
Board Briefing Materials

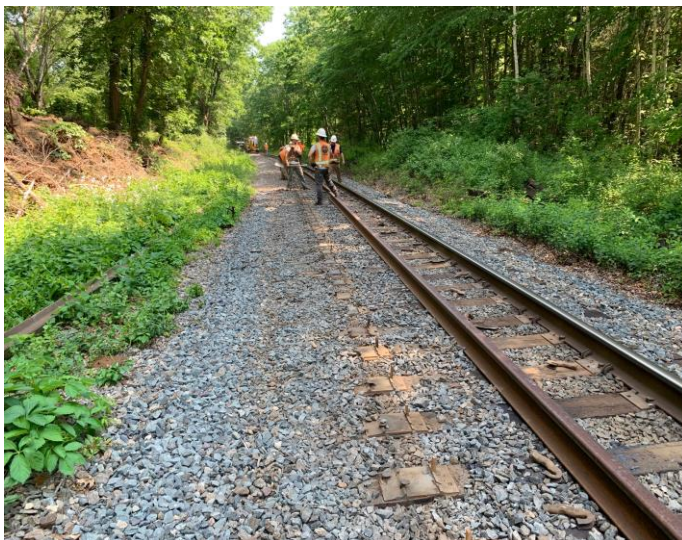
August 2, 2021

Location:

*Greater Portland Council of Governments
970 Baxter Blvd, Suite 201
Portland, ME 04103*

10:00am Executive Session

11:00am 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.

Support and maintain a culture of health and safety.

Provide a high-quality service at levels which meet the needs of the travelling public.

<p>Seek and secure funding opportunities to support operations and service improvement projects.</p>	<ul style="list-style-type: none"> • Applied for CARES funding through PACTS to compensate for revenue losses. • Worked through SAIPRC to provide data to support federal funding for Amtrak state supported routes. • Participated in PACTS Funding Framework discussions to assure formula funding was preserved to sustain and support current services.
<p>Remain informed, nimble and positioned to adjust and adapt to changing circumstances.</p>	<ul style="list-style-type: none"> • Monitored and tracked health and safety guidelines, requirements and restrictions. • Updated passenger and public communications regularly. • Monitored ridership trends daily. • Participated in weekly Amtrak safety briefings. • Implemented schedule changes as needed to accommodate track work and travel patterns.
<p>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.</p>	<ul style="list-style-type: none"> • Provided regular communication regarding State, Federal and Amtrak safety protocols, including signage. • Installed hand sanitizers at all station platforms. • Adopted office policies and procedures to support social distancing, masking and hygiene.
<p>Develop a Business Plan and strategic framework to address the challenges and opportunities in the post-pandemic world.</p>	<ul style="list-style-type: none"> • Adopted and implemented a phased plan to restore service and service elements. • Followed national directives associated with Amtrak funding, including federal relief and service requirements. • Resumed and maintained limited Downeaster service from mid-June through April, and then resumed full service in May 2021. • Modified May schedule to adapt to new travel patterns. • Added Event service to support Live + Work In Maine PGA Tournament
<p>Improve communication with riders and keep our partners and stakeholders engaged with efforts to enhance service.</p>	<ul style="list-style-type: none"> • Developed and implemented tiered communication plan to keep passengers informed of service levels and safety protocol. • Transitioned to marketing and promotional efforts as appropriate. • Updated station signage. • Continued Station communication and coordination.
<p>Advance Capital Projects to Improve Safety, Service Quality and Efficiency</p>	<ul style="list-style-type: none"> • Tie Replacement and Capital Maintenance • Wells Siding Project: NEPA Complete; Pending Final approval from FRA • Positive Train Control: Facilitated dialogue between Amtrak and CSX
<p>Explore Options for Service Improvement/Expansions</p>	<ul style="list-style-type: none"> • Portland Station mainline steps of Good Repair Projects • Platform at West Falmouth Crossing • Developing enhanced communication plan for NEC connectivity • Participate in PACTS planning activities

NNEPRA BOARD of DIRECTORS

August 2, 2021

Northern New England Passenger Rail Authority

Face coverings required for all attendees

Draft Agenda

10:00am **Vote to Open Executive Session**

1. Motion to go into executive session pursuant to 1 MRS § 405(6)(E) and 23 MRS § 8115-A to discuss with counsel negotiations regarding the settlement of potential issues between NNEPRA and CSX.
2. Motion to go into executive session pursuant to 1 MRS § 405(6)(E) and 23 MRS § 8115-A to discuss with counsel negotiations regarding the Amtrak-NNEPRA service agreement.
3. Motion to go into executive session pursuant to 1 MRS § 405(6)(C), 1 MRS § 405(6)(E), and 23 MRS § 8115-A to discuss negotiations regarding agreements relating to the Portland Transportation Center.
4. Motion to go into executive session pursuant to 1 MRS § 405(6)(C) to discuss negotiations regarding rail service on the Rockland Branch.

11:00am **Vote to Open Public Session**

- Welcome and Introductions
- Public Comment
- Approval of Minutes from June 14, 2021 Board Meeting
- Performance Update
 - FY2021 Ridership & Revenue Review
- Finance Update
 - Approval of Variance Report
- Project Updates
- Other Business

Next Meeting: August 30, 2021



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

June 14, 2021

Directors in Attendance via Zoom Teleconference:

Chairman John Melrose, Chair; Mr. Connors; 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. Dean Rybolt, Amtrak; Mr. George Betke

Opening Remarks

Motion to Approve the May 10, 2021 Minutes

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

OVERVIEW OF DOWNEASTER PERFORMANCE – Patricia Quinn

Patricia Quinn provided an overview of the ridership and revenue highlighting key milestones and impact to growth of riders through May. Ridership in May was at 42 percent of FY19 level however it was 332 percent higher than January 2021. In comparing Downeaster ridership to all Amtrak routes, May's ridership outpaced the rest of the Amtrak routes by three percentage points. Amtrak lifted the national ridership cap on May 24, 2021 allowing full capacity on trains. Revenue for the month was 47 percent of May FY19.

Brian provided an update on Downeaster Café performance. A slightly higher percentage of riders used the Café compared to FY19. The Downeaster service has been piloting at-seat service during the recovery with approximately 30 percent of sales coming from this service. The tables in the Café car available for seating. NexDine is finalizing an app for online ordering. Chairman Melrose asked if the intent is to continue the at seat service option? Brian answered yes, however process will need to be developed for trains that are near capacity to ensure prompt service for those choosing to go to the café. Nate Moulton asked if the at-seat service requires an additional attendant? Brian noted it did not.

Patricia Quinn provided an overview of Downeaster On Time Performance (OTP) noting it had been a challenging spring. Month-to-date OTP is 53 percent and Customer OTP is 63 percent. The delays have been partly caused by track work and PTC installation on the MBTA segment of the railroad. NNEPRA worked with Amtrak to develop an interim schedule for June to mitigate the delays caused by track work. Track construction outages and weather (heat) also impacted train performance. Steve Corcoran, Amtrak noted that Pan Am Railway has also been working to eliminate restricted speed areas. Patricia Quinn noted that the Downeaster still has an 85% approval rating from riders and read the following comment sent in by a recent customer:

"I'm totally blind, and for the past two Saturdays I traveled from Boston to Portland round-trip, and from Boston to Old Orchard Beach round-trip, and the staff on the Downeaster have been super, super, helpful! I really enjoy it, and I may even be traveling again soon."

MARKETING UPDATE – Patricia Quinn

Patricia Quinn provided an overview noting that NNEPRA has been running TV spots and developed a flash sale for travel to Maine promotion. Next week a promotion spotlighting the Downeaster will be shown on NECN to encourage northbound travel. In finalizing the partnership with the Korn Ferry PGA tournament event, NNEPRA will be holding a joint press conference announcing the temporary train stop for the tournament.

VARIANCE REPORT– Leslie Guerrette

Leslie Guerrette provided an overview of the variance report for April 2021 and reminded the Board that the federal relief funding impacts the way revenue and expenses reported in the variance. NNEPRA paid Amtrak a fixed fee July-January which included operations, fuel and host railroad charges but did not credit passenger revenue. Beginning in February, the regular billing approach resumed, but Amtrak applied a credit due to CRSSA funds. As a result, the variance reflects the Amtrak expenses NNEPRA paid, but understates expense amounts

Motion to Approve the Variance Report

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

FY22 BUDGET APPROVAL – Patricia Quinn

Patricia Quinn provided an overview of the draft FY22 budget for approval. Three scenarios were discussed with ridership and revenue projected to average at 40%, 55%, and 70% of FY19 levels. The 55 percent ridership level scenario resulted from an analysis of ridership by train and potential for specific travel markets to return, beginning at about 40 percent in July and ramping up to the 60% range next spring. It was noted that expenses are not significantly impacted by ridership levels.

Patricia Quinn noted the required additional funding projected was more than in FY19. The use of federal formula funds, state funds, and federal relief funds will provide the funding to meet the additional funds required. As ridership and revenue bounce back, NNEPRA will monitor and adjusting the budget and amount of federal aid required as needed.

Chairman Melrose noted that operating expenses don't change much in the various scenarios, confirming that the budget was based on five trains a day. Nate Moulton asked if it was possible to provide a combined capital and operating budget. Patricia Quinn noted that the operating budget does include capital maintenance work performed by PAR and that project budgets had been presented separately, but that a combined budget would be explored.

Patricia provided an overview of the capital budget. Chairman Melrose noted it be helpful to include a column for the total amount of capital projects and requested time to review the format. Patricia Quinn noted staff would set up a time for review.

Motion to Approve the FY22 Budget at the 55% ridership scenario level.

Motion: Mr. Hobart

Seconded: Mr. Cohen
Accepted: All

Patricia Quinn provided an overview of the updates made to the Financial Management Policy. Edits to the Policy reflected the current regulatory requirements and practices modified or established during the past year to accommodate remote working.

Motion to Approve the updates to the Financial Management Policy

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

PROJECT UPDATES – Jim Russell

Jim Russell provided an overview of several maintenance projects. The focus on projects has been to increase OTP. Several important projects included the grade crossing replacement at Allen Avenue and rail replacement activity.

OTHER BUSINESS – Patricia Quinn

Patricia Quinn provided additional other business highlighting state legislation that NNEPRA opposed. Nate Moulton provided an update on several rail bills that included one related to service to Lewiston/Auburn and another to Bangor.

Patricia Quinn presented the 2021 George J. Mitchell award to Carmen Morello. The award is presented annually to someone who exemplifies the stewardship and excellence in service to passenger rail in the northeast. Mr. Morello has been with the service since its inception providing exceptional wit and character that has enhanced the experience of Downeaster riders every day. With Mr. Morello’s retirement everyone at NNEPRA thanks him for his years of service and being a champion of innovation and congratulates him on the well-deserved award.

PUBLIC COMMENT

There was no public comment.

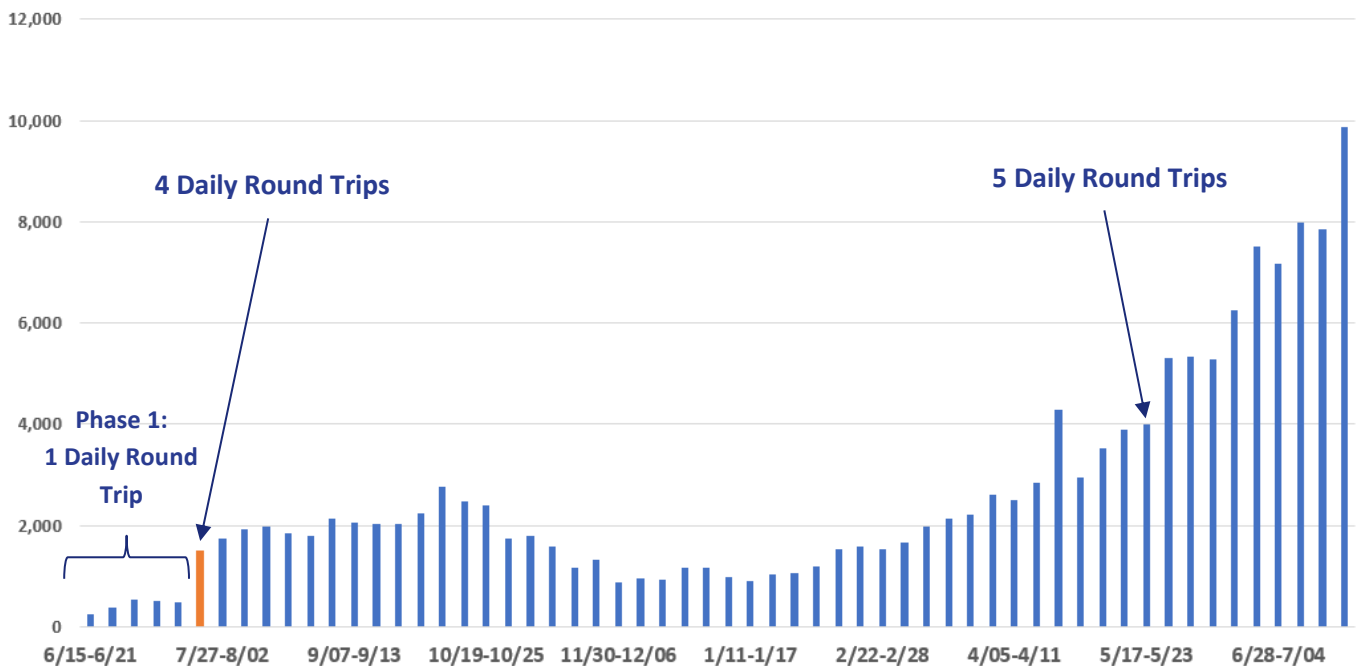
Downeaster FY2021 Performance

FY2021 Performance				On Time Performance			Overall Customer Satisfaction	
Period	Trains Operated	Riders	Ticket Revenue	Period	Endpoint OTP	Customer OTP		
July	122	4,028	\$ 99,833	July	34%	40%	July	86.9
August	248	8,099	\$ 187,759	August	65%	79%	August	89.1
September	240	8,538	\$ 189,765	September	81%	88%	September	92.3
October	248	10,383	\$ 234,442	October	52%	65%	October	88.7
November	240	6,233	\$ 140,090	November	62%	78%	November	87.5
December	244	4,408	\$ 98,587	December	63%	74%	December	87.9
January	248	4,447	\$ 96,657	January	79%	84%	January	93.1
February	224	5,756	\$ 127,509	February	76%	85%	February	93.4
March	248	8,606	\$ 170,785	March	71%	82%	March	92.5
April	236	13,054	\$ 256,539	April	75%	83%	April	87.5
May	306	18,643	\$ 379,959	May	61%	71%	May	89.8
June	296	25,668	\$ 515,857	June	59%	67%	June	85.5
Total	2,900	117,863	\$ 2,497,783				FY21 Average	89.5

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)



NNEPRA Draft FY21 Budget Variance Report

July 2020 - June 2021

	Current Month				Fiscal Year to Date			
	June Actual	June Budget	Variance	%	Actual	Budget	Variance	%
Revenues								
<i>Amtrak Ticket Revenue</i>					\$ 2,497,783	\$ 3,400,000	\$ (902,217)	
Operating Revenue								
Amtrak Ticket Revenue	\$ 515,857	\$ 459,000	\$ 56,857		\$ 1,450,649	\$ 3,400,000	\$ (1,949,351)	-134.4%
Food Service Revenue	\$ 52,734	\$ 27,000	\$ 25,734	95%	\$ 187,511	\$ 220,600	\$ (33,089)	-17.6%
Advertising Revenue		\$ -	\$ -			\$ -	\$ -	
Parking Lot Revenue	\$ 28,248	\$ 16,500	\$ 11,748	71%	\$ 115,185	\$ 142,100	\$ (26,915)	0.0%
Interest and Other Revenue	\$ 15,950	\$ 15,000	\$ 950	6%	\$ 152,827	\$ 180,000	\$ (27,173)	-17.8%
Total Operating Revenues	\$ 612,789	\$ 517,500	\$ 95,289	18%	\$ 1,906,172	\$ 3,942,700	\$ (2,036,528)	-106.8%
Expenses								
Administration								
Salaries & Benefits	\$ 64,387	\$ 69,000	\$ (4,613)	-7%	\$ 823,028	\$ 828,000	\$ (4,972)	-0.6%
Office Expenses	\$ 8,762	\$ 9,000	\$ (238)	-3%	\$ 113,391	\$ 108,000	\$ 5,391	4.8%
Professional Services	\$ 26,600	\$ 10,000	\$ 16,600	62%	\$ 150,151	\$ 120,000	\$ 30,151	20.1%
Insurance			\$ -		\$ 29,524	\$ 26,949	\$ 2,575	8.7%
Board Operations	\$ 825	\$ 1,000	\$ (175)		\$ 12,744	\$ 12,000	\$ 744	6%
Total Administration Expenses	\$ 100,574	\$ 89,000	\$ 11,574	12%	\$ 1,128,838	\$ 1,094,949	\$ 33,889	3.0%
Train Operations								
Amtrak Operations	\$ 654,497	\$ 1,401,348	\$ (746,851)	-114%	\$ 7,803,756	\$ 14,521,423	\$ (6,717,667)	-86.1%
Train Fuel Cost	\$ 149,993	\$ 153,603	\$ (3,610)		\$ 670,545	\$ 1,335,948	\$ (665,403)	-99.2%
Other Train Operations	\$ 132,499	\$ 156,112	\$ (23,613)		\$ 742,253	\$ 1,697,114	\$ (954,861)	0.0%
Facilities	\$ 42,887	\$ 20,000	\$ 22,887	53%	\$ 401,780	\$ 240,000	\$ 161,780	40.3%
FY21 Capital Maintenance	\$ -	\$ -	\$ -		\$ 252,762	\$ 876,271	\$ (623,509)	-246.7%
Total Train Operations	\$ 979,876	\$ 1,731,063	\$ (751,187)	-77%	\$ 9,871,096	\$ 18,670,756	\$ (8,799,660)	-89.1%
Station Operations								
Portland Station Rent	\$ 9,100	\$ 9,400	\$ (300)	-3%	\$ 109,200	\$ 112,200	\$ (3,000)	-2.7%
Portland Station CAMS	\$ 21,800	\$ 22,200	\$ (400)	-2%	\$ 286,885	\$ 265,800	\$ 21,085	7.3%
Platform Ins.	\$ -	\$ -	\$ -		\$ 142,067	\$ 133,745	\$ 8,322	5.9%
Station Platform Leases	\$ -	\$ -	\$ -	0%	\$ 45,753	\$ 45,753	\$ -	0.0%
Station Improvements	\$ 1,199	\$ 3,813	\$ (2,614)		\$ 21,699	\$ 42,000	\$ (20,301)	0.0%
Total Station Operations	\$ 32,099	\$ 35,413	\$ (3,314)	-10%	\$ 605,604	\$ 599,498	\$ 6,106	1.0%
Food Service	\$ 77,557	\$ 71,810	\$ 5,747	7%	\$ 549,614	\$ 764,360	\$ (214,746)	-39.1%
Marketing	\$ 34,851	\$ 41,667	\$ (6,816)	-20%	\$ 301,193	\$ 500,000	\$ (198,808)	-66.0%
Total Operating Expenses	\$ 1,837,746	\$ 2,486,453	\$ (648,707)	-35%	\$ 14,362,517	\$ 25,572,263	\$ (11,209,746)	-78.0%
Additional Funding Required	\$ 1,224,958	\$ 1,968,954	\$ (743,996)	-61%	\$ 12,456,346	\$ 21,629,564	\$ (9,173,217)	-73.6%
<i>Overall Cost Recovery</i>	33%	21%	13%		13%	15%	-2%	
<i>Café Cost Recovery</i>	68%	-32%	100%		34%	-24%	58%	
<i>Ridership</i>	25,668	27,000	(1,332)	-5%	117,863	219,400	(101,537)	-86.1%
<i>Ticket Revenue Per Passenger</i>	\$ 20.10	\$ 19.17	\$ 0.93		\$ 16.17	\$ 17.97	\$ (1.80)	

*FY21 Capital Maintenance project funding is obligated. Balance will carry forward to FY22 project budget.

Note: NNEPRA paid Amtrak a fixed fee for Train Operations through January 2021 based on a national formula derived to allocate Amtrak CARES Act funding among Amtrak state partners. Beginning in February 2021, Amtrak applied a monthly credit of \$500k to Downeaster operating expenses due to CRSSA Relief funding formula. This Variance Report reflects the amounts paid to Amtrak during this period, which understates actual revenue generated and actual expenses incurred by Amtrak to operate Downeaster service.



Amtrak billing was modified in FY21 due to COVID.

The Budget Variance Report reflects the amounts actually billed to NNEPRA by Amtrak, but understates Amtrak costs allocated to NNEPRA which would have been billed if federal relief funding was not available.

Amtrak Billed Expenses	Jul-Jan	Feb-Jun	FY21 Total
CARES Fixed Fee	\$ 2,463,115		\$ 2,463,115
Train Operations	\$ 2,072,637	\$ 5,768,004	\$ 7,840,641
CRSSA Credit		\$ (2,500,000)	\$ (2,500,000)
Train Ops Expenses	\$ 4,535,752	\$ 3,268,004	\$ 7,803,756
Fuel	Included in CARES fee	\$ 670,545	\$ 670,545
Other		\$ 589,440	\$ 589,440
Total Amtrak Expenses	\$ 4,535,752	\$ 4,527,990	\$ 9,063,742
<i>Less Ticket Revenue</i>	N/A due to CARES	\$ (1,450,650)	\$ (1,450,650)
Total Due to Amtrak	\$ 4,535,752	\$ 3,077,340	\$ 7,613,092

Amtrak Allocated Costs	Jul-Jan	Feb-Jun	FY21 Total
Train Operations	\$ 8,851,089	\$ 5,768,004	\$ 14,619,093
Fuel	\$ 587,261	\$ 670,545	\$ 1,257,806
Other	\$ 719,370	\$ 589,440	\$ 1,308,811
Total Costs	\$ 10,157,721	\$ 7,027,990	\$ 17,185,710
<i>Less Ticket Revenue</i>	\$ (1,047,133)	\$ (1,450,650)	\$ (2,497,783)
Net Cost	\$ 9,110,588	\$ 5,577,340	\$ 14,687,928
<i>Total Amtrak Federal Relief Credit</i>	\$ 4,574,836	\$ 2,500,000	\$ 7,074,836

July 2020-January 2021:

- Amtrak billed the fixed fee established by the CARES Act formula to cover train operations (except for some equipment expenses), fuel and other costs including Host RR expenses.
- Ticket Revenue was not credited against expenses during this time.

February-June 2021:

- Amtrak billed for all train operations expenses.
- A \$500k monthly credit provided through federal CRSSA funding was applied each month.
- All fuel and other costs (including Host RR expenses) were also billed.
- Ticket revenue was credited against expenses.

The total due to Amtrak for FY21 is \$7.6M.

The second table shows the costs Amtrak allocated to NNEPRA in FY21. Had all Amtrak costs been billed to NNEPRA, FY21 expenses would have been \$17.1M, resulting in a net cost of \$14.68M to NNEPRA after applying the revenue credit.

Combined, the federal funding relief provided to Amtrak for state partners reduced NNEPRA's financial obligation to Amtrak by over \$7M to help offset the ticket revenue losses of approximately \$9M.

Project Work Completed Completed in FY2021

Construction/Maintenance		Location		FY21 Expense	Completed	
CM17	1b	CWR Replacement	New Market, NH	MP 253.82 - 254	\$ 37,932	Apr-21
			Exeter, NH	MP 259 - 259.5	\$ 37,932	Jun-21
TRP20	1a	Tie Replacement - 15,000 EA	DOV-State Line	MP 245 - 274.65	\$ 1,647,970	Jul-20
CM20		Bridge Timber Replacement	Portland, ME Fore River Bridge		\$ 341,620	Aug-20
CM20		Switch Material installation	Exeter, NH	CPF256	\$ 26,493	Oct-20
CM 18-19		Culvert Replacement	Exeter, NH	MP 261.5	\$ 68,493	Apr-21
CM 20	4a	Brushcutting	Brunswick to NH/MA State Line	12 TM	\$ 44,771	Apr-21
PNS	3a	Crossing Repair	Portland, ME - Allen Ave		\$ 22,360	May-21
CM 21	4a	Brushcutting	Brunswick to NH/MA State Line	47 TM	\$ 178,600	Apr-21
CM 21	3e	Panel Replacement	Portland, ME - Walton St		\$ 74,162	Oct-20
				Total Construction/Maintenance	\$ 2,480,333	

*CM21 projects reflected in FY2021 Operating Budget

Engineering/Planning		Project Total	Completed
FTA18	1a	Wells Siding FD & NEPA	\$ 428,385
		Total Engineering/Planning	\$ 428,385