



Finance Committee

December 1, 2021
4:00 p.m. – 5:30 p.m.

Zoom Webinar Attendee Link:

<https://us02web.zoom.us/j/87992967524?pwd=VW9vaGRMSXRZY1dsQUQ0dGExbzFHUT09>

Webinar ID: 879 9296 7524 | Passcode: 567981

Phone: (312) 626-6799 | Telephone participants: *9 to raise hand, *6 to unmute

MEETING AGENDA

AGENDA ITEM	PRESENTER	ACTION or INFORMATION
1. Call Meeting to Order (4:00)	Paul Bradbury, Committee Chair	N/A
2. Public Comment (4:00-4:05) The METRO Board's Finance Committee welcomes public comment for items listed on this agenda. There is a <i>three-minute time limit</i> per citizen.	Paul Bradbury, Committee Chair	Information
3. Approval of Meeting Minutes (4:05-4:10) The committee will be asked to approve meeting minutes from the October 6, 2021 meeting of the Finance Committee.	Paul Bradbury Committee Chair	ACTION
4. Federal Funding Update (4:10-4:30) Staff will present information on the status of federal CARES Act and ARPA funding as well as anticipated funding associated with the federal Infrastructure Investment and Jobs Act.	Greg Jordan, METRO Executive Director	Information
5. Proposed 2022 Service Improvements (4:30-5:20) Staff will present budgetary and financial forecasting information associated with a series of service improvements proposed for implementation in late 2022.	Greg Jordan, METRO Executive Director	Information
6. Future Agenda Items (5:20-5:30) Committee members may request future agenda items. <ul style="list-style-type: none">• Review board policies pertaining to procurement.• Consolidate board policies into centralized document.• Review board policy for fund balance.• Update on fare collection and boardings.• Reassess cost and revenue allocation policies.	Paul Bradbury, Committee Chair	Information

<p>7. Upcoming Meetings (5:20-5:30)</p> <ul style="list-style-type: none"> • Executive Committee – December 8, 2021 at 3:30 p.m. • Ridership Committee – TBD • Board of Directors – TBD • Finance Committee – February 2, 2022 	<p>Paul Bradbury, Committee Chair</p>	<p>Information</p>
<p>8. Adjournment (5:30)</p>	<p>Paul Bradbury, Committee Chair</p>	<p>N/A</p>



Meeting of the Finance Committee – via ZOOM

October 6, 2021 at 4:00 p.m.

Meeting Minutes

ZOOM Attendee Link:

<https://us02web.zoom.us/j/86085001940?pwd=Rm0wZU16KzNKZ2liRUYwWFBON0Ntdz09>

Webinar ID: 860 8500 1940 | Passcode: 900332

Committee Members Present:

Paul Bradbury, Chair
William Rixon
Ryan Leighton
Nat Tupper

Staff Members Present:

Greg Jordan, Executive Director
Glenn Fenton, Operations Director
Shelly Brooks, Interim Finance Director
Erin Qiu, Executive Assistant

Non-Committee Members Present:

Belinda Ray

Public:

None

1. With a quorum in place, the meeting was called to order at 4:01 p.m. by Paul Bradbury, Committee Chair.

2. Public comment

No members of the public were present.

3. Approval of Meeting Minutes

Nat Tupper moved, seconded by Bill Rixon, to approve the meeting minutes of the August 2021 meeting of the Finance Committee. A roll call vote was taken by Greg Jordan, Executive Director. With approval by Bill Rixon, Paul Bradbury, Ryan Leighton, Nat Tupper, the **motion passed unanimously by all members present.**

4. Proposed 2022 Operating & Capital Budgets

Greg Jordan presented the proposed FY 2022 operating budgets.

- Service supply and ridership for almost the past decade from 2013-2022 demonstrated steady increase in revenue hour up to 2019.
- There is a slight drop after 2019 attributed to the decline in ridership due to Covid-19 impact.
- Operating cost and service supply have a direct relationship with each other.
- The largest piece in the proposed FY 2022 budget is the base bus budget representing 90% with the second largest allocation towards service improvements at 4%.

- The proposed FY 2022 funding source shows that it is largely derived from federal funding, however this is skewed higher due to the Cares Act Fund. Based on 2019 ridership, federal funding would be closer to 40%.
- For municipal funding, local funding trends compared to non-local funding have steadily increased.

Shelly Brooks shared the expenditure side through the capital budget.

- 8.4% overall wage increase due to cost of living, annualization of positions, and addition of new positions in 2022.
- Increase in benefits and contributions
- Dees and service increases due to automated fare system implementation
- Fuel and fluids: decreasing due to phasing out of CNG buses
- .5% increase in supplied in equipment
- 9.4% decrease in utilities due to lower historical use and energy broker in 2020 saw positive results
- Property and liability insurance will increase due to the new electric buses arriving in 2022.
- 18% increase in miscellaneous costs for increase employee appreciation events and conferences/training for additional staff.
- Debts and long/short term interest: 11.4% overall decrease attributed to reduced short term interest costs due to Cares Act Funding and early retirement of debt in 2020.

Greg Jordan shared that the majority of the proposed FY 2022 funding source is derived from federal funding, skewed higher due to Cares Act Fund. This number would be closer to 40% based on 2019 ridership. Municipal funding at 34% shows local funding trends compared to non-local funding has steadily increased.

Shelly Brooks presented the capital budget capturing the expenditure side elements of the

- Benefits: increase in benefits and contributions required 7 to 7.5% plus new positions
- Fees and services: increase due to automated fare system implementation
- Fuel and fluids: decrease phasing out CNG bus
- Supplies and equipment: .5% increase due to reduced PPE
- Utilities: 9.4% decrease, lower historical use energy broker in 2020 saw positive results
- Property/liability insurance: 2022 electric buses will increase premiums
- Miscellaneous: subscriptions, conferences, travel, 18% increase rising cost employee appreciation events and conferences/training for additional staff
- Debt and long/short term interest: 11.4% overall decrease, projects with reduced short term interest costs due to cars act funding, early retirement of debt in 2020

Greg Jordan shared that the local match (CIP) Reserves, proposes a capital program that is increasing from 200 to 210 thousand. Operating cost per hour from 2013 to 2022 has been on par with our peers in new England. In terms of revenues, a decrease in revenue is proposed as a ridership boosting strategy. This is factored into budget from April to end of the year to help

riders build habits when fares go back up in 2023. If no Cares act funding is received, there will be no promotion.

Miscellaneous funding sees a 5.9% decrease in revenue from advertising as it continues to be depressed. However, losses are offset by Cares Act Funding. A 32% increase in federal 5307 formula funding is projected for operations. Additional CARES Act funding will go towards supporting fare revenue losses, fare reduction promotion, and the ridership recovery marketing program.

Revenue from municipal funding is projected to decrease by 13.1%, distorted due to credits from Cares Act funding applied in 2021. Looking at base allocations per municipality, a uniform increase across all municipalities is proposed. This is different from past years calculating increase specific to each community. This is due to changes including the increase in CARES funding, decrease in CMAQ, decrease in ridership, among other factors so it makes more sense to just do a straight line 3.5% increase. ADA Paratransit will see a slight reduction in overall budget: 5.6% due to expected ridership in 2022. Yarmouth, Brunswick, and Freeport are not part of paratransit.

Nat Tupper moved to endorse the proposed budget and forward to the Board of Directors, seconded by Ryan Leighton. A roll call vote was taken by Greg Jordan, Executive Director. With approval by Ryan Leighton, Paul Bradbury, Nat Tupper, and Bill Rixon, the **motion passed unanimously by all members present.**

5. Future Agenda Items:

- Committee members may request future agenda items.
- CARES Act & ARPA Funding and Long-term Planning
- Review board policies pertaining to procurement.
- Consolidate board policies into centralized document.
- Review board policy for fund balance.
- Update on fare collection and boardings.
- Metro Strategic Planning Effort

6. Upcoming Meetings

- Executive Committee – October 13, 2021 at 3:30 p.m.
- Ridership Committee – October 21, 2021 at 4:00 p.m.
- Board of Directors – October 28, 2021 at 4:00 p.m.

7. Adjournment

Nat Tupper moved to adjourn, seconded by Ryan Leighton. A roll call vote was taken by Greg Jordan, executive director. With approval by Ryan Leighton, Paul Bradbury, Nat Tupper, and Bill Rixon, the **motion passed unanimously by all members present, and the meeting adjourned at 5:29 p.m.**

