

Finance Committee

June 7, 2023 | 4:00 p.m. – 5:30 p.m.



Onsite:

Greater Portland Transit District
114 Valley Street, Conference Room A | Portland, ME 04102

Remote:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/82012466836?pwd=dHN0Wk9VeXF6YzdOVExXaki3RGFyZz09>

Passcode: 453799 | Webinar ID: 820 1246 6836

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MEETING AGENDA

AGENDA ITEM	PRESENTER	ACTION or INFORMATION
1. Call Meeting to Order (4:00)	Paul Bradbury, Committee Chair	N/A
2. Public Comment (4:00-4:05) The Finance Committee welcomes public comment. For items NOT listed on this agenda, the chair will recognize speakers at this point on the agenda. For items on the agenda, the chair will recognize public comment following the staff presentation. There is a 3-minute time limit per speaker.	Paul Bradbury, Committee Chair	Information
3. Approval of Meeting Minutes (4:05-4:10) The committee will be asked to approve minutes from the May 3, 2023 meeting of the Finance Committee.	Paul Bradbury, Committee Chair	ACTION
4. 2022 Five Year Forecast (4:10-4:40) Staff will present the 2023 Five Year Forecast.	Shelly Brooks, Finance Director	Information
5. Follow-Up: Advertising Revenue Review (4:40-4:55) Staff will provide a follow up on the Committee's questions from the May 3 meeting on Advertising revenue/contracts.	Shelly Brooks, Finance Director	Information
6. ARPA Funding for Service Improvements (4:55-5:15) Staff will present a request for authorization to implement ARPA funded service improvements for partial year 2023.	Greg Jordan, Executive Director	ACTION
7. Future Agenda Items (5:15-5:25) Committee members may request future agenda items. <ul style="list-style-type: none">Review board policies pertaining to procurement (TBD)Comprehensive review of board policies (TBD)	Paul Bradbury, Committee Chair	Information

<ul style="list-style-type: none"> • Reassess cost/rev. allocation policies (TBD) • Federal Grant Awards/Activity (TBD) • Long Range Financial Forecasting (Ongoing) • Transit Asset Management Plan (TBD) • State Funding- baseline and recurring (Ongoing) 		
<p>7. Upcoming Meetings (5:25-5:30)</p> <ul style="list-style-type: none"> • Executive Committee – June 14, 2023 at 3:30 p.m. • Ridership Committee – June 14, 2023 at 4:00 p.m. • Board of Directors – June 22, 2023 at 4:00 p.m. • Finance Committee – TBD 	Paul Bradbury, Committee Chair	Information
<p>8. Adjournment (5:30)</p>	Paul Bradbury, Committee Chair	ACTION

As of November 9, 2022 Greater Portland METRO is holding meetings of the Board of Directors (and its committees) in hybrid format, both in person at METRO’s offices and via webinar. The remote portions of all meetings are conducted in accordance with the requirements of [METRO’s Remote Participation Policy](#) (adopted August 25, 2022) as well as LD 1772, PL 2022 Ch. 666, and 1 MRSA Chapter 13, Subchapter 1.



Finance Committee Meeting
May 3, 2023 at 4:00 p.m.
DRAFT Meeting Minutes

Municipality	Representative	Title	Attendance
Portland	Paul Bradbury	Treasurer and Committee Chair	
Yarmouth	Nat Tupper	Member	
Brunswick	Ryan Leighton	Member	
Portland	Jeff Levine	Member	
Other Board Members Present			
Freeport	Bill Rixon	Member	

Staff & Others Present	Members of the Public
Greg Jordan, Executive Director (late arrival)	
Shelly Brooks, Chief Financial Officer	
Debbie Fitzpatrick, Accounting Manager	
Joshua Crooker, IT Manager	
Mike Tremblay, Director of Transit Development	
Casey Leonard, Runyon, Kersteen, Ouellette (RKO)	

Attendance roll call taken by Shelly Brooks, Chief Financial Officer.

- 1. With a quorum in place, the meeting was called to order at 4:00 p.m. by Paul Bradbury, Committee Chair.**
- 2. Public comment:** No members of the public were present.
- 3. Approval of October 5, 2022 and February 15, 2023 Meeting Minutes**
Jeff Levine moved, seconded by Nat Tupper, to approve the meeting minutes of the October 5, 2022 and February 15, 2023 meetings of the Finance Committee as presented. A roll call vote was taken by Shelly Brooks, Chief Finance Officer. **The motion passed unanimously by all those present.**
- 4. Election of Vice Chair**
Paul Bradbury nominated Ryan Leighton to fill the vacancy for Finance Committee Vice Chair. Brief discussion ensued regarding future meeting dates to fit members’ schedules. Nat Tupper moved, seconded by Jeff Levine, to elect Ryan Leighton as the Finance Committee Vice Chair for 2023. A roll call vote was taken by Shelly Brooks, Chief Finance Officer. **The motion passed unanimously by all those present.**

5. 2022 Audit

A summary of the 2022 Financial Statement Audit follows, as presented by Casey Leonard from RKO:

- Financial Statement – Unmodified/clean Opinion
- Report required by Government Auditing Standards (GAS) - yellow book audit
 - No material weaknesses; No significant deficiencies; Clean opinion
- Report required by the Uniform Guidance
 - Programs tested: Federal Transit cluster
 - Findings: None
- Report required by the Maine Uniform Accounting and Auditing Practices for Community Agencies
 - Program tested: Transportation Systems Planning
 - Finding: No findings

Net Position FY 2019-2022 (increased by \$2.2MM in 2022):

- Net investment in capital assets - \$14.1MM
 - Restricted assets - \$563K
 - Unrestricted assets/board policy - \$1.1MM
 - Unrestricted/unreserved - \$584K
 - The Fund balance is at 6.7%.
-
- Revenues: \$32K <budget: over-budget fares, under-budget federal assistance, and over-budget miscellaneous income.
 - Expenditures: \$216K <budget due to staffing vacancies, and lower than anticipated costs in fleet parts and services, advertising, and maintenance costs.
 - Revenue distribution FY 2019-2022: fare revenue has continued to rise, requiring slightly less municipal contributions and federal/state grants.
 - Expense distribution: utilities and telephone declined due to new lease accounting, with many other categories in-line with the previous year.

Jeff Levine moved, seconded by Nat Tupper, to accept the 2022 Financial Statement Audit as presented, and to move it forward to the Board of Directors for action. A roll call vote was taken by Shelly Brooks, Chief Finance Officer. **The motion passed unanimously by all those present.**

6. 2023 Budget to Actual Update

Shelly Brooks, Chief Financial Officer presented an update on Budget to Actual results for 2023 through March 31.

Revenues:

- Passenger fares are at 21.7%. With the March fare promotion in effect, further growth will slow.
- Most other funding sources are not due or available as of March 2023, causing below budget results.

Expenses:

- At 25% of the budget at the end of first quarter.

- Overtime tracking high due to staffing shortages for absences and vacancies.
- Audit, technology, software, maintenance, insurance, and some benefits are over budget, mostly due to timing of payments.
- Fuel, fluids and tires overall are within budgeted range. Greases and Fluids appear high, due to an encumbrance for the annual DEF purchase.
- Utilities are slightly higher than budget, primarily due to heating costs. As we enter warmer months, expenditure growth here should slow.
- Total services and fees at 39.4% of budget

7. 2022 Advertising Revenue Review

Shelly Brooks and Greg Jordan provided committee members with an overview of 2022 advertising revenue results in comparison to budget, including specific detail on top advertising contracts by type. Additional discussion ensued on recent changes to bus wrapping, branding, business contract limitations, and sustainability of existing contracts in comparison to previous years. Committee members recommended thoughtfulness in preparing future advertising revenue budgets and asked for additional comparative data on other similar-sized transit agency advertising revenues to be presented at a future meeting.

8. Future Agenda Items

Committee members may request future agenda items.

- Review board policies pertaining to procurement (TBD)
- Comprehensive review of board policies (TBD)
- Reassess cost/rev. allocation policies (TBD)
- Federal Grant Awards/Activity (TBD)
- Long Range Financial Forecasting (Ongoing)
 - Amended budget to include ARPA funding (June 2023)
 - Sustainable budget (June 2023)
- State Funding – baseline and recurring (TBD)
- Transit Asset Management Plan (TBD)

9. Upcoming meetings

These are upcoming meetings as presently scheduled:

- Executive Committee – May 10, 2023 at 3:30 p.m.
- Ridership Committee – TBD
- Board of Directors – May 25, 2023 at 4:00 p.m.
- Finance Committee – June 7, 2023 at 4:00 p.m.

10. Adjournment

Nat Tupper made a motion to adjourn the meeting. Jeff Levine seconded the motion, at which point, Paul Bradbury adjourned the meeting at 4:44 p.m.

FINANCE COMMITTEE

AGENDA ITEM 4

DATE

June 7, 2023

SUBJECT

Five-Year Financial Forecast

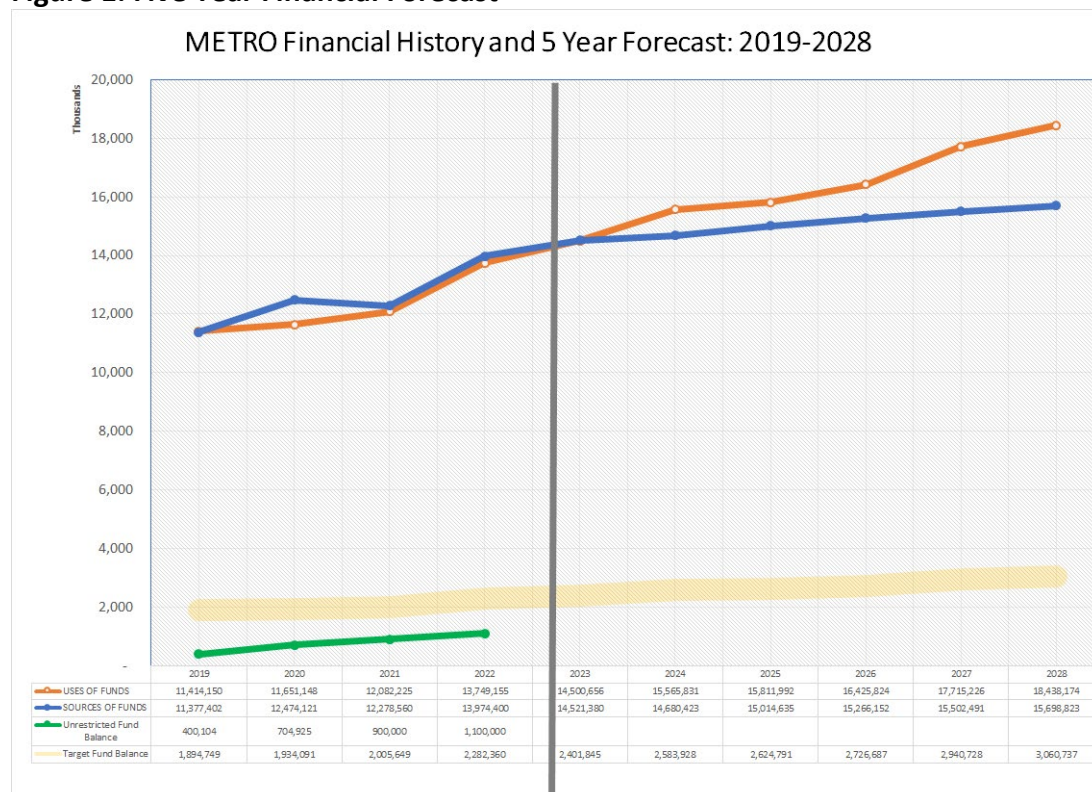
PURPOSE

Provide updated preliminary information on forecasted expense and revenue trends thru 2028.

BACKGROUND/ANALYSIS

In preparation for the FY 2024 budget process, staff have updated the 5-year financial forecast for fiscal years 2024-2028. A detailed forecast with supporting information is provided under Attachment A. The chart below illustrates the summary results of the forecast and represents conservative assessment of how expenses and revenues may trend over the next 5 years. Although additional work is necessary, expenses are expected to out pace revenues by a large margin over the next 5 years. The major factors behind this divergence are outlined below:

Figure 1: Five Year Financial Forecast



* Note: FY 2023 is a projection based on the first 4 months of the year, and remains subject to change.

Expenses

Expenses are forecasted to increase by annual average of 4.95% per year between 2024 and 2028. The major factors driving the increase are anticipated increases in the cost of labor as well as increases in the price of fuel, insurance and supplies and commodities. Costs are rising at a faster pace than at any other time in Metro's recent history due to the ongoing labor market shortage and the associated upward pressure on wages as well as the impacts of record inflation.

The forecast assumes Metro maintains consistent service levels at 99,000 revenue hours per year.

The forecast also assumes that Metro purchases the property at 151 St. John's street in 2024 and constructs a new facility in 2027. While the acquisition has the effect of removing the lease expense associated with the property, there is an increase in debt service in 2024 related to the property acquisition, followed by another increase in debt service beginning in 2027 related to construction of a replacement facility.

Revenues

Revenues are forecasted to increase over the 5-year forecast, which has changed since the last forecast analysis, mostly due to the anticipated increase in State funding in 2024. However, revenues are still growing at a slower pace than growth in expenses through 2028. This results in average annual revenue growth of only 1.57% per year.

Fund Balance (Unrestricted)

Metro's Unrestricted Fund Balance represents the amount set aside for emergencies, cash flow and budget stabilization, and discretionary expenditures subject to Board approval. There is a board approved policy to grow the unrestricted fund balance to the point where it equals 16.6% of total operating expenditures. Based on current projections for expenses and revenues in 2023, which remain subject to change, the unrestricted fund balance is estimated to exceed 7% at year end.

FISCAL IMPACT

As currently developed, the five-year forecast projects an operating deficit of \$885 thousand in FY 2024, followed by widening deficits through 2028. A variety of budget balancing measures will be needed to bring expenditures and revenues into alignment. Some combination of the following measures will be required. Staff is requesting the committee's input on these or other concepts for balancing the agency's budgets going forward.

- Reduce costs anticipated in 2024 and refine annual percentage increase assumptions.
 - Evaluate and refine, if reasonable, percentage escalation assumptions.
 - Evaluate all non-service agency programs and functions for efficiencies, deferred spending, and/or reductions in scope.
 - Evaluate all contracts for services and products for possible reductions in price, scope or cancellation.

- Evaluate Capital Improvement Program to reduce or resequence annual local contributions.
- Defer facility construction beyond 2027.
- Reduce bus service revenue hours through either operating efficiencies, reduced service levels or some combination of both.
- Increase revenues and funding anticipated in 2024 and refine annual percentage increase assumptions.
 - Continue to promote transit ridership and accelerate efforts to increase the number of major employers participating in the Dirigo UMO fare program.
 - Research and identify alternative sources of grant funding.
 - Re-evaluate appropriate mix of revenue generating advertising on Metro's buses and shelters in relation to brand visibility.
 - Subject to availability of funding, request additional FTA 5307 funding for operations and/or preventive maintenance. During the forecast period, Metro's current net utilization of 5307 funding for operations is allowed up to 50% under FTA regulations. However, while the current PACTS funding model shows deficits in 2024 and 2025, and surpluses in 2026-2027.
 - Consider using a portion of the available fund balance for budget balancing in future deficit years.
 - Consider additional funding assistance from member municipalities.

RECOMMENDATION

This item is for information and discussion.

CONTACT

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Finance Director

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ATTACHMENTS

Attachment A – Five Year Financial Forecast: 2024-2028

ATTACHMENT A – FIVE YEAR FORECAST

USES OF FUNDS	2019	2020	2021	2022	2023	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Actual	Budget	Projection	Forecast	Forecast	Forecast	Forecast	Forecast
Personnel: Wages	5,887,568	6,226,929	6,224,159	7,147,685	7,121,871	6,953,553	7,196,927	7,448,820	7,709,529	7,979,362	8,258,640
Personnel: Benefits	2,438,113	2,460,339	2,719,817	2,747,154	3,011,729	2,896,695	3,128,431	3,378,705	3,649,001	3,940,922	4,256,195
Services and Fees	412,118	433,098	534,819	759,747	892,871	942,637	986,470	1,032,340	1,080,344	1,130,580	1,183,152
Fuel, Tires, Fluids	695,059	619,587	660,413	627,682	823,718	809,062	999,835	1,029,830	1,060,725	1,092,547	1,125,323
Supplies-Equipment	457,292	450,273	373,809	370,945	397,000	412,092	428,576	445,719	463,547	482,089	501,373
Utilities	356,264	300,840	299,561	364,947	432,803	408,413	420,665	433,285	446,284	459,672	459,672
Insurance	227,911	299,877	325,138	345,754	376,335	376,335	402,678	430,866	461,027	493,298	527,829
Miscellaneous	42,226	39,032	44,984	49,921	59,550	53,200	65,547	67,513	69,538	71,625	73,773
ADA Paratransit	434,324	290,551	350,479	408,210	416,404	465,506	507,402	507,402	517,550	517,550	517,550
Debt Service	297,275	505,460	231,494	236,824	331,328	324,150	442,382	470,326	502,695	979,419	958,141
Capital & Reserves	166,000	25,162	247,383	213,942	170,000	182,854	345,900	272,440	158,200	249,850	249,850
151 St. John's Property	-	-	70,169	476,344	503,318	477,947	492,285	138,864	143,951	146,899	146,899
Total Expense	11,414,150	11,651,148	12,082,225	13,749,155	14,536,927	14,302,444	15,417,098	15,656,110	16,262,391	17,543,813	18,258,398
SOURCES OF FUNDS	2019	2020	2021	2022	2023	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Actual	Budget	Projection	Forecast	Forecast	Forecast	Forecast	Forecast
Fares	(2,418,290)	(758,856)	(1,385,127)	(2,108,658)	(2,360,736)	(2,339,936)	(2,592,000)	(2,736,000)	(2,880,000)	(3,024,000)	(3,168,000)
Directly Generated	(393,577)	(440,226)	(314,751)	(508,107)	(413,948)	(446,315)	(370,000)	(375,000)	(380,000)	(385,000)	(390,000)
State Funding	(170,426)	(170,426)	(170,426)	(170,427)	(170,427)	(170,427)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
State Funding- Lease	-	-	(37,500)	(227,344)	(234,654)	(234,654)	(239,347)	(244,134)	(207,015)	-	-
FHWA-CMAQ- Transit West	(623,822)	(519,633)	(650,000)	(219,674)	-	-	-	-	-	-	-
FHWA-CMAQ- BREEZ	(356,202)	-	-	-	-	-	-	-	-	-	-
FTA 5307 - PM	(1,058,372)	(612,720)	(944,263)	(1,107,990)	(1,248,269)	(1,248,269)	(1,273,234)	(1,298,699)	(1,324,673)	(1,351,167)	(1,378,190)
FTA 5307 - ADA	(347,459)	(106,726)	(280,383)	(326,566)	(333,123)	(333,123)	(405,921)	(405,921)	(414,040)	(414,040)	(414,040)
FTA 5307 - Operating (CF)	-	-	-	-	-	-	-	-	-	-	-
FTA 5307 Operating	(2,029,157)	(2,176,812)	(2,424,171)	(3,247,517)	(3,928,774)	(3,801,029)	(3,877,050)	(3,954,591)	(4,033,682)	(4,114,356)	(4,196,643)
FTA 5307 - CARES Act	-	(3,861,373)	(2,039,840)	(1,400,000)	(865,292)	(865,292)	-	-	-	-	-
115 St. John's Property (Non-Local)	-	-	(1,000)	(89,387)	(269,990)	(242,877)	(252,592)	(262,696)	(273,204)	(284,132)	(295,497)
Local Funding - Operating	(3,726,192)	(4,117,716)	(4,204,355)	(4,231,244)	(4,409,572)	(4,503,433)	(4,638,536)	(4,777,692)	(4,921,023)	(5,068,654)	(5,220,713)
Local Funding - CIP	(166,000)	(25,162)	(106,649)	(163,460)	(125,000)	(125,000)	(300,900)	(227,440)	(113,200)	(225,000)	(225,000)
Local Funding - ADA	(87,905)	(59,471)	(71,756)	(83,088)	(83,281)	(83,280)	(101,480)	(101,480)	(103,510)	(103,510)	(103,510)
Local Funding - 151 St. Johns	-	-	-	(90,938)	(93,861)	(93,861)	(95,739)	(97,653)	(82,806)	-	-
Local Funding - Municipal Relief Credit	-	375,000	351,661	-	-	-	-	-	-	-	-
Total Revenue	(11,377,402)	(12,474,121)	(12,278,560)	(13,974,400)	(14,536,927)	(14,487,496)	(14,646,800)	(14,981,306)	(15,233,152)	(15,469,857)	(15,666,593)
(Surplus)/Deficit	36,748	(822,973)	(196,335)	(225,245)	-	(18,552)	770,298	674,804	1,029,239	2,073,956	2,591,805
Unrestricted Fund Balance	400,104	704,925	900,000	1,100,000	1,100,000	1,118,552	-	-	-	-	-
% of Operating Expense	3.5%	6.1%	7.4%	8.0%	7.6%	7.7%	-	-	-	-	-

DATE

June 7, 2023

SUBJECT

Advertising Revenue Review

PURPOSE

Provide additional information on advertising contracts.

BACKGROUND/ANALYSIS

In an attempt to answer and understand some of the trends displayed in our advertising revenue patterns over the past ten years, we reached to our advertising partner, Alternate Transit Advertising, Inc. (ATA Outdoor), and they have proposed the following:

METRO is fortunate that Maine does not permit public advertisements displayed as billboards, which leaves transit advertising in bus shelters and vehicles as one of the best alternatives for companies to reach a broad audience within our service area.

In 2023, there has been an industry shift away from annual advertising contracts and a move toward short-term contracts, with 12-week contracts more the current trend. It is also important to note that this is a **national** trend versus a regional or local trend. Items currently effecting the advertising market are:

- Economic concerns around the debt ceiling, budget deficit and possible recession.
- Change in company management – new influencers or decision-makers may shift marketing dollars to a different mode of advertising. For example, US Cellular, one of METRO's top five advertisers from 2012-2018, had a change in management that resulted in a transition to all digital advertising.
- Change in allowable advertisers - non-profit, credit union, and university advertising were phased out in 2020.

The assumption is that all customers will continue advertising, however this is not reality. The ad market is more fluid than it may appear, causing ups and downs in revenue returns. As such, consider the following:

- A T & T– This contract is managed by a large ad agency and therefore ATA Outdoor has no influence over the length of the contract or its outcomes. The customer drives the

process, having a specific budget and/or campaign. As a result, when the contract term ends, it ends (2022).

- Law Offices of Joe Bornstein- This is considered a good solid client, that in recent years has shifted from TV to local ad campaigns and should be advertising with METRO for a few years to come (ATA Outdoor has close contact with media buyer here.).
- Oxford Casino- was severely impacted by COVID, hence the absence of advertising in 2020 (no 2023 advertising dollars spent with METRO as well). ATA is currently in discussions with them in the hopes that they may come back by January of 2024.

Nonetheless, Portland has always had a healthy advertising market, i.e. nice place to live, work, recreate, etc. As a result, METRO continues to have a good pipeline, but no one is signing right now. Some contracts are pushing back 30 days or more. Our current ad space (on buses) is maximized/booked right now. Ad sales should ramp up again in June for third quarter and in August for fourth quarter.

The best approach to projecting ad revenues going forward should be to use conservative financial estimates, removing out-liars (low year (COVID) and high year (2022)) and average the remaining results.

Based on the information discussed above, Metro staff estimate that advertising revenue for 2023 will be below the \$355k budgeted amount. Staff estimate actual revenue will be approximately \$260k. However, staff also estimate other revenue sources will be higher than budgeted, and will offset this deficit.

FISCAL IMPACT

As described.

RECOMMENDATION

This item is for information and discussion.

CONTACT

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ATTACHMENTS

None

DATE

June 7, 2023

SUBJECT

ARPA Funding Budget Authority

PURPOSE

Authorize staff to expend awarded ARPA funding for Phase I service improvements in August 2023.

BACKGROUND/ANALYSIS

In March 2022, following a competitive application process, Metro was awarded \$4,338,290 in American Rescue Plan Act (ARPA) funding by the Portland Area Comprehensive Transportation System (PACTS). Following an extended review process called for by 3 of the 5 of the region's federal Designated Recipients, the "split-letter" to formally allocate the funding was executed in December 2022. Metro's grant agreement with the Federal Transit Administration was obligated on May 26, 2023.

The purpose of the funding is to make a variety of service and capital improvements to the transit system with the aim of rebuilding ridership. This type of federal funding can cover 100% of project costs and requires no local match.

The ARPA funding is allocated to the following projects:

- Service Improvements (2 years) - \$2,818,704
- Temporary Fare Reduction (7 months) - \$494,586
- Bus Stop Accessibility Improvements - \$525,000
- Transit Signal Priority - \$500,000

Table 1 below outlines the service improvements generally included as part of the 2022 ARPA grant application and the associated impact on Revenue Hours. Also included in Table 1 are the Transit Together recommended service changes. Please note that the Transit Together recommendations do not yet have funding attached to them.

Table 1: ARPA and Transit Together Service Improvements

Route	Transit		Description	Phasing	Revenue Hours Impact				
	ARPA	Together			Wkdy	Sat	Sun	Annual	% Change
Route 1			No change	N/A	-	-	-	-	0%
Route 2		x	Route extension	2024 (Subject to funding)	2,240	159	199	2,598	30%
Route 3			No changes	N/A	(279)	(33)	-	(312)	-4%
Route 4		x	Route extension	Apr-23	2,514	938	194	3,645	27%
Route 5		x	Route modification	Phase II - May 2024	184	542	-	726	7%
Route 7	x	x	Route ext./modification; freq./span improvements	Phase II - May 2024	7,247	657	610	8,515	194%
Microtransit	x		New service; pilot project in Falmouth	Phase II - May 2024	3,328	624	468	4,420	n/a
Route 8A		x	Route modification; freq./span improvements	2024 (Subject to funding)	6,195	577	525	7,298	n/a
Route 8B		x	Route modification; freq./span improvements	2024 (Subject to funding)	581	68	120	768	11%
Route 9A	x	x	Freq./span improvements	Phase I - Aug 2023	1,280	468	-	1,748	23%
Route 9B	x	x	Freq./span improvements	Phase I - Aug 2023	1,280	577	-	1,857	25%
BREEZ	x	x	Freq./span improvements	Phase I - Aug 2023	1,216	-	-	1,216	13%
Husky Line	x	x	Route extension	Phase I - Aug 2023	1,587	190	518	2,295	18%
Total					27,374	4,767	2,633	34,774	35%

The ARPA service improvements were developed and submitted for PACTS consideration in late 2022. Since that time, the impacts of nationwide inflation and labor shortages have driven costs higher. As a result, consideration must be given to how to best advance the planned service improvements within the \$2.8 million funding award. Staff recommend two strategies to optimize use of the funding.

1. Implement the improvements in two phases while also reducing the pilot phase timeframe for phase II improvements (Route 7 and Microtransit).
2. Eliminating the addition of service to 4 holidays, eliminating the addition of Sunday Breez service, and deferring span of service improvement to Route 8.

Metro staff will be working on strategies to develop the funding needed to implement the remaining Transit Together improvements in 2024 or as soon as possible.

FISCAL IMPACT

Based on the phasing plan, Table 2 provides a 2-3 year forecast horizon during which the ARPA funding will be drawn down. At this stage, staff believe this approach allows the service improvements to run through 2025. Thereafter, service improvement judged to be successful, and which ought to be made permanent, will require long-term sustainable sources (e.g., fare revenue, federal support, local support).

Table 2: ARPA Phasing Plan Fiscal Impact

Fiscal Year	Rev. Hrs	CPM	Gross Cost	Contingency	Requested		Projected Net Cost	ARPA Funding Balance
					Budget Authority	Revenues		
					↓			\$ 2,818,704
FY 2023	2,372	\$ 81.75	\$ 193,914	10%	\$ 213,306	\$ 21,331	\$ 191,975	\$ 2,626,729
FY 2024	15,653	\$ 85.84	\$ 1,343,611	0%	\$ 1,343,611	\$ 201,542	\$ 1,142,069	\$ 1,484,660
FY 2025	20,051	\$ 90.13	\$ 1,807,159	0%	\$ 1,807,159	\$ 325,289	\$ 1,481,870	\$ 2,790
3 Year Total			\$ 3,344,684		\$ 3,364,075	\$ 548,161	\$ 2,815,914	\$ 2,790

RECOMMENDATION

Staff is requesting authorization to amend the FY 2023 Operating Budget to allow up to \$213,306 in expenses in order to operate Phase I service improvements (Route 9, Husky Line and Breez). These service improvements are planned to commence in late August 2023. Staff will provide regular updates to the Finance Committee on expenditures and use of ARPA funding as part of regular budget performance updates.

ARPA funding use in FY 2024 and FY 2025 will be authorized in connection with the annual budget approval process for those years.

CONTACT

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ATTACHMENTS

None