PACTS TRANSIT COMMITTEE WORKSHOP AGENDA
April 28, 2020
1:00 – 2:30 p.m.
Zoom webinar: https://zoom.us/j/96527230169

1. Welcome

2. Open Public Comment
Residents are welcome to provide up to three minutes of public comment on any issue, including items on the agenda.

3. Acceptance of April 9, 2020 Transit Committee Workshop Minutes (Attachment A)

4. Review and Approve Draft Split Letter for Phase One of CARES Act Funding (Attachment B) – 15 minutes

Staff Report
Staff has prepared the draft CARES Act phase one Split Letter. Per guidance from FTA region, the letter utilizes the normal 5307 Split Letter as a template. The CARES Act phase one Split Letter includes the funding amounts approved by the Transit Committee on April 16. The letter states that NNEPRA will provide the region’s 1% security requirement for this first phase of CARES Act funding. Transit agencies are asked to review their funding amounts and note any necessary revisions.

Proposed action: Review and authorize staff to share the CARES Act phase one split letter with FTA or advise staff of any necessary revisions.

5. Discussion of CARES Act Funding Approaches and Processes – 60 minutes

Staff Report
The CARES Act apportioned $53 million in 5307 and 5337 funds to the PACTS region for public transportation. The 5337 formula was only used to apportion funds among regions and CARES Act 5337 funds are treated as 5307 funds.

The PACTS Transit Committee agreed that funding requests would proceed in phases, with the first phase addressing the immediate situation and including requests covering February 1 to June 30. Funds for future phases will address long-term recovery issues related to COVID-19 and the resiliency of the region’s transit network. The Committee programmed $13.7 million for phase one, leaving $39.3 million to be programmed in future phases.

GPCOG has retained Carole Martin to facilitate PACTS agreement on how to program the CARES Act funding going forward. Previous Transit Committee discussions identified several issues to be considered in phase two:

- The inclusion of Casco Bay Lines’ lost revenue from charters, which serves as a local match for CBL
- The inclusion of capital and repair expenses
- The timing and amounts of MaineDOT’s distribution of 5311 funds
- The provision of financial relief to municipalities
- Planning for the future of the region’s transit network
- The impact of Amtrak’s relief funds on regional needs

**Proposed actions:**
- *Determine a timeframe for further discussion*
- *Discuss and develop a recommended framework for regionally allocating CARES Act funds for phase two and additional phases*

6. Other Business

7. Adjourn

**Upcoming Meetings**
- May 14, 9:30 a.m. – PACTS Transit Committee
- May 26, 1:00 p.m. – PACTS Transit Committee Workshop
- June 2, 8:30 a.m. – PACTS Executive Committee
- June 11, 9:30 a.m. – PACTS Transit Committee
# PACTS Transit Committee Workshop Minutes

**April 9, 2020**

<table>
<thead>
<tr>
<th>Name</th>
<th>Affiliation</th>
<th>Attendance</th>
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<tbody>
<tr>
<td>Hank Berg, Vice Chair</td>
<td>Casco Bay Island Transit District</td>
<td>Y</td>
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<tr>
<td>Lori Brann</td>
<td>MaineDOT</td>
<td>Y</td>
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<tr>
<td>Chris Chop</td>
<td>Maine Medical Center</td>
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<td>Robert Currie</td>
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<td>Jack De Berardinis</td>
<td>RTP</td>
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<tr>
<td>Casey Gilbert</td>
<td>Portland Downtown</td>
<td>N</td>
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<tr>
<td>Rebecca Grover</td>
<td>Maine Turnpike Authority</td>
<td>Y</td>
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<tr>
<td>Art Handman</td>
<td>City of South Portland</td>
<td>Y</td>
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<tr>
<td>Bruce Hyman</td>
<td>Planning Committee Appointee</td>
<td>Y</td>
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<tr>
<td>Gregg Isherwood</td>
<td>Custom Coach &amp; Limousine</td>
<td>N</td>
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<tr>
<td>Greg Jordan, Chair</td>
<td>METRO</td>
<td>Y</td>
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<td>Patricia Quinn</td>
<td>NNEPRA</td>
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<td>Tony Scavuzzo</td>
<td>BSOOB Transit</td>
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<td><strong>Guests</strong></td>
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<tr>
<td>Ken Capron</td>
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<td>William Gayle</td>
<td>NNEPRA</td>
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<td>Greg L’Heureux</td>
<td>South Portland</td>
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<td><strong>For GPCOG</strong></td>
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<td>Kristina Egan, Ryan Neale, Tony</td>
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## 1. Welcome

## 2. Open Public Comment

There were no public comments.
3. Acceptance of March 12, 2020 Transit Committee Workshop Minutes
The minutes were accepted.

4. Update on PACTS Executive Committee Approval of Transit Funding
On April 7, the Executive Committee approved the allocation of $14.3 million in 2020 and $10.6 million in 2021 Federal Transit Administration (FTA) 5307 funds and the corresponding Split Letter as recommended by the PACTS Transit Committee. The Executive Committee also authorized MaineDOT to administer 5339 funds for the PACTS region in 2020.

5. Discussion of CARES Act Funding Approaches and Processes
According to a recent FTA webinar on CARES Act transit funds, all expenses related to COVID-19 since January 20 can be considered an operating expense. FTA is seeking to disburse funds quickly and providing transit agencies flexibility to access funds as quickly as possible. With a few exceptions, CARES Act funds can be used for any expenses, in addition to those related to COVID-19.

Ryan shared the FTA webinar presentation with the group. The presentation and a brief summary document were included in the meeting packet.

Tony asked if the raising of the urban threshold to 80% federal funds referenced in the presentation is just for COVID-19 expenses or for all expenses going forward. Ryan will contact FTA Region 1 for clarification.

The CARES Act covers 100% net of any actual revenue or other funding that agencies may receive. The Committee agreed that more guidance from FTA is necessary and that the CARES Act funding should be viewed as a stimulus rather than relief package. Existing grants and contracts can be extended until CARES Act funds have been used. The group discussed the advisability of pursuing discretionary funding opportunities in light of the CARES funds and agreed that this would be addressed in the second phase of the funding allocation discussions.

The group considered designating March to June as the timeframe for the initial crisis period as discussed previously. Hank said that this timeframe was identified when it was thought that CARES funds were to be used only for COVID-19 expenses and asked if should be considered a stimulus package with expenses covered back to January 20. Greg suggested focusing on the net cost of actual operations to cover expenses and
having a larger discussion in phase two. This would allow the use of CARES funds before use of the normal formula funds, would be relatively simple to administer, would allow flexibility, and would provide relief for municipalities by crediting back funds.

Jack said he was showing revenues and reduced expenses for each month between March and June and would request the net deficit. Greg agreed with that approach.

Kristina asked about including the paying of furloughed employees as expenses and echoed Greg’s point about crediting localities with the local match to ease economic disruption. Greg said this might be a discussion for phase two when long-term implications and funding relief for municipalities may be clearer. Kristina said that funding relief is only available to larger municipalities and Maine’s cities and towns are currently excluded from receiving CARES funds directly from the federal government. New relief packages are being developed. Tony supported the idea of crediting municipalities.

Tony noted that most of his initial March through June expense projections are salaries, but that he would modify these initial estimates. Bob asked if other agencies were using any past benchmarks to determine loss of ridership for their projections. Greg said an estimated loss of fare revenue was not necessary; requests are based on actual costs for the established timeframe.

Chris asked about including January 20 through June 30. He supported crediting matches back to municipalities and retroactively paying furloughed employees, and suggested including the hiring and training of new employees in projecting expenses.

Jack explained RTP’s current reductions and measures to continue operations and indicated that a cash flow issue would arise if RTP continued funding operations as if it were at full service. Greg said that CARES funding would cover salaries and that allocating funds as soon as possible would help address the cash flow issue. It was noted that while unemployment covers 50% of federal unemployment contributions, employers would still be responsible for 100% of state contributions, and any savings from furloughing employees may be negated. Costs for direct reimbursement for unemployment could be considered in CARES funding requests.

Art asked if CARES funding could be used for capital expenses South Portland accrued before March and after January 20. He proposed adjusting the timeframe to cover
estimates from January 20 to June. Greg suggested using the March to June timeframe for operating expenses and any capital expenses acquired after January 20 can be added to the request and sent to Ryan.

Lori noted that FTA guidance is that actual expenses can be reimbursed at 100%. FTA had previously indicated that expenses would be based on ridership reductions. In response to a question from Bob, Lori said MaineDOT is going back to February 1 for state funds for rural systems. Lori and Bob will discuss further details offline.

Greg said that having an endpoint will help avoid mixing funding sources. Hank noted that CARES Act funds cannot be used for local match. Casco Bay Lines has not furloughed employees; they are on fully paid standby status. He would prefer a January 20 to June timeframe because CBL is not eligible to use regular 5307 formula funds for operating expenses but can do so with CARES funds. CBL does not have any municipal contributions to credit back. CBL did not apply for Paycheck Protection Program because CARES covers salaries. They may choose to do so if the Committee changes the timeframe. Greg said his broader concern is the magnitude of phase one requests and that he is mindful of maximizing funds to deal with longer term effects of the crisis, invest in system resiliency, address ridership declines, and encourage growth.

Chris supported using the January 20 through June timeframe. Patricia said she opposed the longer timeframe and that conserving resources to address unanticipated effects of COVID-19 would be the highest and best use of the funds. Amtrak has reduced service to one trip per day and may suspend service. NNEPRA can tap into the Amtrak relief funds but will have a request for PACTS. She supported the March 1 to June timeframe to address the immediate crisis. Remaining funds could be used for longer-term recovery. Greg said his understanding is that of the $1 billion available to Amtrak, $500 million is for the northeast corridor. Patricia said $294 million is set aside for state-supported routes and details need to be figured out. These funds will help cover most of NNEPRA’s Amtrak expenses to maintain equipment and for employees and possibly some administrative expenses. Patricia said she is still looking at the details.

Art asked if the estimated amounts would need to be reconciled after the fiscal year or carried over to the following year’s grant. Greg said it would not need to be reconciled with PACTS, but will need to be reconciled with the Electronic Clearing House Operation (ECHO) draws to ensure funds are being drawn for actual expenses.
Tony said that his understanding was that lost fares would be covered. Greg said this was correct and it related to the wording of the language.

Jack expressed support for the January 20 timeline if it did not hold up the process. Greg said METRO did not see COVID-19 impacts until later and that incidental expenses accrued prior to March could be allowed. Due to the uncertainty going forward, we should maximize the funding and not use CARES funds to recover expenses that were accrued under generally normal circumstances. Hank noted his support for going back to January 20 if it did not hold up the process. Greg suggested February 1 as a cutoff point for all capital and operating expenditures.

The committee discussed the structure and methodology for calculating expenses. Greg said that estimates would include operating expenses, reduced expenditures, variable costs, and actual revenues received during the time period such as fare collections or advertisements. Tony suggested developing a template for consistency and efficiency and to help agencies identify expenses to be estimated. Greg and Ryan will develop a template to distribute to agencies.

It was agreed that Art, Bob, Greg, Jack, Lori, and Ryan would meet offline regarding 5311 and 5307 funds, CARES funds, and ADA requirements.

The Committee agreed on a timeframe of February 1 to June 30 for phase one expense estimates. Greg and Ryan will develop a template for agencies to submit requests based on 100% of net costs, factoring out any anticipated revenues and the amount intended to credit back to local jurisdictions.

Hank suggested noting that drawdowns on the current 5307 formula funds will be suspended and CARES Act funds will be used as the primary source of funding until expended. Greg said that can be reflected as an intent, but agencies will deal with their respective federal sources of funding as they need to.

Kristina asked the Committee to consider including an allocation of funds in the split letter that would allow for COVID-19 planning to:

- Engage AECOM to explore what transit will look like after the pandemic and incorporate this thinking into Transit Tomorrow
- Engage consulting support in phase two of allocating the funds
- Enhance virtual participation, particularly for hard to reach populations, to ensure that our public engagement continues in the virtual world

The Committee agreed and indicated that funding should be accounted for in the initial Split Letter to assist in moving the allocation efforts forward.

The group agreed that agency requests would be submitted to Ryan by April 14 and that the Transit Committee would meet on April 16 to approve the CARES Split Letter.

The group agreed that CARES Act funds should be available as soon as possible to avoid cash flow issues for all agencies, and that the CARES process should not delay the regular 5307 or 5311 processes.

Greg suggested that after approval of the Split Letter on April 16, the Committee should look to schedule meetings on the long-term priorities and process moving forward. The group considered the formation of a sub-group to bring ideas to the smaller group, but agreed to hold off on this until after the full group has met.

6. Other Business
The group discussed issues with Zoom and other online platforms such as security and participation. Greg noted approval of the CARES requests would be an agenda item for the April 16 Transit Committee meeting.

7. Adjourn
Subject: CARES Act FTA Apportionment Split #1 for Portland Urbanized Area

Dear Mr. Butler,

This letter is to inform you of the initial split of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding for the Portland, Maine UZA including: Biddeford, Saco, Old Orchard Beach Transit Committee (BSOOB Transit), Casco Bay Island Transit District (CBITD), Maine Department of Transportation (MaineDOT) acting for Regional Transportation Program (RTP) and York County Community Action Corporation (YCCAC), Greater Portland Transit District (METRO), Northern New England Passenger Rail Authority (NNEPRA), and South Portland Bus Service (SPBS). This split letter covers the period from February 1 through June 30, 2020. NNEPRA will provide the region’s 1% security requirement for this first phase of CARES Act funding.

The undersigned agree that this apportionment is binding and in force for the specified amount of funds apportioned in the CARES Act. Requirements to utilize certain percentages of 5307 formula funds for other specific purposes will be handled by each provider in consultation with MaineDOT and/or FTA. Each agency receiving funds is responsible for grant filing, reporting, and matching requirements.
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<td>Bruce Van Note</td>
<td>Commissioner</td>
<td>Maine Department of Transportation</td>
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