adapt it to the District's situation. The warrants should be approved by two-thirds of the members of the District board of directors in attendance at a meeting at which a quorum is present. The warrants should be signed by the District's board of directors. The warrants direct the assessors of the member municipalities to assess the sums allocated to each municipality on their taxable property and to commit that assessment to the tax collector of each member municipality. Within thirty (30) days after the date that taxes are due within each member municipality, the treasurer of that municipality is required to pay the amounts due to the District.

If you have any questions about these procedures, or if I can be of assistance in preparing the necessary votes, notices or warrants, please do not hesitate to give me a call.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Dick Spencer".

Richard A. Spencer

RAS/kmr