



**Cooperative Alliance for Seacoast Transportation
DRAFT Minutes of the Annual Meeting of the Board of Directors
Wednesday, February 23, 2022**

PRESENT: Scott Bogle, Fred Butler (virtually), Adam Causey, Martin Dumont, Denis Hebert, Margaret Joyce, Colin Lentz (virtually), Dave Sandmann (virtually), Michael Scala, Dennis Shanahan

ABSENT: Arthur Capello, Benjamin Fletcher, Lauren Haley, Dave Sharples, Shelley Winters, Thomas Wright

STAFF: Rad Nichols, Michael Williams, Margot Doering (virtually)

I. CALL TO ORDER AND INTRODUCTIONS

The meeting was called to order at 8:36 am by Mr. Shanahan.

III. PUBLIC COMMENT

Mr. Nichols noted that there was no public comment that he had for the Board. No members of the public were in attendance to speak.

He did want to recognize employees who had recently hit important safety milestones in their careers at COAST.

II. APPROVAL OF MINUTES

Mr. Shanahan asked if a motion could be made to approve the minutes of the January 26, 2021 meeting. Mr. Hebert made the motion to accept the minutes as drafted, and Mr. Causey seconded the motion. There was no discussion and Mr. Shanahan undertook a roll call vote.

Mr. Sandmann	Yes
Mr. Shanahan	Yes
Mr. Scala	Yes
Ms. Joyce	Yes
Mr. Dumont	Yes
Mr. Bogle	Yes
Mr. Causey	Yes
Mr. Hebert	Yes
Mr. Lentz	Yes

The motion passed.

IV. FINANCIAL REPORT

Ms. Doering went over the year to date financials and balance sheet through January, noting that they still would be adjusted based on some final details related to the coordination program still needing to be resolved.

No notable variations in financials from the trends we had previously been experiencing were experienced.

V. OLD BUSINESS

Staffing

Mr. Nichols gave a brief update on staffing, noting the situation has not improved in February. Many of our recent applicants are looking for better work-life balance in their careers and are not willing to work 2nd shift or want to work fewer (around 32) hours per week. This is particularly challenging given our span of daily service and seniority structure.

New Gillig Bus Build

Mr. Nichols informed the Board that all four of the new 35' heavy-duty Gillig buses are off the production line and awaiting a single wiring harness prior to going through final checks and being driven across country as part of their break in. The build has gone very smoothly according to our in-plant inspectors.

Advertising Policy

Mr. Nichols reported that upon inquiry new legal feedback had been given regarding aspects of the advertising policy related to non-profit and government advertising that also meets the definition of commercial and promotional advertising. The latest interpretation will be reviewed by the Policy Committee in the near future but opens up the likelihood of non-profit and government organizations being able to advertise more broadly, as long as the commercial and promotional advertising was not otherwise prohibited.

Free Transfer Program Pilot

Mr. Nichols explained that in January, COAST had collected 1,358 transfer tickets across the system on 16,243 total fixed route trips (excluding the Warming Center Shuttle). This equates to 8.4% of trips on the fixed route system being "paid for" with a transfer ticket during the month. This was a lower percentage of overall trips that previously expected.

Total fixed route fares collected during January were \$16,324.58, on 16,243 rides. This equated to an average fare of \$1.01 per trip, which was \$0.10 (-9.1%) below the average fare collected per trip in the 1st Qtr. of FY22 (\$1.11). The average fare per trip was the same as the average fare collected in January 2021.

Total ADA fares collected during the same time frame were \$2,737.48, on 780 rides. This equated to an average fare of \$3.51 per trip, which was \$0.40 (+13.0%) above the average fare collected per trip in the 1st Qtr. of FY22 (\$3.11).

This is still only the first month of data for the pilot and we don't want to read too much into it, but it gives a quick snapshot of some initial data that we have collected.

Mr. Scala asked about ridership on the Willand Pond Warming Center Shuttle, which was not included in the calculations. Mr. Williams gave an update on ridership and an explanation on how service was being provided.

Marketing/Communications Framework

Mr. Nichols explained that an introductory conversation was had in early February with our consultant. That was followed by an initial review of recent COAST marketing and communications materials. Next, we established four overarching goals around which we want

to frame our upcoming marketing and communications: (1) recruiting and retaining drivers, (2) rebuilding ridership, (3) state and local government operations funding, and (4) raising capital match funds for a new facility. Lastly, a kickoff meeting to brainstorm key questions around the established goals was held with a project team, including Board members Dennis Shanahan and Margaret Joyce, on February 16. The meeting produced valuable input and insights. Follow-up meetings will be held with additional staff that could not participate in the initial meeting, before an analysis, filtering, and weighing the information can begin. We are off to a strong start.

VI. New Business

Action Items

Action Item #1: CDFA Tax Credit Application Authorization

As discussed at the January board meeting with our guest speaker, COAST's new facility construction project appears to be a very good match for the NH Community Development Finance Authority (CDFA) Tax Credit Program. Under this program up to \$5M of tax credits can be awarded for municipalities and nonprofits across the state to market and sell to for-profit entities. The benefit to the for-profit entities is that they can help invest in worthy community projects, while applying those contributions against the NH Business Profits Tax (BPT), Business Enterprise Tax (BET), and Insurance Premium Tax (IPT). The businesses may also claim the contribution for a Federal charitable donation.

COAST is preparing an application for the SFY2023 & SFY2024 competitive cycle. Our application will be for a total allocation of \$500,000, which means we will have to raise \$625,000 through the sale of these tax credits. The \$500,000 represents 3.4% of the current conceptual design cost estimate, and 17% of the total non-USDOT match funding we need to leverage the Federal funds we are pursuing. This request is on the upper end of maximum awards that may be pursued.

As part of the application the Executive Director must certify the following.

I acknowledge this application is being submitted with the full knowledge and approval of the organization's Board of Directors and that the organization will comply with:

- *New Hampshire conflict of interest laws as defined by RSA 7:19-a and RSA 292:6-a;*
- *CDFA's Privacy Policy by which you acknowledge all information and documents created, accepted, or obtained by, or on behalf of, CDFA are potentially subject to disclosure in compliance with RSA 91-A, New Hampshire's Right-to-Know law.*

I further acknowledge that should my organization be awarded CDFA Tax Credits, CDFA will require a ten-year performance security instrument be placed on my organizations assets concurrent with contract signing, and prior to disbursement of Tax Credit proceeds to my project.

Mr. Scala made a motion for the COAST Board of Directors to authorize the Executive Director to make the necessary certifications to submit an application to the NH CDFA Tax Credit Program for SFY 2023 and SFY 2024. Mr. Dumont seconded the motion. There was no further discussion and Mr. Shanahan undertook a roll call vote.

Mr. Shanahan Yes

Mr. Scala	Yes
Ms. Joyce	Yes
Mr. Dumont	Yes
Mr. Bogle	Yes
Mr. Causey	Yes
Mr. Hebert	Yes
Mr. Lentz	Yes
Mr. Sandmann	Yes

The motion passed by unanimous vote.

Committee Reports

Finance Committee – did not have an official meeting, but all members of the Committee had been met with to discuss January finances and initial changes to the five year spending plan based on the timing of our facility construction project. There were no real questions or issues expressed by members during those discussions.

Executive Committee – met in an emergency meeting on February 4 to in order to approve an amendment to our NHDOT 5310 contract based on additional funds being made available to support the coordination effort.

Board Development Committee – will hold a meeting prior to the March meeting.

Policy Committee – being reconstituted due to members having left the board. Mr. Causey has agreed to sit on the Committee. Expect to hold a meeting in March or early April.

Legislative Committee – did not meet.

Discussion Items

New Facility Cost Estimates and Financing

Mr. Nichols gave an overview.

In the spring of 2021 our engineering firm, CMA Engineers, Inc., prepared a conceptual design with cost estimates for COAST. The preferred build alternative 4 was estimated to have a 2022 total cost of \$14.7M and would need to be built over the course of two construction seasons.

To date we have pursued USDOT earmarks and FTA 5339 capital bus and bus facilities grants for up to 80% of the total estimated cost of the project, or \$11.76M.

We were not successful with earmarks, primarily due to the overall size of the project, however received strong support from Senator Shaheen and Congressman Pappas through which the earmark applications were submitted.

This past fall we submitted two FTA 5339 grants for part or all of construction of the new facility. The first was through the NHDOT and the FTA 5339(a) program which is competitive within the State of NH. Funding for phase 1 of the new facility (indoor bus storage garage), along with funds for replacement vehicles, was included in this application. Requested federal funds for completing all design work, obtaining permitting, and phase 1 construction totaled \$5,104,000, or 80% of \$6.38M. The second grant was through the FTA and the 5339(b) program which is

competitive nationally. Requested Federal funds for completing all design work, obtaining permitting, and phase 1 and 2 construction (all) totaled \$11.76M, or 80% of the \$14.7M project estimate.

Announcements on the FTA 5339 grants were all to be made in February, however the 5339(b) announcement has likely been affected by the need for a continuing resolution at the Federal level. The 5339(a) grant announcement by the NHDOT is expected any day.

Potential Match Funds Sources

Using the 2022 cost estimate, which likely needs to be adjusted for 2023 and 2024 at this point, we need to raise at least \$2.94M of matching funds for our new facility estimated to have a \$14.7M total cost to build. Here is a potential breakdown of where those \$2.94M might reasonably be expected to derive from.

State of NH (capital budget) for the SFY24-25 biennium budget (up to 10% of total project cost)	\$1.47M
NH CDFA (SFY23-24)	\$0.50M
Match Eligible Non-USDOT Funds (source?)	\$0.20M
Private Foundations (likely limited to match on solar array or other green features)	\$0.07M
Capital Campaign/COAST Reserves/Loan (taking advantage of the \$70K/yr. we expect to save in ongoing operating expenses)	balance

To take advantage of an award of state capital budget matching funds, at least some portions of the project will likely need to be pushed off until July 2023 when reimbursable costs can be incurred. At that point, current conceptual cost estimates will most assuredly be out of date.

In recent conversations with our engineering firm, they provided the following guidance.

Commonly at this point, municipalities proceed through preliminary design to work out the major issues and develop a very accurate cost estimate. This estimate is used to put forth as a Town warrant or include in a City's capital improvement plan for approval by the voters/City Council. With this approach, you may or may not do the permitting.

The pros include:

- *May be better positioned to receive grants*
- *Easier to "sell" a project with good plans, renderings, and understanding that you have a viable project (worked out the issues)*
- *You save time*
- *Construction costs are only going up*

Cons:

- *Permits may expire*
- *Permitting requirements change and the planned improvements no longer meet requirements*
- *Technologies change*

- *Need to update plans/specifications/cost estimates prior to bidding (added cost)*

It's common to proceed with design before construction money is in place, but most common when the client has reasonable confidence they will get funding.

With this guidance, we requested a breakdown of costs to advance our project designs. They are presented below.

COAST Preliminary Design, Permitting, and Final Design Fees	
Item Description	Item Cost (\$)
Building Engineering Design	\$ 540,000
Building Permit and Impact Fees	\$ 50,000
Site Engineering Design	\$ 200,000
Design Total	\$ 790,000

It is unknown how successful we might be with any of our FTA 5339 grants or our NH CDFA tax credit application at this point. We likely need to advance our project designs to identify potential issues, develop a much more accurate cost estimate, and potentially gain a competitive edge in future grant rounds. At the same time, updated cost estimates will need to account for construction being delayed until at least the 2023 and 2024 construction seasons.

Should the board support advancing our project designs, this will be brought to the March meeting as an action item for consideration and approval.

Mr. Hebert asked just what communities might be expected to take on as their share of the project costs. Mr. Nichols responded that the overwhelming majority of funding for this project is expected to come from sources other than the communities but noted that he would try to illustrate that better.

Mr. Hebert asked about the conceptual design of the facility, particularly where we could have our entire fleet stored in one facility. He stressed the potential importance of walls between sections of the building and that it have fire sprinklers. Mr. Nichols noted those were important considerations as part of the design as we continue to move forward.

Mr. Nichols discussed next steps in design and the potential to vote on that next month. Mr. Hebert noted concern about going to full final design vs. further conceptual (30%) or preliminary (60%) design levels, and/or permitting. There was discussion around this, and the level of design needed to get to where we could submit more competitive grant applications in the future.

VII. Community Updates/Information Items

Ridership information was presented, and updates were given on operations during storms this winter season.

Mr. Scala expressed surprise that there were not private foundations that specifically supported public transit. Ms. Doering highlighted the need to highlight the connection between the services we provide and the other agencies that foundations are supporting with grants.

VIII. Adjournment

Mr. Hebert made a motion to adjourn the meeting and Mr. Dumont seconded the motion. The meeting was adjourned at 9:36am.