PACTS TRANSIT COMMITTEE WORKSHOP AGENDA
May 26, 2020
1:00 – 2:30 p.m.
Zoom webinar: https://us02web.zoom.us/j/84309712948

As of March 31st, 2020 PACTS and GPCOG are holding all committee meetings via Zoom conferencing technology. We remain committed to full public access and participation in our meetings through remote access during the COVID-19 crisis. Remote meetings will be held in accordance with the requirements of LD 2167, Public Law Chapter 618.

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. Approval of CARES Act Assumptions and Priorities (Attachment A) – 10 minutes

Staff Report
Staff has incorporated the changes discussed at the May 14 Transit Committee meeting as redline revisions to the assumptions and priorities document included as Attachment A.

*Proposed action: Approve the revised assumptions and priorities document or provide direction to staff on necessary changes*

4. Discussion and Approval of Model for Transit Agency CARES Act Phase II Requests (Attachment B) – 20 minutes
Staff Report
At its May 14 meeting, the Transit Committee discussed a draft model for transit agency CARES Act Phase II requests. The revisions discussed to Priority 1 – Funding to Offset Reduced Passenger Revenue are incorporated into the revised version included as Attachment B. The revisions primarily relate to the disaggregation of the different types of operating revenue utilized by PACTS region transit agencies. The Committee agreed that Priority 1 needs will be met first, before other priorities are funded.

The intent of today’s discussion is to further explore the concepts addressed in the remaining priorities, identify any remaining issues to be addressed, and reach agreement on an appropriate percentage of remaining funds (after Priority 1 needs are met) to allocate to each additional priority. As noted, the remaining priorities are not listed in any particular order of importance.

Proposed actions:
• Identify any remaining questions to be addressed
• Reach agreement on a percentage allocation to each additional category once Priority 1 needs are addressed.

5. Discussion of Outstanding Questions Related to CARES Act Funding – 20 minutes

Staff Report
Committee members and staff have identified several questions and issues to be addressed to inform the Committee’s thinking and decision-making on CARES Act funds. These are listed below, allow with the current understanding of the issue. The intent of today’s discussion is to share any additional input on these issues and to identify any other to be addressed going forward.

• The Federal Railroad Administration has made $1.02B CARES Act funds available, with $492M allocated for the northeast corridor. NNEPRA has indicated that the Amtrak CARES funding does not come to NNEPRA, but it allows Amtrak to cap expenses to states at a fixed amount, based on state costs from the previous federal fiscal year. For the Downeaster, that amount is about $695k per month and as of now, is being applied to March 2020 – September 2020 billings.
NNEPRA’s typical monthly costs to Amtrak are about $1.67M per month. The difference is about $1M per month that Amtrak is not billing NNEPRA for. This nearly covers NNEPRA’s lost revenue. In addition to the $695k per month NNEPRA’s owe to Amtrak, we have operating expenses for our staff, office, layover facilities at Portland Station, insurances and licenses and track maintenance, which are approximately $300k per month.

- Regarding the eligibility of revenue from freight carriers for CARES Act funding, FTA indicates that, because CARES Act funds cover operating costs rather than lost revenue, agencies would deduct any revenue taken in to determine eligible CARES Act operating costs.

- The treatment of “normal” 5307 and 5337 allocations for the PACTS region that agencies were eligible for during Phase I (February 1, 2020 to June 30, 2020) is, according to FTA, purely a local decision. These are the Portland UZA’s yearly formula funds, and how these are split, and whether they are returned to a regional pot, is a local decision.

- Concord Coach Lines would potentially be eligible for funds in the states in which they operate (Maine, New Hampshire, and Massachusetts). As noted previously, Private intercity carriers are eligible for 5311(f) funds if they serve a rural population. MaineDOT or a direct recipient of federal funds would have to do a sole source contract for lifeline service with a private operator for the private operator to be eligible for 5307 funds. A Concord Coach route that was already being provided would have to be designated as a lifeline service.

**Proposed action:** Identify any further questions or additional issues to address going forward.

6. Discussion and Agreement on Community Outreach Process (Attachment C) – 15 minutes

**Staff Report**
The Transit Committee and staff have discussed a community input process to inform PACTS’ thinking and approach on the allocation of the region’s CARES Act funds. PACTS staff is also conducting a community input process on the future of public transportation in the PACTS region, which includes a survey and interview with key
regional and national thought leaders and stakeholders on public transportation. The timeframe for this survey is consistent with the Transit Committee’s timeline for public input, and staff intends to combine these efforts to avoid redundancy and improve efficiency.

The current survey questions are included for the Committee’s information as Attachment C. Staff has developed two additional questions that relate directly to the allocation of PACTS CARES Act funds.

- What changes in your organization’s work practices or other employer work practices you have heard about could affect ridership over the next two years?
- What provisions could public transit make at this point to increase public comfort in utilizing it?

The outreach will be directed primarily to larger employers and other large organizations and institutions who have a significant interest in public transit and whose decisions will significantly impact public transit in the region. Staff would seek to work with partners such as the Portland Regional Chamber of Commerce to distribute the survey.

Proposed actions: Approve the proposed community input process, questions, and audience, or provide direction to staff on necessary revisions.

7. Other Business

8. Adjourn

Upcoming Meetings
- June 2, 8:30 a.m. – PACTS Executive Committee
- June 11, 9:30 a.m. – PACTS Transit Committee
- June 23, 1:00 p.m. – PACTS Transit Committee Workshop
- June 25, 3:00 p.m. – PACTS Policy Committee
CARES Transit Funding Assumptions & Priorities
5/14/20 Changes noted in red

ASSUMPTIONS

• No new federal CARES relief is forthcoming.
• Annual allocations of FTA 5307 and 5337 will continue. Our planning should incorporate those projected funding levels for operations, planning, and capital.
• Rebuilding transit ridership will span several years.
• The pace and volume of ridership recovery will vary among modes and agencies.
• Public input is important to incorporate as PACTS prioritizes CARES funding.
• All agencies will actively pursue discretionary funds.

PRIORITIES
(Not in order of importance, other than recovering ridership, which remains the top priority)

• Recover ridership.
• Preserve the transit network’s capacity to provide service.
• Invest in protecting the health and safety of staff and riders with technology and infrastructure.
• Activate communications to build rider confidence.
• Track trends and plan for the future.
• Try new things, experiment and innovate.
• Plan for transit expansion, according to Transit Tomorrow recommendations.
• Provide relief to municipalities on local matches, including finding ways for agencies to structurally lower costs and supplant local funding.
The following set of draft priorities are provided as a starting point for discussion and refinement by PACTS.

Priority 1 – Funding to Offset Reduced Operating Passenger Revenue

Operating Passenger revenue is defined below as revenue from fares, concessions, charters or organization-based fares paid to agencies on direct behalf of riders. Even after returning to full-service levels, southern Maine transit agencies should expect and plan for ridership recovery to take several years. For CARES funding, PACTS is planning for reduced operating passenger revenue for the next 3.5 years, through the end of 2023.

Preserving sufficient funding to offset the long-term loss of operating passenger revenue is prudent to ensure preservation of transit services and avoid higher municipal contributions while allowing post-pandemic recovery strategies to gain effectiveness.

Considerations on implementation:

a. Priority 1 is “needs based” – PACTS will set no cap on the total allocation.

b. Any alternative emergency funding sources which can also offset lost passenger revenue should be optimized.

c. Agencies will continue to use the normal, annual SYCOP allocations of 5307 and 5337 formula funds for expenses up to allowable limits, excluding the expenses outlined in “pandemic recovery and resilience” and “state of good repair” priorities later in the document. Agencies will need to individually determine how to draw CARES Act funding in connection with other federal grant resources in accordance with their unique accounting systems and FTA requirements.

d. Agencies will submit estimates of anticipated lost passenger operating revenue in 6-month increments (Jul-Dec, Jan-Jun, etc.) thru December 2023. Monthly ridership and other trends check-ins will be conducted to assess the six-month increment approach. Initial modeling will reflect 3.5 years of recovery; the time frame will not exceed this period but may be shortened based upon what is learned through initial modeling projections.

e. Estimates of anticipated lost operating revenue would be calibrated against anticipated expenses and outlined via disaggregated line items, category by category (e.g. passenger/freight/vehicle revenue/advertising/tours/food service/parking/shipping for other commercial interests). In other words, an agency operating at a reduced level of service should require less offsetting revenue. Please note: FTA grant draws are based on covering actual expenses, not filling an anticipated revenue gap.

f. Allocations would be updated every 6 months based on actual revenue losses in the prior 6-month period.
Portland Area Comprehensive Transportation System (PACTS)
Coronavirus Aid, Relief and Economic Security Act (CARES Act)
Phase II Allocation of Transit Funding
Development of Funding Priorities

a. Example 1: Agency A receives $100,000 for the July-December 2020 6-month period to cover expenses that would have ordinarily been covered by budgeted passenger revenue. However, actual passenger revenue is lower than forecast and Agency A needs another $50,000 to make up the difference. This additional funding would be requested and provided in the subsequent 6-month period. Also, the subsequent funding in the following 6-month period would be increased if the ridership forecast for that period should be reduced.

b. Example 2: Same example, except Agency collects higher than forecast revenue such that not all of the $100,000 is needed. In this instance, Agency A keeps the surplus funding, but the allocation in the subsequent 6-month period is reduced by the amount of the surplus. The subsequent period’s funding also would be further decreased if the ridership forecast for that period increased.

Priorities for Remaining Funding
Priority 1 funding needs will be met first, before other priorities are funded. The following additional potential priorities are presented as a starting point for discussion and alteration. They are not presented in any particular order of importance.

PACTS will:
1. Select the number, types and scopes of possible priorities.
2. Assign percentages of remaining CARES Act funding (after accounting for Priority 1) that should be allocated to each priority.

Pandemic Recovery and Resiliency (___%)
This priority area would invest in projects or improvements directly aimed at improving the health and safety of transit agencies’ operations and enhance resiliency to the current and future pandemics. Examples of projects could include: bus operator shields, expanded cleaning operations, PPE, increasing transit capacity to reduce crowding, mitigating labor shortages, marketing and education aimed at regaining public confidence. Agencies would submit individual and/or regional project requests that are aimed at achieving the goal of enhancing operational resiliency and ridership recovery.

Transit System Innovation (___%)
This priority area would invest in regionally significant projects or improvements that [re]build ridership, improve the customer experience, improve network efficiency and/or help meet climate goals. PACTS will develop regionally significant projects based on the goals of Transit Tomorrow and Moving Southern Maine Forward.

State of Good Repair Needs (___%)
This priority area would invest in the repair-rehab-replacement of major capital assets where municipal local match is either not available, can be avoided to assist municipal budgets or avoid debt.
Portland Area Comprehensive Transportation System (PACTS)
Coronavirus Aid, Relief and Economic Security Act (CARES Act)
Phase II Allocation of Transit Funding
Development of Funding Priorities

a. Eligible projects would be the repair, rehabilitation or replacement of vehicles, equipment or facility systems/components that have either exceeded their useful life or have a condition rating of poor and are identified in transit agencies’ Transit Asset Management Plans. Agencies would submit project requests for this area and must demonstrate alignment with TAM plan.

b. Agencies must commit to pursue discretionary funding programs if time and grant cycles allow, before this funding is finally approved.

c. Projects with funding already identified in the “funded” portion of the SYCOP would be deprogramed and returned to the region.

Direct Municipal Budget Assistance (___%)
This priority area would allocate funding to transit agencies that directly receive local funding from municipalities. Funding could be used to provide direct credits or reductions to local contributions and/or uses that structurally lower agency costs with direct positive impact on municipal finances. This area is applicable to those agencies that receive local contributions.
The Long-Term Impacts of COVID-19 on Public Transit

This survey is designed to elicit your thoughts and opinions on how the coronavirus pandemic will create "a new normal," and how these changes might impact the future of public transit service in our region.

All responses to the survey will remain confidential. Your feedback will be summarized and shared with the region's transit agencies to help them plan for the future. Your insights will also inform Transit Tomorrow, the region's long-range transit plan currently in development.

1. What is your name?

2. Which of the following best describes where you work?
   ○ Municipality
   ○ Transit Agency
   ○ Regional Planning Organization
   ○ State Agency
   ○ Federal Agency
   ○ Non-Profit
   ○ Private Sector
   ○ Other

3. Imagine a post-pandemic world several years from now. In what key, fundamental ways do you think COVID-19 will have changed our society?

4. How do you think these societal changes will impact public transit?

5. Do you think the pandemic will influence where people choose to live? If so, in what ways?
6. Which of the following coronavirus-related uncertainties do you think will have the greatest impact on public transit?

Please pick your TOP THREE.

- Federal Funding: The amount and duration of relief funding provided to transit agencies.
- Rider Behavior: The public's comfort level taking public transit and being in crowded places.
- Population Migration: People's preferences for where to live post-pandemic (ex. cities, suburbs, rural areas)
- Remote Working: Teleworking trends once stay-at-home orders are lifted.
- Technology: Technological advancements (ex. autonomous vehicles, drone deliveries, etc.).
- Economic Recession: The length and magnitude of the economic recession.
- Vaccine: The effectiveness of a COVID-19 vaccine.
- Other (please specify)

7. Do you see any new opportunities that have emerged as a result of the pandemic? For example, are there any changes you hope will continue?

8. Is there anything else you would like to share with us?