



**Cooperative Alliance for Seacoast Transportation
Minutes of the Board of Directors Meeting
Wednesday, August 25, 2021**

PRESENT: Scott Bogle, Arthur Capello (attended virtually), Ben Fletcher (attended virtually), Margaret Joyce (arr. 8:40), Valerie Labrie (attended virtually), Colin Lentz (attended virtually), Dave Sandmann, Michael Scala, Dennis Shanahan, Maria Stowell

ABSENT: Adam Causey, Sönke Dornblut, Martin Dumont, Lauren Haley, Denis Hebert, Dave Sharples, Shelley Winters, and Thomas Wright

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

I. CALL TO ORDER

The meeting was called to order at 8:36 am. The OWL LABS Meeting Owl Pro, purchased by COAST, was used to allow for virtual participation.

II. APPOINTMENT OF PORTSMOUTH REPRESENTATIVES

Given the recent departure of Ms. Juliet Walker and Mr. Eric Eby from the City of Portsmouth staff, the City has notified COAST of their newly selected appointees.

Mr. Benjamin Fletcher, the City's Parking Division Director, and Mr. Peter Stith, Principal Planner, have been appointed by Ms. Karen Conard, City Manager, to serve on the COAST Board of Directors. Mr. Stith will serve as Mr. Fletcher's alternate.

Action Required: *That the Board of Directors accept Mr. Fletcher's and Mr. Stith's appointments as representatives of the City of Portsmouth to the COAST Board of Directors.*

Mr. Bogle made a motion to accept the appointments of Mr. Fletcher and Mr. Stith as the City of Portsmouth's representatives to the COAST Board of Directors which was seconded by Mr. Shanahan. All voted yes to approve the motion.

III. APPROVAL OF MINUTES

Mr. Shanahan made a motion to accept the August 25, 2021 minutes with a minor correction on page 4 adding a word, and Mr. Bogle seconded the motion. Mr. Bogle, Ms. Joyce, Ms. Labrie, Mr. Lentz, Ms. Stowell, Mr. Shanahan, and Mr. Sandmann voted in favor. Mr. Capello and Mr. Scala abstained.

IV. FINANCIAL REPORT

Ms. Doering reported that July fares were second highest for the year and advertising revenues were highest they've been all year. She noted that the Coordination numbers have been updated after receipt of an invoice that was not reflected in previous financials. Wages were down in July and fringe benefits were up.

V. OLD BUSINESS

Staffing – Bus Operators

Mr. Nichols reported that things have gotten worse since our recent announcement of deeper service suspensions. Supervisors and Dispatchers continue to be driving a lot of hours and there are few staff available for training. Mr. Nichols noted that COAST is in the process of engaging in a radio advertisement campaign through a local radio station. Mr. Williams reported that we currently need 5-6 Full-Time drivers.

Mr. Nichols shared that a connection was being made with a program under the Employment Services Department at the State that could prove helpful down the road.

Mr. Shanahan asked if there is any chance of resource sharing with other public transit organizations so that when one organization is short others can help supply operators? Mr. Nichols noted that COAST is in better shape than many of the other regional transit operations.

Mr. Williams noted that he is concerned because in the past when we've gone on WMUR to talk about the driver shortage we've gotten a rush of applications. This time, we got one qualified part-time applicant.

Mr. Nichols shared that COAST's wage rate may not be the reason we are not attracting candidates. He noted that working with the public is incredibly challenging these days, people are finding getting their medical certificate more challenging, people are fearful of possible COVID exposure, and that they have to have a certain amount of experience to advance.

Mr. Bogle asked if the driving experience required by insurance has to be specifically CDL driving or if any driving counts. Mr. Nichols noted that staff is having conversations with the insurance carrier to get clarification on the gray areas and to explain the challenges we are facing. Mr. Bogle also asked if we have considered a sign-on bonus and Mr. Nichols stressed his disagreement with the idea of sign-on bonuses as they have the effect of devaluing the staff already employed.

Mr. Capello noted that the CDL issue is a bigger issue than just COAST. He indicated that he is having similar problems finding candidates with a CDL and that the struggle is that other positions offer similar or better pay without having to deal with the public. Mr. Nichols shared that there are many opportunities for job seekers to move up in the job market, but there's little to no backfilling of those positions.

Mr. Nichols and Mr. Williams are working on developing a plan to allow for a pro-active approach to staffing shortages that will be presented to the board later this fall.

FTA Triennial Review

The Triennial Review is the FTA's assessment of COAST's compliance with Federal requirements, determined by examining compliance in a sample of award management and program implementation practices in 21 areas. The official report and transmittal letter were received on August 19 from FTA Region I. No deficiencies were found in any areas. We were commended by the Region I staff on COAST's outstanding achievement for this review. This is the second Triennial in a row with no deficiencies and Mr. Nichols expressed his gratitude for the work of the staff in making that happen.

42 Sumner Drive

Mr. Nichols reported that COAST has recently engaged CMA Engineers further to assess the following potential betterments and construction options for the site –

1. Create separate conceptual design of COAST's new facility into two independent and constructable phases. The total project cost was \$14.7M and the hope is that splitting the projects will assist COAST in getting funding.
 - a. Bus Storage Facility (or Bus Storage Facility and new garage)
 - b. Admin facility
2. Assist with a short-term need for a separated Supervisor's office.
3. Review and evaluate options for installing a modular building at 42 Sumner Drive for staff currently working at 6 Sumner Drive, to include a conceptual plan and cost estimate.

VI. New Business

Committee Reports

Executive Committee – did not meet.

Finance Committee – was scheduled to meet on Monday, August 23 but did not have a formal meeting.

Nominating Committee – did not meet.

Board Development Committee – did not meet.

Policy Committee – did not meet.

Legislative Committee – did not meet.

Discussion Item

Discussion Item #1: Draft FY22 Operating Budget Presentation

As discussed at last month's meeting, there are several challenges and considerations when putting together the FY22 operating budget. Mr. Nichols presented a PowerPoint overview of the FY22 Draft Budget. As drafted, the FY22 Operating Budget represents an 11.2% increase over FY21's budget (+\$681,576). The budget projections are based on FY21 actuals and result in a gross gain of \$570,355 due to the use of CARES and ARPA funding.

Three of the most recent factors that are driving a larger than normal percentage increase between the approved FY21 and proposed FY22 operating budgets are:

- the >8% mid-year increases in operating staff wages we implemented in the spring of CY21,
- continuing to attempt to position ourselves better to stay competitive for hiring operating staff, and
- the much higher than anticipated CPI-U figures for the New England region this year.

In addition, COAST anticipates operating full fixed route service next year, and a 15% increase in demand for demand response services. The projection results in a 23.6% increase in ridership and a 22.5% increase in fares/contract revenues over our projections for FY21 at year end. The Advertising and Interest/Other Income lines were held at FY21 budget levels for FY22. Mr. Nichols expects another large increase in healthcare coverage costs and anticipates increasing materials and supplies costs due to the aging fleet and anticipated increase in fuel costs. Finally, Mr. Nichols noted an anticipated 15% increase in COAST's lease costs at 6 Sumner Drive.

Wage projections are based on FY21 actuals and filling all vacant staff positions. For FY22, the wage adjustments are budgeted at 4-6.2%. The 6.2% increase would be applied part-way through the year and only to the positions in Operations that are tough to fill.

Mr. Nichols reported that the Regional Coordination program under ACT is currently projected to generate revenues of \$550,945 in FY22. The ACT budget is currently undergoing review and refinement by the Committee.

He noted that it is very challenging to make predictions on ridership with COVID and that demand response trips are getting longer in time and distance, so are getting more expensive to provide. CARES and ARPA funds remain critical in sustaining our operation.

Mr. Scala asked if there were increases to municipal asks. Mr. Nichols noted that they were level funded in January of 2021, but the asks for FY23 will need to increase.

Ms. Labrie asked about the plan for using the funds gained at the end of FY22? Mr. Nichols indicated the gain will help fund our operation beginning in FY24-FY25.

Mr. Nichols noted that, with this budget, we will be going into the red in FY25 rather than FY26. To stay financially ahead until FY26, COAST will need the increases in federal funding currently under consideration in Washington.

Schedule for Budget Adoption

- Budget Workshop Mtg. (9/8) – possible workshop to further discuss the draft operating budget
- September Board Meeting (9/22) – vote to adopt final FY22 operating budget

VII. Community Updates/Information Items

Annual Meeting

The COAST Annual meeting will be held on September 22 at the Cocheco Country Club in Dover. The intention is for the meeting to be in person. There will be two guest speakers from the New Hampshire Department of Justice Charitable Trust Division who will be speaking on responsibilities and best practices for nonprofits and their board members. The choice of speakers was a direct result of the feedback given through the board self-assessment completed earlier this summer. The business meeting will include voting on the new slate of officers and approving the budget.

Ridership

The current trend of COVID-19 positivity rates in the region trending higher again, it has dampened the small but steady fixed route ridership gains seen in March, April, May, June, and now July (measured in average weekday ridership per weekday and Saturdays). Demand response ridership has remained relatively flat over the same time. Overall ridership in July reached 22,516. The highest for any month since March 2020.

Mr. Scala asked about how we handle fare increases. Mr. Nichols noted it is a very public process guided by FTA regulations. He asserted that now is not the time to consider a fare increase given the challenges to ridership.

Mr. Sandmann reported that he had received a letter of resignation from Valerie Labrie, which he accepted with regret. Mr. Nichols and Mr. Sandmann thanked Ms. Labrie for her insight and input during her tenure and wished her all the best.

VIII. Adjournment

Mr. Shanahan made a motion to adjourn the meeting and Mr. Scala seconded. The meeting was adjourned 9:51am.