

November 2, 2020

Mr. John Eldridge
Town Manager
Town of Brunswick
85 Union Street
Brunswick, ME 04011

Mr. Michael Foley
Mayor
City of Westbrook
2 York Street
Westbrook, ME 04092

Mr. Jon Jennings
City Manager
City of Portland
389 Congress Street
Portland, ME 04101

Mr. Peter Joseph
Town Manager
Town of Freeport
30 Main Street
Freeport, ME 04032

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

Mr. Nat Tupper
Town Manager
Town of Yarmouth
200 Main Street
Yarmouth, ME 04096

Re: Greater Portland Transit District: Preliminary 2021 Budget and Municipal Assessments

Dear Partners:

In accordance with 30-A-MRS §3516, the Greater Portland Transit District (“Metro”) is submitting its fiscal year 2021 preliminary budget and municipal assessments. On October 29, 2020, Metro’s Board of Directors unanimously approved the calendar year 2021 preliminary budget and municipal assessments. The “municipal officers” (i.e. the city/town councils) of your communities are required to notify Metro of a rejection of the local assessment within thirty (30) calendar days of this submission.

For your convenience, the information provided in the table below summarizes the CY 2021 municipal assessments which include application of a “credit” made possible due to the receipt of federal CARES Act funding.

| Municipality | 2020 | 2021 | | | | |
|--------------|---------------------|---------------------|-----------|-------------------|---------------------|-----------------|
| | Assessments | Base Assessments | % Change | Credits | Actual Assessments | Actual % Change |
| Brunswick | \$ 77,934 | \$ 82,939 | 6% | \$ 6,818 | \$ 76,122 | -2% |
| Falmouth | \$ 203,183 | \$ 217,340 | 7% | \$ 17,866 | \$ 199,474 | -2% |
| Freeport | \$ 77,934 | \$ 82,939 | 6% | \$ 6,818 | \$ 76,122 | -2% |
| Portland | \$ 2,877,058 | \$ 3,020,147 | 5% | \$ 248,262 | \$ 2,771,885 | -4% |
| Westbrook | \$ 795,835 | \$ 791,699 | -1% | \$ 65,079 | \$ 726,619 | -9% |
| Yarmouth | \$ 77,934 | \$ 82,939 | 6% | \$ 6,818 | \$ 76,122 | -2% |
| Total | \$ 4,109,879 | \$ 4,278,004 | 4% | \$ 351,661 | \$ 3,926,343 | -4% |



Based on current estimates of expenditures and revenues, the amounts per community listed above under the heading “**2021: Base Assessments**” represent the formal municipal assessments for 2021 (for bus service) as approved by the Metro Board of Directors on October 29, 2020. Metro will issue the requisite “Warrants for Taxes” to the municipalities based on these amounts.

After Metro receives these amounts from the municipalities in July 2021, Metro will issue a credit to each municipality equal to the amounts listed under “**2021: Credits.**” The credit may be included in the municipality’s FY 2021-22 operating budget as a revenue item. Consequently, the figures listed under “**2021: Actual Assessments**” represent the net funding amount provided to Metro as part of each municipalities 2021-22 fiscal year.

ADA Complementary Paratransit is provided in the service areas around Metro’s local bus routes only and includes the communities of Falmouth, Gorham, Portland, and Westbrook. Due to reduce demand, Metro expects the local funding needed to support ADA paratransit will be below the CY 2020 amounts listed below:

| | |
|------------|----------|
| Falmouth: | \$2,000 |
| Portland: | \$78,480 |
| Westbrook: | \$25,048 |
| Gorham: | \$2,000 |

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
Executive Director

Attachment A – Metro Overview; 2021 Operating Budget; 2021 Municipal Assessments
Attachment B – 2021-2025 Capital Improvement Program
Attachment C – Statutory Budget Procedures Applicable to the Greater Portland Transit District



ATTACHMENT A
METRO OVERVIEW - 2021 OPERATING BUDGET – 2021 MUNICIPAL ASSESSMENTS

METRO OVERVIEW

The Greater Portland Transit District (“Metro”) is a “transit district” in accordance with MRS Title 30-A, Chapter 163. TRANSPORTATION.

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.

SERVICE LEVELS

Table 1 below lists Metro’s routes and the level of service provided during weekdays, Saturdays and Sundays.

Table 1: Transit Service Summary

| Route | Corridor(s) | Weekday | | Saturday | | Sunday | |
|------------|----------------------|-----------|------------|-----------|----------|-----------|----------|
| | | Hours | Peak Hdwys | Hours | Headways | Hours | Headways |
| Route 1 | Congress | 5a to 11p | 30 min. | 5a to 11p | 30 min. | 8a to 6p | 60 min. |
| Route 2 | Forest | 6a to 11p | 20 min. | 6a to 10p | 60 min. | 8a to 4p | 60 min. |
| Route 3 | Bridge/Spring | 6a to 11p | 30 min. | 8a to 11p | 60 min. | 10a to 6p | 90 min. |
| Route 4 | Brighton/Main | 5a to 11p | 30 min. | 6a to 11p | 30 min. | 8a to 7p | 45 min. |
| Route 5 | Outer Congress | 5a to 10p | 30 min. | 6a to 10p | 30 min. | 8a to 6p | 45 min. |
| Route 7 | Falmouth | 6a to 7p | 60 min. | 7a to 7p | 60 min. | 9a to 5p | 60 min. |
| Route 8 | Peninsula | 7a to 6p | 30 min. | 8a to 6p | 60 min. | 9a to 4p | 60 min. |
| Route 9 | Washington/Stevens | 6a to 11p | 30-35 min. | 7a to 11p | 60 min. | 9a to 5p | 60 min. |
| Husky Line | Brighton/WCD | 6a to 11p | 30 min. | 9a to 11p | 30 min. | 8a to 7p | 45 min. |
| Breez | Route 1 to Brunswick | 6a to 10p | 60 min. | 8a to 10p | 120 min. | N/A | N/A |

Note: “Headway” refers to the duration of time between buses.

The proposed budget is based on a small downward adjustment in service levels on four routes. In light of budgetary pressure and reduced ridership demand, staff believes it is prudent to make these minor reductions at this time. The reductions include:

- Route 1 – Reduced frequency between 7p and 9p (30 min to 60 min).
- Route 2 – Reduced frequency all day from 20-30 min to 30-35 min.
- Route 3 – Removal of select trips (eliminates approximately 4 trips).
- Husky Line – Reduced frequency during summer (30 min to 45 min).

Combined, these changes result in a 3.2% reduction in Revenue Hours and equates to two (2) FTEs. These changes allow Metro to budget for 66 bus operator positions in 2021 rather than 68. Please note that no layoffs will be required as the agency typically operates with some vacancies due to turnover in staff. Also associated with these changes are minor impacts to fuel, consumables and fleet repairs.

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The reductions are concentrated in Westbrook, Gorham, and Portland. As a result, these municipalities will experience a decline in their total revenue hours. Consequently, their proportion of the total local funding needed will reduce. Table 2 outlines revenue hours per municipality in 2020 and 2021.

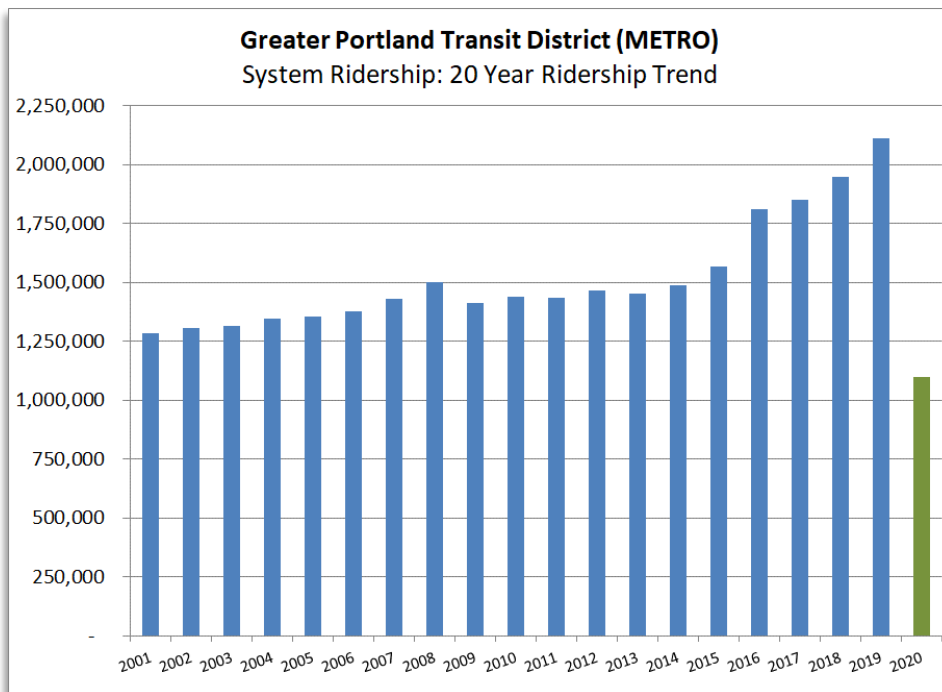
Table 2: Change in Revenue Hours Per Municipality

| City/Town | 2020 | 2021 | # Change | % Change |
|----------------|----------------|----------------|------------------|--------------|
| Brunswick | 2,251 | 2,251 | 0.2 | 0.0% |
| Falmouth | 3,304 | 3,269 | (34.5) | -1.0% |
| Freeport | 2,251 | 2,251 | 0.2 | 0.0% |
| Gorham | 4,289 | 3,983 | (306.5) | -7.1% |
| Portland | 68,799 | 67,000 | (1,798.9) | -2.6% |
| South Portland | 5,672 | 5,603 | (69.2) | -1.2% |
| Westbrook | 19,412 | 18,160 | (1,252.2) | -6.5% |
| Yarmouth | 2,251 | 2,251 | 0.2 | 0.0% |
| Total | 108,229 | 104,769 | (3,460.7) | -3.2% |

RIDERSHIP

Until the onset of the COVID-19 pandemic, ridership was continuing to trend upward in the first two months of 2020. With the onset of the pandemic, Metro’s monthly ridership declined by approximately 75% compared to the same months on 2019. This was consistent with nearly all other transit systems across the United States. In the subsequent months, ridership increased to the point of being about 50% of pre-pandemic totals. Figure 1 illustrates the expectation for total annual ridership in 2020.

Figure 1: Metro 20 Year Ridership Trends



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UPDATE ON 2020 MAJOR PROJECTS AND ISSUES

COVID-19 Response

As an essential service, METRO has continued to operate uninterrupted throughout the pandemic. A tactical service reduction, temporary suspension of fares, and a long list of safety protocols allowed the agency to safely provide mobility for essential workers and residents needing to take essential trips. Supplemental federal funding through the CARES Act made it possible for Metro to maintain staffing and service, without which service levels might have been significantly reduced. We are enormously proud of our FRONT-LINE WORKERS, including bus operators, fleet cleaning crews and mechanics who have kept public transit running throughout this crisis.

Going forward, METRO will continue with safety protocols including enhanced cleaning, mask requirements, passenger volume restrictions, and on-board physical distancing. We know that transit plays an essential role in connecting people to housing and jobs while also helping the region to achieve its energy goals and reductions in greenhouse gas emissions, and we will ensure that our riders can continue to access transit that is safe and effective.

Finally, Metro is working with GPCOG/PACTS and the other regional transit agencies to develop the best possible uses of federal CARES Act funding in order to drive a strong and swift ridership recovery.

Fare Increase and Unified Fare Payment System: DiriGO Touchpass

Three of the region's seven public transit agencies joined together to implement a unified automated fare payment system on October 1st, along with an increase in fares. Named DiriGO Touchpass, this fare payment system allows transit passengers to use one fare payment platform to ride bus routes operated by METRO, the City of South Portland Bus Service, and the Biddeford-Saco-Old Orchard Beach Transit System. The new system allows passengers to use a smart card or mobile app by linking a bank account or adding cash at retail outlets. The new system is built on a "pay-as-you go" method of paying fares which caps riders' cost based on the number of rides at daily and monthly limits. Once those limits are met, remaining trips during the day or month are free. Overall, the new system is a step toward a more seamless, simple and integrated regional transit network.

Riders are now able to step off a METRO bus and board a South Portland or Biddeford-Saco-OOB bus without fumbling for a different pass or switching to a different app on their phones. We've also coordinated fares across these three agencies, so it will be easier for passengers to determine how much their trips will cost. Also, the "pay-as-you-go" and "fare-capping" features of this payment system mean the access to price discounts is more equitable, improving affordability for those who use transit the most.

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Portland Peninsula Transit Service Redesign

METRO is advancing a planning process to redesign transit service on the Portland peninsula. The objective of this initiative is to create an effective and highly visible urban circulator that connects major destinations, employment sites, neighborhoods and transportation modes across the peninsula. In connection with this objective, METRO is planning to make improvements to the various regional bus routes coming onto the peninsula from points outside. Together these changes will improve the viability and convenience of using public transit to travel to the peninsula and provide an easy way to move around the peninsula without needing an automobile. This will enable more people to choose transit over driving a car, a choice that can have significant environmental and financial impacts. When people have high quality and convenient public transit, they can often reduce the number of vehicles being used in their households. A family may downsize from two cars to one, or from one to none by participating in a car sharing program. In addition to reducing congestion and pollution, the American Public Transportation Association reports that the average household can save nearly \$10,000 by taking public transportation and living with one less car. That savings can go toward other household needs like housing, healthcare, groceries and education.

Electric Buses

METRO will be deploying two (2) Battery Electric Buses in late 2021. These buses are a first step toward achieving a zero-emission bus fleet by 2040. As our agency transitions to electric buses, the agency's operating costs will decrease, local air quality will improve, and progress will be made toward achieving the City and State's goals for reducing greenhouse gas emissions. The first two new electric buses will be deployed across the region.

Transit Tomorrow – the Region's Long-Range Transit Plan

In recent years, METRO and the six other transit agencies in the region have implemented successful projects and services based on their own missions, goals and constituencies. There are some examples of coordination of services and projects that help create a more seamless, simple, and integrated transit network for passengers. **Transit Tomorrow is a long-range public transportation plan that will create a 30-year pathway for investments in the region's public transportation network.** It is designed to be a regional, strategy and performance driven plan aimed at improving the region's overall mobility, economy, environment, and quality of life.

Transit Tomorrow Goals

- Stimulate Economic Development
- Enhance Great Places
- Reduce Climate Pollution
- Expand Mobility
- Elevate the Customer Experience.

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Transit Tomorrow Objectives

- Smart Land Use – Expand housing choices and jobs near transit.
- Make Transit Easier – Expand unified fare payment and work toward a more seamless, simple and integrated regional transit network.
- Create Frequent Connections – Increase transit frequency, lengthen hours of operation and invest in service expansions where it makes sense.
- Introduce Rapid Transit – Support a sound and objective study of 5 regional corridors that could support a cost-effective rapid transit system. Options include improvements of existing freeway express bus services, introduction of Bus Rapid Transit or Light Rail along feasible corridors, and strengthening the access and frequency of the Amtrak Downeaster.

2021 OPERATING AND CAPITAL BUDGET

At its October 29, 2020 meeting, the METRO Board of Directors approved a 2021 operating budget totaling \$12,741,390. This represents 4.9% increase compared to the 2020 budget. The 2021 proposed budget is summarized below in Table 2. Also included are the budget and estimated actual figures for 2019.

Table 3: 2021 Budget (Major Expenditures)

| Expenditure Category | 2020 Est. | | Actual to Budget % | 2021 Budget | # Change | % Change | Note # |
|-----------------------------------|----------------------|----------------------|--------------------|----------------------|-------------------|-------------|--------|
| | 2020 Budget | Actual | | | | | |
| Salaries-Wages | \$ 6,085,104 | \$ 6,344,069 | 104% | \$ 6,461,133 | \$ 376,029 | 6% | 1 |
| Employee Benefits | \$ 2,598,302 | \$ 2,592,351 | 100% | \$ 2,753,840 | \$ 155,538 | 6% | 2 |
| Services and Fees | \$ 616,718 | \$ 511,368 | 83% | \$ 668,854 | \$ 52,136 | 8% | 3 |
| Fuel-Fluids-Tires | \$ 794,669 | \$ 632,636 | 80% | \$ 737,250 | \$ (57,419) | -7% | 4 |
| Supplies-Equipment | \$ 455,050 | \$ 480,350 | 106% | \$ 463,000 | \$ 7,950 | 2% | 5 |
| Utilities | \$ 428,554 | \$ 363,467 | 85% | \$ 397,993 | \$ (30,561) | -7% | 6 |
| Auto/Liability Insurance | \$ 273,541 | \$ 284,612 | 104% | \$ 311,224 | \$ 37,683 | 14% | 7 |
| Miscellaneous | \$ 93,980 | \$ 69,717 | 74% | \$ 109,307 | \$ 15,327 | 16% | 8 |
| Debt Service (principal+interest) | \$ 285,200 | \$ 475,084 | 167% | \$ 237,140 | \$ (48,060) | -17% | 9 |
| Capital Improvement Program | \$ 25,162 | \$ 109,314 | 434% | \$ 106,649 | \$ 81,487 | 324% | 10 |
| Fund Balance Contribution | \$ 45,000 | \$ - | 0% | \$ 45,000 | \$ - | 0% | 11 |
| ADA Paratransit | \$ 450,000 | \$ 275,000 | 61% | \$ 450,000 | \$ - | 0% | 12 |
| Total Operating Budget | \$ 12,151,280 | \$ 12,137,968 | 100% | \$ 12,741,390 | \$ 590,110 | 4.9% | |

Notes on 2021 Operating Budget Expenditures

1. **Salaries-Wages** – The 2021 budget for wages shows an increase of 6.2% and includes the contracted 3% cost of living increase, longevity step increases and the annualization of a Dispatcher position added in mid-2020. It also includes the following added positions: Fleet Care Worker, Procurement Officer, and a senior management position, the scope for which remains to be finalized. These 3 positions will be phased in over the course of the year in order to reduce the financial impact in 2021. Also, there is also a reduction in the total number of Bus Operators needed from 68 to 66.

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2. **Employee Benefits** – Including benefit amounts for additional staff, the total benefits increase is 6% over 2020. Estimates are based on current benefits utilization, as well as anticipated increases of 8% for Workers’ Comp and an increase in retirement program contribution from 7% to 7.5% in accordance with the union contract. Wage based benefits (e.g. FICA and Medicare) also reflect the increases in wages. Notably, health and dental insurance premium insurance rates will not increase in 2021.
3. **Services and Fees** – the 8% increase in services and fees is primarily from the inclusion of \$50,000 for custodial services to increase capacity for increased cleaning the facilities. Currently, Metro’s facility is cleaned by a single Utility Worker who is also responsible for custodial duties and maintenance of grounds, as well as bus stops and bus shelters. The expansion of the agency’s bus stops and shelters means the majority of this staff member’s work time is outside the main facility. Also, with the Regional Transportation Program (RTP) vacating the facility in 2021, there will be additional office space and restrooms to service. There is also an increase in technology fees for the cost of Wi-Fi antenna service for buses.
4. **Fuel-Fluids-Tires** – With the reduction in CNG buses, the cost of CNG fuel is reduced; however, replacing them with diesel buses increases the cost of diesel fuel. New buses run more efficiently, and the contacted per gallon cost of diesel will be less in the last part of 2021. The net result is an overall decrease in fuel costs of about \$60,000.
5. **Supplies and Equipment** – This category includes the cost of sanitizing agents and PPE for staff, which is expected to increase significantly due to the COVID situation. This is offset by federal CARES Act funding. It also reflects the cost of computers and work stations for the new positions.
6. **Utilities** – Total utility costs are showing a 7.1% decrease, primarily due to the cost of heating fuel based on recent history of use. Metro also began utilizing an energy broker for electricity in early 2020 and there have been very positive results, allowing a decrease for 2021.
7. **Auto Liability Insurance** – As of this writing, Metro is assuming a 14% increase in the cost of auto-liability insurance. The biggest factor driving the increase is the replacement of seven (7) 2005 buses in 2020. The new buses were acquired in 2020 and carry higher per bus premium costs.
8. **Miscellaneous** – This line item includes short-term interest expense, which will increase based in the expectation of issuing short-term financing to bridge receipt of the state’s contribution to the electric bus project. Also, the annual tax anticipation note interest is increased both for the increase in the 2021 estimated expenditures, and also the estimated revenue flow.

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9. **Debt Service (Principal +Interest)** – The reduction is due to the early payoff of debt in 2020.
10. **Capital Improvement Program** – Metro’s 2021-2025 Capital Improvement Program is provided as Attachment B.
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 ¾ mile radius of each bus route, with the exception of the Breez. 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: 2021 Budget (Sources of Revenue)

| Revenue Category | 2020 Budget & Forecast | | | FY 2021: Pre CARES ACT Credit | | | FY 2021: With CARES ACT Credit | | |
|---|------------------------|----------------------|--------------------|-------------------------------|-------------------|-------------|--------------------------------|---------------------|--------------|
| | 2020 Budget | 2020 Proj. | Actual % of Budget | 2021 Budget | # Change | % Change | 2021 Budget | # Change | % Change |
| Fare Revenue | \$ 2,989,557 | \$ 700,000 | 23% | \$ 2,029,250 | \$ (960,307) | -32% | \$ 2,029,250 | \$ (960,307) | -32% |
| Miscellaneous Revenue | \$ 440,033 | \$ 387,969 | 88% | \$ 282,758 | \$ (157,275) | -36% | \$ 282,758 | \$ (157,275) | -36% |
| State Funding | \$ 170,426 | \$ 170,426 | 100% | \$ 170,426 | \$ - | 0% | \$ 170,426 | \$ - | 0% |
| Federal 5307 (Operations) | \$ 2,228,386 | \$ 2,228,386 | 100% | \$ 2,639,528 | \$ 411,142 | 18% | \$ 2,639,528 | \$ 411,142 | 18% |
| Federal 5307 (Prev. Maint.) | \$ 895,000 | \$ 627,453 | 70% | \$ 914,924 | \$ 19,924 | 2% | \$ 914,924 | \$ 19,924 | 2% |
| Federal 5307 (ADA) | \$ 367,000 | \$ 113,866 | 31% | \$ 360,000 | \$ (7,000) | -2% | \$ 360,000 | \$ (7,000) | -2% |
| Federal CMAQ (Transit West) | \$ 824,000 | \$ 511,434 | 62% | \$ 824,000 | \$ - | 0% | \$ 824,000 | \$ - | 0% |
| Federal (Alt Fuel Tax Credit) | \$ - | \$ - | n/a | \$ - | \$ - | n/a | \$ - | \$ - | n/a |
| Federal (CARES Act) - Offsets Fare Loss | \$ - | \$ 3,861,373 | n/a | \$ 1,135,000 | \$ 1,135,000 | | \$ 1,135,000 | \$ 1,135,000 | |
| Federal (CARES Act) - Municipal Assistance | \$ - | \$ - | n/a | \$ - | \$ - | n/a | \$ 351,661 | \$ 351,661 | n/a |
| Municipal (Non-Members, Gorham) | \$ 35,000 | \$ 35,000 | 100% | \$ 17,500 | \$ (17,500) | -50% | \$ 17,500 | \$ (17,500) | -50% |
| Municipal (Members - ADA) | \$ 92,000 | \$ 55,000 | 60% | \$ 90,000 | \$ (2,000) | -2% | \$ 90,000 | \$ (2,000) | -2% |
| Municipal (Members) | \$ 4,109,879 | \$ 3,734,879 | 91% | \$ 4,278,004 | \$ 168,125 | 4.1% | \$ 3,926,343 | \$ (183,536) | -4.5% |
| Brunswick | \$ 77,934 | \$ 70,823 | 91% | \$ 82,939 | \$ 5,005 | 6% | \$ 76,122 | \$ (1,812) | -2% |
| Falmouth | \$ 203,183 | \$ 184,644 | 91% | \$ 217,340 | \$ 14,157 | 7% | \$ 199,474 | \$ (3,709) | -2% |
| Freeport | \$ 77,934 | \$ 70,823 | 91% | \$ 82,939 | \$ 5,005 | 6% | \$ 76,122 | \$ (1,812) | -2% |
| Portland | \$ 2,877,058 | \$ 2,614,545 | 91% | \$ 3,020,147 | \$ 143,089 | 5% | \$ 2,771,885 | \$ (105,174) | -4% |
| Westbrook | \$ 795,835 | \$ 723,220 | 91% | \$ 791,699 | \$ (4,137) | -1% | \$ 726,619 | \$ (69,216) | -9% |
| Yarmouth | \$ 77,934 | \$ 70,823 | 91% | \$ 82,939 | \$ 5,005 | 6% | \$ 76,122 | \$ (1,812) | -2% |
| Total Revenue | \$ 12,151,281 | \$ 12,425,786 | 102% | \$ 12,741,390 | \$ 590,109 | 5% | \$ 12,741,390 | \$ 590,109 | 5% |
| Total Expenditures | \$ 12,151,280 | \$ 12,137,968 | | \$ 12,741,390 | | | \$ 12,741,390 | | |
| Surplus/(Deficit) | \$ - | \$ 287,818 | | \$ - | | | \$ - | | |

Notes on 2020 Sources of Revenue

1. **Fare Revenue** – Estimates for fare revenue in 2021 reflect the fare increase and a slow increase in ridership that begins to return to pre-COVID levels in the fall of 2021 with the expectation that schools will return to full onsite instruction. The percentage of the budget covered by fare revenue would be 16%, compared to 25% budgeted in 2020. Funding available through the CARES Act will offset the loss of fare revenue in 2021.

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2. **Miscellaneous Revenue** – includes revenue from advertising, facility lease revenue, fuel/maintenance services provided to other agencies and interest income. The major source of the reduction in miscellaneous revenue relates to a drop in demand for paid advertising on Metro’s buses and bus shelters. Funding available through the CARES Act will offset the loss of fare revenue in 2021.
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 \$2,639,528. Metro staff plan to submit a proposal to PACTS to increase this amount by \$91,574 to support up to 50% of the cost of added positions.
5. **Federal Funding (Preventive Maintenance)** – represents FTA Section 5307 funding for Preventive Maintenance activities related to fleet and facilities maintenance. Based on the current PACTS Six Year Operating and Capital Program (SYCOP), this figure is programmed to be \$914,924.
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 decline by 2% from \$367,000 in 2020 to \$360,000. The reduction is based on anticipated demand.
7. **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 Project* which includes the Husky Line (Gorham, Portland, Westbrook) and Route 3 (Portland, South Portland, Westbrook). This revenue is allocated by revenue hour to the Transit West Routes only. The current grant is estimated to provide \$824,000 in 2021. The 3-year pilot period was planned to complete in 2021. However, due to the pandemic and its impact on ridership and operations, Metro staff will be working with the affected communities, and then University of Southern Maine, to extend the timeframe of the pilot phase from August 2021 to at least December 2021.
8. **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.

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9. **Federal (CARES Act; Offsets Fare Loss)** – In April 2020, Congress approved and the President signed, the CARES Act which included \$25 billion for public transit systems nationwide. The seven (7) public transit agencies of the PACTS region received \$53 million of this funding. The purpose of the funding is to cover the cost of operations during the pandemic, allow transit agencies to absorb revenue losses, avoid major service reductions and employee layoffs, and provide budgetary assistance to cities/towns.
- **Fiscal Year 2020** – Following a PACTS process to sub-allocate CARES Act funding, Metro received \$3,861,373 in 2020 to be used to cover the cost of pandemic operations, offset fare revenue losses, supplant existing federal grant sources, and reduce the amount of local funding needed. Because of this funding, Metro’s Board of Director’s approved a \$375,000 “credit” back to the member municipalities. This is the reason Table 3 indicates that the six member municipalities will ultimately contribute only 91% of the amounts approved for the 2020 contributions.
 - **Fiscal Year 2021** – A separate PACTS process will result in the allocation of \$1,135,000 in CARES Act funding. This amount will cover the cost of operations in 2021 and offset the estimated loss of fare revenue and advertising as well as support added costs directly related to managing operations during the pandemic.
10. **Federal (CARES Act; Municipal Assistance)** – As the public transit agencies worked with PACTS to allocate the CARES Act funding in the most appropriate and strategic ways, there was recognition that the agencies should apportion some of the funding to lower municipal contributions. Metro was allocated \$423,688 for use in either 2020 or 2021. The Metro Board of Directors approved a plan in which \$351,661 out of this amount would be used to lower municipal contributions in 2021. The remainder of the amount would be earmarked for the agency’s financial reserve.
11. **Municipal (Non-Members)** – the budgeted amount of \$17,500 represents the proposed amount due from the Town of Gorham to support the Husky Line during a potential extension of the pilot phase.
12. **Municipal (Members-ADA)** – the budgeted amount of \$90,000 represents the anticipated local funding needed to support ADA Complementary Paratransit services for Metro’s bus service area. Similar to the federal funding supporting ADA paratransit, the 2% reduction in local funding is based on lower anticipated demand.

ATTACHMENT A
METRO OVERVIEW - 2021 OPERATING BUDGET – 2021 MUNICIPAL ASSESSMENTS

13. **Municipal (Members-LOCAL)** – the information provided in the table below summarizes the CY 2021 municipal assessments which include application of a “credit” made possible due to the receipt of federal CARES Act funding.

Based on current estimates of expenditures and revenues, the amounts per community listed below under the heading “**2021: Base Assessments**” represent the formal municipal assessments for 2021 (for bus service) as approved by the Metro Board of Directors on October 29, 2020. Metro will issue the requisite “Warrants for Taxes” to the municipalities based on these amounts.

Table 4: 2021 Municipal Assessments

| Municipality | 2020 | 2021 | | | | |
|--------------|---------------------|---------------------|-----------|-------------------|---------------------|-----------------|
| | Assessments | Base Assessments | % Change | Credits | Actual Assessments | Actual % Change |
| Brunswick | \$ 77,934 | \$ 82,939 | 6% | \$ 6,818 | \$ 76,122 | -2% |
| Falmouth | \$ 203,183 | \$ 217,340 | 7% | \$ 17,866 | \$ 199,474 | -2% |
| Freeport | \$ 77,934 | \$ 82,939 | 6% | \$ 6,818 | \$ 76,122 | -2% |
| Portland | \$ 2,877,058 | \$ 3,020,147 | 5% | \$ 248,262 | \$ 2,771,885 | -4% |
| Westbrook | \$ 795,835 | \$ 791,699 | -1% | \$ 65,079 | \$ 726,619 | -9% |
| Yarmouth | \$ 77,934 | \$ 82,939 | 6% | \$ 6,818 | \$ 76,122 | -2% |
| Total | \$ 4,109,879 | \$ 4,278,004 | 4% | \$ 351,661 | \$ 3,926,343 | -4% |

After Metro receives these amounts from the municipalities in July 2021, Metro will issue a credit to each municipality equal to the amounts listed under “**2021: Credits.**” These credits may be included in the municipality’s FY 2021-22 operating budget as a revenue item. Consequently, the figures listed under “**2021: Actual Assessments**” represent the net funding amount provided to Metro as part of each municipalities 2021-22 fiscal year.

As noted earlier in this document, the differences in the percentage changes by municipality relate to the various changes in service levels among different routes.

Greater Portland Transit District: 2021-2025 Capital Improvement Program (CIP)

| # | PROJECT NAME-DESCRIPTION | FUNDING SOURCES | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 5-Five Year Program |
|------------------|--|----------------------|-----------|-----------|-----------|-----------|-----------|---------|---------------------|
| | Sum of CIP Local Share + Annual Debt Service on Fleet Purchases | | 310,362 | 338,789 | 482,213 | 496,739 | 402,585 | 395,213 | 2,115,539 |
| | <i>Debt Service (principal + interest)</i> | | 285,200 | 232,140 | 271,822 | 314,348 | 362,585 | 355,213 | 1,536,108 |
| TOTAL CIP | Local Share (Metro) | | 25,162 | 106,649 | 210,391 | 182,391 | 40,000 | 40,000 | 579,431 |
| | Local Share (Other) | | 6,498 | 138,278 | 102,025 | 146,025 | - | - | 386,328 |
| | Federal Grant (5307) | | 4,075,214 | 379,707 | 2,856,656 | 2,284,836 | 2,200,000 | 160,000 | 7,881,200 |
| | Federal Grant (5339) | | - | 1,036,318 | - | - | - | - | 1,036,318 |
| | Federal CARES Act | | - | 1,650,000 | - | - | - | - | 1,650,000 |
| | State | | - | 1,705,381 | - | - | - | - | 1,705,381 |
| | Locally Issued Bond | | 539,126 | 150,000 | 403,000 | 384,620 | 360,000 | - | 1,297,620 |
| | TOTAL INVESTMENT | | 4,646,000 | 5,166,334 | 3,572,072 | 2,997,872 | 2,600,000 | 200,000 | 14,536,278 |
| 1 | Metro Facility <i>This category includes minor office renovations for the space vacated by RTP in late 2021 as well as proposed 2022 funding for planning/architectural services for a rebuilt or replaced Metro facility. \$50,000 was approved in 2019 to conduct a high level feasibility study for either an expanded or new facility; this work has not commenced.</i> | Local Share | - | 10,000 | 40,000 | - | - | - | 50,000 |
| | | Local Share (Other) | - | - | - | - | - | - | - |
| | | Federal Grant (5307) | - | 40,000 | 160,000 | - | - | - | 200,000 |
| | | Federal Grant (5339) | - | - | - | - | - | - | - |
| | | State | - | - | - | - | - | - | - |
| | | Locally Issued Bond | - | - | - | - | - | - | - |
| | | Project Total | - | 50,000 | 200,000 | - | - | - | 250,000 |
| | | | | | | | | | - |
| 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 2021-22 amounts represents a mid-life engine replacement campaign for the agency's 5 2014 CNG Gillig buses. The CARES Act line includes an amount estimated to cover the cost of installing U/V light air purification on board buses (this project has not yet been determined for advancement)</i> | Local Share | - | 14,000 | 21,000 | - | - | - | 35,000 |
| | | Local Share (Other) | - | - | - | - | - | - | - |
| | | Federal Grant (5307) | 32,000 | 56,000 | 84,000 | - | - | - | 140,000 |
| | | Federal Grant (5339) | - | - | - | - | - | - | - |
| | | Federal CARES Act | - | 150,000 | - | - | - | - | 150,000 |
| | | State | - | - | - | - | - | - | - |
| | | Locally Issued Bond | - | - | - | - | - | - | - |
| | | Project Total | 32,000 | 220,000 | 105,000 | - | - | - | 325,000 |
| 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 | 2020 | | | | | 5-Five Year Program | |
|-----------------------|--|----------------------|--|------------------|------------------|------------------|------------------|---------------------|------------------|
| | | | 2020 | 2021 | 2022 | 2023 | 2024 | | 2025 |
| 4 | Bus Purchases (Replacement) <i>Award of an FTA Section 5339 Discretionary Grant will fund the replacement of two (2) 2004 Gilligs in 2021. State funding will provide the local match. Amounts programmed in 2022-2024 represent the funds needed to replace the 2016-17 Metro Breez shuttles with heavy-duty 35 foot buses followed by the replacement cycle for the agency's seven 2011 Gillig buses.</i> | Local Share | - | - | - | - | - | - | |
| | | Local Share (Other) | - | - | - | - | - | - | |
| | | Federal Grant (5307) | 3,876,575 | - | 1,887,000 | 1,471,180 | 2,040,000 | - | 5,398,180 |
| | | Federal Grant (5339) | - | 821,526 | - | - | - | - | 821,526 |
| | | State | - | 205,381 | - | - | - | - | 205,381 |
| | | Locally Issued Bond | 539,126 | - | 333,000 | 259,620 | 360,000 | - | 952,620 |
| | | Project Total | 4,415,701 | 1,026,907 | 2,220,000 | 1,730,800 | 2,400,000 | - | 7,377,707 |
| 5 | Bus Purchases (Expansion) <i>Portland Peninsula Circulator, Network improvements, frequency improvements, and Breez South</i> | Local Share | - | - | - | - | - | - | |
| | | Local Share (Other) | - | - | - | - | - | - | |
| | | Federal Grant (5307) | - | - | - | - | - | - | |
| | | Federal Grant (5339) | - | - | 1,887,000 | 980,787 | - | - | 2,867,787 |
| | | State | - | - | 333,000 | 173,080 | - | - | 506,080 |
| | | Locally Issued Bond | - | - | - | - | - | - | - |
| | | Project Total | - | - | 2,220,000 | 1,153,867 | - | - | 3,373,867 |
| 5 | Battery Electric Pilot Bus Project <i>Metro secured \$1,145,000 from FTA's Low-No Emission 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. Federal funding was awarded in 2018 and resides in active grants. State funding is payable upon acceptance of new buses.</i> | Local Share | - | - | - | - | - | - | |
| | | Local Share (Other) | - | - | - | - | - | - | |
| | | Federal Grant (5307) | - | - | - | - | - | - | |
| | | Federal Grant (5339) | - | - | - | - | - | - | |
| | | State | - | 1,500,000 | - | - | - | - | 1,500,000 |
| | | Locally Issued Bond | - | - | - | - | - | - | - |
| | | Project Total | - | 1,584,225 | - | - | - | - | 1,584,225 |
| 6 | Equipment (Facility) <i>This project anticipates replacing Metro's automatic bus wash facility in 2021 (presuming the whole facility is neither rebuilt nor replaced). The facility's HVAC system will require replacement in 2022. A facility back-up generator will require replacement between 2022-2024.</i> | Local Share (Other) | - | 30,000 | 14,000 | 25,000 | - | - | 69,000 |
| | | Federal Grant (5307) | - | 120,000 | 56,000 | 100,000 | - | - | 276,000 |
| | | Federal Grant (5339) | - | - | - | - | - | - | - |
| | | State | - | - | - | - | - | - | - |
| | | Locally Issued Bond | - | - | - | - | - | - | - |
| | | Project Total | - | 150,000 | 70,000 | 125,000 | - | - | 345,000 |
| | | 7 | Equipment (Support Vehicles) <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 and an operations support vehicle is scheduled for replacement in 2022.</i> | Local Share | - | - | 8,000 | 10,000 | - |
| Local Share (Other) | - | | | - | - | - | - | - | - |
| Federal Grant (5307) | - | | | - | 32,000 | 40,000 | - | - | 72,000 |
| Federal Grant (5339) | - | | | - | - | - | - | - | - |
| Federal Grant (CARES) | - | | | 50,000 | - | - | - | - | 50,000 |
| State | - | | | - | - | - | - | - | - |
| Locally Issued Bond | - | | | - | - | - | - | - | - |
| Project Total | - | 50,000 | 40,000 | 50,000 | - | - | 140,000 | | |

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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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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

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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

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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 "Richard A. Spencer".

Richard A. Spencer

RAS/kmr