

Northern New England Passenger Rail Authority



February 2015



Board of Directors Briefing Materials

February 23, 2015

**NNEPRA Office
75 West Commercial Street
Suite 104
Portland, Maine 04101**



FY2015 Action Plan

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

Meet or exceed projected Performance Benchmarks

- Exceed 50% total cost recovery
- Achieve 90% OTP
- Achieve 80% Café Cost Recovery in Café.
- Exceed 90% in all CSI categories

Improve Service Efficiency

- Begin Brunswick Layover Construction to eliminate deadheads, increase revenue service, eliminate idling
- Maximize revenue potential on peak performing trains.
- Improve reliability through tie replacement program.
- Increase performance of off-peak trains through targeted marketing campaigns.

Improve Passenger Services & Communication

- Develop PIDS implementation plan
- Simplify Group Sales process
- Improve station displays
- Explore ways to improve bicycle access.

Complete Service Development Plan

- Review and refine key objectives
- Finalize infrastructure improvement plan

Begin MBTA Infrastructure Improvement Project

- Finalize Scope & Budget
- Begin Construction

Explore Options for Service Expansions

Maintain Compliance with all Regulations

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

February 23, 2015

1:00pm

1. Motion to open Public Session
2. Approval of Minutes from January 2015 Meeting
3. Downeaster Performance Update
4. Finance Report
5. Marketing Report
6. Executive Director and Staff Reports
7. Other Business
8. Public Comment
9. Next Scheduled Meeting: March 23, 2015



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

January 26, 2015
Portland, Maine

Directors in attendance:

Mr. Martin Eisenstein, Mr. Dana Connors, Mr. David Bernhardt, Mr. John Bubier, Ms. Carolyn Ouellette and Mr. Robert McEvoy

Staff in attendance:

Ms. Patricia Quinn, Ms. Marina Douglass, Mr. Brian Beeler, Mr. James Russell, Ms. Natalie Bogart and
Ms. Theresa Diffin

Interested parties:

Ms. Emily Boochever, Brunswick; Mr. Wayne Davis, TrainRiders Northeast; Mr. Tony Donovan, Maine Rail Transit Coalition; Mr. Dana Knapp, Concord Coach Lines; Mr. Bill Lord, TrainRiders Northeast; Mr. Nathaniel Rosenblatt, Farrell, Rosenblatt & Russell; Ms. Alison Harris, Brunswick; Mr. Charles Dunbar, All Aboard Brunswick; Ms. Nelia Dunbar, All Aboard Brunswick; Mr. Ed Knox, All Aboard Brunswick; Ms. Claudia Knox, All Aboard Brunswick; Mr. Steve Corcoran, Amtrak; Mr. Steven Grasso, North American Traveler, and Mr. Kenyon Karl, Sierra Club Maine Chapter.

Commencement:

Vote to open Public Session at 12:28 pm

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

Motion to go into executive session pursuant to 1 MRS § 405(6)(C) and 23 MRS § 8115-A to discuss with counsel negotiations with Forefront Partners I, LP for the exchange of property on Thompson's Point.

Motion to go into executive session pursuant to 1 MRS § 405(6)(E) to discuss with counsel NNEPRA's Code of Ethics and possible amendments thereto.

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

Motion to re-open Public Session
Out of Executive Session into Public Session at 1:10 pm

Minutes of October 28, 2014 Meeting

Vote to accept minutes as presented by the staff.

Motion: Mr. Bubier

Seconded: Mr. Connors
Accepted: All

DOWNEASTER PERFORMANCE REPORT

- Ms. Quinn reviewed the performance report, indicting a decline in ridership over the past year, but an increase in revenues.
- 143 trains were cancelled due to track work during the first two quarters of FY15.
- OTP was poor, but the duration of delays is decreasing to about 19 minutes.
- Most delay related to tie replacement program. Pan Am was restricted with prior commitments before and did not have enough resources to get the job done.
- 22,000 more ties need to be installed in 2015.
- January ridership month to date 1500 passengers over last year.
- Due to the impending blizzard, Downeaster service has been cancelled for Tuesday, January 27th.
- Mr. Knapp reported that Concord Coach Lines' last bus would be at 8pm tonight.

Mr. Eisenstein noted that the overall CSI scores were lower than Amtrak in November. This was due primarily to low on-time performance while track work was being done.

FINANCE REPORT – Marina Douglass

Budget Variance Report

- Ms. Douglass reviewed the December 2014 Budget Variance Report.

Vote to accept the Variance Report

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

Vote to accept the Annual Audit Report completed by Macdonald Page

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

Vote to accept changes to NNEPRA's Procurement Policy:

- a) Time and Materials Contracts must specify a ceiling price. The NNEPRA Board must approve an increase to the ceiling price;
- b) All vendors and contractors awarded contracts over \$25,000 must register with SAM.gov to determine suspension/debarment status; and,
- c) Written procurement history shall be kept for at least 7 years from the date of procurement.

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

Vote to accept changes to NNEPRA's Mileage, Travel, Meals, and Entertainment Policy.

- a) Employees must receive prior approval from NNEPRA's Executive Director prior to traveling overnight, traveling by air, requesting to incur airline baggage fees or if requiring a vehicle rental.

Motion: Mr. Bernhardt

Seconded Mr. Bubier

Accepted: All

Vote to accept the NNEPRA Board Policy on Protection of Confidential Information

Motion: Mr. Bubier

Seconded: Mr. Connors

Accepted: All

MARKETING REPORT – Natalie Bogart

- Angela Smith, NNEPRA's graphic designer, has moved on to another opportunity. NNEPRA is advertising for another part-time graphic designer.
- A promotion was run in January for a \$15 fare. A 3 day advance purchase was required.
- The Downeaster will have a booth at the Boston Travel Show.
- Mr. Grasso, Downeaster Travel Packages gave a recap of the program of the growing travel packages program, stating that overnight packages had increased by 148%. He noted that more frequency to Freeport and Brunswick would help increase package interest to those communities.

EXECUTIVE DIRECTOR AND STAFF REPORTS

Staff Presentations

- Ms. Quinn noted that the Maine Eastern Railroad released their schedule for 2015 and would not be able to connect with arriving Downeaster trains.
- The seasonal stop in Kennebunk is likely not to happen until 2016.
- Ms. Quinn noted that a Public Hearing on NNEPRA's Stormwater Permit Application for the Brunswick layover was scheduled for March 25, 2015. She thanked Mr. Russell for his hard work on that project.
- Mr. Russell provided an update on the MBTA project
- Tie job being coordinated for the spring and planning with Amtrak and Pan Am
- Ms. Quinn noted the Metro bus to the Portland Transportation Center has changed from Bus 5 to Bus 1. Metro is also establishing commuter bus service from Freeport to Portland. NNEPRA will work with them on ticket reciprocity.

Public Comment

- Mr. Davis mentioned the terminal in Brunswick is closed on Sundays – he opened it the other day. There were 45-46 people waiting with the station closed.
- Mr. Lord asked if Kennebunk was going to be available service 2015 but was told it may not be till 2016 or 2017.
- Mr. Donovan expressed his disappointed regarding Maine Eastern's schedule and asked why NNEPRA could not require them to connect with the Downeaster. Ms. Quinn stated they are a private company and the operating agreement is with MDOT. Mr. Rosenblatt

said the agreement permits them to operate but does not require them to run a particular schedule.

- Mr. Donovan inquired about the bond request submitted by a state legislator for a \$28 million transportation center in Portland. Mr. Donovan wondered what NNEPRA knew about this, and Ms Quinn said she had not participated in any discussions about this proposal.
- Mr. Bernhardt mentioned there is another bill submitted to the legislature to establish train service to Bangor.
- Mr. Donovan stated he is supporting legislation to provide \$25 million for the Royal Siding, investment on the Mountain Division and improvements to track to Lewiston/Auburn.

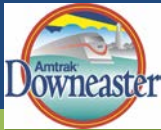
Vote to adjourn: 2:15 pm

Motion: Mr. Connors

Seconded: Mr. Bernhardt

Accepted: All

NEXT MEETING: February 23, 2015



Performance Report

Fiscal Year 2015 To Date: Q2 - July 2014-December 2014

Northern New England Passenger Rail Authority

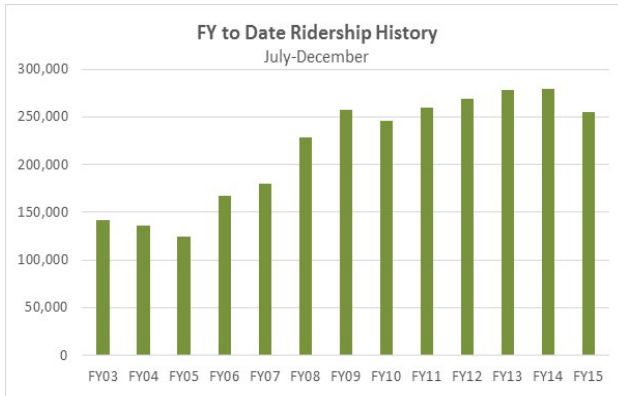
75 W Commercial Street, Suite 104, Portland, Maine 04101 207-780-1000

Fiscal 2015 Year to Date: July 2014-December 2014				
FY2015	RIDERS	REVENUE	PASS. MILES	OTP
July	45,313	\$ 802,685	3,915,779	20%
August	51,974	\$ 932,140	4,505,763	73%
September	44,511	\$ 759,839	3,566,809	65%
October	41,647	\$ 682,079	3,298,052	24%
November	35,172	\$ 628,191	2,844,785	16%
December	36,571	\$ 653,632	3,084,331	61%
FY15 To date	255,188	4,458,566	21,215,519	43%
FY14 To Date	279,608	4,631,837	22,812,459	68%
FY15 vs FY14	-10%	-4%	-8%	

PERFORMANCE HIGHLIGHTS

The first two quarters of Fiscal Year 2015 were challenging for the Downeaster. The tie replacement program scheduled for spring was deferred until fall 2014 due to an industry shortage of ties. Although some ties were replaced in July, Pan Am crews began the scheduled tie replacement in mid-October. A total of 143 Downeaster trains were cancelled through the construction period to accommodate work crews. Pan Am resources were constrained, however, due to other projects in the northeast. Work progressed slowly through November, with more interruptions to

Downeaster service than anticipated, requiring the replacement project to continue into spring 2015.



The cancellation of trains, combined with very poor reliability of trains which did operate, impacted ridership significantly. Although some of these impacts had been projected, the fall of gas prices by more than 50 cents per gallon was not expected, which also contributed to a softer market during November and December. That said, the operation remains within budget fiscal year to date.

Customer Satisfaction Scores declined slightly from past months, due primarily to poor OTP.

FY2015 6-Month Fiscal Year to Date Statistics (Jul 14-Dec 14)

CUSTOMER SATISFACTION	Fiscal Year to Date Average	
	Downeaster	Amtrak
Overall Customer Satisfaction	85	84
Value for Price Paid	83	80
Overall Cleanliness of Train	88	85
Clarity of Announcements	77	77
Conductor Helpfulness / Friendliness	91	87
Food Service Personnel Friendliness	73	85
Quality of Food	67	76
Overall Café Experience	67	78

Average Daily Ridership: 1,387

- Average Weekday Ridership: 1,370
- Average Weekend Ridership: 1,538

Average Passenger Fare: \$17.47

- Average Fare on Weekdays: \$16.56
- Average Fare on Weekends: \$19.31

Average Miles per Passenger: 83

- Avg. Weekday Miles/Passenger: 80
- Avg. Weekend Miles/Passenger: 90

The *Downeaster Café* averages a recovery rate of **79% fiscal year to date with an average cost per passenger of 39 cents** through the second quarter of FY15.

Since December 2001, the Downeaster has transported more than 5.34 million people the equivalent of 433 million passenger miles and has generated nearly \$77 million in ticket revenues.

Note FY14 ridership comparisons based on ticket lift data, not Amtrak reported ridership.

www.AmtrakDowneaster.com

1-800-USA-RAIL

PRELIMINARY VARIANCE REPORT - January 2015							
	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	616,371	603,100	13,271	5,074,936	5,127,010	(52,074)	-1%
Food Service Revenue	45,565	46,260	(695)	415,228	380,432	34,795	9%
Advertising Revenue	280	1,500	(1,220)	7,120	7,500	(380)	0%
Parking Lot Revenue	40,376	42,360	(1,984)	230,996	235,282	(4,286)	-2%
Interest on Accounts	345	206	138	2,112	1,444	669	46%
Other Revenue	14,009	12,404	1,604	129,126	94,993	34,132	36%
Total Operating Revenues	716,945	705,831	11,115	5,859,518	5,846,662	12,857	0%
Expenses							
Wages and Benefits							
Permanent Full-Time	29,235	29,235	0	210,826	210,827	(0)	(0)
Benefits	14,672	14,672	0	99,470	99,469	2	0
Total Wages and Benefits	43,906	43,906	0	310,297	310,296	1	0%
Administration							
Office Expenses	13,550	11,883	1,667	72,341	73,242	(901)	-1%
Professional Services	0	208	(208)	18,500	21,958	(3,458)	-16%
Insurance	1,623	2,734	(1,111)	16,191	17,894	(1,703)	-10%
Board Operations	1,502	1,215	287	7,661	8,153	(491)	-6%
Total Administration Expense	16,674	16,040	634	114,693	121,247	(6,554)	-5%
Train Operations							
Amtrak Operations	982,099	982,099	(0)	6,589,504	6,589,504	(1)	0%
Train Fuel Cost	253,725	324,900	(71,175)	1,691,624	2,274,300	(582,676)	-26%
PanAm	106,747	106,747	0	664,438	747,231	(82,793)	-11%
Other Train Operations	2,702	3,749	(1,047)	23,204	28,241	(5,037)	-18%
Insurance	1,290	1,655	(365)	8,866	10,243	(1,377)	-13%
Layover Facility	12,101	16,278	(4,177)	69,677	80,394	(10,717)	-13%
Capital Maintenance	93	4,722	(4,629)	1,827	4,722	(2,895)	0%
Total Train Operations	1,358,757	1,440,150	(81,394)	9,049,141	9,734,635	(685,495)	-7%
Station Operations							
Portland Station	32,801	29,100	3,701	201,401	197,700	3,701	2%
Platform Ins	10,767	12,543	(1,776)	75,274	78,826	(3,552)	-5%
Station Platform Leases	0	0	0	31,611	32,249	(638)	0%
Other Station Improvements	681	944	(263)	681	944	(263)	0%
Total Station Operations	44,249	42,587	1,662	308,967	309,720	(753)	0%
Food Service							
Regular	65,664	56,065	9,598	534,438	457,847	76,591	17%
Total Food Service	65,664	56,065	9,598	534,438	457,847	76,591	17%
Marketing	42,357	42,357	0	195,986	196,166	(180)	0%
Total Marketing	42,357	42,357	0	195,986	196,166	(180)	0%
Total Expenses	1,571,608	1,641,107	(69,499)	10,513,521	11,129,911	(616,389)	-6%
Additional Funding Required	854,662	935,276	(80,614)	4,654,003	5,283,249	(629,246)	-12%