



Approve August 25, 2021

**Cooperative Alliance for Seacoast Transportation
Minutes of the Board of Directors Meeting
Wednesday, July 28, 2021**

PRESENT: Scott Bogle, Adam Causey, Lauren Haley, Denis Hebert, Margaret Joyce (attended virtually), Colin Lentz, Dave Sandmann, Dennis Shanahan, Maria Stowell (attended virtually), Shelley Winters (attended virtually), and Juliet Walker (Arr. 8:39)

ABSENT: Arthur Capello, Sönke Dornblut, Martin Dumont, Valerie Labrie, Michael Scala, Dave Sharples, and Thomas Wright

STAFF: Rad Nichols, Heather Hesse-Stromberg, and Margot Doering

I. CALL TO ORDER AND INTRODUCTIONS

The meeting was called to order at 8:29am. The OWL LABS Meeting Owl Pro owned by Strafford Regional Planning Commission was used to allow for virtual participation. This was a trial to see whether it would be equipment COAST might like to purchase for hybrid meeting use going forward.

II. APPROVAL OF MINUTES

Mr. Hebert made a motion to accept the June 23, 2021 minutes, Mr. Bogle seconded the motion, and all voted in favor.

III. PUBLIC COMMENT

No public comment.

IV. FINANCIAL REPORT

The Finance Committee met on Monday, July 26 to talk through the financials and the FY22 budget considerations.

Ms. Doering reported an increase in fare revenue and in receipts for advertising (though advertising continues to be lower than desirable). Payroll and benefits were higher as people took time off that they'd previously been unable to take. Maintenance and Materials & Supplies expenses are up because of the older age of the fleet. COVID-related expenses are increasing the YTD numbers.

Ms. Doering reported that Bob Ruzinsky has been fantastic in teaching her in her new role, particularly with the process of FTA Reporting.

V. OLD BUSINESS

2014 DBE Program

On July 22, 2021, COAST received a concurrence letter from the FTA regarding our June 16, 2014 DBE Program submittal. There has been no feedback regarding our 2017 DBE Program submittal.

Staffing

Mr. Nichols reported that we are currently amid the peak of summer vacation schedules for staff. While we are close to our hiring goals for operators, we cannot commit to removing the current service suspensions yet. There are still too many days in which we remain severely short staffed.

Gillig Bus Order

Mr. Nichols reported that several pre-build meetings and conversations have been held with Gillig in the past month. We have made some changes to our order specifications which will result in a small adjustment to our previously approved PO as there is a slight increase in cost, mostly related to the inclusion of driver barriers. The increase could not be completely offset by other changes that served primarily to reduce the price. When the costs are finalized, the new cost will be brought to the Board.

On-Bus Mask Mandates

Mr. Nichols noted that many operators are dealing with significant challenges from passengers who are resisting or refusing to wear masks. We are encouraging our drivers to ask/remind but to avoid any confrontations or physical altercations. It would likely be too long a wait for someone to be able to help our drivers in such a confrontation (whether it be a supervisor or police).

Ms. Haley asked if anyone gets banned from riding. Mr. Nichols noted that yes, passengers are banned, but it can be challenging to serve the ban notice and often the photo we have of them (from in-bus cameras) are not of the highest quality. Mr. Nichols also stressed that COAST bans passengers for a variety of reasons (though usually due to altercations with other passengers or against the driver).

VI. New Business

Action Items

Action Item #1: Modification of the COAST Mask Use Policy

As passed by the Board of Directors on October 28, 2020, masks are required to be worn by passengers on all COAST vehicles. This policy was put into effect on November 9, 2020.

Subsequently, the State of New Hampshire and CDC/TSA implemented mask use requirements in public spaces and on public conveyances. The State has since rescinded their mask use requirement in public spaces. The CDC/TSA requirement remains but, at this time, is only scheduled to be in effect through September 13, 2021.

There is a concern that should the current CDC/TSA requirement be altered or removed prior to the scheduled sunset, there could be a conflict between COAST policy and the lack of a Federal or State requirement for face mask use. We do not want to put our bus operators in the position of requiring mask use when there is no oversight agency requirement to do so. It has become challenging enough as it is. Misunderstandings of the CDC/TSA requirement versus the requirements of the State of NH are frequent, ongoing, and becoming more challenging.

If authorities are in conflict, we will abide by the mandate of the one with the most authority.

Staff's recommendation is to modify the COAST Mask Use requirement while riding to when mask use is required by an agency or governmental entity with oversight over COAST. This will allow

COAST to be responsive to a changing landscape in which orders and requirements are more regularly changing. Should mask use no longer be required by an oversight agency, and the Board agree to this policy modification, as an organization we should still recommend that all riders follow best practices to reduce their potential exposure to COVID-19 and ride wearing a mask, along with continuing to follow other recommended protective measures as much as possible.

Action Recommended: *That the Board of Directors vote to modify the COAST Mask Use Policy as outlined and discussed.*

Mr. Shanahan made a motion that that the Board vote to modify COAST Mask Use to the staff recommendation and Mr. Hebert seconded the motion. Ms. Shanahan asked for clarification that when the TSA takes away the mandate COAST would remove the mandate and Mr. Nichols confirmed that. Ms. Haley asked how we let passengers know and Mr. Nichols noted that we will utilize all methods we currently use to reach passengers including posting notices on buses and the use of social media). Ms. Joyce asked about the mask requirements for staff and Mr. Nichols reported that public facing staff have to follow the same guidelines. All voted in favor with Ms. Joyce and Ms. Stowell voting in favor virtually.

Committee Reports

Executive Committee – did not meet.

Finance Committee – met on July 26th to review financials and FY22 budget recommendations.

Nominating Committee – met on July 21.

The Nominating Committee consists of Mr. Bogle (Committee Chair), Mr. Lentz, Ms. Joyce, and Mr. Scala. Mr. Bogle noted that they had contacted the current officers and three of the four were amenable to continuing in their current roles, but that Ms. Walker, after 2 terms as Board Chair and Vice Chair, wanted to step away to allow someone else to fill the role. Mr. Shanahan was asked to fill the Board Vice Chair role and agreed. Mr. Scala was asked to replace Mr. Shanahan as Secretary and agreed. Ms. Joyce was asked to serve as the Chairman's Appointee to the Executive Committee and agreed.

Mr. Bogle presented the following slate of Board Officers:

Chair – Dave Sandmann
Vice Chair – Dennis Shanahan
Treasurer – Arthur Capello
Secretary – Michael Scala

The Executive Committee slate is as follows:

Dave Sandmann (Chair)
Dennis Shanahan (Vice Chair)
Arthur Capello (Treasurer)
Michael Scala (Secretary)
Margaret Joyce (Chairperson Appointee)
Rad Nichols (non-voting member)

In addition, Mr. Bogle expressed the expectation that the two planning commissions would continue to attend the Executive Committee meetings but would serve in a non-voting role.

Board Development Committee – met on July 15 to discuss the Board Self-Assessment results in greater detail and the possibility of changing the minimum quorum number for full board meetings. Having a quorum at face-to-face meetings was challenging prior to COVID and was a concern for the first face-to-face meeting in June. Mr. Sandmann asked that people let Rad know whether they are able to attend each meeting so we know if we will have enough people present to conduct business.

Mr. Sandmann noted that we need to increase our Board Meeting quorum from 5 to 7 because our Executive Committee is the same size quorum (5). Mr. Bogle asked if it is reasonable to expect all Executive Committee members to be at every meeting to meet a quorum. Mr. Sandmann said if there are 5 people present at the Executive Committee meetings, it technically becomes a Board Meeting, so we want to have a larger requirement for Board Meetings. To make such a change we would need to revisit our Bylaws.

Mr. Bogle noted that it seems like a strange time to be increasing our quorum given the challenges we've had getting people to attend in-person meetings and Mr. Hebert agreed. Mr. Sandmann noted that when you have a quorum of the Board present at any meeting any deliberation becomes improper because it's not properly "noticed."

Mr. Bogle shared that Rockingham Planning Commission (RPC) has had a similar experience with a nice increase in attendance with virtual meetings and are now wanting to find a way for people to be able to continue their participation.

All agreed that the restrictions of 91-A are challenging, and we will proceed cautiously to ensure compliance.

Mr. Nichols noted that the Board Self-Assessment results showed that several members indicated that they do not fully understand their roles and responsibilities on COAST's Board. To help better inform members, Mr. Nichols reached out to the NH Department of Justice, Charitable Trusts Unit and has confirmed that the Director and Assistant Director will be coming to COAST's Annual Meeting to do a presentation.

Policy Committee – did not meet.

Legislative Committee – did not meet but Mr. Nichols is planning on an August communication to all elected officials and a plan for a fall communication as well.

Discussion Items

Discussion Item #1: Economic Impact Report Presentation

Mr. Lentz of Strafford Regional Planning Commission and Mr. Bogle of the Rockingham Planning Commission provided an overview of their recently completed Economic Impact Assessment of Public Transit in the region.

The goal of the Economic Impacts of Public Transit in the Seacoast Report was to identify the impact of COAST (primarily) in Southeast NH and Maine. The hope was to put together a tool for decision-makers/legislators, and for Board members to bring information back to their communities. This report will be able to be customized for whoever the audience is.

The Assessment examined COAST's economic impacts qualitatively and quantitatively. The qualitative side included interviews of twenty-one organizations represented education, service industry and development to better understand the link between transit and quality of life.

Recommendations from the assessment include:

- An increased investment in public transit
- Assess transit needs of NH's growing older adult population
- Assess new routes tailored to specific employment needs
- Better coordination with healthcare providers is needed
- Expand workforce housing near transit
- Recognition that every trip starts on foot

When looking at all of the direct, indirect, and induced impacts of COAST employment and spending and the benefits to riders and businesses from transportation access provided by COAST, the combined economic benefits of COAST's service is nearly \$25 million dollars a year. The benefits to riders and businesses included an examination of the following areas:

- Employment Access
- Patients' Access to Medical Care
- Medical Providers' benefit from minimizing missed appointments
- Access to Education and Training
- Access to Grocery Shopping/Enabling more independent living

Mr. Nichols noted this assessment will be very useful to organization and he thanked Mr. Lentz and Mr. Bogle for their hard work on behalf of COAST.

Discussion Item #2: FY22 Budget Considerations

Mr. Nichols noted that last December and January, when preparing the municipal funding requests to support our projected FY22 budget, we had estimated an overall operating budget (exclusive of coordination activities). Traditionally the additional experience in the intervening months would allow us to draft a more refined FY22 operating budget over the course of the remainder of the summer, but the events of this year have continued to be a challenge in terms of making strong projections.

Mr. Nichols shared the following challenges and considerations he identified in preparing the FY22 Operating Budget.

Challenges

1) COVID-19 – the impacts of the pandemic persist and impact operations negatively. Thankfully, we continue to be able to utilize available CARES Act, and hopefully soon American Rescue Plan Act, funds to sustain our operations in the near term.

2) Inflation – we are most definitely experiencing the same labor and supply chain issues being reported in the news across the country. The result is rising upward pressures on our costs for labor and goods that we rely on to provide our services.

3) Projecting Demand Response Service Demand – COVID-19 hit the populations that use our demand response services harder than any other demographic worldwide. The negative impact on demand for these services was dramatic. While ridership has rebounded, it currently

seems to have stalled overall at 65-70% of pre-pandemic levels. This has been a key reason why our operating cost continue to run under budget YTD in FY21. Given the size and impact of these services on our budget, this is a large variable that can have significant financial impact because it's a large cost center. An analysis of the top 30 riders in March-June of 2019 compared to the Top 30 riders the last 4 months revealed that 2/3 of 2021 riders are brand new. Those 30 riders probably take 75% of our rides.

4) Aging Fleet – most of our HD fleet is now on the back half (or less) of their expected useful life. Many are also early generation engines with required emissions after-treatment systems. As such, costs related to maintenance of the heavy-duty bus fleet have been climbing as these buses and their aging systems begin to breakdown more frequently.

5) Municipal/Local/State Funding Revenues – at the local municipal level we held our financial requests level, despite a demonstrated need to grow this annually. The availability of COVID-19 relief funds enabled this decision. Operating funds through the State of NH made it through the state budgeting process (level funded) and we expect to receive just under \$35K in FY22. Operating funds through the State of Maine, to support our operations to Kittery, are contractually set for a maximum of \$32.5K in FY22. Ultimately, level funding of these critical revenues will have the effect of increasing our reliance on Federal CARES Act funds and have long term impacts on our ability to finance our public transit system in FY26. State funding is really the key.

6) Advertising Revenues – Since the mid-point of FY20, advertisers have been abandoning public transit spaces as they respond to financial realities of the pandemic. Different than any downturn in the past, we lost all of our big annual contracts with advertisers this time. While we continue to see more contracts being sold, they are not the annual contracts that form the core of sales. The increasingly strong economy however could help turn that around sooner than later. ATA Outdoor reports that COAST remains one of ATA's strongest markets in northern New England. We are seeing more 3-4 month buys now but anticipate this will be a slow build-back.

Considerations

1) FY21 Actual Expenses – it is safe to say that FY21 has continued to be challenging, and thus more expensive for our operation. We do however feel more confident in making projections for our FY22 budget than we did the same time last year (for FY21).

2) Fixed-Route Service Levels – currently we are projecting to maintain all currently scheduled service levels. If we can consider some minor adjustments to the still relatively new schedules, based on observations and feedback received, we may attempt to incorporate those adjustments for potential incorporation at some point in FY22 to meet some requests for additional service.

3) Expense Growth Rates – In January, we projected base expense growth rates of 2.5%, with some known exceptions for operations/maintenance wages, property & liability insurance, and health insurance. With more since then, and using the latest available CPI data for the region, we are working to refine these growth rates further. The latest CPI data is much higher than 2.5%.

Until such time as staff can begin building the budget, against the FY21 actuals through June, it is unclear just what the overall impacts will be on the proposed budget for FY22. The draft FY22 Operating Budget and possible options will be presented at the August 25th Board Meeting. If further discussion of the draft budget is needed, a Budget Workshop will occur on September 8th.

The vote on the final FY22 Operating Budget will take place at the Annual Meeting on September 22nd.

Ms. Walker asked if we have considered whether local communities will be able to use the ARPA funding for transit funding (lost revenues tend to be flexible). Mr. Bogle suggested that RPC should advocate for the allocation of those funds to cover community transit costs. Mr. Nichols noted that we will have to see who has committed those funds and who is waiting to get more guidance (Ms. Walker shared that she suspects most are not yet committed).

Mr. Nichols reported that COAST has not been informed what our direct ARPA allocation is, and he hesitates because he doesn't want to be double dipping. Ms. Walker noted that COAST's ARPA funds support core COAST services and suggested that municipalities should use some of that to support COAST supplemental services.

VII. Community Updates/Information Items

Ridership

The tables and charts provided showed that with the current trend of COVID-19 positivity rates in the region remaining lower in June, the vaccination rate climbing, and better weather, we have experienced small but steady fixed route ridership gains (measured in average weekday ridership per weekday and Saturdays) in March, April, May, and June. Demand response ridership has remained relatively flat over the same time. Overall ridership in June was the highest for any month since March 2020.

City of Portsmouth

Ms. Walker announced that she is leaving the City of Portsmouth in early September. She noted that she has learned a great deal from her participation on the Board and has enjoyed the experience. All wished her well in her future endeavors and thanked her for her dedication to COAST's mission over her many years of service on the Board.

Town of Kittery

Mr. Causey shared that they are in the final stretch of the JLUS project with a final wrap up to occur in September (though no date yet).

COAST

Mr. Nichols noted that GACIT hearings, which allow for public participation in the preparation of the plan, will happen this fall. He shared that the people who are always missing at these hearings are the legislators, but that his August communication will include the request that legislators engage in this process. Executive Councilor Stevens has planned 5 hearings in her region and Mr. Nichols has requested that, whenever possible, the hearings be held during COAST service hours and at locations serviceable by COAST.

VIII. Adjournment

Mr. Hebert made a motion to adjourn the meeting and Mr. Shanahan seconded the motion. The meeting was adjourned at 10:16am.