

Northern New England Passenger Rail Authority



June 2017



Board of Directors Briefing Materials

June 26, 2017

**NNEPRA Office
75 W. Commercial Street, Suite 104
Portland, Maine**

AmtrakDowneaster.com

FY2017 Draft Action Plan

Northern New England Passenger Rail Authority 75 W. Commercial Street, Portland, ME 04101 207-780-1000

July 28, 2016

Meet or exceed projected Performance Benchmarks

- Achieve 45% total cost recovery
- Achieve 85% OTP
- Achieve 80% Café Cost Recovery in Café.
- Exceed 90% in specified CSI categories

Improve Service Efficiency

- Eliminate Deadhead Trips.
- Improve equipment utilization.
- Increase performance on peak trains.
- Increase performance of off-peak trains.
- Seek cost saving measures in Café.

Improve Passenger Services & Communication

- Initiate 3rd Round Trip to Brunswick
- Improve Group process & Sales
- Implement PIDS
- Develop Station Ambassador Standards
- Improve Station Communication
- Explore ways to improve bicycle access

Sponsor Capital Projects to improve service quality and efficiency

- Complete Brunswick Layover
- Replace 15,000 Ties Portland-Wells
- Support implementation of Kennebunk Station
- Develop Wells Siding/Platform concept into a potential program.
- Significantly complete MBTA Project
- Initiate Royal Junction Siding Project
- Participate in Portland Station improvements

Explore Options for Service Expansions

- Continue work on L/A Study

Maintain Compliance with all Regulations

- Improve and enhance written Policies & Procedures
- Improve and enhance data collection & reporting
- Improve internal documentation processes.

Identify and Promote Economic and Public Benefits associated with the Downeaster.

Work to secure a stable and dedicated funding mechanism to sustain Downeaster operations and continued capital investments in the Downeaster Corridor.



BOARD of DIRECTORS MEETING AGENDA

June 26, 2017

12:00pm Vote to open meeting
Vote to enter Executive Session

Motion to go into executive session pursuant to:

1. 1 MRS § 405(6)(C) and 23 MRS § 8115-A to discuss negotiations with Amtrak regarding the FY2017 and FY2018 agreement.
2. 1 MRS § 405(6)(F) and 23 MRS §8115-A(1)(A) to discuss renewal of contract for legal services.

1:00pm (time approximate)

- Introductions
- Approval of Minutes from April 24, 2017 Board Meeting
- Performance Update
 - Downeaster performance
 - Marketing update
- Finance Report
 - May 2017 Budget Variance Report
 - FY18 Budget Proposal
 - Fare Plan
- Project Updates
- Executive Director's Report
- Other Business
- Public Comment

Next Meeting: July 24, 2017



**Minutes of the Meeting of the Board of Directors
Northern New England Passenger Rail Authority**

May 22, 2017
Portland, Maine

Directors in attendance:

Mr. Brian Hobart, Mr. Ron McKinnon, Mr. John Melrose, Ms. Sue Moreau and Mr. Charles Large

Staff in attendance:

Ms. Patricia Quinn, Ms. Natalie Bogart, Mr. James Russell, Mr. Brian Beeler, Mr. Stephen Houdlette and Ms. Marina Douglass

Interested parties:

Mr. Stephen Corcoran, Amtrak; Mr. Wayne Davis, TrainRiders Northeast; Mr. Tony Donovan; MRTC; Mr. Bill Lord, TrainRiders Northeast; Beth Nachreiner; Federal Railroad Administration

Opening Remarks

Motion to open Public Session 12:15 pm

Motion: Mr. Hobart
Seconded: Mr. McKinnon
Accepted: All

Vote to go into Executive Session 12:17 pm

Motion: Mr. McKinnon
Seconded: Mr. Hobart
Accepted: All

Motion to reopen Public Session 1:04 pm

Motion: Mr. McKinnon
Seconded: Mr. Large
Accepted: All

John Melrose was recently appointed Chairman of the Board by Governor Paul LePage.

Mr. Melrose started the meeting with introductions of the recently appointed NNEPRA board members Mr. Charles Large and Mr. Brian Hobart, followed by a round table of members of the public and staff in attendance.

Mr. Melrose nominated senior ranking board member Ron McKinnon to serve as the next NNEPRA Treasurer and to reconfirm Dana Connors as Vice Chair and Marina Douglass as Secretary.

Vote to accept Mr. McKinnon as the Treasurer of the NNEPRA Board.

Motion: Mr. Melrose
Seconded: Mr. Hobart
Accepted: All except Mr. McKinnon who abstained.

Vote to reconfirm Dana Connors as Vice Chair and Marina Douglass as Secretary.

Motion: Mr. McKinnon
Seconded: Mr. Hobart
Accepted: All

Vote to accept minutes as presented by the staff

Motion: Mr. Melrose
Seconded: Mr. McKinnon
Accepted: All except Mr. Large and Mr. Hobart who abstained

DOWNEASTER PERFORMANCE REPORT

- Ms. Quinn reviewed the Performance Report highlighting the following:
 - FY Ridership July 1, 2016 thru March 31, 2017 was 426,518 passengers or 10% greater than projections. Revenues of \$7,248,354 were 9% greater than projections for the same period.
 - Ridership records have been set in the months of July, August, January, February and April.
 - Service outages associated with construction on the MBTA portion of the railroad and crossing replacement have resulted in disruptions and cancellation of Downeaster trains in May, resulting in ridership of approximately 200 riders per day less than projected.
 - Ms. Quinn reported current speed restrictions on the Pan Am Mainline at .55 miles and the MBTA section of the Downeaster route at 1.42 miles.
- Mr. Beeler reported on the changes to the new schedule, effective May 22, 2017.
 - Seasonal service began to Old Orchard Beach
 - Train 689/699 will depart at 11:25pm on evenings of concerts or Red Sox Home Games, and depart at 10:30pm all other nights.
- Ms. Bogart provided a marketing update:
 - The focus remains to keep the Downeaster brand in front of the target audience through a mix of paid and earned media.
 - The Train to Maine summer 2017 campaign has launched in Boston and focuses on increasing northbound ridership on trains 681/691 and 683/693 and 688/698.
 - May and June are peak group travel season for field trips to Boston.
 - Amtrak has agreed to again allow its vintage Dome car to operate on the Downeaster from August 19 thru September 24th.

FINANCE REPORT – Marina Douglass

- Ms. Douglass presented the April 2017 variance report
- Mr. Melrose provided historical context and clarification on CMAQ funding.
- Mr. Large asked clarifying questions regarding statistics in performance report compared to variance report.

- Mr. Large asked if there is a train capacity vs. train utilization matrix and specifically would the Amtrak line item in the budget go down if trains were more full. Ms. Quinn stated that capacity/ utilization is tracked but that ridership had a small impact on Amtrak costs.

Vote to accept April 2017 Variance Report

Motion: Mr. McKinnon
Seconded: Mr. Hobart
Accepted: All

Discussion regarding Draft Budget and Fare plan was presented for review.

Ms. Quinn noted ridership and revenue projections for FY18 of 517,800 passengers and an average fare \$17.41 per passenger.

Ms. Quinn presented the FY18 Fare Plan and estimates a \$287,000 increase in revenues based on the outlined plan.

Mr. Melrose asked when the last time fares were modified to this magnitude. Ms. Quinn stated that one-way fares last increased in Fall of 2012 and incremental adjustments have been made to Multi-Ride pass fares since that time.

Mr. Melrose asked if Amtrak's fare beyond rule prohibits charging a premium for fares outside the State of Maine. Ms. Quinn responded yes.

Vote to publish a public notice with the intent to raise fares

Motion: Mr. McKinnon
Seconded: Mr. Hobart
Accepted: All

Ms. Douglass reviewed the proposed FY2018 budget.

Mr. Donovan asked who owns the Portland Parking Lot in Portland and who realizes revenue from the parking lot. Ms. Moreau responded that MaineDOT owns the lot and leases it to NNEPRA. Parking revenue is applied to offset expenses at the PTC.

Mr. Donovan asked who approves the NNEPRA budget. Ms. Moreau stated that the MaineDOT Commissioner and the NNEPRA Board of Directors.

Ms. Quinn stated that three companies submitted proposals in response to NNEPRA's Auditor Request for Proposals. The Board Finance Subcommittee, Mr. Connors and Mr. Melrose, recommended that the award be made to MacPage as the lowest cost over five years with the greatest familiarity and experience with NNEPRA accounting.

Vote to accept the subcommittee's recommendation to contract with MacPage for NNEPRA's auditing firm

Motion: Mr. McKinnon
Seconded: Mr. Hobart
Accepted: All

Project Update – Jim Russell

- Mr. Russell reported that the Haverhill Line Project is progressing and that preparations for the Royal Junction Siding Project are moving forward as scheduled.

EXECUTIVE DIRECTOR REPORTS

- Two firms submitted qualifications in response to the RFQ issued for the Lewiston Auburn Study. Committee will be meeting to review and make a final selection.
- Thompsons point land swap was completed at the end of March.

Other Business

- Mr. Melrose polled the board regarding Board Meeting dates and whether the fourth Monday of each month will still work.
- Ms. Quinn introduced Ms. Beth Nachreiner with the Federal Railroad Administration. Ms. Nachreiner informed the board that the NNEPRA Staff was top notch and their involvement in the industry has made contributions on a National level.
- Ms. Quinn mentioned that the NNEPRA Staff will be hosting the annual Ambassador Appreciation Luncheon on Monday, June 5th.

Public Comment:

- Mr. Donovan inquired about the status of the Downeaster Service Development Plan. Ms. Quinn said the final report is in her inbox for review and will be published on the NNEPRA website when complete. Mr. Donovan asked to be notified once the report was finalized.

Vote to adjourn at 2:47 pm, 1 hour 40 minutes duration.

Motion: Mr. McKinnon

Seconded: Mr. Hobart

Accepted: All

NEXT MEETING: June 26, 2017

DOWNEASTER PERFORMANCE REPORT Fiscal Year to Date

| Ridership | | | | | | |
|--------------|----------------|----------------|----------------|---------------|-----------|-------------------|
| | FY2016 | FY2017 | FY2017 | Variance | Var | Passenger |
| | Actual | Actual | Target | to Target | % | Miles |
| July | 37,349 | 51,402 | 51,305 | 97 | 0% | 4,376,310 |
| August | 46,215 | 53,627 | 53,165 | 462 | 1% | 4,532,238 |
| September | 40,622 | 45,315 | 34,330 | 10,985 | 32% | 3,661,021 |
| October | 41,868 | 38,979 | 26,000 | 12,979 | 50% | 2,529,061 |
| November | 39,588 | 35,599 | 25,000 | 10,599 | 42% | 2,396,395 |
| December | 38,010 | 38,259 | 39,750 | (1,491) | -4% | 3,107,583 |
| January | 30,949 | 37,915 | 33,500 | 4,415 | 13% | 3,093,267 |
| February | 35,954 | 37,275 | 36,000 | 1,275 | 4% | 2,980,081 |
| March | 39,820 | 41,829 | 42,900 | (1,071) | -2% | 3,368,114 |
| April | 42,189 | 46,318 | 43,800 | 2,518 | 6% | 3,797,000 |
| May | 38,754 | 39,015 | 41,250 | (2,235) | -5% | 3,089,674 |
| Total | 431,318 | 465,533 | 427,000 | 38,533 | 9% | 36,930,744 |

| Revenue | | | | | | |
|--------------|------------------|------------------|------------------|----------------|-----------|--------------|
| | FY2016 | FY2017 | FY2017 | Variance | Var | Average |
| | Actual | Actual | Target | to Target | % | Fare |
| July | \$ 587,570 | \$ 921,482 | \$ 897,838 | \$ 23,645 | 3% | \$ 17.93 |
| August | \$ 819,638 | \$ 942,790 | \$ 943,679 | \$ (889) | 0% | \$ 17.58 |
| September | \$ 696,095 | \$ 752,830 | \$ 585,498 | \$ 167,332 | 29% | \$ 16.61 |
| October | \$ 707,151 | \$ 550,988 | \$ 418,860 | \$ 132,128 | 32% | \$ 14.14 |
| November | \$ 689,592 | \$ 539,612 | \$ 408,750 | \$ 130,862 | 32% | \$ 15.16 |
| December | \$ 670,971 | \$ 660,248 | \$ 699,600 | \$ (39,352) | -6% | \$ 17.26 |
| January | \$ 523,381 | \$ 651,837 | \$ 561,125 | \$ 90,712 | 16% | \$ 17.19 |
| February | \$ 618,814 | \$ 675,094 | \$ 621,000 | \$ 54,094 | 9% | \$ 18.11 |
| March | \$ 677,322 | \$ 730,978 | \$ 742,170 | \$ (11,192) | -2% | \$ 17.48 |
| April | \$ 721,169 | \$ 822,495 | \$ 751,170 | \$ 71,325 | 9% | \$ 17.76 |
| May | \$ 663,377 | \$ 631,889 | \$ 707,438 | \$ (75,548) | -11% | \$ 16.20 |
| Total | 7,375,079 | 7,880,243 | 7,337,127 | 543,116 | 7% | 16.93 |

| Customer Satisfaction | | | |
|--|------------|--------|------------|
| May 2017 | Downeaster | Amtrak | FY to Date |
| Overall Customer Satisfaction | 91 | 84 | 90 |
| Value of Amtrak Service for Price Paid | 89 | 81 | 88 |
| Overall Cleanliness of Train | 91 | 85 | 90 |
| Clarity of Announcements | 84 | 79 | 83 |
| Friendliness/Helpfulness of Train Conductor | 94 | 89 | 92 |
| Friendliness/Helpfulness of Café Car Personnel | 95 | 87 | 93 |
| Quality/Freshness of Food in Café Car | 83 | 78 | 85 |
| Overall Experience in Café Car | 89 | 80 | 86 |

| On Time Performance | | | | | | |
|---------------------|----------|---------|----------|-------|-------|-----|
| Calendar | December | January | February | March | April | May |
| 2017 | 61% | 82% | 74% | 78% | 89% | 72% |
| 2016 | 86% | 79% | 78% | 93% | 81% | 81% |

| PRELIMINARY VARIANCE REPORT - MAY 2017 | | | | | | | |
|--|-------------------------|-------------------------|---------------------------|------------------------|------------------------|--------------------------|-------------------------|
| | Current Month Actual | Current Month Budget | Current Month Variance | Year to Date Actual | Year to Date Budget | Year to Date Variance | Year to Date Percent |
| Revenues | | | | | | | |
| Operating Revenue | | | | | | | |
| Amtrak Ticket Revenue | 631,889 | 707,438 | (75,549) | 7,880,245 | 7,337,128 | 543,117 | 7% |
| Food Service Revenue | 45,786 | 56,969 | (11,182) | 633,063 | 596,260 | 36,803 | 6% |
| Advertising Revenue | 333 | 0 | 333 | 5,010 | 1,000 | 4,010 | 401% |
| Parking Lot Revenue | 48,459 | 28,993 | 19,466 | 454,165 | 348,580 | 105,585 | 30% |
| Interest on Accounts | 316 | 295 | 21 | 1,688 | 3,245 | (1,557) | -48% |
| Other Revenue | 22,234 | 21,225 | 1,009 | 290,050 | 229,495 | 60,555 | 26% |
| Total Operating Revenues | 749,017 | 814,920 | (65,903) | 9,264,221 | 8,515,708 | 748,513 | 9% |
| Expenses | | | | | | | |
| Wages and Benefits | | | | | | | |
| Permanent Full-Time | 31,503 | 31,502 | 1 | 339,664 | 342,392 | (2,728) | (0) |
| Benefits | 19,187 | 18,718 | 469 | 206,298 | 206,992 | (694) | (0) |
| Total Wages and Benefits | 50,690 | 50,220 | 470 | 545,962 | 549,384 | (3,422) | -1% |
| Administration | | | | | | | |
| Office Expenses | 7,853 | 9,900 | (2,047) | 103,085 | 110,035 | (6,950) | (0) |
| Professional Services | 7,539 | 9,750 | (2,211) | 129,433 | 128,000 | 1,433 | 0 |
| Insurance | 2,478 | 2,595 | (117) | 27,240 | 27,795 | (555) | (0) |
| Board Operations | 1,858 | 1,846 | 12 | 17,323 | 15,742 | 1,581 | 0 |
| Total Administration Expenses | 19,727 | 24,091 | (4,364) | 277,081 | 281,572 | (4,491) | -2% |
| Train Operations | | | | | | | |
| Amtrak Operations | 1,230,620 | 1,230,620 | 0 | 13,108,520 | 13,103,756 | 4,764 | 0% |
| Train Fuel Cost | 142,646 | 171,000 | (28,354) | 1,462,531 | 1,881,000 | (418,469) | -22% |
| PanAm | 112,685 | 112,685 | 0 | 1,025,836 | 1,228,306 | (202,470) | -16% |
| Other Train Operations | 2,880 | 3,274 | (394) | 30,130 | 36,534 | (6,404) | (2) |
| Insurance | 0 | 2,300 | (2,300) | 2,000 | 22,700 | (20,700) | -91% |
| Layover Facility | 29,921 | 10,318 | 19,603 | 264,574 | 201,317 | 63,257 | 31% |
| Capital Maintenance | 29,325 | 30,575 | (1,250) | 224,648 | 234,525 | (9,877) | -4% |
| Total Train Operations | 1,548,077 | 1,560,772 | (12,696) | 16,118,238 | 16,708,138 | (589,900) | -4% |
| Station Operations | | | | | | | |
| Portland Station | 29,900 | 29,900 | 0 | 364,754 | 357,742 | 7,012 | 2% |
| Platform Ins | 10,972 | 11,325 | (353) | 120,317 | 121,875 | (1,558) | -1% |
| Station Platform Leases | 0 | 0 | 0 | 32,004 | 33,404 | (1,400) | -4% |
| Other Station Improvements | 0 | 0 | 0 | 2,100 | 2,100 | 0 | 0 |
| Total Station Operations | 40,872 | 41,225 | (353) | 519,175 | 515,121 | 4,054 | 1% |
| Food Service | | | | | | | |
| Regular | 60,879 | 71,211 | (10,332) | 778,241 | 745,444 | 32,797 | 4% |
| Total Food Service | 60,879 | 71,211 | (10,332) | 778,241 | 745,444 | 32,797 | 4% |
| Marketing | 72,466 | 72,500 | (34) | 422,603 | 423,330 | (726) | 0% |
| Total Marketing | 72,466 | 72,500 | (34) | 422,603 | 423,330 | (726) | 0% |
| Total Expenses | 1,792,711 | 1,820,019 | (27,308) | 18,661,301 | 19,222,988 | (561,688) | -3% |
| Additional Funding Required | 1,043,694 | 1,005,100 | 38,595 | 9,397,079 | 10,707,280 | (1,310,201) | -12% |
| Revenue Per Passenger | 19.20 | 19.76 | | 19.90 | 19.94 | | |
| Cost Per Passenger | 45.95 | 44.12 | | 40.09 | 45.02 | | |
| Subsidy Per Passenger | 26.75 | 24.37 | | 20.19 | 25.08 | | |
| Cost Recovery | 42% | 45% | | 50% | 44% | | |
| Café Cost Recovery | 75% | | | 81% | | | |
| Ridership | 39,015 | 41,250 | | 465,533 | 427,000 | | |