



**Cooperative Alliance for Seacoast Transportation
Minutes of the Board of Directors
Wednesday, August 28, 2019**

Present: Scott Bogle, Arthur Capello, Jim Campbell, Denis Hebert, Valerie Labrie, Colin Lentz, Martin Pepin, David Sandmann and Dennis Shanahan

Absent: Steve Fournier, Dave Sharples, Maria Stowell, Juliet Walker, Shelley Winters, Thomas Wright

Staff: Rad Nichols, Michael Williams, Heather Hesse-Stromberg

I. Call to Order

Mr. Sandmann called the meeting to order at 8:30 AM.

II. Approval of Minutes

Mr. Hebert made a motion to accept the July minutes as presented and Mr. Pepin seconded. All voted in favor.

III. Public Comment

There was no public comment.

IV. Financial Report

Mr. Nichols presented the July financials. In reviewing the Income Statement, he noted that July was a great month for the fare revenue line. While fares were up, the increase is mostly due to contract revenue generated by the Portsmouth Parking Shuttle. Mr. Nichols reporting that July was the best month for advertising revenue collections this fiscal year and that in conversations with the President of ATA Outdoor Media, it looks like we'll have a strong close to the end of the year. In reviewing expenses Mr. Nichols pointed out that wages were quite a bit higher in July, due in great part to a significant number of overtime hours and a lot of training going on with all the new hires. Fringe benefits was also higher than usual for July but not unexpected due to the number of people using Paid Time Off for vacations during the month. The Materials and Supply line was higher than usual due to there being two fuel deliveries in July.

We ended the month of July ahead by almost \$28,000. Looking at actual income and expenses versus budgeted income and expenses, we are below budget in both. When taking the TMA and Coordination out of the calculations, we're under budget by about \$640K.

Our available funds balance is back up over \$809K keeping our unrestricted net asset ratio up above 14%. It is nice to see the gains in contract revenue and collections in advertising and there are no surprises in these financials.

V. Old Business

Staff Shortage Update

Two of our new CDL operators quit suddenly on August 12 and 13. In both cases, there were outside events in their personal lives that caused their immediate departures. This has set us back again. We were hoping to be able to eliminate our temporary service suspensions by September 1, however we are now having to hold off on that decision.

Additionally, on August 23rd a long-time non-CDL operator ended his employment at COAST. This operator was the second most senior non-CDL operator on our staff and was beloved by his passengers. He will be missed as he transitions to a more flexible driving position that will better fit his lifestyle at this point in his life.

We continue to advertise and review applicants as they come in, but the number of applicants has slowed down tremendously within the last 2-3 weeks.

Two of our many staff that have been out on FMLA leave have returned to work.

August Meeting with Commissioner Sheehan

Commissioner Sheehan invited all urban public transit operators and Wildcat Transit to a meeting on Friday August 23 to announce her decision on COAST's request for near term funding in support our service transition. This decision was made outside of any other regular funding cycle, based on COAST's need to finalize the pieces of our funding puzzle within a time frame that would allow for any necessary adjustments to our service planning.

At the meeting Patrick Herlihy announced that the NHDOT would be conditionally awarding COAST \$1.2M of CMAQ and \$451,359 of Boston UZA annually over the next three years in order to assist us with our transition to our new overall service design. Toll credits were not included as part of the award, which were hoped to have been able to be used to match/leverage some of the Federal funds awarded.

As a condition of the award, COAST will be required to enter a Memorandum of Understanding (MOU) with NHDOT, which will be subject to Governor & Council approval. The MOU will outline the terms and conditions of NHDOT's oversight of the funds and required performance measures that COAST will be required to adhere to. The funding plan is also subject to FTA approvals and evaluations, and the CMAQ funds will be exclusively targeted for use on the new proposed express routes.

NHDOT has expressed an expectation that, within this transition period, COAST will work diligently to develop a sustainable path, based on a fiscally constrained funding plan inclusive of traditional funding sources.

Governor's Advisory Commission on Intermodal Transportation (GACIT)

The Governor's Advisory Commission on Intermodal Transportation (GACIT) is holding public hearings across New Hampshire to receive input on the State's Proposed Ten-Year Transportation Plan for 2021-2030. The purpose of the public hearings is to receive comments/testimony on transportation projects and priorities included in the Proposed Plan as put forward by the NHDOT.

The hearings are hosted by the Executive Councilors of each of the council districts. Because of the large geographic scope of our organization, we operate or support operations in three of the five districts.

To date staff have attended two of the three GACIT meetings leading up to the hearings. Key points from those meetings include:

- NHDOT has stated that they will not be discussing air, rail and transit needs in any detail because the funding is so limited and restricted (i.e., cannot be redirected to highways and bridges).
- Unlike for highways and bridges, there is no analysis presented on the current state of air, rail and transit infrastructure in the state.
- The Proposed Ten-Year Plan strategies are focused on highway and bridge priorities.
- A new public outreach strategy is to be employed and the Department is preparing a virtual public involvement survey.

Mr. Nichols noted that there have not been any requests for information to provide an update on the current state of transit and no update is included in the presentation. In addition, it seems that NHDOT is looking to move an additional \$2.2M of CMAQ funds for highway and bridge purposes.

Mr. Bogle noted his understanding was that the CMAQ funds requested to be transferred are part of the NHDOT's usual practice versus being on top of what they already receive. Mr. Bogle also noted that he believes some of the funds are to be used for corridor studies. Mr. Nichols stressed that it is critically important that stakeholders speak up about the needs of public transit – especially the need for funding at the upcoming hearings. He noted that not having any analysis presented in the Plan or supporting documents on public transit's current state is a significant problem and cuts off meaningful discussion as the Ten-Year Plan moves to the Governor and Legislature.

Mr. Bogle noted that it would be helpful if COAST's municipalities could send representatives to the meetings in their areas to speak in support of COAST and any of the community's projects in the draft plan. Mr. Capello requested that the dates and

times of upcoming meetings be distributed and that talking points be shared for those who wish to speak on COAST's behalf.

Mr. Bogle shared that RPC has requested several times that unmet transit needs be added to the NHDOT presentation but has been told that those issues would need to be brought to the legislature. Mr. Bogle noted that if unmet transit needs aren't part of the presentation the issues won't be on the legislature's radar when looking at funding or new legislation.

VI. New Business

Action Items

Action Item #1: Returning for Fixed Route Customers – Policy Proposal

COAST sometimes receives calls from customers alleging the bus drove by them without stopping despite them waiting for the bus at the stop. Every time we receive one of these calls, we review the video footage from the bus (after the fact when the bus has returned to the garage).

COAST strives for consistency and the response to this has not been handled consistently because a clear policy hasn't been put into place. COAST is looking to define the circumstances under which we might return for a customer. The goal is to limit returning the bus back to a stop to only when the passenger may have no other options (for example, the last run of the night).

While COAST hasn't kept firm statistics, most of the time there was not a customer at the stop when the driver passed. However, we are unable to determine the accuracy of these calls until hours later. In the meantime, our supervisors must make a difficult decision on whether to send the bus back for the customer, send another driver, or tell the customer to wait for the next bus. Because these complaints are rarely valid, accommodating them in the moment encourages further invalid complaints and significantly inconveniences all other customers (including possibly causing people to miss connections), and the lack of clear policy puts supervisors in a difficult position, COAST is seeking to put a clear policy into place.

The following policy is thus being proposed:

Last Run of the Night: If a bus is the last bus on that route that day, and a customer calls within two minutes of a bus passing a stop, then dispatch will either send the bus back for the customer, or will send another vehicle to complete their trip. If the customer calls more than two minutes after the bus passed the stop, the request will be treated like such a request on all other runs.

All Other Runs: In all other circumstances COAST fixed route buses will never return for any customer who calls saying the bus passed them by. COAST staff will later review the on-board video. If the report was found to be valid, and the bus did pass a customer who was visible and waiting at a stop without us stopping to pick them up, then COAST will send that customer four free single-ride tickets, provided the customer provides us with sufficient information to deliver them.

Action Required: The COAST Board of Directors approve the Policy on Returning for Fixed Route Passengers, as proposed or otherwise agreed to be modified.

Ms. Capello made a motion to approve the Policy on Returning for Fixed Route Passengers as proposed and Mr. Lentz seconded the motion. All voted in favor.

Action Item #2: Revision of the Community Event Support Policy

A re-review of the FTA Charter rules after adoption of this new Policy last month, has caused staff to propose a revision to the Policy.

Under FTA rules, Charter service means, but does not include demand response service to individuals:

Transportation provided by a recipient at the request of a third party for the exclusive use of a bus or van for a negotiated price. The following features may be characteristic of charter service:

- o A third party pays the transit provider a negotiated price for the group;*
- o Any fares charged to individual members of the group are collected by a third party;*
- o The service is not part of the transit provider's regularly scheduled service, or is offered for a limited period of time; or*
- o A third party determines the origin and destination of the trip as well as scheduling; or*

Transportation provided by a recipient to the public for events or functions that occur on an irregular basis or for a limited duration and:

- o A premium fare is charged that is greater than the usual or customary fixed route fare; or*
- o The service is paid for in whole or in part by a third party.*

Therefore, we cannot offer to provide services beyond the maximum outlined in the policy, if a third party was expected to pay for any part of the service provided it would run afoul of the FTA Charter regulations.

Action Required: The COAST Board of Directors approve the Community Event Support Policy, as revised or otherwise agreed to be modified.

The word “maximum” has been added to the first bullet of the policy and the second bullet has been deleted. The following sentence has been added to the end of the policy: ‘In providing services under this Policy, COAST will follow all applicable FTA regulations, including those related to charter operations.’

Mr. Lentz Made a motion to approve the Community Event Support Policy as revised and Mr. Capello seconded the motion. All voted in favor.

Committee Reports

Nominating Committee – did not meet.

Policy Committee – did not meet, however our 2015 Advertising Policy has been passed on to COAST’s corporate attorney. The attorney had been on vacation but is now reviewing the policy. Once the attorney gets back to us with his feedback the Committee will meet.

Executive Committee – did not meet.

Board Development Committee – did not meet.

Discussion Items

Discussion Item #1: Proposed FY20 Operating Budget

Mr. Nichols presented the proposed FY20 Operating Budget and noted that given where we are with the COA to date, we are projecting that the services we are operating today will continue to be operated through the full fiscal year. A revision to the budget will be presented for consideration when we have finalized the services to be operated beyond July 1, 2020.

The Proposed FY20 Operating Budget is balanced and less the FY19 Operating Budget.

Some highlights include:

- o An overall expense growth rate between 2.5% and 12.5% using a base inflationary rate of 2.8% (the NE Urban CPI, Transportation sector rate)

- o ADA-related services (miles and hours) are expected to increase by 2.6% over FY19 projected actuals, while the other DR services are projected to be level.
- o The proposed budget includes a cost of living adjustment for hourly employees. Mr. Capello noted that a COLA should be given across the board to both hourly and salaried employees and should be separate from any merit-based raises.
- o COAST has seen a significant increase in legal fees (appears in our contract expenses). Mr. Capello asked if we have thought of negotiating a fixed rate. Mr. Nichols indicated that had not been discussed yet.

Ms. Labrie asked why there was such a drop in non-cash income. Mr. Nichols noted that COAST is canceling the volunteer driver portion of Portsmouth Senior Transportation.

Mr. Shanahan asked how we would manage the last quarter of FY20, and Mr. Nichols stated that in approximately 6-7 months we should be able to present a revised budget to account for service changes to be implemented in the last quarter.

Mr. Bogle asked when the service revisions would go into effect. Mr. Nichols indicated the service revision would be implemented at its earliest on July 1. If we were able, or needed to extend it, it would likely not be for more than one month (so August 1 implementation).

Mr. Hebert asked if it was safe to assume that the decrease in the budget will mean a decrease in the ask of communities. Mr. Bogle indicated that it was clear from the NHDOT that they are under the assumption that COAST's ask of communities will increase to be able to sustain services over the next three years, and beyond. Mr. Nichols noted that COAST will calculate our municipal request figures for FY21 this winter (December/January). Ms. Labrie noted that Portsmouth Senior Housing has seen a decrease in property and liability costs of approximately 40% with Primex. Mr. Shanahan asked if the \$10 registration fee bill is under consideration for override and Mr. Bogle indicated he would look into this.

With no further questions, Mr. Nichols noted, if it would be helpful, he would be happy to have a Budget Workshop on September 11th and indicated that he would send out a poll after the meeting.

Discussion Item #2: COA Progress Update

Mr. Williams presented information on the fare analysis he has completed as it applies to the proposed route changes. The current fare structure/policy is that people pay (\$1.50 or \$0.75) each time they board a new vehicle (exclusive of the Clipper Connection routes). The proposed route changes would impact the connections for some trips, increasing or decreasing the number of times a rider might have to board a bus to get to their destination.

We also have a couple of situations in which routes are currently interlined (a rider can ride from one route to the next without getting off the bus). In the case of Routes 40 and 41, you do not have to pay when going between the two routes. In the case of Routes 1 and 33 you do have to pay again.

To analyze potential fare considerations, Mr. Williams identified the most popular boarding and alighting stops on the system and created pairings of those. This analysis excluded the Clipper Connection routes as they have a premium fare that is not being proposed going forward. He then compared 881 of the most likely trips and the number of buses needed to board to make those trips currently and in the proposed future.

In order to make appropriate comparisons, the proposed Express Routes where the only routes assumed to be interlined and all ridership was assumed to remain constant.

Mr. Williams noted that we have experience with the impact raising fares has on ridership (leads to a decrease in ridership). Mr. Nichols noted that all funders would likely expect no decrease to the fares being charged. Mr. Nichols also noted that our experience is that an increase in fares results in an initial loss in ridership but that it typically begins to rebound after a period of adjustment to the new base fare. Mr. Williams noted that all changes impact ridership.

Mr. Williams indicated that we will need to bring this information and analysis to the public through forums and then through public hearings. He requested direction from the Board regarding the best two options for a new fare structure. Mr. Shanahan asked what COAST staff would recommend and Mr. Williams noted that staff recommends the same fare with free transfers between Express Routes and the Portsmouth/Newington Local routes. Mr. Williams noted what appeared to be an error and that he would reanalyze the fare structure data and put any revisions to the chart to the Board by email.

9:40am Mr. Hebert leaves.

Mr. Williams noted that COAST is very sensitive to how increases in revenue can lead to a loss in ridership and how important ridership numbers will be in proving this redesign is successful. Mr. Williams also noted that if given two generally similar impacts he would prefer whatever will be the simplest for operators to implement and practice, and for customers to understand.

Mr. Nichols asked for the Board's concurrence to move forward with the presentation at public forums for passengers and partners to consider. Mr. Lentz noted that while we're asking for more money in some cases, we have dramatically improved the quality of service by cutting the ride times.

The group agreed that the middle column (\$1.50 fare on all routes, with free transfers between Express Routes and the Portsmouth/Newington Local routes) and the last column (\$1.50 fare on all routes, except NB Clippers (\$1.00), with free transfers

between Express Routes and the Portsmouth/Newington Local routes), would be their two preferred choices.

9:46am Ms. Labrie and Mr. Campbell leave.

Discussion Item #3: NHDOT FUNDS AWARD UPDATE

Mr. Nichols reported that the funding award from NHDOT is a very positive result for COAST and he thanked the people and organizations who wrote letters of support on COAST's behalf. He indicated that we did not get all the funding we asked for, and that DOT did not award approximately \$150,000 in Turnpike toll credits that had been requested.

The Federal funds that were awarded can all be used at 80% federal to 20% local ratio, which helps us to drive down the amount of non-FTA funds needed. The Turnpike toll credits would have been eligible to be utilized to match/leverage FTA funds.

Mr. Nichols noted that this is the first time we've asked for this type of support, and that this is a one-time funding award. Mr. Lentz asked where this puts us in terms of our best- and worst-case scenario and Mr. Nichols said this appears to get us most of the way toward our best-case scenario.

Mr. Nichols reported that with the NHDOT funding award we have all the federal funds we need, but using last spring's budget projections, it appears we face an annual shortfall in local funds of approximately \$235,000 on an annual basis. As a result, starting with the FY21 municipal ask there is a \$235,000 shortfall if we implement all the services we've proposed. Mr. Nichols noted that given how underbudget we are running in FY19 we are looking to reproject our FY21 need, which may reduce the anticipated shortfall now being projected.

Mr. Nichols stated that NHDOT wants a Memorandum of Understanding (MOU) between us that will include performance measures that must be met. Mr. Nichols noted that given the scope of the changes we are proposing, it will be difficult to predict what will happen to our ridership with the redesign. Ultimately, we expect ridership to increase, but it is very difficult to quantify without spending significant funding for a study.

Mr. Lentz asked if Governor and Council will have ongoing oversight and Mr. Nichols indicated it would be an agreement between NHDOT and COAST. Mr. Lentz asked if a TIP amendment will be required and indicated that he would be happy to participate in an amendment and in setting up the MOU if that would be helpful.

Mr. Nichols noted that NHDOT completed an analysis on all systems and the support they receive from municipalities and determined that COAST is receiving less municipal support than the other transit agencies. Mr. Nichols stressed that he did not agree with

how the analysis was conducted, nor the factors considered. He related that it was NHDOT's expressed opinion that there is room for COAST's municipalities to be contributing more.

Mr. Bogle stated that DOT seems to look at the seacoast as Portsmouth and assumes the seacoast is wealthy. He expressed concern that DOT doesn't seem to understand the difference between the resources available to Portsmouth versus Rochester or Farmington. Mr. Bogle suggested a letter written by the two MPOs in COAST service area thanking DOT for the funding commitment and educating to correct the misconception might be helpful. Mr. Bogle noted this letter could include addressing the impact of the removal of Spaulding project funding and would hopefully provide clarification for DOT and the other agencies at the table.

VII. Community Updates/Information Items

Portsmouth Post Office Relocation

Mr. Nichols reported that after being contacted by Senator Shaheen's staff, the regional head of the USPS had reached out to him regarding the relocation of the post office in Portsmouth, to the far end of Heritage Avenue. She was inquiring whether we will service that location and Mr. Nichols informed them that we would not be servicing the new location because we would have to cut services elsewhere to do so (it would be a 5-6-minute diversion from the route). Mr. Nichols indicated that we might be able to temporarily allow trips to the post office be part of the PST so that at least individuals 62+ and adults with disabilities could have access to the post office.

Ridership & Performance Measures

Mr. Nichols noted that in the Board Packet some additional reports were provided that reflect that we are doing very well overall. While not great, the Overtime (OT) and On-Time Performance reports are reflective of our staffing shortage and construction. Additionally, service cuts and weather closures impact these numbers.

Mr. Nichols noted that we're hoping to reinstate all services that have been suspended by mid-September.

VIII. Adjournment

Mr. Pepin made a motion to adjourn the meeting which was seconded by Mr. Shanahan. The meeting was adjourned at 10:13am.