



Joint Meeting For the Cities of Auburn and Lewiston



Tuesday, November 12, 2013
5:15 p.m. to 6:00 p.m. Dinner
6:00 p.m. Meeting
Lewiston City Council Chambers

Agenda

1. Pledge of Allegiance and Roll Call
2. Welcome from Mayor Macdonald
3. Review of LATC Bus Purchasing and Maintenance History – Operational Impacts
4. Review of Halsey King Associates Report
5. Update on Status of Western Maine Transportation Improvements/Compliance Efforts
6. Proposed Resolve to Re-Purpose LATC Capital Reserve Funding
7. Joint Council discussion to expand the scope of services for the LATC route study to include an organizational study
8. Updates on Portland-Lewiston-Auburn Joint Resolve

LEWISTON-AUBURN JOINT CITY COUNCIL MEETING
AGENDA
TUESDAY, November 12, 2013
6:00 PM

1. Review of Purchasing and Maintenance History – Operational Impacts

LATC is currently operating 8 routes and has had a fleet of 10 vehicles. Of these, 2 are SLF buses and 4 are Blue Bird buses. Based on the Halsey King Associates review of the fleet, the 2 SLF buses have been removed from service due to severe corrosion of the bus frames. MDOT has identified all SLF buses state wide for advance disposal because of this issue. This includes LATC's and 5 similar units in service in the Bangor area. (Note that advance disposal may require a partial reimbursement of federal funds initially used to purchase these units.) This has reduced the fleet to 8 buses and eliminated reserve units. LATC has also experienced severe problems in obtaining parts for the 4 Bluebird's resulting in lengthy downtimes. For example, one unit has been out of service since June waiting replacement fuel tank straps which we are now having custom made by the Maine Military Authority in Limestone. Given the removal of the SLFs from service and parts availability for the Blue Birds, LATC's route schedule has been maintained through using Mountain Explorer Buses made available by Western Maine. These buses will no longer be available since they will be returning to winter service in the Western Mountains. This will make it difficult to maintain the current route schedule and service. We would like to brief the Council's on this situation and outline potential impacts and alternatives of an inadequate bus supply to support the current system.

2. Review of Halsey King Associates Report

As a result of the concerns raised by Merwin Consulting and MDOT, the Lewiston Auburn Transit Committee and Western Maine Transportation agreed to share the cost of contracting with Halsey King Associates, a nationally recognized transit fleet maintenance consultant, to review Western Maine's maintenance operations and bus fleet. We would like to review that report with you.

3. Update on Status of Western Maine Transportation Improvement/Compliance Efforts

In June of this year, Merwin Vehicle Consulting reviewed vehicle maintenance policies, practices, and procedures used by Western Maine Transportation and identified a number of areas where improvements were required to ensure compliance with State and Federal regulations. We would like to review the status of Western Maine's improvement efforts with you and to respond to Merwin's statements regarding bus maintenance costs. A status update is attached. (This will be provided close to the meeting date so it is current.)

For additional information supporting WMTS/LATCs position regarding problems with the Blue Bird and SLF busses, see Appendix A - FTA "Useful Life of Transit Buses and Vans" 2007 Report Summary

4. Proposed Resolve to Re-Purpose Capital Reserve Funding

LATC is requesting approval from both councils to repurpose the reserve for replacement accounts established by both cities to allow for greater flexibility in addressing immediate fleet needs. These funds are currently dedicated to providing the local share for new bus purchases. Given that state and federal funds are not available for new buses and the likely inability of LATC to maintain its current routes and schedules with a smaller fleet that is significantly dependent upon Blue Birds, the request is to redirect these reserve funds to other purposes including the potential purchase of used vehicles and possible mid-life overhauls of the Blue Birds to extend their useful life from 2018 to 2022 (at a local share of 20% of total cost). These funds may also be needed to reimburse a portion of the FTA funds used to purchase the SLF units.

5. Joint Council discussion to expand the scope of services for the LATC route study to include an organizational study
6. Updates on Portland-Lewiston-Auburn joint resolve

Invitees to meeting: Sue Moreau, MDOT; Marsha Bennett, LATC; LATC Board Members; Sandy Buchanan, Western Maine Transportation.

IT SHOULD BE NOTED THAT THIS AGENDA IS SUBJECT TO CHANGE PRIOR TO THE JOINT COUNCIL MEETING – PUBLIC NOTICE SHALL BE ISSUED IN THE EVENT THAT CHANGES ARE MADE

DRAFT LATC BUS JOINT COUNCIL REPORT - 11.1.13

EXECUTIVE SUMMARY

- **60% of LATCs inventory are low-floor** buses and have been identified either by MDOT (applicable to SLFs) or LATC (applicable to Blue Birds) as busses that are not built to standards that will allow them to achieve their FTA useful life of 12 years.
- LATC Blue Bird busses have had a history of poor construction, inferior mechanical parts and poor parts availability **beginning with the April 2007** episode which saw all four busses placed out of service when defective bolt installations were discovered.
- LATC has a well-documented public history of its unhappiness with Blue Birds beginning with the **"Big 5" press conference** held in February 2009.
- Merwin's 6/18/13 report to MDOT **highlighted safety violations associated with WMTS maintenance** practices following complaints from drivers.
- Following Merwin's report, WMTS immediately works with MDOT and FTA to develop a plan to address findings in report.
- LATC is advised of Merwin report on 8/14/13 and immediately embarks on a process which results in the hiring of a noted national transit maintenance expert to conduct a **week long review of WMTS procedures and LATC bus conditions**---King is on site at WMTS on 9/23/13.
- LATC and WMTS support Merwin's findings on PM protocols, inspections and limited findings on actual mechanical/parts violations (WMTS submitted some clarifications to those findings) but **disagrees with Merwin statements about PM and maintenance practices** adding cost to system.
- LATC conducts its own cost analysis of BAT busses and LATC busses. **Findings do not support** Merwin's allegations regarding higher costs for LATC busses.
- FTA 2007 transit report provides significant evidence that LATC low-floor bus performance and maintenance has been impacted by FTA guidelines **permitting unregulated classification of buses**; poor **structural quality** of all low-floor busses; busses that are not built for rigors of **northern New England environment**; and inadequate bid specifications driven by **low-bid** process.
- Though King's report is not available for the draft to be reviewed by Auburn Council on 11/4/13, discussions with King reveal that more information about Blue Bird busses will support what LATC has been stating publicly about the bus construction quality, parts quality, **and parts availability** impacting not only costs but bus dependability.
- LATC submits a proposed, but not finalized, work outline to provide some possible scenarios as to how it would address its current bus fleet inventory challenges.

AGENDA ITEM 1. Review of Purchasing and Maintenance History & Operational Impacts

LATC Bus Replacement Schedule

Description	Year	Life	Replacement Date	Estimated Replacement Cost	Local Match Required
SLF	2002	12 yrs	2014	\$400,000	\$80,000
SLF	2002	12 yrs	2014	\$400,000	\$80,000
El Dorado	2008	7 yrs	2015	\$400,000	\$80,000
Blue Bird	2006	12 yrs	2018	\$400,000	\$80,000
Blue Bird	2006	12 yrs	2018	\$400,000	\$80,000
Blue Bird	2006	12 yrs	2018	\$400,000	\$80,000
Blue Bird	2006	12 yrs	2019	\$400,000	\$80,000
Gillig	2011	12 yrs	2023	\$500,000	\$100,000
Gillig	2011	12 yrs	2023	\$500,000	\$100,000
Gillig	2011	12 yrs	2023	\$500,000	\$100,000

Last year, the SLF buses were reported as model year 2003. MaineDOT is now classifying the SLF buses as 2002 models. This moves the replacement year to 2014.

Replacement buses are projected to be 12 year Gillig low floors. These will be similar to those purchased in 2011. The 2011 purchase price was \$371,400 per bus. It is projected that the cost in 2015 will be approximately \$400,000 per bus.

- Generally speaking, bus purchasing for all transit in Maine has been handled through MDOT per state statute. Developing bus specs has been a collaborative effort between the 5 fixed transit operations, but, ultimately, MDOT had final signoff and also is issued title to all busses up through 2012. We now have all titles with the exception of the SLFs which remain under MDOT control. There will be more changes once all fixed transit operators become direct recipients with the understanding that nothing will prohibit the "big 5" from continuing to develop specs and bids jointly with or without the MDOT (currently, Metro in Portland is an FTA direct recipient and capable of purchasing its own busses—they have participated in group purchasing with MDOT).

According to FTA regulations, our maximum bus inventory capacity should be 10 busses. Given the poor quality of busses that this state has been forced to buy due to insufficient transit funding to meet statewide needs, we are now saddled with a large number of busses that have either required removal from the fleet (two Thomas/SLF busses) or have

been historically undependable (Blue Birds). That means that 60% of LATCs will most likely not achieve their FTA mandated useful life.

- April 2007 – A loose bolt, which holds the suspension together, is discovered by WMTS maintenance on one of the Blue Bird units (the bolt was actually broken) which triggers the WMTS inspection of the other 3 Blue Birds. Loose bolts are discovered on all of them and WMTS states they believe that this problem originated at the time the busses were manufactured. All busses are removed from the road until the bolts can be replaced.
- July 2008 – All 4 Blue Birds were taken off the road after discovery of defective suspension springs. After a month or more with all 4 busses out of service and being advised that these busses (still under warranty) have no parts available to fix them, Nadeau contacted MDOT to pressure them to authorize the manufacture of the parts which is ultimately agreed to by MDOT. Busses are back on the road in September.
- Fall 2008 - After back-to-back years of Blue Bird episodes involving wholesale out-of-service actions associated with parts/manufacturing quality and parts availability, Nadeau approached all Maine fixed transit operators who assembled for the first time to discuss an effort to go public with concerns regarding fixed transit funding in Maine. LATC assumed role as lead agency in this effort.
- With the support of the LATC, Greater Portland Transit District Metro, Bangor Area Transportation Connector (BAT), and the South Portland Transportation and Waterfront Department/South Portland Bus Service (Biddeford/Saco "Shuttlebus" service elected not to participate), a joint letter was issued to our congressional delegation (1/30/09) which identified some of the concerns experienced by Maine's largest fixed-transit operators:
 - Lewiston-Auburn's system is dependent on transit busses from Sugarloaf and Sunday River in the warm months (no longer available as they are now being used) and a lease with a local charter bus company to provide the system with a back-up bus to support a fleet of busses that is aging and unreliable given its four Blue Bird busses that cannot be supported dependably by its vendor.
 - Portland METRO is operating ten 1990 busses with over 700,000 miles on the fleet and remains vigilant for FTA custodial transfers of used buses—if unsuccessful, METRO will procure used buses in the private sector during 2009 to meet existing service levels.
 - 43% of South Portland's fleet is over 12 years old. Due to the age and overall condition of their fleet, South Portland has already expended \$107,000 on maintenance – which is \$30,000 ABOVE the budgeted amount ...and they are only half way through the fiscal year.
 - Nearly half of BAT Community Connectors fleet has met the federal requirements for replacement and they are investing over \$100,000 in two buses that are in their 13th year of operation.
- The 2008 fixed transit operators meetings led not only to issuing the first ever congressional joint letter on fixed transit, it also set the platform for a 2/9/09 statewide news conference which was hosted by the "big 5". The event not only brought additional attention to our fleet challenges but also assisted in Maine securing ARRA funding for new Gillig busses (we received 3) which did not require any local match.
- The 2/9/09 press conference also provided the following info in a prepared handout (it should be noted that the combination of Blue Birds and SLFs represent 60% of our fleet):

"LATC's *citylink* service requires seven buses to operate its nine routes. Under Federal regulations LATC is allowed to carry three spare vehicles in its fleet. At this time, LATC has seven buses and no spares. In addition to operating with no spares, parts are difficult and timely to obtain for both the Thomas SLF's and the BlueBird LF's. Manufacturing of the Thomas SLF ended shortly after delivery of LATC's buses and BlueBird has only manufactured a total of approximately 250 LF buses country wide.

Since the BlueBird's were put into service (August of 2006), there have been two occasions where all four buses have been taken off the road at the same time to address mechanical issues. In both instances the problem was an easy repair; however, the time required to secure the parts impacted operations. In 2008, WMTS ran an average of three SugarLoaf Explorer buses an average of three buses per day for a 135 day period. This equals approximately 4,400 hours of service or one-quarter of *citylink's* annual hours of operations. If WMTS did not have the use of these vehicles, *citylink* service would have been significantly reduced or shut down due to the lack of spare buses in LATC's fleet."

In the press kit, BAT also offered the following about their Thomas/SLF fleet (we believe that all SLF's purchased in the state are now off the road with the possible exception of one which may only be used as a spare bus):

"Two buses have exceeded their useful life and six more have exceeded the Federal guidelines for replacement due to age, mileage, or both. Another seven (SLFs), although not yet eligible for replacement, have the highest per mile maintenance cost in the fleet. The remaining three are more recent acquisitions."

- LATC efforts to address fleet issues did not end with the press conference. On 9/27/11, Marsha Bennett, Greg Whitney and Nadeau met with Sue Moreau and Mike Merwin to discuss ongoing LATC concerns regarding Blue Bird mechanical problems and parts availability. Merwin's position was that the bus we received was manufactured according to our specifications and, if we were experiencing problems, we should hold ourselves accountable for the problems—he also implied that we simply were not doing enough to address the part issues. We disagree with the assessment as the RFP was jointly reviewed by all fixed transit operators participating in the bid, an RFP where MDOT had final approval authority as they possessed title to all the vehicles.
- The 9/27/11 meeting followed MDOT's announcement during the summer that efforts were underway by MDOT to remove all SLFs from the road and to find a way around the FTA "useful life" reimbursement issue.
- After repeatedly sharing concerns regarding the Blue Birds with MDOT, nothing has changed regarding parts availability and we continue to experience parts failures that have no relationship to "PM" (preventive maintenance). We anticipate that the Halsey report will clearly demonstrate that the significant majority of Blue Bird downtime is directly related to a bus which had limited production (only 250 built); was poorly engineered; and had tested poorly in the Altoona report when the MDOT took possession of the busses in 2006.
- In the interim, MDOT continues to work with all transit operators to remove the SLFs from our inventories (LATC has two SLFs which were removed from service in September 2013) and is working with FTA to change what was classified as a twelve year bus to a ten year bus which will significantly reduce financial exposures for operators who otherwise would need to reimburse FTA for the remaining useful life of the busses.

➤ Following the notice we were given in mid-August 2013 about the results of the June 2013 Merwin report, LATC took immediate action to meet with WMTS to assess what actions had been taken by them to address the report. The following is a summary of the chronology of those actions:

1. July 2013 – MDOT reviews Merwin’s June 2013 report with WMTS. FTA has been advised of Merwin’s report on 6.26.13 and approves the action plan.
2. 8/14/13 – First notice by Sue Moreau advising Marsha Bennett of driver complaint regarding one of LATC’s busses and discusses Merwin’s report. Bennett emails me to advise Nadeau of situation. Nadeau forwards Bennett 8/14/13 email (to Nadeau) to the Lewiston Council and Clint Deschene to advise them of situation.
3. 8/15/13 – Moreau emails Bennett with Merwin report and the July 2013 action plan agreed to by MDOT/WMTS in response to Merwin report. Email has FTA letter that concurs with MDOT/WMTS action plan.
4. 8/15/13 – Nadeau and Bennett meet with WMTS to discuss driver complaint and Merwin report. Nadeau asks for all information regarding situation to get a full understanding of all that is involved both with the Merwin report and the driver complaints
5. 8/16/13 – LATC committee is given notice of WMTS issue in posted agenda. Staff continues to collect information to be provided to LATC committee at meeting.
6. 8/22/13 – All known information about Merwin report and updates on fleet condition relative to the MDOT/WMTS maintenance action plan are shared with committee. Committee authorizes Nadeau to negotiate a contract with WMTS for a third party review of the bus fleet and maintenance practices with a cap of \$5,000 and to authorize the expenditure from local funds only so that we are not limited by federal bidding requirements which are required if federal funds are used.
7. 8/27/13 – Nadeau emails LATC committee, Lewiston City Council and Clint Deschene with new information about Merwin’s discovery of sealed windows and LATC’s vote to hire independent expert to conduct a “top down review” of WMTS maintenance operations and our busses.
8. 8/30/13 – WGME does a piece on the LATC bus situation.
9. 9/10/13 – Nadeau emails LATC committee, Lewiston City Council and Clint Deschene with update on progress of WMTS action plan and that LATC/WMTS are close to settling on agreement to hire Halsey King.
10. 9/19/13 – Nadeau issues a press release announcing the LATC/WMTS contract for Halsey King’s services.
11. 9/23/13 – Halsey King arrives at WMTS. He departs on 9/27/13
12. 9/27/13 – During an inspection by Halsey King, detection of advanced corrosion on both Thomas/SLF busses results in both busses being taken out of service indefinitely. Loss of SLFs will impact our ability to cover routes. Decision is made to present route contingency plan at Oct 10th LATC meeting.
13. 9/30/13 – Tim McCabe from Maine Military Authority contacts Bennett to ask if we would like to have him come to WMTS to see what they might be able to do for LATC busses—specifically the Blue Birds and the SLFs.
14. 10/1/13 – Tim McCabe arrives at WMTS to evaluate busses for possible rehab work. Advises us that they are currently rehabbing a Blue Bird in Limestone.
15. 10/10/13 – LATC meeting – 95% of agenda is dedicated to updating committee on WMTS maintenance action plan; possible actions to replace SLF busses; discussion on buying used busses; and impacts on capital planning. LATC approves action to request approval from both councils to repurpose the reserve-for-replacement account to authorize expenditures for possible leasing, used bus purchasing, rehabbing of existing busses, and any manufacturer recommended mid-life rebuilds (as recommended by Gillig). Clint Deschene, in attendance at the meeting, is advised

of Nadeau's request to have both he and Ed Barrett approach their mayors and councils to schedule a joint council meeting in early to mid-November so that the details of the Halsey report (due in late October) can be shared and so that Nadeau can share and discuss information to support the LATC's request to have both councils approve the repurposing of its reserve-for-replacement account.

➤ LATC Purchase Breakdown for SLF and Blue Bird busses:

Bus Model	Year	Vehicle Life	Funding Source
Thomas SLF	2003	12-year	\$239,356 Federal Earmark - \$176,501 State Bond - \$31,427 Local (CDBG) - \$31,428
Thomas SLF	2003	12-year	\$239,356 Federal Earmark - \$176,501 State Bond - \$31,499 Local (CDBG) - \$31,356
BlueBird LF	2006	12-year	\$233,726 Federal Earmark - \$186,980 State Bond -\$ 23,373 Local (CDBG) - \$23,373
BlueBird LF	2006	12-year	\$233,726 Federal Earmark - \$186,980 State Bond -\$ 23,373 Local (CDBG) - \$23,373
BlueBird LF	2006	12-year	\$233,726 Federal Earmark - \$186,980 State Bond -\$ 23,373 Local (CDBG) - \$23,373
BlueBird LF	2006	12-year	\$213,206 FTA 5307 - \$170,565 State Bond - \$21,320 Local (CDBG) - \$21,321
Goshen C5500	2008	7-year	FTA 5307 - \$85,060 State Bond - \$10,633 Local (CDBG) - \$10,633
Unmet Need			
Unmet Need			
Unmet Need			

- It should be noted that our fleet of 10 busses is now down to 8 with the SLFs now parked indefinitely. Our system is now even more vulnerable (compared to our LATC press material in 2009) given the condition of the Blue Birds and the planned departure of the WMTS "mountain" busses in mid-November.

NOTE: should read "El Dorado"-state bonding was \$21,266. Purchase utilized WMTS capital grant funding and local share was provided by the state.

AGENDA ITEM 2. Review of Halsey King Associates Report

As of 10/31/13, no draft report has been received though Mr. King advised Nadeau yesterday that a draft should be in hand on by the end of business on 10/31/13. King also advised Nadeau that the report will provide information which may serve as possible grounds to pursue litigation involving one of the LATC bus manufacturers. Given the possibility for litigation, the draft and final reports will be reviewed by LATC attorney Kelly Matzen before either the draft or final document is publicly released. It is possible that WMTS may also choose to have the report reviewed by their attorney as well. If possible, certain key excerpts from the report may be issued in advance of the full reports release. King has advised that given the volume of issues he has uncovered about one particular bus manufacturer in the course of his investigation, the final report may not be released until late November.

AGENDA ITEM 3. Update on Status of Western Maine Transportation Improvement/Compliance Efforts

On June 18, 2013, Mike Merwin of Merwin Consulting Inc. (contracted to perform a variety of transit related services for his former employer, the Maine Dept. of Transportation) submitted a letter to Susan Moreau, Multi-Modal Planning & Operations Unit Manager outlining what he found during a number of inspections which appear to have taken place between April 3, 2013 and May 29, 2013. The initial inspection was triggered by WMTS driver complaints about possible safety violations on three busses owned by LATC (this report will not address any of the comments/findings attributed to other busses owned and operated by WMTS). The busses in question were bus #0202 (Thomas/SLF); bus 0802 (El Dorado); and bus #0603 (Blue Bird).

At the outset, it is important to note that not only have LATC and WMTS addressed the Merwin report by taking immediate action to not only respond to Merwin's list of ten recommended action steps to be taken by WMTS (see latest update responses in this section from MDOT below dated 10/28/13), but WMTS has also implemented some of the recommendations provided by Halsey King during his September 2013 review of the WMTS facility (e.g., the reconfiguration of one bus bay which is now a dedicated area for bus inspection and the purchase of a "brakeometer" to provide more timely and quicker brake testing results).

Merwin's 6/18/13 comments regarding the three LATC busses are noteworthy of further discussion in this section. Merwin stated: "LATC bus 0603 had no non-compliant issues. This vehicle had been recently repaired and received a current Maine Commercial Vehicle Inspection sticker on April 1, 2013 at Greeley's Garage in Auburn, Maine. The complaint by the LATC operator associated with LATC buses 0802 and 0202 were determined to be valid and indicated the reported safety issues did exist."

What was not stated in the report was the following: In addition to there being no reportable safety concerns on Blue Bird #0603, WMTS responded as follows to those reportable conditions regarding the other two busses:

(Email from M. Bennett to P. Nadeau on 10/29/13) "I spoke to Harold about these three buses that were inspected as part of M. Merwin's report.

0802 – The bus was on the road in-service with an expired inspection sticker. The driver did the required pre-trip and took the bus anyway. It didn't have a sticker because the ABS light was on (WMTS maintenance was aware of the ABS and was working on it). WMTS has since placed a greater emphasis on driver protocol, and has increased protocol between drivers and maintenance.

0202 – The noted air leak was found when MaineDOT put the bus up to do the inspection. The air leak had not been reported by the driver at any time. Harold said there was no way of knowing that there was an issue. Parts were ordered for the damaged passenger door. The door was fully functioning but was damaged. The damaged door did not create any issues with passengers

0603 – no issues. Harold thinks that the speedometer/odometer issue stated actually refers to 0604."

The WMTS response demonstrates three things very clearly. Driver comments about bus #0603 were not supported by the inspection. Bus #0802 demonstrated that the bus drivers themselves were either not sufficiently aware or were intentionally disregarding safety protocols meant to protect their safety.

WMTS is now working to ensure that new procedures prevent this kind of safety violation from happening again.

Bus #0202 (Thomas/SLF is now permanently out-of-service) had an air leak that was virtually impossible to detect unless you were literally under the bus which explains why no one, including the bus drivers, knew the airline was malfunctioning (believed to be associated with the ABS system concerns in the letter).

Though Merwin fails to mention Blue Bird bus #0604, Harold Allen (WMTS Transportation Supervisor) believes that the malfunctioning speedometer/odometer issues mentioned were associated with this bus and will be addressed by WMTS as part of the ongoing repair process (it has not returned to the road as there are a number of repairs that cannot be done due to parts availability). Additionally, Allen clarifies in the Bennett email that the bus door was damaged but was fully functional--not expressed anywhere in the Merwin report.

The combination of the very detailed steps to address safety, state inspections and "On-Time PM Reviews" (scheduled manufacturer warranty work and any work specified in federal/state regulations), which both the LATC and WMTS agree must be compliant so that they meet all of the conditions expressed by Merwin, have either been addressed or are in the process of having administrative and software systems in place to be fully compliant. Additionally, outside of clarifying some of what was articulated in Merwin's 6/18/13 report, neither WMTS nor LATC have ever publicly disputed the findings as they applied to reporting, required PM oversights and some bus operations that involved LATC busses on the road with reportable safety issues such as the ABS light (which has been a problematic part on the El Dorado).

Neither WMTS nor LATC have ever minimized the matter of bus safety either for its passengers or its drivers. This was immediately evident in the rather unprecedented decision to hire the noted national bus fleet maintenance expert Halsey King to provide LATC and WMTS a 3rd party, unbiased opinion of WMTS maintenance operations and the condition of LATC's fleet with a focus on the Blue Birds and the SLFs'.

This commitment to hire King has not been recognized by Merwin in any of his reports. Beyond Merwin's noticeable lack of recognition of this very important decision to hire King, most concerning to both WMTS and LATC was Merwin's following closing statement in the report which stated that "... (t)hese non-compliant and unsafe WMTS Operation and Maintenance practices and policies have potentially jeopardized the WMTS and LATC, Federal and State of Maine funding status.... (and) has increased the Agencies cost associated with scheduled and unscheduled repairs, created unnecessary vehicle downtime, increased operating costs and greatly decrease(d) the intended life cycle of the vehicles. "

Not only does the LATC and WMTS find Merwin's statements needlessly inflammatory, there is very strong evidence to demonstrate that Merwin's allegations (he offers no evidence to support the statement) of "...increased operating costs and greatly decreased... intended life cycle of the vehicles" are conjecture given the complete absence of any evidence to support that opinion.

In preparing a response to these assertions from Merwin, LATC requested that the Bangor Area Community Connector (Formerly Bangor Area Transportation (BAT) Connector--will be herein referred to as "BAT" for brevity) provide us with documents showing the full life cycle costs of a number of busses in their inventory. We elected to approach BAT given that Merwin has never publicly reported any concerns regarding BAT maintenance operations (based on our experience and an internet search of public criticism from Merwin or MDOT about BATs maintenance practices). Additionally, given BAT's

large inventory of SLF's, and it would be assumed, his support of BATs fleet maintenance practices with six SLFs (all out of service), one Blue Bird, and five Gilligs, we wanted to analyze their full life maintenance costs and compare them to same model WMTS maintained LATC busses. The following was extracted from documents submitted to LATC by WMTS and BAT:

LATC/WMTS BUSES AS OF 10/28/13												
VEHICLE		(PURCH YR)	UNITS(MILES)	MISC	OUTSIDE	TIRES	LABOR	PARTS	ADJ TOT COST	CPM		Ave
201	SLF (OOS)		157463	\$ 1,294	\$ 31,752	\$ 4,937	\$ 18,065	\$ 63,910	\$ 119,918	0.76	SLF	
202	SLF (OOS)		194722	\$ 4,779	\$ 20,946	\$ 7,462	\$ 26,165	\$ 47,135	\$ 106,487	0.55	SLF	0.65
601	Blue Bird		192020	\$ 5,212	\$ 15,545	\$ 13,356	\$ 26,880	\$ 89,983	\$ 150,978	0.79	Blue Bird	
602	Blue Bird		175629	\$ 5,927	\$ 51,863	\$ 9,388	\$ 27,772	\$ 80,268	\$ 175,218	1.00	Blue Bird	
603	Blue Bird		238838	\$ 8,835	\$ 103,609	\$ 17,277	\$ 26,430	\$ 73,449	\$ 229,601	0.96	Blue Bird	
604	Blue Bird		162438	\$ 5,021	\$ 25,947	\$ 9,507	\$ 26,096	\$ 72,658	\$ 139,229	0.86	Blue Bird	0.90
802	El Dorado		82120	\$ 1,800	\$ 11,664	\$ 3,707	\$ 9,916	\$ 26,745	\$ 53,833	0.66	El Dorado	0.66
1101	Gillig		86724	\$ 2,085	\$ 10,481	\$ 2,856	\$ 3,700	\$ 3,687	\$ 22,780	0.26	Gillig	
1102	Gillig		76703	\$ 1,622	\$ 8,994	\$ 4,557	\$ 3,806	\$ 3,136	\$ 22,116	0.29	Gillig	
1103	Gillig		83238	\$ 1,633	\$ 6,501	\$ 2,413	\$ 8,567	\$ 16,078	\$ 31,192	0.37	Gillig	0.31
BAT BUSES AS OF 10/25/13												
0314	SLF (OOS)	Aug-02	285593						\$ 257,988.00	0.90	SLF	
0315	SLF (OOS)	Aug-02	328469						\$ 213,286.00	0.65	SLF	
0316	SLF (OOS)	Aug-02	255312						\$ 155,368.00	0.61	SLF	
0317	SLF (OOS)	Sep-02	262909						\$ 181,326.00	0.69	SLF	
0318	SLF (OOS)	Sep-02	277192						\$ 164,936.00	0.60	SLF	
0319	SLF (OOS)	Sep-02	288292						\$ 226,743.00	0.79	SLF	0.71
0621	Blue Bird	Dec-05	210257						\$ 240,799.00	1.15	Blue Bird	1.15
1046	Gillig	Apr-11	149510						\$ 34,654.00	0.23	Gillig	
1047	Gillig	Apr-11	134587						\$ 36,444.00	0.27	Gillig	
1048	Gillig	Apr-11	91939						\$ 29,148.00	0.32	Gillig	
1049	Gillig	Apr-11	98696						\$ 37,455.00	0.38	Gillig	
1050	Gillig	Apr-11	77970						\$ 20,854.00	0.27	Gillig	0.29

A few caveats in advance of this report's findings. We have done our best to ensure that the analysis of costs closely approximates an "apples to apples" comparison. Both sets of data exclude fuel and fluids used for PM. It is likely that labor costs may not be identical and that there was some variation in the cost of certain parts. In the end, however, Merwin's allegations about cost are rooted in what LATC/WMTS and BAT has spent to maintain the busses so we have a high degree of confidence that the data supports the findings below.

It should also be noted that LATC believes that BAT is one of the top performing fixed transit operations in this state and it is assumed that Merwin believes this as well. LATC/WMTS assumes that BAT can be considered somewhat of the "gold standard" to compare itself against. With that said the following summary provides cost-per-mile comparisons that speak for themselves:

1. Ave. CPM (cost per mile) of LATC SLFs: \$0.65; ave. CPM for BAT SLFs: \$0.71
2. Ave. CPM of LATC Blue Birds: \$0.90; ave. CPM for BAT Blue Bird: \$1.15
3. Ave. CPM of LATC Gilligs: \$0.31; ave. CPM for BAT Gilligs: \$0.29

The data supports rather strongly that Merwin's allegations regarding WMTS "increased operating costs" and "greatly decreased...life cycles" impacts on the LATC busses are in direct conflict with the actual data. For additional low-floor bus information, see Appendix A

The data clearly demonstrates that WMTS has met and in some cases exceeded its ability to maintain LATC busses at costs that are in line with BAT. More notably, initial conversations with Halsey King have revealed that there will be more information made available in his report that will only reinforce what LATC has been sharing with Merwin and the MDOT since the July 2008 episode grounding all four Blue Bird busses for a month—that WMTS has worked hard to maintain busses that are highly problematic; that LATCs four (of the reported 250 or so Blue Bird) busses were not constructed to meet the rigors of a northeast climate; that these busses are not likely to last for the FTA required 12-year period (a case that Merwin has already made for the SLFs but other alternatives are now being considered); that they are not supported by the Blue Bird company in the same manner that other bus companies (like Gillig) support their busses; and that parts availability have and will continue to hamper WMTS' ability to get these busses back on the road in a timely manner.

The data also clearly demonstrates that LATC and WMTS have always committed themselves to doing all that is possible to control costs, both on the maintenance side and the operating and administrative side of the ledger. Merwin's specific task was to do the inspections and to report out the documented findings of the inspection, not to provide editorial comments that are both speculative and undocumented. Both LATC and WMTS agreed with Merwin that procedural inspection/PM changes (combined with some of the recommendations offered by King) will only benefit LATC and WMTS in the future and possibly establish WMTS as one of the premier fixed maintenance facilities in and out of Maine.

Finally, both the WMTS and the LATC remain committed to work with the MDOT and the FTA to establish our entire fixed transit operation as one of the best in the state. We believe that the steps listed below and the results of the upcoming Halsey report will become invaluable tools as the LATC, WMTS and MDOT move forward to address some of the short term bus dependability issues that we must confront immediately. It goes without question that the steps we take as a transit operation over the next 30 to 60 days will determine whether we remain a viable and dependable transit system for years to come.

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(WMTS REPORT ISSUED TO FTA AND MDOT)

Federal Administration/Maine Department of Transportation Compliance Request
Status Report Date: October 9, 2013 for period covering August 1 – September 30, 2013
For: Western Maine Transportation Services, Inc.

Provided By: Mark Laskey, Maintenance Supervisor
Harold Allen, Transportation Supervisor
Alan Burnell, Sugarloaf Explorer Supervisor
Sandra Buchanan, General Manager

(HIGHLIGHTED AREAS REFLECT ORIGINAL ACTION PLAN
APPROVED BY MDOT AND FTA IN JULY 2013 – AREAS NOT HIGHLIGHTED
REFLECT WMTS ACTION STATUS TO EACH ITEM AS OF 09/30/13)

1. All Maine State Inspections associated with vehicles under Western Maine Transportation Services (WMTS) control will be performed at a facility other than WMTS. This policy has been in effect since December 2012 and should remain in effect indefinitely.

Resolution: All vehicles requiring Maine Vehicle Safety Inspections at this time will be removed from service by July 31, 2013 and remain out of service until compliance with Maine Motor Vehicle Statute, Title 29-A and FMCSA Regulations are met.

MaineDOT Oversight: WMTS will send a list of vehicles with inspection sticker expirations to Kelly Arata.

WMTS Status Report (10.09.13): Western Maine Transportation Services (WMTS) had had all Maine State Safety Inspections completed by outside facilities since January 2012. As of July 2013, vehicles are not used in service if there is an expired Maine State Safety Inspection and the only time a vehicle with an expired Maine State Safety Inspection is on the road is if it is being driven to an outside vendor for the purpose of an undergoing a Maine State Safety Inspection. Please refer to attachment #1 for the list of current Maine State Safety Inspections.

MaineDOT Response to Status Report (10.28.13): WMTS is in compliance and is following the MaineDOT required guidelines. (See attachment 1 to WMTS's status report).

2. FMCSA Part 396 and sub-part Seminars will be conducted for WMTS fleet operator/drivers and maintenance personal for two (2) years. These seminars will be conducted monthly at the WMTS Auburn, Maine facility. WMTS Operation and Maintenance Supervisor attendance and participation will be mandatory. Maine Department of Transportation/Bureau of Planning/Outreach Division (MaineDOT/BPOD) or their designated representatives will perform periodic oversight of FMCSR Part 396.

Resolution: The first seminar will be scheduled in August 2013.

MaineDOT Oversight: MaineDOT/Merwin Vehicle Consulting will attend the first Driver's meeting in August 2013 and then on a random basis.

WMTS Status Report (10.09.13): WMTS Transportation Supervisor, Harold Allen and Maintenance Supervisor, Mark Laskey provided two sessions of FMCSA Part 396 seminars on Wednesday, August 21, 2013 and another two sessions on Wednesday, September 18, 2013. The next two sessions are scheduled for Wednesday, October 16, 2013. Please refer to attachment #2 for lists of attendees at the August and September seminars.

MaineDOT Response to Status Report (10.28.13): WMTS is in compliance and is following MaineDOT's required guidelines. (See Attachment 2 to WMTS Status Report).

3. Starting with the 2013-2014 Season, Mt. Explorer fleet vehicles will require an On-Site Operations Supervisor to review FMCSR, Part 396.11 documentation daily for compliance. All required scheduled PMs and unscheduled repairs will be performed in the Bethel, Maine area at a Maintenance Facility chosen by WMTS and approved by MaineDOT/BPOD or their designated representative. The chosen facility will perform maintenance following MaineDOT/BPOD, FMCSR, Manufacturer's and WMTS requirements outlined in an agreement or contract issued by WMTS for a one (1) year period, renewable each consecutive year for a period of three (3) years. WMTS will submit to MaineDOT/BPOD a mid and end of Season Vehicle Condition Report.

Resolution: Repair and Maintenance compliance to be completed prior to the start of the 2013-2014 seasons. Report dates will be designated as determined by the season start date.

MaineDOT Oversight: MaineDOT/Merwin Vehicle Consulting will approve the maintenance facility.

WMTS Response (09.10.13): Harold Allen, Transportation Supervisor and Mark Laskey, Maintenance Supervisor checked out three different facilities in Bethel, Maine for maintenance of the Mt. Explorer buses. (They had called two other vendors that were not interested in this work) Of the three, only one had the capability to do the maintenance. They provided the vendor with the questionnaire provided by Mike Merwin and the vendor was asked to complete the form and return it to WMTS by fax by the beginning of September. Harold has tried to follow up with this vendor but has not had any luck making contact.

WMTS Status Report (10.09.13): WMTS Transportation Supervisor, Harold Allen and Maintenance Supervisor, Mark Laskey contacted and/or visited potential maintenance facilities in the Bethel, Newry, Woodstock area and as of September 30, 2013 have not located a facility that is willing to provide this maintenance. WMTS is asking MDOT for guidance on next steps as to locating a maintenance facility to perform maintenance of the Mountain Explorer vehicles. WMTS Transportation Supervisor, Harold Allen has interviewed and offered a position to a person to act as an On-Site Supervisor for the Mountain Explorer. This person is not on board with WMTS yet as the Mountain Explorer program does not begin until mid-December.

Please refer to attachment #3 for list of maintenance facilities considered to perform maintenance on the Mountain Explorer buses. NOTE: WMTS is requesting guidance from MDOT to complete this task.

MaineDOT Response to Status Report (10.28.13): WMTS has not yet complied with the requirement to schedule work in the Bethel area. In response to WMTS's request for assistance, MaineDOT is coordinating with WMTS on finding vendors within a reasonable distance. There is no interest in the Bethel or South Paris area so there may be options in the Rumford and Mexico area. In addition, MaineDOT is requesting that WMTS inform us when the On-Site Operations Supervisor for Mountain Explorer has started work and will provide contact information.

4. The WMTS/Sugarloaf Fleet Operations Manager will provide the Sugarloaf Maintenance Department with all required FMCSA documentation related to safe operations of the buses daily.

Resolution: This requirement to be completed prior to the start of the 2013-2014 season.

MaineDOT Oversight: MaineDOT/Merwin Vehicle Consulting will conduct random checks of applicable records.

WMTS Status Report (10.09.13): The Sugarloaf Explorer Supervisor, Alan Burnell, has just returned to duty as of Tuesday, October 1, 2013. At present, the plan is to take all pre/post trip inspection forms to the Sugarloaf Maintenance facility each day. Any vehicle on which there is a safety issue indicated on the pre/post trip inspection form will be marked out of service until a person from the maintenance facility has had a chance to evaluate the vehicle. Please note: This plan will be expanded and formalized as needed when all Sugarloaf Explorer and Sugarloaf Maintenance personnel return to full duty.

MaineDOT Response to Status Report (10.28.13): MaineDOT needs clarification in regards to WMTS's response relating to daily trip to Sugarloaf Maintenance Facility. Our response is therefore incomplete. MaineDOT notes that WMTS has oversight authority over the Sugarloaf Explorer program. Pre- and Post Trip Inspection Reports need to be delivered to the Sugarloaf Maintenance facility each day so that any maintenance and safety issues can be completed before the bus goes back into service. WMTS and Sugarloaf Explorer should coordinate delivery of these pre- and post- trip inspection reports in the most efficient manner. MaineDOT encourages WMTS to complete random audits.

5. A total of thirty three percent (33%) of all vehicles receiving maintenance performed by WMTS on vehicles under their control will be reviewed randomly Bi-monthly for compliance to MaineDOT/BPOD Transit Vehicle Inspections and FMCSR compliance for a period of one (1) year by MDOT/BPOD or their designated representatives.

Resolution: This will commence in October 2013.

MaineDOT Oversight: MaineDOT/Merwin Vehicle Consulting will conduct bi-monthly inspections.

WMTS Status Report (10.09.13): Bi-monthly inspections are to begin in October 2013.

MaineDOT Response to Status Report (10.28.13): MaineDOT will coordinate with WMTS on this issue prior to the end of October

6. On-Time Preventive Maintenance Reviews will be conducted every three (3) months by MaineDOT/BPOD or their designated representatives for compliance to FTA 80% On- Time requirements. This will include all fleets under WMTS control for a period of one (1) year.

Resolution: This will commence in November 2013.

MaineDOT Oversight: MaineDOT/Merwin Vehicle Consulting will conduct on-time PMs every three months.

WMTS Status Report (10.09.13): On-time review is to begin in November 2013.

MaineDOT Response to Status Report (10.28.13): MaineDOT will coordinate with WMTS on this issue prior to the end of October.

7. WMTS Maintenance Facility will perform only Preventive Maintenance procedures. These procedures will only be performed by authorized WMTS Maintenance facility employees. Any major repair related to Public Transportation vehicles under WMTS control will be performed by a facility other than WMTS. Major repairs will be considered engines, transmission, brakes, suspension, steering and any safety sensitive repairs. This procedure will remain in effect until WMTS maintenance employees are certified in all aspect of repair. This will not include Maine Commercial Vehicle Safety Inspections addressed above.

Resolution: This will commence on August 1, 2013. Employee certifications will be verified, documented and on file prior to work being performed at the WMTS maintenance facility by Agency employees.

MaineDOT Oversight: MaineDOT/Merwin Vehicle Consulting will review applicable documentation.

WMTS Status Report (10.09.13): MDOT's Maintenance Consultant, Mike Merwin, to perform maintenance and inspection of public transportation vehicles, has verbally approved the following members of the WMTS Maintenance staff: Mark Laskey, Maintenance Supervisor, Paul Springer, Master Technician, Gregory Gallant, Technician, Shawn Doyle, Mechanic Helper. WMTS retains all training and certification records for all employees and provided MDOT with copies of all certifications on July 30, 2013.

MaineDOT Response to Status Report (10.28.13): WMTS is in compliance with certification of its mechanics to perform the major repairs cited above. MaineDOT has submitted information in regards to courses for their mechanics at Central Maine Community College.

8. WMTS will immediately comply with all FTA, MaineDOT/BPOD and FMCSR, Record Retention requirements. These will include all Vehicle Operation & Maintenance files, forms and documentation. MaineDOT/BPOD or their designated representative will review these records for compliance. All records will be randomly reviewed for compliance for a period of two (2) years by MAINEDOT/BPOD or their designated representatives.

Resolution: Compliance will commence on July 31, 2013. Compliance requirement updates will be reviewed prior to August 6, 2013. Random compliance reviews will be performed for a period of two (2) years.

MaineDOT Oversight: MaineDOT/Merwin Vehicle Consulting will review certifications.

WMTS Status Report (10.09.13): WMTS is working on updating all PM schedules for all vehicles, have implemented more strict record retention criteria and has taken advantage of the services of Halsey King, an independent vehicle maintenance consultant to assist the WMTS maintenance staff with compliance. WMTS has created separate folders within the vehicle files for emergency exit and lift/ramp inspections and PM's.

NOTE: WMTS would appreciate a list of the criteria that was determined to be deficient so that we can be sure not to overlook any areas.

MaineDOT Response to Status Report (10.28.13): MaineDOT will review the requirements with WMTS before the end of October 2013 and our response is therefore inconclusive. In response to WMTS's request for criteria, MaineDOT cites Merwin Vehicle Consulting's report dated June 18, 2013 that WMTS is required to respond to the status in subsequent status reports, as follows:

Below are the Federal, State of Maine and Agency Regulations, Requirements, Policies and Procedures found non-compliant associated with LATC, WMTS, and Mt. Explorer fleets during this review.

Federal Motor Carrier Safety Regulations, Part 396:

- Part 396 Inspection, Repair, Maintenance and Record retention
- Part 396.1 Scope
- 396.3 General, Required records and Record Retention
- 396.7 Unsafe operations forbidden. General
- 396.11 Driver vehicle inspection report (s) (2) Report content, (3) Corrective action
- 396.13 Driver inspection a, b, and c (DOT Interpretations -396.13, Question1: Guidance:)
- 396.17 Periodic inspection (g) (h) (Maine Commercial Vehicle Safety Inspection)
- 396.19 Inspector qualifications (DOT Interpretations -396.19, Question1: Guidance :)
- 396.25 Qualifications of brake inspectors,(a) (b) (c)

Federal Motor Carrier Safety Regulations, Part 393:

- 393.55 Antilock brake systems (d)
- 393.82 Speedometer (DOT Interpretations -393.82, Question1: Guidance :)

Maine Motor Vehicle Statues, Title 29-A

- 1751. Subchapter1, Inspection, 4. Implementation, B
- 1768. Unlawful acts, 5. Operation of a defective vehicle
- 1770. Penalties

Federal Transit Administration Grant Management Guidelines

Maine Department of Transportation/Bureau of Transportation Systems Planning,

- Cost Sharing Agreement associated with WMTS, LATC Fleets
- **Western Maine Transportation Service,** Comprehensive Asset Management Plan, Agency Operation and Maintenance Policies and Procedure

9. WMTS will redesign and update the current Agency, Comprehensive Asset Management Plan (CAMP) and all Ron Turley Associates (RTA) Maintenance Program documents, polices, procedures and forms. These changes reflect required Manufacturers, Federal, State and ADA maintenance policies, procedures and requirements related to all vehicles under the Agency control. MaineDOT/BPOD or their designated representatives will review these records for compliance.

Resolution: Updated CAMP and related records will be reviewed for compliance by MDOT/BTSP prior to August 8, 2013.

MaineDOT Oversight: WMTS will send their updated comprehensive asset management plan to Kelly Arata/MaineDOT. MaineDOT/Merwin Vehicle Consulting will review applicable records.

WMTS Response (10.09.13): WMTS is currently working on updating all PM schedules for all makes, models and years of equipment. Because WMTS has a an extremely mixed fleet this has been time consuming but as of today, October 9, 2013 all four, five, and seven year buses are 98% completed. Loren Niemi , MDOT has been working closely with Mark Laskey, WMTS Maintenance Supervisor to accomplish this and WMTS appreciates his patience in this "PM

Overhaul". WMTS has started updating the twelve-year vehicles, and then the service vehicles will be completed. Completed template PM work orders are being forwarded in a separate attachment. Once all PM's are updated, binders will be created for each maintenance person, the shop and MDOT with all the information.

NOTE: WMTS is requesting guidance from MDOT to completion of this task.

MaineDOT Response to Status Report (10.28.13): In response to WMTS's request, MaineDOT will review the requirements before the end of October 2013 and our response is therefore inconclusive.

10. WMTS will provide MaineDOT/BPOD updated reports monthly for a period of one (1) year related to all areas listed above. MaineDOT or their designated representatives will review those updates and prepare status reports related to compliance. These reports may be shared with the FTA and FMCSA.

Resolution: WMTS will file bi-monthly reports to MaineDOT/Merwin Vehicle Consulting within 10 days after the end of the month. For example, actions taken in August and September 2013 will be filed within 10 days after the end of September. MaineDOT/Merwin Vehicle Consulting will file Status reports within fifteen days of receiving the bi-monthly report from WMTS. All reports will be shared with the FTA and FMCSA upon request.

MaineDOT Oversight: MaineDOT/Merwin Vehicle Consulting will review the bi-monthly reports and prepare a status report.

WMTS Status Report (10.09.13): This bi-monthly report covers the period from August 1, 2013 through September 30, 2013 and serves as the first WMTS bi-monthly report.

List of Separate Attachments by item number

1. List of WMTS Vehicle Inspections expiration dates and where the vehicles were inspected. Please note Sugarloaf Explorer buses were on lay up until October 1, 2013.
2. Documentation of FMCSR part 396 seminars for August and September 2013.
3. List of Maintenance Facilities in the Bethel/Newry/Woodstock area that were contacted and the results.
9. Copy of PM Templates completed to date.

Other WMTS Accomplishments during this time

- Paul Springer WMTS Master Technician has received ASE Master Technician Certification in Transit Bus Maintenance
- WMTS provided training for Maintenance staff, Operators, and some MDOT staff on bus maintenance and inspection procedures.
- WMTS has configured the garage so one bay is a bus inspection bay with extra lighting, convex mirrors, a white floor and other enhancements.
- WMTS has invested in tools and equipment to provide for better inspections of WMTS owned and operated fleets, including a brakeometer, locking cabinet and inspection table.
- WMTS sent one technician to air brake training put on by Maine Motor Transport.
- All WMTS staff attended a seminar on lift maintenance.

MaineDOT Response to Status Report (10.28.13): WMTS filed its status report for August-September 2013 on October 9, 2013 that was within 10 days after the end of September 2013.

AGENDA ITEM 4. Proposal to Re-Purpose Capital Reserve Funding

The following is a working draft proposal to address current bus inventory availability issues:

1. Blue Bird busses: take action to lease one bus to support the four-bus inventory of Blue Birds. Longer term---look at the possibility of rehabbing a bus which may involve Maine Military Authority in Limestone (this is subject to RFP requirement). We have not received FTA confirmation on the 80/20 funding eligibility of leasing to date.
2. SLF busses: These busses will reach the end of their FTA useful life in 2014. These busses are out-of-service until further notice due to corrosion on the frame rails. MDOT and LATC are working to eliminate the FTA time restrictions and to look at possibly having the bus evaluated for possible overhaul or scraping. LATC will need to immediately lease at least two busses to replace them to get our inventory back up to 10 busses. We cover 7 routes but with PM and breakdowns, 10 is the minimum number we need if we are to have any chance to cover all routes on a regular basis.
3. Gillig busses: They have been very reliable and are typically placed out of service only when they require PM or a state inspection. Halsey and a 2007 FTA fixed transit report highly recommend that we pursue the mid-life overhaul of the busses when they occur in 2017. This kind of work will require that the busses be done on a staggered basis which may require temporary leasing to fill inventory holes.
4. Ed Dorado bus: This bus will reach its useful life in 2015. The bus may be assessed for possible rehaul.
5. Longer term purchasing: It is likely that we would immediately begin the process of purchasing some possible combination of either used heavy duty transit busses and/or smaller cutaway busses dependent on use. Issues of how federal funding work for used busses that are beyond their useful life and whether federal funding would be available for rehabbing busses that are in that category. The RFP question would also need to be addressed.

Appendix A.

Summary of Federal Transit Administration "Useful Life of Transit Buses and Vans" – Report No. FTA VA-26-7229-07.1 April 2007 & LATC Low-Floor Bus Concerns

[http://www.fta.dot.gov/documents/Useful Life of Buses Final Report 4-26-07 rv1.pdf](http://www.fta.dot.gov/documents/Useful%20Life%20of%20Buses%20Final%20Report%204-26-07%20rv1.pdf)

It is the LATCs position that this FTA report provides additional and compelling evidence as to why its fleet of low-floor buses, which include two Thomas/SLF busses and four Blue Birds, have been historically unreliable and incapable of meeting their FTA 12 year useful life requirement. Merwin has never provided this agency any of the information below and remains steadfast that his reports of WMTS inspection and PM practices reflect the primary reasons for the Blue Bird fleet's performance. It should be noted that his recognition of Bangor's plight regarding their decision to pull seven of their Thomas/SLF low-floors out of service before meeting their 12 year life threshold has raised manufacturing quality and FTA bus classification issues with Merwin, MDOT, BAT and WMTS/LATC.

We believe that Blue Bird low-floors will meet (we believe it has already begun) a similar fate as the Thomas/SLFs' given that this FTA report clearly shows that our low-floors have profiles which strongly indicate that these 12 year busses were designed as 10 year buses; that 10 year buses have historically underperformed relative to meeting their useful life; and that the engineering of the buses had little to no chance to withstand the extreme service environment of northern New England for 12 years. All this is only compounded by MDOT's historic inability to incorporate sufficient bus quality into a "low-bid" bidding process which has always been marginalized by inadequate federal funding to meet the ongoing needs of Maine's fixed transit operators (until the arrival of the fully federally funded Gilligs in 2011).

The following are excerpts from the FTA report along with commentary from LATC

A. "Useful life is ultimately determined by the life of the vehicle structure..."(p.x)

1. Low floor busses (our Thomas/SLF and Blue Birds) are described by the FTA as "(a) less expensive type of construction (with) an integrated chassis composed of multiple tubing elements, sometimes referred to as a **"stick built" chassis**. These stick-built structures consist of an integrated floor, roof, and sidewall structure of metal tubes welded together on which the major components are attached....The relatively small size of the structural elements of **the low-floor bus provides less structure** to bear the suspension and engine loads and reduces the tolerance of the structure to the effects of corrosion—a **factor which may lead to shorter vehicle life expectancies...**" (p. 11)

2. **60 %** of LATCs fleet is made up of misclassified 12 year low-floor busses manufactured by:
 - 2 buses – (2002) Thomas/SLF -35ft; **GVW-27,000 lbs; 32 passenger**; manufacturer classification—12 yr. bus
 - 4 buses – (2006) Blue Birds – 35ft; **GVW-28,500; 30 passenger**; manufacturer classification – 12 yr. bus
 - 3 buses – (2011) Gilligs – represent the newest low floor engineering standards; meet the minimum FTA classification of a 12 year, heavy duty bus: GVW-38,550; 35 passenger; manufacturer classification – 12 year bus

3. Based on information in the FTA report, LATC believes that MDOT and Maine’s fixed transit operators who have Thomas/SLF and Blue Bird low floors in their inventory fell victim to a poorly regulated system that allows manufacturers to self-describe the Altoona (PA) test classification of a bus that, like our SLF’s and Blue Birds, are a 10 year bus classified by FTA as a 12 year only because it was tested at Altoona:
 - “...manufacturers (Orion and Optima) stated that the **FTA minimum retirement ages are arbitrary** because they are driven by the **FTA Altoona Bus Testing classifications**, and manufacturers are able to choose the category under which to test their bus. Thus, there is the potential of buses claiming a false durability of 12 years. Recommendations in this area would include revising regulations to a less arbitrary, more objective, intense testing and providing more detailed reports of the testing results (pass/fail, failure types, etc.).”(p.53)
 - “In Optima’s opinion, manufacturers can test buses at the highest possible classification to give them a marketing edge, **in spite of the testing results** on quality or durability.” (p.53)
(NOTE: The Halsey King report will expand further on the Altoona testing results on some LATC buses when it is finalized.)

4. Why is the misclassification of buses important to fixed transit operators like LATC? Consider the differences between 10 and 12 year buses as defined by the FTA:
 - **10 year bus**--“small, heavy-duty (bus)” category as follows: “The 10-year service-life category represents the second-most durable buses used in transit. Vehicles in the category average roughly **30 to 40 feet** in length (with most in the 30-foot range), have gross vehicle weights (GVW) of approximately **26,000 to 33,000 pounds**, and have seating capacity for between 26 to 35 passengers. ..” (p. 13) **(reference Item 4 above which describes LATC’s “12 year” low floor buses)**
 - (O)nly 7 percent (or roughly one in 15) of these (10 year buses) remains in service past the 10-year service-life minimum. It is also clear from Figure 4-5, that the 10-year vehicle type has the lowest proportion of active vehicles exceeding the service-life minimum of the five existing service-life categories. This may suggest the need to reduce the minimum life requirement for this vehicle type by one or more years.”(p.32). **(It should be noted that all seven “12 year” SLFs in Bangor did not remain on the road beyond 10 years and LATC’s two SLFs were just shy of eleven years on the road.)**
 - **12 year bus**—“large heavy-duty (bus)” category as follows: “Approximately three in four rubber-tired transit vehicles are 12-year buses, making this vehicle type the transit industry’s primary workhorse. With a standard length of 40 feet (with variants ranging from 30 to 60 feet), a gross vehicle weight of roughly **33,000 to 40,000 pounds**, and an **average seating capacity for about 40 passengers**, the 12-year bus is also the largest, heaviest, and biggest capacity rubber-tired vehicle serving the transit market.” (p.10)
 - Most high floor 12 year busses are “...typically built on integrated structure chassis, unit body monocoque, or semi-monocoque chassis. Heavy duty chassis of the high-floor unit

body type are built with substantial amounts of metal in under-structural bulkheads and sidewalls, located at points of concentrated stress such as the front and rear suspension attach points, passenger door openings, and the engine cradle.” (p. 11)

- Because the transit industry had more investment in 12 year low floor busses prior to 2007, this report stated that “(m)ost manufacturers (of FTA defined 12 year buses) have addressed the issues previously associated with stick buses by treating the tubes with corrosion-resistant coatings, employing stainless steel, improving quality control, and strengthening the design such that newer designs are expected to have better useful life expectancies as compared to earlier models” but the 2007 consensus opinion on low-floor buses was that the design “...is more **susceptible to roadside damage and salt spray** (because the floor structure is closer to the ground). Furthermore, the front suspension travel is reduced due to space limitation, which **may result in greater loads imparted into the bus structure...**” with some feeling “...that the service life of low-floor buses would be less than that of high-floor buses...” (p. 74)

(NOTE: The recent purchase of Gilligs reflect some of the quality control improvements referred to above and were built employing stainless steel in those areas of the bus most susceptible to corrosion.)

5. The FTA executive summary states the following on the issue of the Altoona classification system:

“In recent years, some manufacturers have successfully lobbied in a more durable category than would appear warranted by their vehicle’s general characteristics (e.g., testing a bus with 10-year characteristics as a 12-year bus). **This has resulted in service reliability issues** and, in some instances, early retirement for the purchasing agencies when the tested vehicles were not found to have the expected durability.”(p. xiii)

B. “Service environment is a key determinant of structure useful life...” (p. x)

- “**Service environment**” is identified in the report as another factor which exerts significant influence on bus durability. In the northeast, the larger transit operators develop bid specifications to deal with the rigors associated with winter, extremely cold, snow, bad roads, road salt and the compounding effects of calcium chloride:
- “A bus structure built to survive **the standard 12 years in an average North American city will not last 12 years in a harsher New York City or Boston environment**. Conversely, a bus structure built to survive 12 years in either of these northeastern cities will be over-designed for the average U.S. transit agency. The bus structure will survive in excess of 12 years, but it is a heavier and stronger structure.” (p.71)
- “Many interview participants clearly indicated that service environment is a key determinate of structure (and hence vehicle) useful life. Because of this, several agencies expressed the desire that **FTA revise the service-life requirements definition to include service environment severity**, along with service years and miles (e.g., 12 years or 500,000 miles).” (p. 120)
- “Only large agencies operating in severe environments perform scheduled mid-life overhauls....Massachusetts Bay Transportation Authority, New York City Transit, Toronto Transit Commission, and Washington Metropolitan Area Transit Authority perform comprehensive, “mid-life” overhauls of their heavy-duty cycle vehicles, stating that **these overhauls are**

required to obtain full service lives given the tough service environments in which they operate. In contrast, none of the other agencies interviewed (including Los Angeles Metropolitan Transportation Authority and Houston Metro) regularly complete a mid-life overhaul, with most suggesting it is not cost effective for them.

(NOTE: Gillig recommends that our LATC busses be overhauled at the 6 year mark (2017)—LATC will advise the two Councils that we be assessing the value of partial/full mid-life overhauls or continuous programmed preventive maintenance for all 3 busses)

C. “(T)he low-bid procurement process...can yield vehicles with lower quality structures leading to reduced longevity...”(p. vii)

- “Most of the agencies have had to retire vehicles prior to their scheduled or desired retirement age. The causes of these early retirements range from unexpected declines in vehicle condition, high maintenance costs, equipment upgrades, or damage beyond repair. Most agencies would support the introduction of a policy variance for particularly troublesome procurements, but were equally concerned about how FTA could control the review and approval process.”(p. ix)
- “While transit operators continue to use a variety of vehicle procurement strategies, the use of low-bid procurements in particular may have a negative impact on vehicle useful life. “(p.4)
- “A group of the larger transit agencies in the **Northeast has developed a more extensive set of bus specifications** to append to the APTA “White Book.” These specifications have been developed to procure buses that **can operate more reliably in the more difficult duty cycle and operating environment** of these urbanized areas. The revised requirements are focused on more stringent structural integrity and corrosion prevention specifications. These are the most important constraints to fulfilling the FTA minimum service-life policy in these operating environments and even extending these buses to as long as 15 years of service.”
- “The methods transit authorities use to procure buses have potential impacts on their useful life. In particular, **use of the low-bid procurement method without establishing some critical pre-bid requirements** can result in the purchase of a lower quality bus, with a below-average life expectancy.”(p. 26)
- “New York reported... it has had to retire a group of vehicles prior to the FTA minimum retirement age, which consequently led to a change in its vehicle funding policy. These vehicles were purchased with federal funds, and thus, the agency **had to reimburse 80 percent of the purchase price**, which was taken from other projects. This early retirement forced a delay in future bus procurements and was the reason behind the current policy to purchase all vehicles with state and local funds.”(p.42)
- “In conclusion, while many federal regulations and industry procurement practices are believed to have potential useful life implications, these implications are generally considered minor relative to the issues of annual mileage, new vehicle designs, changing life-cycle economics, and other drivers of useful life. **The key exception here is the low-bid procurement process**, which may yield vehicles with lower quality structures leading to reduced vehicle longevity. To protect against this outcome, agencies need to establish firm structural component requirements during the pre-bid stage to ensure the minimum life requirements are attained.”(p.26)

Cities of Lewiston and Auburn, Maine
Joint City Council Resolve
November 12, 2013

Resolve, To Authorize the Re-purposing of the Lewiston-Auburn Transit Committee (LATC) Capital Reserve Funding

Whereas, the LATC was established by the City Councils of Lewiston and Auburn on September 10, 1976; and

Whereas, the LATCs primary mission over the last 39 years has been to provide dependable, on-time fixed transit services to the residents of Lewiston and Auburn; and

Whereas, reductions in federal and state transit funding have required all Maine fixed transit services to purchase lower cost and quality transit busses which have resulted in ongoing repairs and downtime which have been compounded by difficulties associated with parts availability; and

Whereas, sixty percent of the LATC fleet is dependent on two Thomas/SLF busses that have recently been permanently removed from operations and four Blue Bird busses that continue to be plagued by ongoing mechanical problems and parts availability; and

Whereas, LATC will no longer be able to leverage a number of Western Maine Transportation Service (WMTS) owned busses that must be reassigned to contractual coverage for the Sunday River and Sugarloaf areas; and

Whereas, the combination of WMTS bus inventory reductions coupled with the questionable dependability of Blue Bird busses will require the LATC to look at a number of operational options to keep all seven bus routes fully covered which shall include, but will not be limited to short term bus leasing, used bus purchasing, existing bus rebuilds and mid-life overhauls;

Now, therefore, be it Resolved by the Joint City Councils of the Cities of Lewiston and Auburn that

in the face of an uncertain future regarding the prospects for new transit bus funding, the Lewiston-Auburn Transit Committee is authorized to immediately re-purpose existing and future capital reserve funding to pursue the most cost effective options to include, but not be limited to repairing, leasing, rebuilding, overhauling, and purchasing used or new busses that will help to reestablish levels of service dependability and quality that are desired by the residents and City Councils of Lewiston and Auburn.



**City of Lewiston Maine
City Council Resolve
February 5, 2013**



Resolve, Supporting a Portland North Passenger Transit Service Linking the Municipalities from Portland to Lewiston and Auburn.

Whereas, the City of Lewiston wishes to study and evaluate the feasibility of developing high-quality passenger transit service between Portland and Lewiston-Auburn; and

Whereas, there is a growing need for fast, economical, and environmentally sound transit service between Portland, Lewiston, and Auburn that will support employment, medical, and entertainment opportunities within our neighboring regions; and

Whereas, the municipalities of both regions support the goal of reducing single-passenger vehicle trips and working toward developing transit service utilizing existing transit corridors; and

Whereas, MaineDOT conducted the Portland North Project, part of a New Starts Federal Transportation Program, in 2010 with a focus on addressing congestion mitigation in communities north of Portland; and

Whereas, Federal New Starts and Small Starts Transportation Programs have recently instituted new and broader standards designed to achieve land use, economic development, environmental, congestion mitigation, and economic opportunity goals; and

Whereas, the municipalities of the Portland and Lewiston-Auburn regions view this study as part of a broader collaboration where communities can assist each other in addressing commuting, employment, and other sustainable practices that enhances livability; and

Whereas, the participating municipalities desire to work through the Portland region MPO, Portland Area Comprehensive Transportation System (PACTS), and the Lewiston-Auburn MPO, Androscoggin Transportation Resource Center (ATRC), to jointly conduct and manage the study;

Now, therefore, be It Resolved by the City Council of the City of Lewiston that

the municipalities of Lewiston, Auburn, and Portland hereby endorse this Resolve and look forward to collaborative efforts through ATRC and PACTS toward seeking project funding and management and to work together on completing the feasibility evaluation of future high quality passenger commuter service between Portland, Lewiston, and Auburn; and

Be it Further Resolved, that the Lewiston City Council hereby directs the City Administrator to take whatever steps are necessary to work with officials of PACTS, ATRC, the municipalities of Auburn and Portland, and other communities within these regions on seeking program funding to advance this project toward implementation.

The City of Lewiston is an EOE. For more information, please visit our website @ www.ci.lewiston.me.us and click on the Non-Discrimination Policy.

LEWISTON CITY COUNCIL SPECIAL MEETING AGENDA

Tuesday, November 12, 2013

City Council Chambers

7:00 p.m. or Immediately Following the Joint Lewiston Auburn Council Meeting

Pledge of Allegiance to the Flag.

Moment of Silence.

SPECIAL MEETING

1. Executive Session to consult with the City Attorney regarding a legal matter.
2. Executive Session to discuss Real Estate Negotiations of which the premature disclosure of the information would prejudice the competitive bargaining position of the City.
3. Review of Lewiston Auburn Economic Growth Council Contract/Scope of Services.
4. Adjourn.

City of Auburn, Maine

Office of the Mayor

TO: Auburn City Council
FROM: Jonathan P. LaBonte, Mayor

RE: Recommendations for how to best expand economic opportunity in Auburn

November 4, 2013

Members of the City Council,

Below you will find my recommendations on how we navigate from this evening to a point of executing a multi-year partnership for economic development services with the City of Lewiston through the Lewiston-Auburn Economic Growth Council. The process will no doubt be a road lined with various pitfalls and numerous voices pointing in different directions.

As you wrestle with this, know that we are the custodians of the property taxes paid by our residents, and must ensure that they are invested cost-effectively and in a way to sets forth a vision for how we grow this city's tax base. While the model of LAEGC 30 years ago was a novelty, it appears that complacency may have limited our commitment to stay ahead of the curve.

The City Council's leadership in stating that we must know what we get for our investment, that it must be documented and measured, and that there must be accountability has set in motion a series of actions, including igniting the leadership of LAEGC's Board to review their internal practices of Board governance, work planning and a need to conduct performance evaluations; Board Chair Mark Adams is to be commended for his leadership on that front.

If the recommendations below, including the next steps, are followed, the overall spending on economic development services by the City of Auburn would be reduced while increasing the value of those services. Those services remaining at LAEGC would become a much stronger foundation going forward to ensure accountability and performance.

1. Economic Development Strategy

- a. SUPPORT AT LAEGC – While we remain two cities, Lewiston-Auburn is one economic unit in a global economy and our ability to compete is influenced by forces beyond our control. A successful economic development strategy to position us in the marketplace of small cities requires a strategy crafted by objective experts.
- b. NEXT STEPS – LAEGC should administer the planning process but it should be contracted out to experts in this field and not done “in-house”. The Council should ask that a refined cost structure be provide in two weeks that models an administered contract for the \$34,590. **This would reduce staff costs at LAEGC and privatize part of the function.**

2. Joint Economic Development Coordination

- a. SUPPORT AT LAEGC – We cannot afford to spend \$70/hour to keep the cities from competing; this is not 1980. However, as strategy development moves forward, opportunities to have joint policy development in support of economic development (ordinances, CIP’s, TIF handling, etc) will become more important.
- b. NEXT STEPS – Nearly one full work day per week is assigned to this work of coordination, the LAEGC should document in the next two weeks the qualifications of the staff member that would lead this work to ensure it will meet the needs of both communities. **This would reduce staff costs at LAEGC.**

3. Marketing and Promotion

- a. SUPPORT AT LAEGC – Of all the services LAEGC is proposing to Auburn, this is the LEAST expensive on an hourly basis but has likely earned us the most exposure through the work of the Marketing Director position. The opportunity to integrate the resources of the franchise fees that currently flow to Great Falls TV, along with the video production capacity, could unleash a whole new frontier for projecting Lewiston-Auburn, its quality of life and its business community.
- b. NEXT STEPS – In terms of works hours, it does not appear that a full-time equivalent position has been dedicated to the marketing task based on the hours listed. The City Council should ask that LAEGC respond within two weeks detailing staff allocation to the marketing and promotion of our region. The Great Falls TV integration can come at a later stage as that will take more time and we should plan for an addendum to the contract during the FY14-15 budget process. **This would slightly increase staff costs at LAEGC.**

4. Business Development, Attraction and Development

- a. SUPPORT AT LAEGC – A key component of any economic development program must be business visitation and support of businesses already in the community to sustain them and help them to grow. Other organizations likely already complete parts of this scope of work, including the local real estate brokerage community and the Chamber of Commerce.
- b. NEXT STEPS – Refine this scope of work, and reduce its costs, by integrating the available resources of the commercial brokerage community (no need to staff internal databases if they exist elsewhere in the private sector), the work of the Chamber of Commerce (determine how they monitor regulations and issues effecting business growth), and any business visitation programs of the cities. LAEGC should be coordinating and consolidating the data for supporting businesses and not doing that independently that should reduce costs. **This would reduce staff costs at LAEGC and privatize part of the function through commercial brokers and/or the Chamber of Commerce.**

5. Targeted Growth Opportunities

- a. SUPPORT INTERNAL TO AUBURN – Given the growth potential of the intermodal area in Auburn (rail, air, highway), the city should invest in the highest possible level of expertise to understand the flow of goods, how to increase that flow of goods, and how to recruit businesses that can profit on that economic reality. The Maine Port Authority supports targeted growth with a similar scope of work with a private firm and sees reasonable return from that for the ports in Portland, Searsport and Eastport.
- b. NEXT STEPS – Within two weeks, the City Manager should return to the City Council with a comparable scope of work to support marketing and business development of the “Port of Auburn” from private firms, with a focus on the potential to join with the Maine Port Authority in that venture. This scope should include, as the Maine Port Authority contract does, coordination among various entities around our Port including, but not limited to, ABDC, Auburn-Lewiston Airport, Lewiston-Auburn Railroad, Maine Turnpike Authority, MaineDOT, St. Lawrence and Atlantic Railroad, PanAM Railways, the Town of Poland and private developers. **This would reduce staff costs at LAEGC and privatize part of the function.**

6. Community Development: Downtown Development

- a. SUPPORT INTERNAL TO AUBURN – Given the recent hire of Al Manoian, originally brought in as an assistant to Roland Miller but clearly possessing skills that are unique to this growth area, it is appropriate for Auburn to focus on how we might leverage this skill set on our team. In addition, in 2014 we will begin a community planning process for our “target areas” that are part of our Community Development Block Grant programming and support services. With a five year planning effort about to begin for our downtown neighborhoods, and a clear interest from the Community Conversations to strengthen neighborhoods and support the downtown, Auburn should budget for and move forward with an integrated downtown/neighborhood development program.
- b. NEXT STEPS – Within two weeks, the City Manager should report back to the City Council with a plan and budget for a downtown development program that also integrates the CDBG target area planning process. As a follow up to Service Area 2, there could be enhanced coordination in this effort to support shared policies between Lewiston and Auburn but rather than a standalone service from LAEGC could be an expectation of the staff member charged with “Joint Economic Development Coordination”. **This would eliminate this staff cost at LAEGC and move this service to Auburn Hall.**

7. Project Financing and Portfolio Management

- a. SUPPORT AT LAEGC – Lewiston and Auburn could strengthen a competitive position for small business growth if we jointly funded an ombudsmen that could support small business finance (new start or expansion) from start to finish, navigating the world of private and public finance. It is unclear if that is what will be funded, beyond the loan pools, but at \$70,009, and only a half time staff member in place, we should confirm that split between loan portfolio management and finance consultation.
- b. NEXT STEPS – The City Manager should confirm what type of business finance consultation will be included in this service, versus the costs of managing the loan portfolio already in place at LAEGC. **This could reduce staff costs at LAEGC.**

8. Administration/Governance

- a. SUPPORT AT LAEGC – As long as the Auburn Business Development Corporation (ABDC) and Lewiston-Auburn Railroad Company remain staffed by LAEGC, Auburn should be willing to support parts of its operations including staffing of meetings and managing its finances.
- b. NEXT STEPS – Auburn should request within two weeks an accounting of the annual costs for administrative support of ABDC and LARC with the intent of refining that number to ensure that Auburn property taxpayers and our partners at ABDC and our trustees on the LARC are paying for what is needed to support the organization's effectiveness so that we can maximize how ABDC and LARC resources advance economic development capital and not operational subsidies. This could reduce staff costs at LAEGC.

SCOPE OF SERVICES
for
Delivery of Joint Economic Development
on behalf of the
Cities of Auburn and Lewiston
by the
Lewiston-Auburn Economic Growth Council

The Cities of Auburn and Lewiston have contracted with the LAEGC for the provision of certain economic development-related services for the communities. The LAEGC through the Economic Development Services Contract and this Scope of Services agrees to provide, perform and/or undertake said services, functions or responsibilities and to be compensated for the costs/hours associated therewith.

The responsibilities, services, functions and tasks listed are organized by two methods. The first is by general function/service area. Within each function/service area there is a description of perennial (ongoing) responsibilities assigned to the LAEGC. The second is by specific tasks, projects or initiatives contracted for within general service/function areas. These will include more particular task descriptions, schedules, anticipated activities and expected outcomes. The specific tasks list may vary from year to year.

The LAEGC shall be responsible for performing the contracted services/functions and shall coordinate and communicate with the Cities, through the Joint Lewiston-Auburn Economic Development Committee (JEDC) on its progress and results. The LAEGC and the JEDC will also be responsible for assigning and negotiating new functions or tasks on an annual basis.

Each area/listing shall include a **HEADING** and description and then be organized as follows:

FUNCTIONS/SERVICES (general)

Tasks/Projects (specific)

Anticipated Activities

Expected Outcomes

Summary of Estimated Hours of Service and Allocated Cost (see attached summary)

SCOPE OF SERVICES **FY2015 – FY2017**

1. ECONOMIC DEVELOPMENT STRATEGY

Description: The cities are interested in developing and adopting an Economic Development Strategy (EDS) for the community. The EDS will reflect the economic development goals of the cities and specific tasks/approaches recommended to achieve the goals. Once adopted the EDS will need to be implemented and annually reviewed/updated to reflect progress, changing priorities, goals and economic conditions.

FUNCTIONS/SERVICES:

- ❖ Collaborate with the Cities, Economic Development Stakeholders, Partner Organizations and the community at large
- ❖ Monitor economic trends (local, state and national) to assess opportunities and priorities
- ❖ Implement and maintain the joint Economic Development Strategy
- ❖ Track and measure progress of strategic initiatives and goals
- ❖ Periodically coordinate a review of the EDS

Anticipated Activities:

- 1) Annual Economic Development Strategy implementation
- 2) Annual EDS Progress/Results Report to Cities
- 3) Annual Review (w/Joint Economic Development Committee) of EDS goals, priorities and initiatives

Tasks/Projects:

1. Development of a joint Lewiston-Auburn Economic Development Strategy
 - 1.1. Develop process for Overall Economic Development Strategy development
 - 1.2. Identify and engage stakeholders and community
 - 1.3. Establish Steering/Advisory Committee
 - 1.4. Develop Draft Economic Development Strategy
 - 1.5. Review/Adopt Strategy by Cities' Joint Economic Development Committee

Expected Outcome(s):

- Joint Economic Development Strategy for Lewiston and Auburn

2. JOINT ECONOMIC DEVELOPMENT COORDINATION

Description: LAEGC shall facilitate and promote the joint approach, appearance and implementation of the “public sector side” of economic development in the cities. LAEGC will work to coordinate efforts on projects, interests and/or issues that are of a joint nature. LAEGC will act as steward of and monitor the application of the Joint Economic Development Protocol.

FUNCTIONS/SERVICES:

- ❖ Lead and support cities in joint economic development activities
- ❖ Maintain Joint Economic Development Protocol and TIF Policy
- ❖ Manage competition between the two cities

Anticipated Activities:

- 1) Facilitate periodic review of Joint Economic Development Protocol and TIF Policy
- 2) Lead implementation of Joint Economic Development Protocol
- 3) Track client contacts and results
- 4) Recommendation to Cities of issues, projects, processes or policies that would enhance joint economic development

Tasks/Projects:

1. Review of Joint Economic Development Protocol and TIF Policy

Expected Outcome(s):

- Revised Joint Economic Development Protocol and TIF Policy

3. **MARKETING and PROMOTION**

Description: LAEGC shall be responsible for marketing and promotion of Lewiston and Auburn for business attraction and economic development purposes. The LAEGC will act as a clearinghouse for other community marketing efforts seeking to support, coordinate and reduce duplication in the collective efforts. LAEGC shall be vested with maintaining the branding of the cities and work collaboratively to establish and promote the “brand”. In its marketing and promotion activities that LAEGC shall employ traditional media (electronic and print) advertising, internet mediums, social media, press releases, public events and announcements, etc. The LAEGC will promote and represent the communities both locally, regionally, statewide, and beyond as appropriate. The LAEGC will also work to recognize and celebrate the economic achievements of the cities, businesses and citizens.

FUNCTIONS/SERVICES:

- ❖ Marketing and promotion of the communities and their assets
 - Coordinate with and support Downtown and Industrial/Trade/Logistics/Transportation marketing and promotion efforts.
 - Coordinate with and support Visitor/Tourism promotion efforts within and outside of the community.
 - Assist in the marketing and promotion of the Auburn-Lewiston Municipal Airport
- ❖ Recognition/celebration of the communities’ economic progress
- ❖ Maintenance of Economic Development website and social media sites
- ❖ Actively lead/coordinate community branding “image” efforts
- ❖ Collaborate/Participate with other community promotion efforts
- ❖ Advisory Group for Economic Development Marketing and Promotion
 - Engage stakeholders, interested business representatives and marketing professionals to provide advice and guidance in marketing/promotion efforts

Anticipated Activities:

- 1) Development of Annual Marketing and Promotion Plan
- 2) Maintenance and Publication of Joint Marketing Materials
- 3) Creation and Maintenance of Websites and Social Media sites
- 4) Development of and attendance at Marketing and Promotion Events
- 5) Facilitate/Organize the Annual Business to Business Trade Show
- 6) Preparation and Issuance of Media Releases/Events
- 7) Creation of an Economic Development Marketing Advisory Group

Tasks/Projects:

1. LAEGC will work with the cities and Great Falls TV to explore the use of the cities’ public access capabilities and resources in economic development marketing and promotion.
 - 1.1. Explore necessary methods, structure and/or agreements to incorporate Great Falls TV operations and personnel within the LAEGC
 - 1.2. Assess and report on uses and benefits of the capabilities and resources of Great Falls TV in economic development promotion and marketing efforts (not including public access promotion)

Expected Outcome(s):

- Report to the Joint Economic Development Committee on the viability and use of public access resources for joint economic development
- Annual Marketing and Promotion plan

4. BUSINESS DEVELOPMENT, ATTRACTION and RETENTION

Description: LAEGC shall be responsible for leading, coordinating and supporting public sector and private sector efforts to grow, improve and retain businesses in Lewiston-Auburn. LAEGC will focus on helping to create a positive business and community friendly environment which encourages the growth and location of business in the cities. LAEGC shall serve as a central point of contact/resource for businesses development for the cities. LAEGC will also monitor, track and inventory economic development trends and resources to guide the cities in overall economic development efforts.

FUNCTIONS/SERVICES:

- ❖ Facilitate/serve as central point of contact/support for new business development and attraction
- ❖ Assist existing business retention and/or expansion
- ❖ Maintain regional database of development sites and real estate properties
- ❖ Assist clients in conducting site searches and facilitate tours of the community
- ❖ Monitor issues/resources affecting the effectiveness of business development
- ❖ Serve as agent/administrator of the commercial/industrial parks controlled by local development corporations.
- ❖ Coordinate and support the administration of the cities' industrial/commercial parks.
- ❖ Encourage the involvement of the private and non-governmental sectors in economic development efforts
- ❖ Focus on capitalizing, promoting and attracting transportation and logistics related growth.

Anticipated Activities:

- 1) Seek and support new business development. Track #'s of businesses assisted, outcomes, common trends and noted community needs/issues
- 2) Maintain and update inventory of developable properties in the industrial, commercial and downtown sectors of the cities
- 3) Identification of issues, regulations and/or regulations which may negatively or positively impact business development in Lewiston-Auburn
- 4) Provide an annual report of business development to Joint Economic Development Committee

Tasks/Projects:

Expected Outcome(s):

- Annual report of business development to the Joint Economic Development Committee

5. TARGETED GROWTH OPPORTUNITIES

Description: The Cities of Lewiston and Auburn have numerous economic, geographic, and social strengths in the pursuit of economic development. In order to maximize economic growth potential the cities seek to target specific growth opportunities. LAEGC will work jointly with the Cities, business community and stakeholders to lead, promote and support the growth efforts of targeted economic opportunities. Targeted opportunities shall be identified in the Economic Development Strategy and/or as determined to be in the best interests of the communities. LAEGC efforts will include the employment of industry/sector specific marketing plans and methods, identification and pursuit of specific businesses and/or business growth. Efforts to increase targeted growth areas will include a mix of expansion of existing businesses and new business.

FUNCTIONS/SERVICES:

- ❖ Lead, undertake and support joint community efforts for targeted growth opportunities
- ❖ Assist the communities in identifying targeted growth opportunities
- ❖ Market and promote targeted growth opportunities

Anticipated Activities:

- 1) As determined by specific growth opportunities, plans and goals

Task/Projects:

1. Industrial, Trade, Logistics and Transportation (ITLT) Growth
 - 1.1. Create an ITLT Advisory Group
 - 1.1.1. Identify Stakeholders
 - 1.1.2. Recruit Members
 - 1.1.3. Provide Staff Support
 - 1.2. Develop an ITLT Attraction and Marketing Plan
 - 1.2.1. Identify community strengths and opportunities for ITLT growth
 - 1.2.2. Create collateral materials
 - 1.2.3. Attend/sponsor events targeting ITLT markets and businesses
 - 1.3. Act as contact and resource for ITLT businesses seeking to expand or locate in the community
 - 1.3.1. Provide targeted technical assistance for ITLT businesses
2. Examine the creation of a Port Authority
 - 2.1. Evaluate the mechanisms and benefits of establishing a port authority including legal and organizational requirements and develop recommendations.
 - 2.2. Issue a report of findings and recommendations

Expected Outcome(s):

- Assignment of Staff Resource for Industrial, Trade, Logistics and Transportation Growth and Development
- ITLT Attraction and Marketing Plan
- Appointment of ITLT Advisory Group
- Quarterly Report to Joint Economic Development Committee (JEDS) of ITLT Activities
- Report to the JEDS on creation of a Port Authority

6. COMMUNITY DEVELOPMENT - DOWNTOWN

Description: The Cities recognize that the true definition of economic development includes addressing community issues and needs which influence the growth and development of the community. Such issues are outside traditional economic development activities (financing, marketing, infrastructure, site location, etc.). Community development may include planning, social, educational, regulatory, or capacity issues. These issues are important to the total economic development strategy of a community. Efforts to impact/improve community development issues may take the form of specific planning and/or project activities. LAEGC will provide support and coordination to community development efforts in Lewiston and Auburn. Also, LAEGC will, from time to time, be engaged to lead and/or perform specific community development functions or projects.

FUNCTIONS/SERVICES:

- ❖ Support community development efforts/initiatives of the Cities.
- ❖ Assist the communities in identifying issues or projects which negatively influence the economic development of the cities.
- ❖ Lead initiatives and/or perform projects which have been determined needed to improve the economic development of the Cities.

Anticipated Activities:

- 1) As determined by specific projects and/or assignments

Tasks/Projects:

1. Joint Downtown Development
 - 1.1. Develop Joint Downtown Advisory Committee
 - 1.1.1. Identify stakeholders
 - 1.1.2. Recruit members
 - 1.1.3. Provide staff support
 - 1.2. Coordinate/support special events and activities
 - 1.3. Act as downtown ombudsman
 - 1.4. Participate, lead and/or support downtown planning efforts
 - 1.4.1. Help implement existing plans
 - 1.4.2. Evaluate downtown zoning and regulatory requirements
 - 1.4.2.1. Parking, aesthetics, sign requirements, complete streets, etc.
 - 1.4.3. Coordinate with City Staffs to make recommendations for relevant amendments or adoption of regulations
 - 1.5. Provide/coordinate downtown promotion and marketing
 - 1.6. Identify and solicit grants related to downtown and neighborhood activities and plans

Expected Outcome(s):

- Assignment/creation of staff resource for downtown development
- Development of joint downtown development programs and activities

7. PROJECT FINANCING and PORTFOLIO MANAGEMENT

Description: LAEGC shall develop and manage financing resources and programs designed to provide “gap” and other financing for businesses locating or expanding in Lewiston-Auburn. LAEGC shall act as a clearinghouse for entrepreneurs and businesses seeking business financing. LAEGC shall coordinate/collaborate with public and private lending organizations and programs to provide assistance and guidance to clients. LAEGC shall administer and manage the cities business lending/grant programs, as assigned. LAEGC will endeavor to identify, develop and expand the amount and availability of business support resources in the community.

FUNCTIONS/SERVICES:

- ❖ Act as a business financing clearinghouse for the Cities
- ❖ Serve as a guide to businesses seeking financial resources in support of growth or development
- ❖ Seek and advocate for additional community resources targeted for economic development
- ❖ Manage assigned loan/grant programs from the Cities, development corporations, State/Federal agencies or private institutions
- ❖ Staff support of LAEGC Loan Committee/business financing advisory group

Anticipated Activities:

- 1) Creation and appointment of Joint LAEGC Loan Committee/business financing advisory group
- 2) Loan program and portfolio management and administration
- 3) Annual Report of loan program(s) activity and results to Joint Economic Development Committee
- 4) Review and recommendation (as appropriate) to Cities of Loan Program Guidelines

Tasks/Projects:

Expected Outcome(s):

8. ADMINISTRATION, ADVOCACY and GOVERNANCE

Description: LAEGC shall provide staff support and administration to the overall economic development (other than described above) program of the Cities and the community as a whole. Additionally, it is recognized that LAEGC has certain administrative responsibilities associated with the management, operation and governance of the organization. Similarly, the LAEGC serves as the administrative support for other development related agencies serving Lewiston-Auburn including, but not limited to, the Auburn Business Development Corporation (ABDC), Lewiston Development Corporation (LDC), and the Lewiston and Auburn Railroad Company (LARR). LAEGC provides support services to these entities as requested and upon mutually agreed terms and conditions. This area of service is meant to encompass these administrative functions and responsibilities, as well as those services, needs and projects which may arise from time to time.

FUNCTIONS/SERVICES:

- ❖ Provide logistical support (agendas/minutes/accounting, etc.) to LAEGC and development corporations
 - Including Auburn Business Development Corporation, Lewiston Development Corporation, Lewiston-Auburn Railroad Company
 - Staff and support numerous (currently 10) standing committees of the LAEGC and Development Corporations
- ❖ Provide technical assistance/support to city staff and airport manager in negotiating incentives/lease terms relating to economic development projects
- ❖ Administer the Foreign-Trade Zone (F-TZ)
- ❖ Serve as Liaison for economic development to the Auburn-Lewiston Airport Committee
- ❖ Support and coordinate the goals and efforts of L/A Future Forum and Benchmark L/A
- ❖ Advocate for the economic interests of the Cities
- ❖ Support other economic/community development-related issues, initiatives and projects that arise and as requested by the Cities

Anticipated Activities:

- ❖ *Coordinated and efficient administration of the Cities joint economic development programs and activities*

Tasks/Projects:

1. Lead a discussion and review of how the Cities can best organize and implement joint advocacy for economic development issues and interests

Expected Outcome(s):

- Report to the Joint Economic Development Committee on joint advocacy dialogue and recommendations

Reference Documents:

Services Agreements –

- ❖ Auburn Business Development Corporation
- ❖ Lewiston Development Corporation
- ❖ Lewiston-Auburn Railroad Corporation

Coordination Memorandum re: Business Attraction Coordination with State of Maine – Department of Economic and Community Development (DECD), Maine & Co., etc.

Joint Economic Development Services Agreement

Allocated Hours/Costs Summary

Preface: The allocated hours and costs are organized in accordance with the Functions and Services areas of the Scope of Services. All hours and costs are estimated. Estimates were developed by assigning a percentage of LAEGC staff time, by position, to the respective areas. Amounts shown are total allocated costs and hours. **The stated amounts are projected as of 10-1-13 and should not be considered final contract amounts.** Total revenue sources/amounts, scope of services and allocated percentages will need to be discussed and determined prior to establishing actual contract amounts.

Functions/Services Areas	Allocated Hours ¹ (estimated annual)	Allocated Costs ² (estimated annual)	Projected Cities Share ³	Projected Each City Share ⁴
1. Economic Development Strategy	529	\$34,590 ^(a)	\$21,833	\$10,917
2. Joint Economic Development Coordination	395	\$27,313	\$17,240	\$8,620
3. Marketing and Promotion	1,425	\$79,228 ^(b)	\$50,009	\$25,004
4. Business Development, Attraction and Development	1,501	\$94,853	\$59,871	\$29,936
5. Targeted Growth Opportunities	787	\$55,199	\$34,842	\$17,421
6. Community Development: Downtown Development	2,142	\$140,085	\$88,422	\$44,211
7. Project Financing and Portfolio Management	1,286	\$70,009	\$44,190	\$22,095
8. Administration/Governance	1,662	\$98,165	\$61,962	\$30,981
Sub-Total =				\$189,185
Adjustment =				\$ 203
TOTALS =	9,727	\$599,442	\$378,369	\$189,388

Notes:

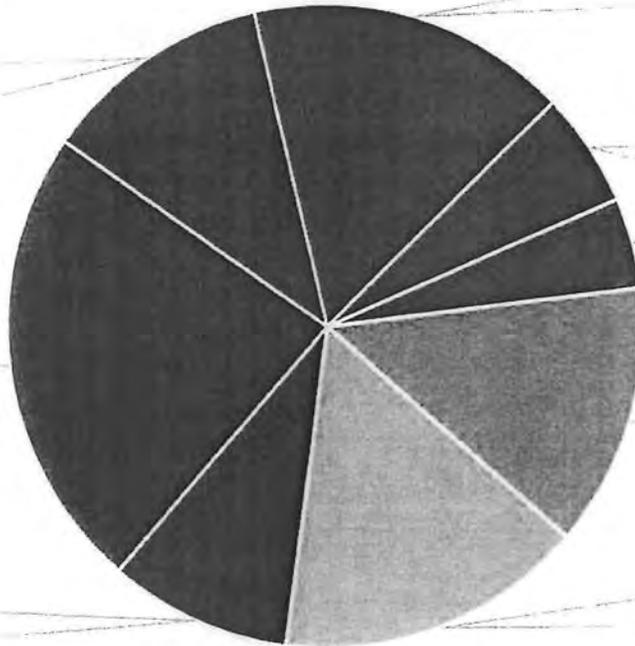
- 1 Allocated costs include salaries, payroll taxes, benefits costs, and overhead apportioned across all hours and service areas.
- 2 Estimated budget expenditures used for the allocated costs includes a mix of both current and projected costs including salaries.
- 3 Projected Cities share is based upon current % of the budget net of revenues from producing activities.
- 4 Each city share is based upon 50/50 apportionment of projected budget less earned revenues.
- (a) \$6,500 for outside consultant services, if needed, is not included in the proposed budget.
- (b) Only \$11,000 budgeted for advertising/promotion/collateral materials, and \$7,000 for the image campaign, etc.

Allocated Hours by Function Area

Project Financing & Portfolio Management
12%

Downtown
23%

Targeted Growth Opportunities
9%



Administration, Advocacy & Governance
16%

Economic Development Strategy
6%

Joint Economic Development Coordination
5%

Marketing and Promotion
13%

Business Development
16%

Funding Sources

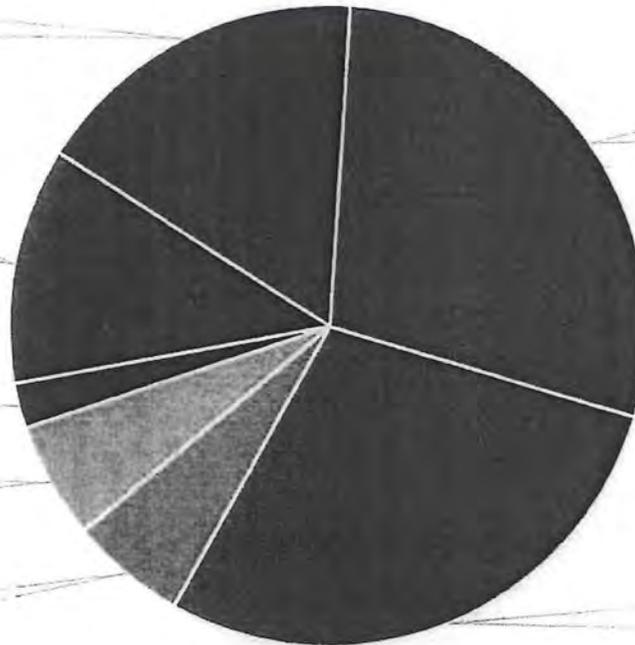
Other
17.0%

Loan Programs
12.0%

LARR
2.3%

LDC
5.9%

ABDC
5.9%



City of Auburn
28.5%

City of Lewiston
28.5%

LAEGC

Joint Economic Development Services

Hourly Cost Analysis

Contracted Services COSTS	Contracted Service HOURS	Contracted Hourly Rate (Costs/Hours)	Cities Hourly Rate	Each City Hourly Rate	Subsidized Rate (Cities)	Subsidized Rate (Each City)
\$599,442	9,727	\$61.63	\$38.90	\$19.47	\$22.72	\$42.15