

Board Briefing Materials

June 14, 2021

Virtual Meeting

1:00pm Public Session



For More Information

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**NORTHERN NEW ENGLAND
PASSENGER RAIL AUTHORITY**



NNEPRA FY2021 Action Plan

FY21 will focus on weathering the COVID-19 pandemic, recovering from its impacts, and preparing for an unknown and new “normal” going forward.

Core Objectives:

- **Support and maintain a culture of health and safety.**
- **Provide a high-quality service at levels which meet the needs of the travelling public.**
- **Seek and secure funding opportunities to support operations and service improvement projects.**
- **Remain informed, nimble and positioned to adjust and adapt to changing circumstances.**

Goals/Action Items:

- **Continue to implement, support and/or communicate practices which maximize the health and safety of our riders, our front-line service providers, and our team.**
- **Develop a Business Plan and strategic framework to address the challenges and opportunities in the post-pandemic world.**
- **Improve communication with riders and keep our partners and stakeholders engaged with efforts to enhance service.**
- **Advance Capital Projects to Improve Safety, Service Quality and Efficiency**
 - Wells Siding Project
 - State of Good Repair Projects
 - Positive Train Control
- **Explore Options for Service Improvement/Expansions**
 - Portland Station options and alternatives on the Mainline
 - A platform at West Falmouth Crossing
 - Enhanced connectivity to Amtrak’s national network
 - Other planning initiatives as appropriate

NNEPRA BOARD of DIRECTORS

June 14, 2021

Northern New England Passenger Rail Authority

Virtual Zoom Meeting

1:00pm Vote to open meeting

- Welcome and Introductions
 - Ground rules for virtual format
- Approval of Minutes from May 10th, 2021 Board Meeting
- Performance Update
 - Ridership & Revenue Fiscal Year to Date
- Finance Update
 - Approval of Variance Report
 - FY22 Budget Approval
 - Approval of Changes to Financial Management Policy
- Project Updates
- Other Business
 - Special Presentation
- Public Comment

Next Meeting: July 26th, 2021



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

May 10th, 2021

Directors in Attendance via Zoom Teleconference:

Chairman John Melrose, Chair; Mr. Jim Cohen; Mr. Brian Hobart; Mr. Steve Lyons; Mr. Nate Moulton; Ms. Carol Murray

NNEPRA Staff in Attendance via Zoom Teleconference:

Ms. Patricia Quinn; Mr Brian Beeler; Mr. William Gayle; Ms. Leslie Guerrette; Mr. Stephen Houdlette; Mr. James Russell

Interested Parties via Zoom Teleconference:

Mr. Ralph Cusack, Nexdine; Mr. Greg Girard, Nexdine; Mr. Dana Knapp, Concord Coach Lines; Mr. Wayne Davis, TrainRiders Northeast; Mr. Nat Rosenblatt, Farrell, Rosenblatt & Russell; Mr. Mark Bickford; Mr. Irwin Gratz, Maine Public Radio; Mr. Dean Rybolt, Amtrak; Mr. Mike Smith, Finger Lakes Railway; Mr. George Petki, Finger Lakes Railway

Opening Remarks

Motion to Approve the March 22, 2021 Minutes

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

OVERVIEW OF DOWNEASTER PERFORMANCE – Patricia Quinn

Patricia Quinn provided an overview of performance. March 2021 the Downeaster was roughly 18% of March 2019 ridership and 19% of revenue, nearly double the percentage from December 2020 and January 2021 when both figures were roughly 10% of FY19 levels. It was noted that Endpoint On-Time Performance was 71% for the month. Dean Rybolt, Amtrak, commented that working with Pan Am Railways and MBTA to address many of the issues and noting that it is difficult to recovery time there are only 15 miles of double track in Pan Am's 107 miles. The long stretches of single track cause bottlenecks and cascading delays.

Patricia provided a brief summary of April performance noting that, based on preliminary figures, senior ridership has doubled, the number of children has tripled, and the volume of bikes has increased. There was one construction related cancellation due to a culvert repair project. With the gains made in April, the Downeaster has caught up to the recovery percentage of other Amtrak state-supported routes.

Brian Beeler provided an overview of Café service providing a summary of the costs and food and beverage breakdown. Chairman Melrose noted the Downeaster is the only Amtrak service with independently operated food and beverage service. Patricia noted that this has been an asset to the service.

MARKETING UPDATE – Patricia Quinn

Patricia Quinn provide an update on the marketing efforts noting that advertising was significantly reduced during the pandemic and the messages were related mostly to safety. Advertising has recently increased with the tag line is: “Connect to the people and places you’ve missed”. NNEPRA will be doing a Train to Maine promotion with NECN in June. Brian Beeler provided an overview of a coordination meeting with the Bicycle Coalition of Maine and representatives from 9 station communities aimed at increasing bike usage on board. Patricia Quinn noted efforts to partner with Live and Work in Maine to explore a stop in Falmouth for attendees of the PGA Korn Ferry golf tournament.

VARIANCE REPORT– Leslie Guerrette

Patricia Quinn noted that the budget projections made last June were based on Amtrak’s forecast for service recovery which were not achieved due to the resurgence of the pandemic. Leslie Guerrette provided an overview of the variance report for approval noting that Amtrak revenue is reflected for February and March only due to the “fixed fee” methodology applied for distribution of CARES Act funding.

Chairman Melrose asked what funding sources will make up the deficit. Patricia and Leslie noted it is a combination of federal, state, and CARES funding.

Motion to Approve the Variance Report

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

Chairman Melrose noted that Ron McKinnon, whose term as a Board member had expired and has been replaced, served as Board treasurer a board treasurer. He further noted that Dana Connors had agreed to serve that role.

Motion to Nominate Dana Connors for Treasurer of the Board

Motion: Mr. Hobart
Seconded: Ms. Murray
Accepted: All

Motion to Appoint Dana Connors Treasurer of the Board

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

PROJECT UPDATES – Jim Russell

Jim Russell provided an update on various projects including the capital maintenance program and Wells Siding Project. The FY22 maintenance budget is currently being finalized with Pan Am Railways. The final design of the Wells platform and pedestrian bridge will begin once final NEPA is approved by the Federal Railroad Administration.

Chairman Melrose asked about the status of the installation of positive train control (PTC). Jim noted that the MBTA has installed PTC in all their territory, and that Amtrak is working with Pan Am on the installation from Massachusetts line to Brunswick.

OTHER BUSINESS – Patricia Quinn

Patricia Quinn and Nat Rosenblatt provided an overview of the status of the Amtrak agreement and the CSX purchase of Pan Am Railways. Patricia Quinn noted that NNEPRA has been in close coordination with MaineDOT on this pending transaction to ensure the interests of NNEPRA and the Downeaster service are represented. Patricia Quinn requested authorization for NNEPRA to formally participate in the Surface Transportation Board (STB) while proceedings related to the transaction.

Motion to authorize the staff to submit filing as a participant of interest to participate in the STB proceedings associated with the merger of Pan Am Railways and CSX Transportation.

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

Patricia Quinn noted that the current agreement with Farrell, Rosenblatt, & Russell is set to expire on June 30, 2021 and requested authorization to extend the agreement as a sole source for FY22 given the need for legal services on a number of issues that have long term impacts on the service.

Motion to extend the agreement for legal services with Farrell, Rosenblatt & Russell through June 30, 2022.

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

Patricia Quinn noted that NNEPRA is looking at options to relocate Portland station to the mainline and that discussions are ongoing with West Falmouth Crossing stakeholders regarding a potential station at that location. Chairman Melrose noted that a West Falmouth station could divert a fair amount of parking and traffic from Portland. Chairman Melrose asked about the Rockland branch extension. Nate Moulton, MaineDOT, mentioned that the Department is working toward assigning the lease for the Rockland Branch to a different operator and is hoping to resolve the issue later this year. Chairman Melrose noted that he did not want to lose the opportunity to extend service along the line. Patricia Quinn noted that Amtrak has identified the Rockland Branch as a route for future expansion.

Patricia Quinn led a discussion on LD1052, and “Act to Strengthen NNEPRA” and asked if MaineDOT had any comments. Nate Moulton noted that MaineDOT was not in favor of the proposal.

Patricia Quinn noted that negotiations are ongoing regarding the Amtrak’s procurement of a new trainsets to replace the Amfleets. The new equipment will provide increased reliability, amenities and environmental benefits. If things progress, the new trainsets should be operating Downeaster in 2029.

PUBLIC COMMENT

There was no public comment.

Downeaster Pandemic Recovery Period Summary

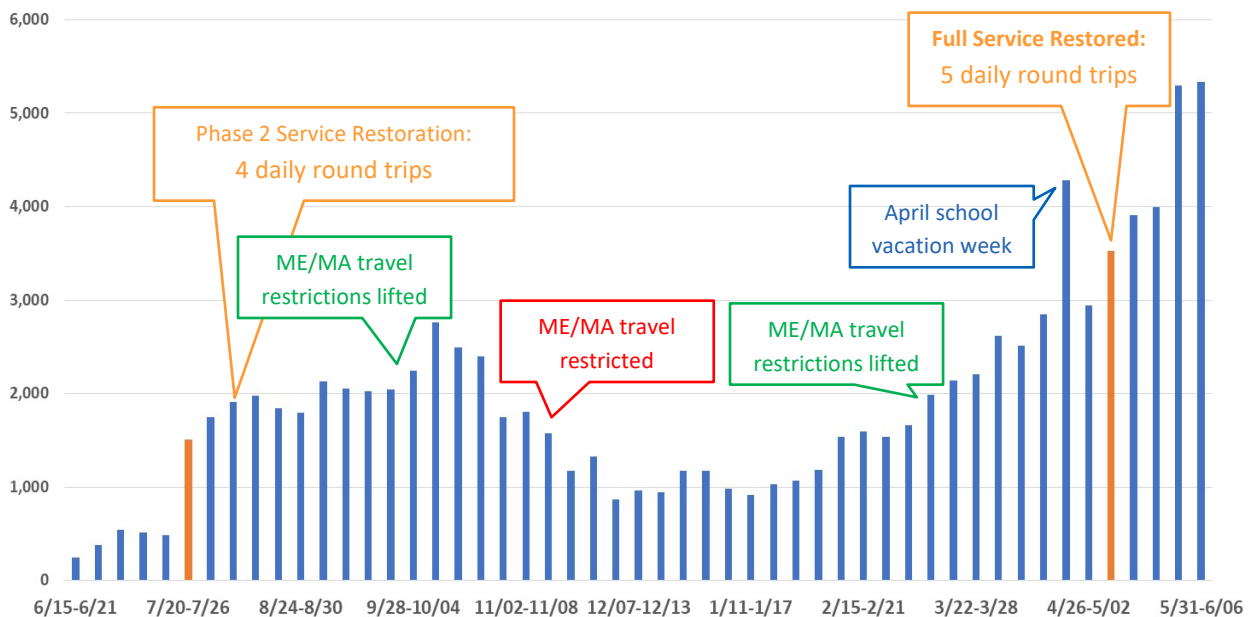
On Time Performance		
Period	Endpoint OTP	Customer OTP
July	34%	40%
August	65%	79%
September	81%	88%
October	52%	65%
November	62%	78%
December	63%	74%
January	79%	84%
February	76%	85%
March	71%	82%
April	75%	83%
May	61%	71%

FY2021 Performance			
Period	Trains Operated	Riders	Ticket Revenue
July	122	4,028	\$ 99,833
August	248	8,099	\$ 187,759
September	240	8,538	\$ 189,765
October	248	10,383	\$ 234,442
November	240	6,233	\$ 140,090
December	244	4,408	\$ 98,587
January	248	4,447	\$ 96,657
February	224	5,756	\$ 127,509
March	248	8,606	\$ 170,785
April	236	13,054	\$ 256,539
May	306	18,643	\$ 379,959
Total	2,604	92,195	\$ 1,981,926

Note: 2 daily trains operated weekdays only July 1-19. 8 daily trains started operating July 20.

Weekly Ridership Summary

Amtrak Downeaster Ridership by Week (Mon-Sun)



FY2021 Draft Budget Variance Report

April 2021

Revenues	Current Month				Fiscal Year to Date			
	April Actual	April Budget	Variance	%	Actual	Budget	Variance	%
Amtrak Ticket Revenue	\$ 256,539	\$ 433,500	\$ (176,961.00)		\$ 1,601,967	\$ 2,493,050	\$ (891,083)	
Operating Revenue								
Amtrak Ticket Revenue	\$ 256,539	\$ 433,500	\$ (176,961)		\$ 554,833	\$ 2,493,050	\$ (1,938,217)	-349.3%
Food Service Revenue	\$ 18,345	\$ 25,500	\$ (7,155)	-28%	\$ 110,484	\$ 167,250	\$ (56,766)	-51.4%
Advertising Revenue	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Parking Lot Revenue	\$ 11,692	\$ 15,750	\$ (4,058)	-26%	\$ 48,921	\$ 109,425	\$ (60,504)	0.0%
Interest and Other Revenue	\$ 20,532	\$ 15,000	\$ 5,532	37%	\$ 159,394	\$ 150,000	\$ 9,394	5.9%
Total Operating Revenues	\$ 307,108	\$ 489,750	\$ (182,642)	-37%	\$ 873,632	\$ 2,919,725	\$ (2,046,093)	-234.2%
Expenses								
Administration								
Salaries & Benefits	\$ 66,684	\$ 69,000	\$ (2,316)	-3%	\$ 690,776	\$ 690,000	\$ 776	0.1%
Office Expenses	\$ 10,074	\$ 9,000	\$ 1,074	11%	\$ 94,555	\$ 90,000	\$ 4,555	4.8%
Professional Services	\$ 8,271	\$ 10,000	\$ (1,729)	-21%	\$ 115,280	\$ 100,000	\$ 15,280	13.3%
Insurance	\$ -	\$ -	\$ -		\$ 29,524	\$ 22,457	\$ 7,067	23.9%
Board Operations	\$ -	\$ -	\$ -		\$ 11,366	\$ 10,000	\$ 1,366	12%
Total Administration Expenses	\$ 85,029	\$ 88,000	\$ (2,971)	-3%	\$ 941,501	\$ 912,457	\$ 29,044	3.1%
Train Operations								
Amtrak Operations	\$ 661,069	\$ 1,400,471	\$ (739,402)	-112%	\$ 6,435,699	\$ 11,718,727	\$ (5,283,028)	-82.1%
Train Fuel Cost	\$ 120,710	\$ 148,649	\$ (27,939)		\$ 371,278	\$ 1,028,742	\$ (657,464)	-177.1%
Other Train Operations	\$ 150,217	\$ 156,112	\$ (5,895)		\$ 449,537	\$ 1,384,890	\$ (935,353)	0.0%
Facilities	\$ 21,458	\$ 20,000	\$ 1,458	7%	\$ 338,893	\$ 200,000	\$ 138,893	41.0%
Capital Maintenance	\$ -	\$ -	\$ -		\$ 189,403	\$ 189,403	\$ -	0.0%
Total Train Operations	\$ 953,454	\$ 1,725,232	\$ (771,778)	-81%	\$ 7,784,810	\$ 14,521,762	\$ (6,736,952)	-86.5%
Station Operations								
Portland Station Rent	\$ 9,100	\$ 9,400	\$ (300)	-3%	\$ 91,000	\$ 93,400	\$ (2,400)	-2.6%
Portland Station CAMS	\$ 21,800	\$ 22,200	\$ (400)	-2%	\$ 243,285	\$ 221,400	\$ 21,885	9.0%
Platform Ins.	\$ -	\$ -	\$ -		\$ 142,067	\$ 133,745	\$ 8,322	5.9%
Station Platform Leases	\$ -	\$ -	\$ -	0%	\$ 42,427	\$ 45,753	\$ (3,326)	-7.8%
Station Improvements	\$ -	\$ 3,500	\$ 3,500		\$ 8,000	\$ 35,000	\$ (27,000)	0.0%
Total Station Operations	\$ 30,900	\$ 35,100	\$ (4,200)	-14%	\$ 526,779	\$ 529,298	\$ (2,519)	-0.5%
Food Service	\$ 41,571	\$ 71,300	\$ (29,729)	-72%	\$ 417,745	\$ 620,350	\$ (202,605)	-48.5%
Marketing	\$ 34,798	\$ 41,667	\$ (6,869)	-20%	\$ 335,892	\$ 416,667	\$ (80,774)	-24.0%
Total Operating Expenses	\$ 1,452,860	\$ 2,451,049	\$ (998,188)	-69%	\$ 10,880,359	\$ 19,920,259	\$ (9,039,900)	-83.1%
Additional Funding Required	\$ 1,145,753	\$ 1,961,300	\$ (815,546)	-71%	\$ 10,006,728	\$ 17,000,535	\$ (6,993,806)	-69.9%

Note: NNEPRA had a net fixed-price agreement with Amtrak through January 2021 based on a national formula that allocated Amtrak CARES Act funding among Amtrak state partners. Amtrak operations expenses February – April reflect a monthly credit of \$500,000 to reflect CRSSA funding allocated to Amtrak to reduce state costs. As such, some Amtrak ticket revenue train-related expenses reported are not reflected in the budget variance report.

NNEPRA FY2022 Draft Operating Budget & Forecast

July 2021 - June 2022

Revenues	55%	40%	70%	FY 2021 Forecast	FY21 Budget	FY21 Variance to Budget	FY2019 Actuals
Operating Revenue							7
Amtrak Ticket Revenue	\$ 6,055,360	\$ 4,370,878	\$ 7,649,037	\$ 1,325,640	3,400,000	\$ (2,074,360)	10,276,202
Food Service Revenue	\$ 470,182	\$ 331,748	\$ 580,558	\$ 169,795	220,600	\$ (50,805)	876,463
Advertising Revenue				\$ -	0	\$ -	1,050
Parking Lot Revenue	\$ 307,381	\$ 221,440	\$ 387,519	\$ 73,921	142,100	\$ (68,179)	553,599
Interest and Other Revenue	\$ 285,800	\$ 295,000	\$ 295,000	\$ 201,394	180,000	\$ 21,394	293,396
Total Operating Revenues	\$ 7,118,722	\$ 5,219,066	\$ 8,912,115	\$ 1,770,749	3,942,700	\$ (2,171,951)	12,000,710
Expenses							
Administration							
Salaries & Benefits	\$ 816,000	\$ 816,000	\$ 816,000	\$ 824,776	828,000	\$ (3,224)	669,761
Office Expenses	\$ 96,000	\$ 96,000	\$ 96,000	\$ 111,955	108,000	\$ 3,955	105,939
Professional Services	\$ 232,000	\$ 232,000	\$ 232,000	\$ 135,280	120,000	\$ 15,280	47,030
Insurance	\$ 50,374	\$ 50,374	\$ 50,374	\$ 29,524	26,949	\$ 2,575	27,264
Board Operations	\$ 15,000	\$ 15,000	\$ 15,000	\$ 13,766	12,000	\$ 1,766	20,321
Total Administration Expenses	\$ 1,209,374	\$ 1,209,374	\$ 1,209,374	\$ 1,115,301	1,094,949	\$ 20,352	870,315
Train Operations							
Amtrak Operations	\$ 14,524,743	\$ 14,389,005	\$ 14,707,334	\$ 5,389,714	11,022,094	\$ (5,632,380)	12,929,187
Amtrak Equip Cap	\$ 3,048,348	\$ 3,048,348	\$ 3,048,348	\$ 2,465,985	3,500,000	\$ (1,034,015)	3,497,000
Train Fuel Cost	\$ 2,003,387	\$ 2,003,387	\$ 2,003,387	\$ 651,278	1,323,915	\$ (672,637)	1,751,204
Other Train Operations	\$ 1,710,000	\$ 1,710,000	\$ 1,710,000	\$ 709,537	100,000	\$ 609,537	53,997
Layover Facilities	\$ 378,784	\$ 378,784	\$ 378,784	\$ 388,893	240,000	\$ 148,893	330,171
Capital Maintenance	\$ 860,000	\$ 860,000	\$ 860,000	\$ 876,271	876,271	\$ -	769,788
Total Train Operations	\$ 22,525,262	\$ 22,389,523	\$ 22,707,853	\$ 10,481,678	17,062,280	\$ (6,580,602)	19,331,347
Station Operations							
Portland Station Rent	\$ 110,400	\$ 110,400	\$ 110,400	\$ 109,200	112,200	\$ (3,000)	109,200
Portland Station Expenses	\$ 278,000	\$ 278,000	\$ 278,000	\$ 286,885	265,800	\$ 21,085	273,132
Platform Ins	\$ 153,432	\$ 153,432	\$ 153,432	\$ 142,067	133,745	\$ 8,322	131,195
Station Platform Leases	\$ 48,000	\$ 48,000	\$ 48,000	\$ 42,427	45,753	\$ (3,326)	51,761
Station Improvements	\$ 24,000	\$ 24,000	\$ 24,000	\$ 16,000	42,000	\$ (26,000)	3,078
Total Station Operations	\$ 613,832	\$ 613,832	\$ 613,832	\$ 596,579	599,498	\$ (2,919)	568,366
Food Service	\$ 773,790	\$ 697,890	\$ 834,308	\$ 527,745	764,360	\$ (236,615)	1,010,837
Marketing	\$ 520,000	\$ 520,000	\$ 520,000	\$ 430,892	500,000	\$ (69,108)	468,417
Total Operating Expenses	\$ 25,642,259	\$ 25,430,620	\$ 25,885,367	\$ 13,152,195	\$ 20,021,087	\$ (6,868,892)	\$ 22,249,282
Additional Funding Required	\$ 18,523,537	\$ 20,211,554	\$ 16,973,252	\$ 11,381,446	\$ 16,078,388	\$ (4,696,942)	\$ 10,248,573
Funding Breakdown							
5337 Formula Funds	\$ 7,984,662	\$ 7,984,662	\$ 7,984,662				
5307 CMAQ	\$ 2,015,338	\$ 2,015,338	\$ 2,015,338				
MaineDOT Match	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000				
CRSSA Amtrak Relief	\$ 4,900,000	\$ 4,900,000	\$ 4,900,000				
Projected CARES	\$ 1,623,537	\$ 3,311,554	\$ 73,252				
Total	\$ 18,523,537	\$ 20,211,554	\$ 16,973,252				