



Finance Committee
May 6, 2020



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Item 6 – CARES Act Funding

CARES Act provided \$25 billion to transit industry:

- Shock absorber and, hopefully, foundation for recovery.
- May be used for all expenses normally eligible under FTA Section 5307 Program, including operating, capital and planning.
- 100% federal share and no spending deadlines.
- \$53 million allocated to PACTS region.
- May be insufficient in long-run – *NY MTA already lobbying for additional \$8 billion on top of \$4 billion received.*

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Item 6 – CARES Act Funding

PACTS Process for Allocation:

- **Role of Transit Agencies and PACTS Transit Committee**
- **Phase 1 – Focused on immediate crisis period:**
 - Allocated \$13.7 million to 7 transit agencies; \$3.8 million to Metro.
 - Amount developed to cover 100% of operating costs for Feb 1-Jun 30 period.
 - Metro board committees to develop direction on funding use in May.
- **Phase 2 – Focused on medium-long term needs and priorities:**
 - Remaining balance is \$40 million.
 - PACTS to facilitate process to develop needs and priorities.
 - Board to advise General Manager on Metro’s priorities in May-June timeframe.
 - Initial major priorities include: 1) serve as shock absorber to offset multi-year fare revenue loss, and 2) invest in ridership recovery efforts including health-safety measures.

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Item 5 – Phase I CARES Act Funding

Metro staff have estimated that the amount of potential available local funding freed-up as a result of the Phase I CARES Act funding allocation is \$750,000.

Method of Calculation:

Revenue

- CARES Act funding pays 100% of eligible expenditures, net of revenue for 2/1-6/30 period.
- No fare revenue collected from 3/20-8/2; reduced fare revenue collected for remainder of year.
- No bus advertising revenue for April and May, and no new advertising contracts until fall 2020.

Expenditures

- No change in wages and benefits costs – reduction in overtime is offset by hazard pay, and employees continue to receive pay.
- Operations cost for maintenance of fleet and facilities continues at regular levels.
- Fuel use is reduced some for April-June.
- Regular service schedule July-December.

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Item 5 – Phase I CARES Act Funding

List of Possible Uses for 2020 Supplanted Local Funding

Priorities	Helps Municipalities on One-time Basis	Helps Municipalities on Recurring Basis	Strengthen Metro's Financial Position	Support Metro's Pandemic Recovery
Credit on Municipal FY 2020-21 Assessments	✓			
Add to Metro Financial Reserve		✓	✓	
Retire Metro Debt		✓	✓	
Cover 2021 CIP Local Match	✓			
Pandemic Recovery Projects				✓

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Item 5 – Phase I CARES Act Funding

Three (3) Options for Distributing Supplanted Local Funding

		Option 1 Balanced Objectives		Option 2 50/50 Split		Option 3 Prioritize Credits	
ESTIMATE OF SUPPLANTED LOCAL FUNDING		\$	750,000	\$	750,000	\$	750,000
Possible Uses	Benefits						
Municipal Credit	One-time municipal budget assistance.	\$	250,000 33%	\$	375,000 50%	\$	565,000 75%
Financial Reserve	Improves financial stability-flexibility; Reduces TAN need; Contingency.	\$	254,785 34%	\$	129,785 17%	\$	110,717 15%
Retire Debt	Eliminates debt service; creates recurring budget savings.	\$	245,215 33%	\$	245,215 33%	\$	74,283 10%
CIP Local Match	Eliminates local match in 2021; non-recurring budget savings.	\$	- 0%	\$	- 0%	\$	- 0%
New Projects-Uses	Invest in new projects or non-recurring uses.	\$	- 0%	\$	- 0%	\$	- 0%
Total		\$	750,000 100%	\$	750,000 100%	\$	750,000 100%
Municipality	2020 Assessment	Municipal % of Total	Municipal Credit Distribution	Municipal Credit Distribution	Municipal Credit Distribution	Municipal Credit Distribution	Municipal Credit Distribution
Falmouth	\$203,183	5%	\$ 12,359 5%	\$ 18,539 5%	\$ 27,932 5%	\$ 27,932 5%	
Portland	\$2,877,058	70%	\$ 175,009 70%	\$ 262,513 70%	\$ 395,520 70%	\$ 395,520 70%	
Westbrook	\$795,835	19%	\$ 48,410 19%	\$ 72,615 19%	\$ 109,406 19%	\$ 109,406 19%	
Brunswick	\$77,934	2%	\$ 4,741 2%	\$ 7,111 2%	\$ 10,714 2%	\$ 10,714 2%	
Freeport	\$77,934	2%	\$ 4,741 2%	\$ 7,111 2%	\$ 10,714 2%	\$ 10,714 2%	
Yarmouth	\$77,934	2%	\$ 4,741 2%	\$ 7,111 2%	\$ 10,714 2%	\$ 10,714 2%	
Total	\$4,109,878	100%	\$ 250,000 100%	\$ 375,000 100%	\$ 565,000 100%	\$ 565,000 100%	

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Item 7 – Reinstatement of Fares-Automated Fare System

Metro staff have developed the following targets for resumption of service, reinstatement of fares and implementation of the automated fare system.

- Metro HQ Restart: June 1, 2020
- Metro Pulse Restart: July 5, 2020
- Resume Full Service: July 5, 2020
- Reinstatement of Fares/AFP: August 3, 2020

Considerations:

- Fares should not be reinstated under “reduced service levels.”
- Staff requires time to procure/fabricate “driver shields” to create barrier with passengers.
- Staff recommend implementing full fare increase so as not to incentivize too much ridership too quickly, maintain simplicity and maximize revenue.
- Ridership and fare revenue are expected to lag budget projections for remainder of 2020.
- Dates are highly subject to change.