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Board of Directors –Finance Committee  
Meeting Minutes  
September 4, 2019

Minutes of the Board of Directors Finance Committee Meeting of Wednesday, September 4, 2019 held at 4:00 p.m. in the Greater Portland Transit District’s conference room, 114 Valley Street, Portland.

**Committee Members Present:**

Paul Bradbury  
Mike Foley  
Jim Violette

**Staff and Others Present:**

Greg Jordan  
Ellen Sanborn  
Lauren Shaw

**Absent:**

Merrill Barter

**Public:**

Chris O’Neil

**Non-Committee Board Members Present:**

Ed Suslovic

**1. The meeting was called to order at 4:12 p.m. by Paul Bradbury.**

**2. Public comment**

No members of the public provided comment.

**3. Meeting Minutes**

Jim Violette moved, seconded by Mike Foley, to table approval of the minutes of April 25, 2019 due to an error in content. **Motion passed unanimously by all those present.**

**4. 2019 Budget Review**

A revenue shortfall is predicted, but fuel savings and delaying planned expenditures will offset this. Ellen Sanborn will send out more detail of the 2019 Review through August, to committee members before the next meeting. At this time, before end-of-year adjustments, the budget should break even, although there is a risk of increased overtime due to unforeseen staff shortages in the last quarter. There is a revenue grant to tap into if a shortfall is found.

Inventory software development may happen in 2020. Work was done with a software company late 2018 so the system no longer averages out costs. Inventory is expected to be on track for 2019. No money has been given to Tyler as yet for inventory software.

No payment has been received from Rock Row.

**5. Preliminary 2020 Operating and Capital Budget**

Greg Jordan distributed a draft of 2020 goals, project service levels, budget development, cost and revenue allocation, major budget themes, and the 2020-2024 Capital Improvement Program, along with Ridership Reports by route. Preliminary budget figures will be ready and sent out to members in advance of the October meeting.

Only minor route changes, such as the Husky adding a stop at Rock Row, when Phase 1 is complete, and #4 eliminating the deviation into the Shaw's parking lot (when new signalization and shelter are in place), are anticipated for 2020 and should equal a net decrease in operating costs. These route change intentions have not gone to the owners of Westbrook Crossing yet.

To improve route speed, there needs to be some kind of strategy implemented: a reduction in the frequency of trips or equipment added.

Currently, 23.1% of Metro's revenue is passenger fares. Wages and benefits make up 70% of expenditures; 60% of the budget after wages and benefits is non-discretionary.

Many new drivers were hired last year who will/have hit the Step 1 increase, plus COLA in 2019. Step 2 and 3 increases are even larger (anticipated for 2020). Metro has experienced spikes in long-term leaves in the past year, so keeping stability in staff is key. Also, higher employee contributions to the retirement program have made the expended match higher than projected.

Four new positions are being requested for 2020: Director of Marketing/Planning; Operations Assistant; Marketing Assistant/Customer Service Representative; a "Fare Guru"; and, also, a potential Dispatcher when Seth Page's job is reclassified to Safety Officer & Training Coordinator.

A new 2-year fixed price contract for diesel was just implemented for one price in 2020 and a lower price in 2021. The 2019 CIP was budgeted for \$166k and the current proposal, under development, for 2020 is \$220k.

ADA ridership has stabilized and will increase moderately in 2020 with additional federal funding.

2019 advertising revenue is higher than anticipated and 2020 is expected to see equal or higher numbers.

State funding remains at \$170k through 2021. Federal funding is to increase by 2% over the life of five years for capital and operations. Last year Metro was awarded a 5% increase, but is unlikely to happen again. Additional funds, however, can be requested if needed.

Discussion followed about the healthy fund balance at PACTS with questions around why it keeps such a high balance instead of putting out more of its available resources to complete more agency projects. Funding cannot be requested to reduce TAN (Tax Anticipation Note), though receiving additional funding in other areas can lessen the tax burden. Greg will send out the PACTS Plan to committee members. Metro is working toward having more involvement with the Transit Committee at PACTS.

The preliminary 2020 budget assumes a conservative 5% decrease in boardings due to the fare increase and a February launch. The new system will allow Metro to track ridership by route, boardings, exits, towns, etc. Revenue allocation will be more specific for each community, giving the towns an incentive to implement measures to speed up service and, therefore, cut down on revenue hours. CMAQ is approximately \$620k per year for Husky.

A 35% municipality increase is potentially forecast for 2020; strategies to alleviate this increase are being researched. Currently, Metro receive a 30% match for new positions; this can be increased to 50%, though receiving the maximum amount is unusual. A 50% local match is required for operation expenses. New positions requested in for 2020 could be noted as contingent upon additional funding.

A draft CIP will be prepared for the next meeting. Mike Foley would like to push forward the “Yield to Transit” movement and phase in the new equipment as buses are acquired.

Documents relevant to the 10/2/19 Finance Committee meeting will be sent out by the Friday before the meeting. A more general report will be made to the Board on 9/26/19.

## **6. Future Agenda Items**

## **7. Upcoming meetings.**

- Executive Committee – September 11, 2019 at 4:30 p.m.
- Ridership Committee – September 19, 2019 at 4:00 p.m.
- Board of Directors – September 24, 2019 at 4:00 p.m.
- Finance Committee – October 2, 2019 at 4:00 p.m.

## **8. Adjournment**

**Motion** made by Mike Foley to adjourn, **Second** by Paul Bradbury. **Unanimously approved by all present, the meeting adjourned at 5:26 p.m.**