

Meeting of the Board of Directors
April 25, 2019
Meeting Minutes

Minutes of the Board of Directors Meeting of Thursday, Thursday, April 25, 2019 held at 4:00 p.m. in the Greater Portland Transit District's conference room, 114 Valley Street, Portland, Maine.

Board Members Present:

Belinda Ray – Board President
Hope Cahan – Board Vice President
John Thompson – Board Secretary
Paul Bradbury – Treasurer
Merrill Barter
Mike Foley
Jim Violette
Ed Suslovic

Staff and Others Present:

Greg Jordan
Glenn Fenton
Ellen Sanborn
Lauren Shaw
Kristina Egan, GPCOG
Casey Leonard, RKO
Parker Madden, RKO

Board Members Absent:

Pious Ali
Jeff Levine

Public:

1. **The meeting was called to order at 4:00 p.m. by Belinda Ray, President of the Board.**

2. **Public comment:**

No members of the public were present.

3. **Meeting Minutes:**

Motion made by Mike Foley, seconded by John Thompson to approve the minutes, as written, from the March 28, 2019 Board of Directors meeting. **Motion passed unanimously by all present.**

4. **2018 Financial Audit**

RKO staff led the committee through a presentation of the 2018 Financial Audit (Presentation appended as Attachment A), which was completed April 8, 2019. METRO received an unmodified opinion overall, and clear opinions of contract items, Uniform Guidance Report, MAAP report, and all compliance reports. In 2016 there was a finding regarding Davis Bacon Wage rates, but there were no findings in 2017 or 2018. The \$45,000 from profits was left in the budget to grow the fund balance and is therefore not noted as an expenditure.

Two recommendations were made: Inventory Management – old items need to be written off – was also recommended in 2016 and 2017, but 2018 did show improvement. Payroll: forty files were examined. Eight instances were found where time slips were not properly authorized before being paid and four instances of union workers not being paid at the rate listed in the contract (this was a compounded escalation situation, an administrative rather than union issue, but more due diligence is recommended).

Brief discussion followed regarding the OPEV benefit/expense, its effect on METROs financial position and whether to address it in future negotiations.

Mike Foley suggested asking municipalities to budget for and give METRO an infusion into its fund balance to discontinue the need for the annual TAN, which impacts the operating budget due to the cost of interest. This idea will be re-visited at a later meeting.

Mike Foley moved to accept the 2018 Financial Audit as presented, seconded by John Thompson.
Motion passed unanimously by all present.

5. Automated Fare Policy and Technology

Greg Jordan distributed copies of the PowerPoint presentation he gave at the 4/10/19 Ridership Committee meeting/Public Hearing. He then asked for a delay in the Board's vote on this program until May to complete a mid-level Fare Changes Equity Analysis on how the fare increase will impact our low income and Title VI ridership, which he has asked the consultants to do. It should be complete by the third week of May. The RFP doesn't close until May 22, so a delay on the vote will not impact our timeline. The study will cost \$20,000, but is covered within the grant funding. There are also funds reserved for equipment under another account if needed. A Board vote on this action is not needed because it falls within the grant scope.

All vendors involved in the pre-bid teleconference remarked that Metro's timeline is aggressive and vendor selection is decided by many criteria, not just who can meet Metro's timeline. Therefore, if everything else offered in the bid outweighs the ability to meet our timeline, the fare increase and program launch will begin later than planned.

Board comments:

- Could a positive result from this analysis open more funding opportunities in the future?
- Have Metro branding read as equitable and just.
- This analysis is another example under Title VI of Metro going above and beyond for their riders.
- Continue to consider what is best for our riders, even if that means a different fare level to have the same payment system.
- Uniformity is the ideal for our riders.
- The Board is moving forward no matter what South Portland decides.

Greg gave an overview of Public Engagement and the timeline with regional partners. RTP will likely join the program with the Lakes Region Explorer. Metro's goal is to have the partnerships as unified as possible for the riders.

GPCOG is facilitating discussions with South Portland, who is interested in the technology and payment method, but still unsure of the fare increase. The 10-ride ticket is the largest fare equity exposure and there is concern about the impact on low-income riders if it is no longer an option. There is also discussion around the transfer issue. It was made clear that if South Portland does not agree to the fare increase it will not delay implementation as it will work with the Automated Fare Payment system. The downside is increased complexity for riders and the set-up of an additional fare level. No additional cost is expected if this happens.

Kristina Egan, Executive Director GPCOG, said there is a disconnect between South Portland staff and the City Council; information was kept at the lower staff level instead of being shared with the City, though a working group, which includes council members, did meet in February and discussed the program. Now that they are aware of it, the City of South Portland is interested. She feels this will become a harder negotiation if the Metro Board voices an ultimatum to South Portland. Greg asked for 30 days more from the board to work on the collaboration with South Portland. We are working towards a more seamless system for riders in a spirit of collaboration. Board members will reach out to various South Portland contacts at all levels.

Zoom will be doing away with their zone system and going to \$4.00, matching the Breez increase, but their local service has not been forced to increase as it is a distant community and anyone using Zoom to get to other Portland area transit services have to pay the \$4.00 fare first.

6. RTP (Regional Transportation Program)

Background: RTP made a 5307 federal funding request through PACTS for approximately \$700k to build a parking structure at its new facility. Metro has been expanding since 2013 while RTP has contracted and when ADA/Paratransit services go out to bid, RTP may not get the contract, reducing the number of vehicles they need. Should federal money go towards further fragmentation of services; to one company's needs rather than a facility that can include two companies. RTP has other funding sources as well. PACTS voted to do an in-depth evaluation of this funding request.

Greg Jordan reviewed previous discussions and the general terms of Metro's proposal to RTP to keep them here and expand later together, and what concessions RTP has asked for.

- Metro's bypass lane can accommodate six RTP buses, but is currently used for Metro storage (off-site storage location will have to be found). Mike Foley will look into storage options to meet Metro's 1200-1500 square foot need.
- RTP already uses two lanes. With the loss of the bypass lane, Metro will have no room for fleet expansion, including additional buses for the Peninsula Loop, if needed, for at least five years.
- RTP wants more employee parking, use of wash facilities, and a 20-year lease.
- RTP wants to be included in the design process of a new or expanded facility, with room for 45 of their buses.
- Reimbursement of the money already spent, and a decision by April 30th.

The Executive Committee, at its 4/10/19 meeting, said it is in favor of Metro going forward with trying to work with RTP so the two agencies can go through facility planning together.

Metro can meet at least half of RTP's requests. We want to make it clear that we are not evicting them, but want to work together towards expansion for both agencies. Greg reviewed the proposed amendment to the lease with RTP. Federal funding is expected to stay stable. The question of any effect on our tax-exempt bonding status and competing policy issues need to be researched.

NEPRA is evaluating moving their passenger station close to Metro, near Mercy, and we may be able to partner with them to expand our current facility, but it is not yet a formal possibility.

Discussion:

- Can Metro staff park elsewhere so RTP can use parking area for bus parking?

- Facility expansion is going to be a tough sell to municipalities; they won't want to get into a long-term debt situation. If it is presented as a regional facility serving all the communities, this may be more accepted.
- With all the changes Metro has gone through over the past several years, it may be time to pause and not make any more significant changes in the near future; let things take root, solidify, and run smoothly. Showcase what we have done and grow ridership before more expansion.
- Don't be afraid of positive problems – Metro has always dealt with issues as they arise.
- It may be difficult to share space with RTP if they don't acquire the new paratransit contract, which is 20% of RTP's business.
- Most board members are opposed to a 20-year lease. Greg was planning to counter with 10 years. He is also proposing an MOU between the agencies rather than a legally binding lease, but is unsure of how it will be received by RTP. A contingency of an additional 10 years could be proposed if Metro does expand to a new facility.
- What is the specific benefit to Metro by continuing with RTP?
 - o Maintain lease revenue of \$40,000-50,000 annually. If RTP moves Metro may have to renovate the space before being able to lease it to someone else.
 - o RTP is a good tenant and outstanding operationally in the areas we are familiar with.
- Can RTP and Metro arrange a joint Board meeting to show our commitment to making this work?

With RTP's deadline, Greg asked for Board member availability for a special meeting on 5/1/19 in place of the Finance Committee meeting to address and take action on this item. A quorum of members said they could.

4. General Manager's Report - Not given due to time constraints.

7. Future Agenda Items

- Setting a hard line with South Portland

8. Upcoming Meetings

- Finance Committee – May 1, 2019 at 4:00 p.m.
- Executive Committee – May 8, 2019 at 4:30 p.m.
- Ridership Committee – May 16, 2019 at 4:00 p.m.
- Board of Directors – May 23, 2019 at 4:00 p.m.

9. Adjournment

Jim Violette moved to adjourn, seconded by seconded by Merrill Barter. **With unanimous approval by all present, the meeting adjourned at 6:00 p.m.**