

Northern New England Passenger Rail Authority



NORTHERN NEW ENGLAND
PASSENGER RAIL AUTHORITY



May 2018



Board of Directors Briefing Materials

May 21, 2018

NNEPRA Office
75 W Commercial St., Suite 104
Portland, Maine
1:00pm

NNEPRA FY2018 Action Plan

Northern New England Passenger Rail Authority 75 W. Commercial Street, Portland, ME 04101 207-780-1000
Draft 9/30/2017

Meet or exceed projected Performance Benchmarks

- 46% Total Cost Recovery
- 85% On Time Performance
- 84% Café Cost Recovery in Café
- 95% Overall Customer Satisfaction

Improve Service Efficiency

- Increase revenue on peak trains
- Maximize equipment utilization
- Increase performance on off-peak trains
- Improve cost recovery in Café

Improve Passenger Services & Communication

- Implement PIDS at Maine Stations
- Promote and improve connectivity to Amtrak network
- Formalize Station Ambassador Program
- Improve/promote last mile connectivity
- Improve customer interface on AmtrakDowneaster.com
- Seek ways to improve bicycle access

Sponsor Capital Projects to improve service quality and efficiency

- Complete MBTA Haverhill Line Project
- Support Kennebunk Station development
- Secure Funding for and complete Rockingham Siding Rehabilitation
- Initiate Royal Junction Siding Construction
- Participate in Portland Station improvements
- Develop Wells Siding/Platform concept into a potential program.
- Plan FY19 tie replacement program

Explore Options for Service Improvement/Expansions

- Manage Lewiston/Auburn Service Planning study
- Identify opportunities for additional service growth
- Explore implementation of seasonal service on Rockland Branch

Maintain Compliance with all Regulations

- Improve and enhance written policies & procedures
- Improve and enhance data collection & reporting
- Improve internal documentation processes.

Identify and Promote Economic and Public Benefits associated with the Downeaster.

Work to secure a stable, dedicated and equitable funding mechanisms to sustain Downeaster operations and continued capital investments in the Downeaster Corridor.

BOARD of DIRECTORS MEETING AGENDA

May 21, 2018

12:15pm Vote to open meeting and enter Executive Session

1. 1 MRS § 405(6)(C) and 23 MRS § 8115-A to discuss negotiations with Amtrak regarding the operating agreement.
2. 1 MRS § 405(6)(C) and 23 MRS § 8115-A to discuss negotiations with Pan Am regarding agreements for capital maintenance projects.

1:00pm Vote to close Executive Session and open Public Session

- Welcome & Introductions
- Approval of Minutes from March 2018 Board Meeting
- Performance Update
 - Ridership & Revenue
 - Reliability & Customer Satisfaction
- Finance Report
 - Budget Variance Report
 - FY2019 Proposed operating budget
- Project Updates
- Other Business
- Public Comment

Next Meeting:
June 25, 2018



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

March 26, 2018
Portland, ME

Directors in attendance:

Mr. Brian Hobart, Mr. Ron McKinnon (conference line), Mr. John Melrose, Mr. George Gervais, Mr. Herb Thomson and Mr. Dana Connors

Staff in attendance:

Ms. Patricia Quinn, Mr. James Russell, Ms. Marina Douglass, Ms. Natalie Bogart, Mr. Brian Beeler, Ms. Jennifer Crosby, Mr. Stephen Houdlette and Ms. Lynn Harrington

Interested parties:

Mr. Wayne Davis, TrainRiders Northeast; Mr. Dana Knapp, Concord Coach; Mr. Bill Lord, TrainRiders Northeast; Mr. Paul Weiss, Maine Sierra Club; and, Mr. Tony Donovan, Maine Sierra Club

Opening Remarks

Motion to open Public Session at 12:15 pm

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

Motion to enter Executive Session at 12:16 pm for:

1. 1 MRS § 405(6)(C) and 23 MRS § 8115-A to discuss negotiations with Amtrak regarding the operating agreement.

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

Motion to reopen Public Session at 1:00pm

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

Mr. Melrose noted a typo in the performance section of the February 2018 board minutes.

Vote to accept minutes as presented by the staff with the adjustment noted by Mr. Melrose

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

DOWNEASTER PERFORMANCE REPORT

Ms. Quinn reviewed the Performance Report highlighting the following:

- FY18 ridership from July 2017 through February 2018 was 369,771, 8% above target of 341,600.
- February 2018 ridership of 37,498, 2% above target of 36,900.
- February 2018 revenue of \$698,382, 5% above target of \$668,306.
- FY18 to date revenue July 2017 through February 2018 of 6,849,062, 15% above target of 5,958,046.
- FY18 to Date Average fare per passenger was \$18.51.
- March ridership is lagging slightly behind projections.
- Ms. Quinn noted the performance update listed on page 9 of the board packet has incomplete data as Amtrak has not provided detail on passenger miles for January 2018 and February 2018.
- Overall CSI score through February 2018 is 89%. Amtrak national CSI scores are trending down.
 - Ms. Quinn noted that CSI scores continue to be a point of focus and will continue to work to meet/exceed goal of 90% OPT
- OTP continues to be a challenge with storm related interruptions, mechanical delays, etc. OTP month-to-date is 73%.
 - Ms. Quinn noted that OTP continues to be a point of focus/concern.

Marketing Update- Natalie Bogart

Ms. Bogart noted that the Marketing department continues to work to keep the Downeaster brand in front of the target audiences through grassroots efforts and a mix of paid advertising including television, digital, and outdoor advertising.

Ms. Bogart provided an overview of marketing initiatives including:

- The marketing approach for April School vacation weeks in both the ME and NH markets.
- The Train to Maine Advertising campaign
- The Spring/Summer schedule which will go into effect on Tuesday, May 1st, and include seasonal service to Old Orchard Beach.

FINANCE REPORT – Marina Douglass

Ms. Douglass reviewed the February 2018 preliminary finance report.

Vote to accept February 2018 preliminary variance Report

Motion: Mr. Connors

Seconded: Mr. Hobart

Accepted: All

Project Updates – Jim Russell

Mr. Russell noted that following project updates:

- Planning and construction preparation for the season is underway.
- The Royal Siding project is scheduled to be complete Fall 2018.

Executive Director Report – Patricia Quinn

FY18 Action Plan

Ms. Quinn reviewed the FY18 action plan noting that NNEPRA continues to work to meet the objectives set forth.

Downeaster Coastal Connection

Ms. Quinn noted that Amtrak will not be able to perform the risk assessment on the Rockland Branch in time for passenger rail service to begin 2018. While this is disappointing, Amtrak is committed to assisting NNEPRA in putting a program together for calendar year 2019.

Mr. Donovan asked if there would be a risk assessment done using DMU's or using the existing Amtrak equipment. Ms. Quinn responded that the risk assessment that will be done by Amtrak is specifically related to track infrastructure and that the proposed Rockland service would be operated using existing Amtrak equipment.

Other Business

Lewiston Auburn Passenger Rail Service Plan

Ms. Quinn reported that two workshops are scheduled for March 27 and 28th to evaluate travel patterns and invite the public to provide input. At the conclusion of these workshops a survey will be posted on the LA Rail Service Plan website to encourage more public participation.

PIDS

Mr. Beeler noted that Passenger Information Display Signs (PIDS) have are being tested in the Portland Transportation Center and the Saco Station. The other four signs will begin to be installed when the weather is better as the final four are outside displays.

Kennebunk

Ms. Quinn noted that the Town of Kennebunk is still interested in pursuing a seasonal stop. The plans have changed considerably since the NNEPRA Board approved the Downeaster seasonal stop. Ms. Quinn encouraged the Town of Kennebunk to come back to the Board and present the new plans.

Mr. Melrose noted that the town of Kennebunk is exploring a stronger partnership with the town of Wells.

Ms. Quinn discussed the Fiscal Year 2018 and 2019 Amtrak contract, noting that service fees will be based on actual costs and in compliance with the PRIIA 209 Methodology. The costs for Fiscal Year 2017 and 2018 are coming in within the budget.

Vote to authorize the Executive Director to finalize FY18 and FY19 Amtrak service fee agreements based on PRIIA-209 cost allocation methods with a request that Ms. Quinn negotiate the advance payment included in the initial proposal by Amtrak.

Motion: Mr. Connors

Seconded: Mr. Hobart

Accepted: All

Mr. Melrose asked if NNEPRA fared well with the recently released Federal Omnibus Bill. Ms. Quinn responded that there were multiple opportunities for additional funding. Ms. Quinn will be reviewing the bill more in depth with several projects in mind that require a funding source. One project that she mentioned was for additional engineering of the Wells Siding Project. This project would increase capacity and improve on time performance.

Public Comment

Mr. Weiss asked if service to Rockland could happen if DMU-type equipment was used rather than Amtrak equipment.

Ms. Quinn replied that no service to Rockland would take place until Amtrak conducted their risk assessment on that line. Further, Ms. Quinn stated that, given no budget for the proposed pilot, it is not possible to consider equipment different or other than that which is already available for Downeaster service. Further, even if DMU equipment were available, an operator would need to be acquired and crews would need to be qualified.

Mr. Melrose stated that the MaineDOT has given NNEPRA a clear message that they would not financially support seasonal service to Rockland in 2018.

Mr. Donovan inquired whether or not Ms. Quinn had asked the CMQ if they owned passenger equipment that could be used for the seasonal service. Ms. Quinn responded that the CMQ operates freight service and does not have passenger equipment.

Mr. Donovan asked to be included in email notices for all NNEPRA meetings that are open to the public.

Mr. Donovan stated that the two previous NNEPRA board meetings held on the USM campus were very comfortable and that it would be great to have the board meetings there.

Mr. Donavon asked whether the LA Study could be expanded to include service between the Portland Transportation Center to Yarmouth Junction. Ms. Quinn that all interim options would be considered.

Mr. Donovan thanked Mr. Beeler for meeting with him and Mr. Weiss regarding DMUs.

Mr. Weiss praised the Downeaster Travel Packages advertisement.

Vote to adjourn at 1:45pm

Motion: Mr. Connors

Seconded: Mr. Hobart

Accepted: All

NEXT MEETING: It was determined that there may not be an April meeting if there were no major items to discuss, and that Mr. Melrose would make that determination in mid-April.

Downeaster Performance Update

Fiscal Year 2018 to date: July 2017-March 2018

Ridership						
	FY2017	FY2018	FY2018	Variance	Var	Passenger
	Actual	Actual	Target	to Target	%	Miles
July	51,402	57,652	50,000	7,652	15%	4,865,639
August	53,627	57,306	54,400	2,906	5%	4,767,867
September	45,315	50,016	46,000	4,016	9%	4,034,228
October	38,979	47,174	40,000	7,174	18%	3,812,780
November	35,599	42,110	39,000	3,110	8%	3,369,379
December	38,259	43,557	38,500	5,057	13%	3,578,943
January	37,915	34,458	36,800	(2,342)	-6%	2,793,462
February	37,275	37,498	36,900	598	2%	3,015,529
March	41,829	41,505	42,500	(995)	-2%	3,387,004
April	46,318	48,515	46,700	1,815	4%	3,978,230
Total FY to date	426,518	459,791	430,800	28,991	7%	37,603,061

Revenue						
	FY2017	FY2018	FY2018	Variance	Var	Average
	Actual	Actual	Target	to Target	%	Fare
July	\$ 921,482	\$ 1,042,712	\$ 887,500	\$ 155,212	17%	\$ 18.09
August	\$ 942,790	\$ 1,052,422	\$ 965,600	\$ 86,822	9%	\$ 18.36
September	\$ 752,830	\$ 933,017	\$ 772,800	\$ 160,217	21%	\$ 18.65
October	\$ 550,988	\$ 875,607	\$ 685,403	\$ 190,204	28%	\$ 18.56
November	\$ 539,612	\$ 791,778	\$ 679,677	\$ 112,102	16%	\$ 18.80
December	\$ 660,248	\$ 831,519	\$ 667,845	\$ 163,674	25%	\$ 19.09
January	\$ 651,837	\$ 638,923	\$ 630,915	\$ (7,288)	-1%	\$ 18.10
February	\$ 675,094	\$ 698,382	\$ 668,306	\$ 30,076	5%	\$ 18.62
March	\$ 730,978	\$ 798,783	\$ 750,291	\$ 48,492	6%	\$ 19.25
April	\$ 822,495	\$ 910,032	\$ 831,260	\$ 78,772	9%	\$ 18.76
Total FY to date	\$ 7,248,354	\$ 8,573,174	\$7,539,596	\$1,018,281	14%	\$ 18.65

Customer Satisfaction			
March	Downeaster	Amtrak	FY to Date
Overall Customer Satisfaction	93	84	89
Value of Amtrak Service for Price Paid	90	80	88
Overall Cleanliness of Train	94	84	90
Clarity of Announcements	87	79	83
Friendliness/Helpfulness of Train Conductor	96	89	93
Friendliness/Helpfulness of Café Car Personnel	94	87	93
Quality/Freshness of Food in Café Car	88	78	85
Overall Experience in Café Car	89	80	87

Performance						
Calendar	November	December	January	February	March	April
2018	67%	67%	66%	76%	78%	73%
2017	66%	61%	82%	74%	80%	89%



PRELIMINARY VARIANCE REPORT - APRIL 2018

	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	910,032	831,260	78,772	8,573,174	7,539,597	1,033,577	14%
Food Service Revenue	75,001	72,385	2,616	702,802	667,740	35,062	5%
Advertising Revenue	0	0	0	4,008	1,500	2,508	167%
Parking Lot Revenue	65,391	28,995	36,396	501,995	401,645	100,350	25%
Interest on Accounts	810	141	669	8,927	1,410	7,517	533%
Other Revenue	23,180	29,828	(6,648)	284,772	274,469	10,303	4%
Total Operating Revenues	1,074,414	962,609	111,805	10,075,678	8,886,361	1,189,317	13%
Expenses							
Wages and Benefits							
Permanent Full-Time	31,642	31,782	(140)	315,210	315,816	(606)	0%
Benefits	20,486	20,392	94	205,947	205,700	247	0%
Total Wages and Benefits	52,129	52,174	(45)	521,157	521,516	(359)	0%
Administration							
Office Expenses	8,635	9,775	(1,140)	92,199	96,713	(4,514)	-5%
Professional Services	4,104	8,334	(4,230)	54,964	103,340	(48,376)	-47%
Insurance	2,439	2,552	(113)	24,582	25,150	(568)	-2%
Board Operations	862	1,638	(776)	14,147	16,330	(2,183)	-13%
Total Administration	16,039	22,299	(6,260)	185,892	241,533	(55,641)	-23%
Train Operations							
Amtrak Operations	1,301,942	1,301,942	0	13,298,790	13,145,350	153,440	1%
Train Fuel Cost	152,646	160,000	(7,354)	1,494,511	1,600,000	(105,489)	-7%
PanAm	107,170	107,170	0	1,077,778	1,068,664	9,114	1%
Other Train Operations	5,238	2,802	2,436	43,744	29,520	14,224	48%
Facilities	25,163	23,944	1,219	297,181	236,380	60,801	26%
Capital Maintenance	2,246	2,500	(254)	229,756	230,700	(944)	0%
Total Train Operations	1,594,405	1,598,358	(3,953)	16,441,759	16,310,614	131,145	1%
Station Operations							
Portland Station	30,900	32,100	(1,200)	320,712	315,886	4,826	2%
Platform Ins	10,904	11,404	(500)	109,379	111,142	(1,763)	-2%
Station Platform Leases	0	0	0	32,689	32,964	(275)	-1%
Other Station Improvements	0	0	0	0	0	0	0
Total Station Operations	41,804	43,504	(1,700)	462,779	459,992	2,787	1%
Total Food Service	78,614	86,395	(7,781)	796,495	796,980	(485)	0%
Total Marketing	33,568	33,568	0	364,923	365,668	(745)	0%
Total Expenses	1,816,559	1,836,298	(19,739)	18,773,005	18,696,304	76,701	0%
Additional Funding Required	742,146	873,689	(131,544)	8,697,327	9,809,943	(1,112,616)	-11%
Statistics:							
Ridership	48,515	46,700		459,791	430,800		
Revenue Per Passenger	\$ 22.15	\$ 20.61		\$ 21.91	\$ 20.63		
Overall Cost Recovery	59%	52%		54%	48%		
Café Cost Recovery	95%	84%		88%	84%		

FY2019 Draft Operating Budget
July 1, 2018 - June 30, 2019

V2 052118	FY19 Budget Proposed	FY18 Budget Adopted	FY18 Projected Actual	FY18 Actual vs FY18 Budget	FY19 Budget vs FY18 Actual	FY19 Budget vs FY18 Budget		
1 Amtrak Ticket Revenue	10,100,000	9,014,898	10,318,152	1,303,254	14%	(218,152)	-2%	1,085,102 12%
2 Sales by Food Service	847,850	802,590	824,986	22,396	3%	22,864	3%	45,260 6%
3 Advertising Revenue	4,000	2,000	5,008	3,008	150%	(1,008)	-20%	2,000 100%
4 Parking Lot Revenue	550,500	459,995	566,876	106,881	23%	(16,376)	-3%	90,505 20%
5 Interest and Other Revenue	256,200	330,391	366,311	35,920	11%	(110,111)	-30%	(74,191) -22%
Total Operating Revenues	11,758,550	10,609,873	12,081,333	1,471,459	14%	(322,783)	-3%	1,148,677 11%
Wages and Benefits								
6 Permanent Full-Time	431,328	393,382	393,382	0	0%	37,946	10%	37,946 10%
7 Benefits	271,424	257,173	257,173	(0)	0%	14,251	6%	14,251 6%
Total Wages and Benefits	702,752	650,555	650,555	(0)	0%	52,197	8%	52,197 8%
Administration								
8 Office Expenses	106,665	120,319	102,838	(17,481)	-15%	3,827	4%	(13,654) -11%
9 Professional Services	77,500	125,000	68,823	(56,177)	-45%	8,677	13%	(47,500) -38%
10 Insurance	30,178	30,252	29,457	(795)	-3%	721	2%	(75) 0%
11 Board Operations	17,800	19,607	17,437	(2,170)	-11%	363	2%	(1,807) -9%
Total Administration Expenses	232,143	295,178	218,555	(76,623)	-26%	13,588	6%	(63,035) -21%
Train Operations								
12 Amtrak Operations	16,924,732	15,650,000	16,018,033	368,032	2%	906,699	6%	1,274,732 8%
13 Train Fuel Cost	2,146,308	1,920,000	1,783,829	(136,171)	-7%	362,479	20%	226,308 12%
14 Pan Am	1,315,000	1,283,000	1,310,352	27,352	2%	4,648	0%	32,000 2%
15 Portland Layover Operations	36,488	82,672	63,494	(19,178)	-23%	(27,006)	-43%	(46,184) -56%
16 Brunswick Layover Operations	295,000	200,600	280,291	79,691	40%	14,709	5%	94,400 47%
17 Capital Maintenance	769,788	753,913	753,913	0	0%	15,875	2%	15,875 2%
Total Train Operations	21,487,316	19,890,185	20,209,913	319,727	2%	1,277,404	6%	1,597,131 8%
Station Operations								
18 Portland Station	297,114	307,036	266,565	(40,471)	-13%	30,549	11%	(9,922) -3%
19 Portland Station Rent	110,400	109,200	109,200	0	0%	1,200	1%	1,200 1%
20 Platform Insurance	135,122	133,968	131,186	(2,782)	-2%	3,936	3%	1,154 1%
21 Station Improvements	10,000	10,000	5,000	(5,000)	-50%	5,000	100%	0 0%
22 ME & NH Platform Lease	49,119	47,560	47,689	129	0%	1,431	3%	1,559 3%
Total Station Operations	601,755	607,764	559,640	(48,124)	-8%	42,115	8%	(6,008) -1%
Food Service								
23 Total Food Service	984,600	957,930	955,893	(2,037)	0%	28,707	3%	26,670 3%
Marketing								
24 Total Marketing	520,000	500,000	500,000	0	0%	20,000	4%	20,000 4%
Total Operating Expenses	24,528,566	22,901,613	23,094,555	192,943	1%	1,434,011	6%	1,626,954 7%
Additional Funding Required	(12,770,016)	(12,291,739)	(11,013,223)	1,278,516	-10%	(1,756,794)	16%	(478,277) 4%
1 FTA/CMAQ	2,331,975	2,848,709	1,115,606	(1,733,103)		1,216,368		(516,734)
2 FTA 5337 State of Good Repair	7,852,998	7,000,000	7,657,090	657,090		195,909		852,998
3 State Match	2,000,000	2,000,000	2,000,000	0		0		0
4 Ineligible	38,800	43,236	47,352	4,116		(8,552)		(4,436)
5 Local Share	546,243	399,793	193,174	(206,619)		353,069		146,450
6 Total Funding	12,770,016	12,291,738	11,013,223	(1,278,516)		1,756,793		478,278
Revenue Per Passenger	\$ 21.50	\$ 20.49	\$ 21.78					
Cost Per Passenger	\$ 44.84	\$ 44.23	\$ 41.64					
Subsidy Per Passenger	\$ 23.35	\$ 23.74	\$ 19.86					
Cost Recovery	47.94%	46.33%	52.31%					
Avg Fare/Passenger	\$ 18.46	\$ 17.41	\$ 18.60					
Ridership	547,000	517,800	554,657					



NNEPRA FY2019 Budget Assumptions

Revenues - Operations

- 1. Downeaster Farebox Estimated 12-month ticket revenue: 547,000 at \$18.46 per rider
- 2. Café Sales Estimated 12-month Café revenue based on average sales of \$1.55 per passenger
- 3. Advertising Advertising sales projections
- 4. Parking Lot Revenue Portland Parking lot revenue
- 5. Interest & Other Interest earned, NH insurance reimbursement and Amtrak "other revenue"

Personnel

- 6. Permanent Full Time Projected wages for 5 full-time employees, a portion of the Special Projects Manager and Marketing Assistant; new p/t A/P support
- 7. Employee Benefits Projected employee benefits

Administration

- 8. Office Expenses NNEPRA office rent, utilities, supplies, dues, travel, training
- 9. Professional Services Legal, passenger survey and consultant fees
- 10. Insurance General liability, worker's comp, TrainRiders Host Program
- 11. Board Operations Board insurance and expenses

Train Operations

- 12. Amtrak Operations Per agreement, 12 months anticipating 5 r/t to FRE and BRK in late November 2018. Also Amtrak supplies, business class and related Café complimentary items.
- 13. Fuel Projected 12 months at \$2.25 per gallon
- 14. Pan Am Performance and Maintenance payments per contract
- 15. Liability Insurance Cab Car Insurance – no longer required as of 9/1/16
- 16. Layover Facility Portland layover facility maintenance and equipment
- 17. Brunswick Layover Facility Brunswick layover facility maintenance and equipment
- 18. Capital Maintenance Per agreement with Pan Am plus Project Management

Station Operations

- 19. Portland Station Operations Parking, plowing, grounds, amenities
- 20. Portland Station Rent \$9,200 rent per month
- 21. Platform Insurance Liability and Umbrella policies for Downeaster stations in ME and NH
- 22. Station Improvements PIDS and miscellaneous station information updates
- 23. ME & NH Platform Lease Leases with Boston & Maine and Maine Central RR

Food Service

- 24. Café Expense Estimated 12 months based on a cost per passenger of \$1.80

Marketing

- 25. Marketing Per Marketing Budget

Revenues - Subsidy

- CMAQ and FTA 5337 SGR 80% of Net Eligible Expenses & Preventative Maintenance
- State Match/Local Share 20% of Net Eligible Expenses required for State Match
- Ineligible Expenses ineligible for Federal grant reimbursement