



Board of Directors – Finance Committee

May 6, 2020 at 4:00 p.m.

Attendee Link: <https://us02web.zoom.us/j/83746158188?pwd=WkxoRHVyZDJlZkxQQUNVYnJaVzExdz09>

Password: 600744

Attendee Phone Number: 1 646 558 8656

Webinar ID Used for Call-In: 837 4615 8188

Password: 600744

MEETING AGENDA

AGENDA ITEM	PRESENTER	ACTION or INFORMATION
1. Call Meeting to Order	Paul Bradbury, Committee Chair	N/A
2. Overview of Zoom Meeting Protocols (4:00-4:05) Staff will give an overview of the protocols to be followed in a meeting held via Zoom.	Paul Bradbury, Committee Chair	Information
3. Public Comment (4:05-4:10) The METRO Board’s Finance Committee welcomes public comment for items listed on this agenda. There is a <i>three-minute time limit</i> per citizen.	Paul Bradbury, Committee Chair	Information
4. Meeting Minutes (4:10-4:15) The committee will be asked to approve meeting minutes from the February 11, 2020 meeting of the Finance Committee.	Paul Bradbury, Committee Chair	ACTION
5. 2020 Operating Budget and COVID-19 Impacts (4:15-4:35) Staff will present information on the actual and anticipated impacts to the 2020 operating budget (expenses and revenues) associated with COVID-19 pandemic and actions the agency has implemented.	Ellen Sanborn, METRO Finance Director	Information
6. CARES Act Funding – Phase I (4:35-4:55) Staff will present information on the phase I allocation of CARES Act funding to be received by Metro. The funding is principally aimed at offsetting fare revenue losses and covering pandemic related emergency expenses for the February 1 thru June 30 timeframe. After accounting for actual costs and revenue losses, the Phase I allocation may provide options to offer municipalities a credit 2020 municipal contributions and/or invest local funding in ways to lower the agency’s overall recurring costs or accelerate ridership recovery.	Greg Jordan METRO General Manager	Information and Possible Action

<p>7. Reinstatement of Fares and Launch of Automated Fare System (4:55-5:10)</p> <p>Staff will present information and request feedback on the proposed timing and implementation of fare reinstatement and automated fare system launch.</p>	<p>Greg Jordan METRO General Manager</p>	<p>Information and Possible Action</p>
<p>8. Direction on Uses of Dirigo Center Developers, LLC Lease Fee (5:10-5:25)</p> <p>Staff will request input on the possible uses of the lease fee associated with the lease agreement between Metro and Dirigo Center Developers, LLC.</p>	<p>Greg Jordan METRO General Manager</p>	<p>Information and Possible Action</p>
<p>9. Future Agenda Items (5:25)</p> <p>Committee members may request future agenda items.</p> <ul style="list-style-type: none"> • 2020 Budget Performance • CARES Act Funding and Long-term Planning • Plan for Reinstatement of Fares • 2019 Financial Audit 	<p>Paul Bradbury, Committee Chair</p>	<p>Information</p>
<p>10. Upcoming Meetings</p> <ul style="list-style-type: none"> • Executive Committee – May 13, 2020 at 4:30 p.m. • Ridership Committee – May 21, 2020 at 4:00 p.m. • Board of Directors - May 28, 2020 at 4:00 p.m. • Finance Committee – June 3, 2020 at 4:00 p.m. 	<p>Paul Bradbury, Committee Chair</p>	<p>Information</p>
<p>11. Adjournment (5:30)</p>	<p>Paul Bradbury, Committee Chair</p>	<p>N/A</p>

Board of Directors –Finance Committee
DRAFT Meeting Minutes
February 11, 2020

Minutes of the Board of Directors Finance Committee Meeting of Tuesday, February 11, 2020 held at 5:00 p.m. in the Greater Portland Transit District’s conference room, 114 Valley Street, Portland.

Committee Members Present:

Paul Bradbury
Jim Violette
Merrill Barter (via telephone)
Nat Tupper

Staff and Others Present:

Greg Jordan
Ed Suslovic
Ellen Sanborn
Lauren Shaw

Absent:

Kim Cook
Mike Foley

Public: None

1. **With a quorum in place, the meeting was called to order at 5:02 p.m. by Paul Bradbury, Treasurer.**
2. **Public comment**
No members of the public were present.
3. **Meeting Minutes**
Motion made by Jim Violette, seconded by Merrill Barter (via telephone), to approve the minutes from the October 24, 2019 Finance Committee meeting as written. **Motion passed unanimously by all present (Merrill Barter via telephone).**
4. **2020 Proposed Final Operating & Capital Budgets (this item was moved up in the agenda due to time constraints)**
Greg Jordan, General Manager, reviewed Attachment A, which lists the minor changes made since the Board previously approved the proposed budget in October 2019. These changes resulted in a net reduction of \$2,036, which was offset by a reduction to fare revenue to balance the budget. Other items include in the review was the completion of the Collective Bargaining Agreement, pre-loading non-union Paid Time Off (PTO), as well as adding one day of PTO annually for non-union staff, and insurance premiums.

Greg Jordan also shared updates on Federal funding requests:

- The Section 5307 CMAQ request was approved in January.
- Two requests have been made to PACTS: \$174k for the current fiscal year and \$138k for future fiscal years. The first PACTS meeting to address new funding requests is scheduled for February 13. The appropriation by Congress to the FTA last fall came in higher than forecasted, but a \$700k deficit is expected in 2022.

Motion made by Nat Tupper, seconded by Jim Violette, to approve the 2020 Proposed Final Operating and Capital Budgets as recommended by staff, and to move it forward to the Board for final approval. **Motion passed unanimously by all present (Merrill Barter via telephone).**

5. Procurement and Purchasing Policies Update

Ellen Sanborn, Finance Director, reviewed recommended revisions to thresholds in Metro's Procurement Policies, which are more stringent than those required by the FTA, and have not been revised for many years. The recommended revisions are:

- increase the lower Metro threshold of \$500 to \$5,000. Purchases under \$5,000 require reasonable pricing evaluation and are approved based on requisitioning authority (electronic, p-card, vendor credit) - a purchase order will still be required.
- Purchases of \$5,000 up to \$25,000 require at least three written quotes and approval of a supervisor (electronic approval).
- Purchases of \$25,000 or more require formal bidding.

Motion made by Nat Tupper, seconded by Jim Violette, to amend Metro's Procurement Policies to updated FTA procurement thresholds and to change Metro thresholds as recommended by staff, and to move it forward to the Board for final approval. **Motion passed unanimously by all present (Merrill Barter via telephone).**

6. Future Agenda Items

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

7. Upcoming meetings.

- Executive Committee – February 12, 2020 at 4:30 p.m.
- Ridership Committee – February 20, 2020 at 4:00 p.m.
- Board of Directors – February 27, 2020 at 4:00 p.m.
- Finance Committee – March 4, 2020 at 4:00 p.m.

8. Adjournment

Motion made by Jim Violette, seconded by Nat Tupper to adjourn. **Unanimously approved by all present (Merrill Barter via telephone), the meeting adjourned at 5:31 p.m.**

FINANCE COMMITTEE

ITEM 5

DATE

May 6, 2020

SUBJECT

2020 Year to Date Budget Status

PURPOSE

Provide information on the 2020 budget performance through March 31, 2020, comparative to the same period in 2019

BACKGROUND/ANALYSIS

The 2020 comparative budget to actual report through March for revenue and expenditures is included. Columns to the far right show the variance in actual collections/expended between 2020 and 2019.

Revenue

- Passenger Fare revenues through March are 2.8% below 2019 collections, and 2.6% under budget compared to 2019 performance. These reflect the effects of COVID19, which include closing of schools, general reduced ridership because of stay at home orders, as well as the suspension of fare collection as of March 20.
- Advertising revenue collected is significantly higher than in 2019, which is a product of when advertisers pay our ad agency. Monthly collections can vary widely. Of note here is that, due to COVID19 and the limited exposure for display advertising, as well as the impact on the advertisers, Metro has agreed not to charge for the months of April and May.
- Revenue from vehicle maintenance services and sales of CNG to the school and Public Works departments are below 2019 amounts, and are expected to be under budget due to the closing of schools.
- Monthly Interest Income varies during the year depending on the timing of grant deposits and expenditures. For 2020, interest rates have dropped dramatically in response to COVID19 effects on the economy, which may impact our annual amount of income.

Expenditures.

- Regular wages reflect 11.3 weeks of pay in 2020, or 21.7%, against 11.7 in 2019, or 22.5%. 2020 YTD regular wages paid is at 22.4% of the amount budgeted. Overtime and Holiday paid

are almost equal to 2019, although 2020 overtime shows as a lower percentage of budgeted because the budget increased from 2019.

- Benefits are 23.6% expended compared to 15.5% in 2019. Three areas causing the difference include HRA payments double the amount in 2019, Disability insurance was unrecorded in 2019 at the end of March, and a timing difference with two quarterly Workers Compensation premium payments in 2020 but only one in 2019.
- The budgeted amount for Other Contracted Service for Operations reflects the expected new cost for fees related to the automated fare system. With the delay of implementation, this amount will be under budget by at least 50%. The over expenditure in Contracts-Consultants includes the cost of Ransom Engineering for work on the bus shelter pads and bus stops.
- Because some administrative functions were suspended temporarily in mid-March, there are some timing differences in payments for goods and services. Budget items such as bus fuel, utilities, and supplies may not reflect true YTD activity as we worked to get our AP function running remotely.

FISCAL IMPACT

- CARES Act. Recovery of revenue is not specifically covered by this funding; however, it does cover 100% of net expenses. The decrease in the revenue areas described above will increase our net expenses, so in effect we expect the CARES funding will cover the losses. Ongoing comparative budget information will be skewed in many areas by the COVID situation.

RECOMMENDATION

N/A

CONTACT

Ellen Sanborn
Finance Director
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ATTACHMENTS

Attachment A – 2020 Comparative Budget Worksheets

ITEM 5 - ATTACHMENT A

Greater Portland Transit District
2020 Comparative Budget to Actual - Revenue
 January 1 through March 31, 2020

Description	2020				2019				YTD	
	Budget	YTD Coll	Balance	% Coll	Budget	YTD Coll	Balance	% Coll	2020-2019	%
Passenger Fares	\$ 2,273,440	\$ 310,824	\$ 1,962,616	13.7%	\$ 2,007,475	\$ 412,811	\$ 1,594,664	20.6%	\$ (101,987)	-24.7%
Organization Paid Fares	716,117	160,910	555,208	22.5%	626,725	72,452	554,273	11.6%	88,458	122.1%
Total Fare Revenue	2,989,557	471,734	2,517,823	15.8%	2,634,200	485,263	2,148,937	18.4%	(13,529)	-2.8%
Advertising Revenue	292,000	32,648	259,352	11.2%	269,252	4,900	264,352	1.8%	27,748	566.3%
Vehicle Maint Services	8,000	2,415	5,585	30.2%	7,393	6,000	1,393	81.2%	(3,585)	-59.7%
Sale of Fuel	45,000	6,465	38,535	14.4%	44,523	8,112	36,411	18.2%	(1,647)	-20.3%
Interest Income	25,000	4,019	20,981	16.1%	12,000	5,185	6,815	43.2%	(1,166)	-22.5%
Reimbursement of Autofare Fees	21,283	-	21,283	0.0%	-	-	-	0.0%	-	0.0%
Miscellaneous Income	7,000	1,094	5,906	15.6%	46,100	2,581	43,519	5.6%	(1,487)	-57.6%
Rental of Property	41,750	10,438	31,312	25.0%	40,732	10,183	30,549	25.0%	255	2.5%
Claims Recovery	-	552	(552)	100.0%	-	-	-	0.0%	552	0.0%
Municipal Payments for Oper	35,000	-	35,000	0.0%	144,700	-	144,700	0.0%	-	0.0%
Municipal Payments for Cap	-	-	-	0.0%	13,500	-	13,500	0.0%	-	0.0%
Municipal Payments for ADA	92,000	15,122	76,878	16.4%	90,000	12,847	77,153	14.3%	2,275	17.7%
Municipal Assessment for Oper	4,084,716	-	4,084,716	0.0%	3,576,162	-	3,576,162	0.0%	-	0.0%
Municipal Assessment for Cap	25,162	-	25,162	0.0%	166,000	-	166,000	0.0%	-	0.0%
State Operating Subsidy	170,426	170,426	-	100.0%	170,426	-	170,426	0.0%	170,426	100.0%
Federal Operating Assistance	3,052,386	-	3,052,386	0.0%	2,982,779	48,359	2,934,420	1.6%	(48,359)	-100.0%
Federal Prev Maint Assistance	895,000	-	895,000	0.0%	845,000	-	845,000	0.0%	-	0.0%
Federal Paratransit Assistance	367,000	26,940	340,060	7.3%	360,000	14,399	345,601	4.0%	12,541	87.1%
Total Revenue	\$ 12,151,280	\$ 741,852	\$ 11,409,428	6.1%	\$ 11,402,767	\$ 597,829	\$ 10,804,938	5.2%	\$ 144,023	24.1%
Total Expenditures		2,841,738				2,827,204				
<i>Net Revenue less Expenditures</i>		<u><u>\$ (2,099,886)</u></u>				<u><u>\$ (2,229,375)</u></u>				

Greater Portland Transit District
2020 Comparative Budget to Actual - Expenditures
January 1 through March 31, 2020

ACCOUNT DESCRIPTION	2020	2020 YTD		% Exp	2019	2019		% Exp	2020-2019	%
	Budget	Total	Balance		Budget	YTD Total	Balance			
Wages & Benefits										
Wages										
Wages	\$ 5,406,838	\$ 1,210,390	\$ 4,196,448	22.4%	\$ 5,151,280	\$ 1,116,425	\$ 4,034,855	21.7%	\$ 93,965	8.4%
Overtime	544,499	146,400	398,099	26.9%	377,821	146,929	230,892	38.9%	(529)	-0.4%
Add'l Pay (PTO payout, Hlth opt out)	71,584	963	70,621	1.3%	54,000	12,140	41,860	22.5%	(11,177)	-92.1%
Holiday Pay - Worked	62,182	38,749	23,433	62.3%	53,946	36,353	17,593	67.4%	2,396	6.6%
Total Wages	6,085,103	1,396,502	4,688,601	22.9%	5,637,047	1,311,847	4,325,200	23.3%	84,656	6.5%
Benefits										
FICA	465,243	103,186	362,057	22.2%	408,974	96,856	312,118	23.7%	6,330	6.5%
Health Ins	1,424,343	313,270	1,111,073	22.0%	1,310,041	285,741	1,024,300	21.8%	27,529	9.6%
HRA Payments	70,000	22,679	47,321	32.4%	59,668	11,975	47,693	20.1%	10,704	89.4%
Dental Ins	70,932	14,711	56,221	20.7%	64,285	13,880	50,405	21.6%	831	6.0%
Disability Ins	52,032	11,433	40,599	22.0%	48,108	875	47,233	1.8%	10,558	1206.8%
Life Ins	3,761	439	3,322	11.7%	113	5,144	(5,031)	4552.6%	(4,705)	-91.5%
Workers Comp	134,431	67,221	67,210	50.0%	81,242	35,841	45,401	44.1%	31,380	87.6%
Unemployment	-	-	-	0.0%	2,000	-	2,000	0.0%	-	0.0%
Vision Ins	2,940	603	2,337	20.5%	-	575	(575)	-100.0%	28	4.8%
Pension	340,570	75,551	265,019	22.2%	258,474	72,633	185,841	28.1%	2,918	4.0%
Uniforms	23,850	886	22,964	3.7%	28,820	6,478	22,342	22.5%	(5,592)	-86.3%
Contract reimbursements	10,200	3,737	6,463	36.6%	11,300	1,193	10,107	10.6%	2,544	213.2%
Total Benefits	2,598,302	613,716	1,984,586	23.6%	2,273,025	531,192	1,741,833	23.4%	82,524	15.5%
Total Wages & Benefits	8,683,405	2,010,218	6,673,187	23.2%	7,910,072	1,843,039	6,067,034	23.3%	167,180	9.1%
Other Expenditures										
Wellnes Program	2,500	1,181	1,319	47.2%	6,516	228	6,288	3.5%	953	418.0%
Legal Fees	30,000	1,082	28,918	3.6%	30,000	266	29,735	0.9%	817	307.5%
Audit Fees	21,000	21,000	-	100.0%	19,500	19,500	-	100.0%	1,500	7.7%
Temporary Help	-	3,945	(3,945)	-100.0%	26,000	22,818	3,182	87.8%	(18,873)	-82.7%
Employment Services	11,762	616	11,146	5.2%	6,538	3,423	3,115	52.4%	(2,807)	-82.0%
Benefit Administration Fees	7,336	2,469	4,867	33.7%	6,864	1,537	5,327	22.4%	932	60.6%
Technology Services	143,905	89,339	54,566	62.1%	115,093	85,112	29,981	74.0%	4,227	5.0%
Bank and CC Fees	51,525	2,961	48,564	5.7%	9,840	1,652	8,188	16.8%	1,309	79.2%
Advertising	58,000	10,255	47,745	17.7%	34,550	8,341	26,209	24.1%	1,914	22.9%
Postage	3,755	1,665	2,090	44.3%	3,536	551	2,985	15.6%	1,114	202.0%
Other Contracted Services - Operations	107,100	40	107,060	0.0%	38,000	-	38,000	0.0%	40	100.0%
Other Contracted Services - HR	2,000	405	1,595	20.3%	1,660	747	913	45.0%	(342)	-45.8%
Other Contracted Services Mktg	11,000	-	11,000	0.0%	23,505	6,829	16,676	29.1%	(6,829)	-100.0%
Other Contracted Services Prom	16,250	12,547	3,703	77.2%	24,750	167	24,583	0.7%	12,380	7393.4%
Other Contracted Services	6,200	-	6,200	0.0%	17,000	-	17,000	0.0%	-	0.0%
Maint Software Lic	2,020	1,520	500	75.2%	-	1,520	(1,520)	-100.0%	-	0.0%
Office Machine Maintenance	5,732	-	5,732	0.0%	5,090	-	5,090	0.0%	-	0.0%
Maintenance Services	124,214	48,155	76,059	38.8%	140,677	60,245	80,432	42.8%	(12,090)	-20.1%

Greater Portland Transit District
2020 Comparative Budget to Actual - Expenditures
January 1 through March 31, 2020

ACCOUNT DESCRIPTION	2020	2020 YTD		% Exp	2019	2019		% Exp	2020-2019	%
	Budget	Total	Balance		Budget	YTD Total	Balance			
Snow Plowing and Removal Svc	9,000	2,850	6,150	31.7%	9,000	450	8,550	5.0%	2,400	533.3%
Custodial Services	0	-	-	0.0%	20,000	-	20,000	0.0%	-	0.0%
Miscellaneous Services	3,420	2,452	968	71.7%	2,420	560	1,860	23.1%	1,892	338.1%
CNG Fuel	294,000	31,472	262,528	10.7%	371,882	53,653	318,229	14.4%	(22,181)	-41.3%
Diesel Fuel	392,812	101,363	291,449	25.8%	407,338	73,810	333,528	18.1%	27,553	37.3%
Greases and Fluids	51,857	11,183	40,674	21.6%	59,500	12,165	47,335	20.4%	(982)	-8.1%
Tires and Tubes	56,000	632	55,368	1.1%	61,000	5,397	55,603	8.8%	(4,765)	-88.3%
Shop Supplies	31,000	7,222	23,778	23.3%	31,000	5,412	25,588	17.5%	1,810	33.4%
Shelter Supplies	5,000	-	5,000	0.0%	10,000	-	10,000	0.0%	-	0.0%
Building Supplies	45,000	7,351	37,649	16.3%	53,000	5,190	47,810	9.8%	2,161	41.6%
IT Supplies	2,000	188	1,812	9.4%	-	-	-	0.0%	188	100.0%
Supplies Cust Rel & Promo	41,750	4,808	36,942	11.5%	34,850	25,193	9,657	72.3%	(20,385)	-80.9%
Office Supplies	19,000	2,756	16,244	14.5%	19,331	4,506	14,825	23.3%	(1,750)	-38.8%
Fare Media	2,300	1,417	883	61.6%	7,500	-	7,500	0.0%	1,417	100.0%
Parts	296,000	73,973	222,027	25.0%	295,764	56,592	239,172	19.1%	17,381	30.7%
Parts - Accident Repair	-	-	-	0.0%	-	59,889	(59,889)	-100.0%	(59,889)	-100.0%
Minor Equipment	13,000	-	13,000	0.0%	7,720	1,655	6,065	21.4%	(1,655)	-100.0%
Heating Fuel	188,100	41,002	147,098	21.8%	163,523	50,516	113,007	30.9%	(9,514)	-18.8%
Electricity	139,110	19,015	120,095	13.7%	131,241	31,518	99,723	24.0%	(12,503)	-39.7%
Water/Sewer/Stormwater	38,072	8,936	29,136	23.5%	27,803	7,892	19,911	28.4%	1,044	13.2%
Phone/Cell/Internet	63,272	18,055	45,217	28.5%	61,988	14,169	47,819	22.9%	3,886	27.4%
Auto/Liability Insurance	273,541	146,796	126,745	53.7%	228,619	111,630	116,989	48.8%	35,166	31.5%
Dues and Subscriptions	23,652	4,275	19,377	18.1%	21,978	3,287	18,691	15.0%	988	30.1%
Conferences and Travel	18,888	2,857	16,031	15.1%	19,920	4,145	15,775	20.8%	(1,288)	-31.1%
Meals and Hosting	10,000	3,672	6,328	36.7%	5,932	1,513	4,419	25.5%	2,159	142.7%
Liscenses and Permits	1,440	100	1,340	6.9%	625	-	625	0.0%	100	100.0%
ADA Paratransit Services	450,000	76,308	373,692	17.0%	450,000	64,994	385,006	14.4%	11,314	17.4%
Interest Expense	84,946	17,527	67,419	20.6%	62,068	11,092	50,976	17.9%	6,435	58.0%
Debt Service Principal	240,254	22,968	217,286	9.6%	208,574	-	208,574	0.0%	22,968	100.0%
Contribution to Unrest Balance	45,000	-	45,000	0.0%	45,000	-	45,000	0.0%	-	0.0%
GF Cap Outlay for Oth Cap Itms	25,162	25,162	-	100.0%	166,000	166,000	-	100.0%	(140,838)	-84.8%
	<u>3,467,875</u>	<u>831,520</u>	<u>2,636,355</u>	24.0%	<u>3,492,695</u>	<u>984,165</u>	<u>2,508,530</u>	28.2%	<u>(152,645)</u>	-15.5%
Total	<u>\$ 12,151,280</u>	<u>\$ 2,841,738</u>	<u>9,309,542</u>	23.4%	<u>\$ 11,402,767</u>	<u>\$ 2,827,204</u>	<u>8,575,563</u>	24.8%	<u>\$ 14,535</u>	0.5%