



**Cooperative Alliance for Seacoast Transportation
Minutes of the Annual Meeting of the Board of Directors
Wednesday, December 15, 2021**

PRESENT: Scott Bogle, Adam Causey (Virtually), Arthur Capello (Arr. 8:40am), Sönke Dornblut (Virtually), Benjamin Fletcher (Virtually), Denis Hebert, Margaret Joyce, Colin Lentz (Virtually), Dave Sandmann, Dennis Shanahan, Peter Stith (Virtually) and Maria Stowell

ABSENT: Marty Dumont, Lauren Haley, Michael Scala, Dave Sharples, Shelley Winters, Thomas Wright

STAFF: Rad Nichols, Margot Doering, Michael Williams

I. CALL TO ORDER AND INTRODUCTIONS

The meeting was called to order at 8:34 am.

Mr. Nichols advised members participating remotely through Zoom to please speak up throughout the meeting as if they were present due to the setup of the room and his not being able to see if they raised their hand or put anything in the chat on his laptop.

II. APPROVAL OF MINUTES

Mr. Sandmann asked if anyone had any questions or comments about the minutes, but not having a quorum noted that a vote would have to be delayed. No questions or comments were raised.

III. PUBLIC COMMENT

Mr. Nichols noted that the shuttle to the Strafford County Warming Center had been going well. It had started the Monday after Thanksgiving and was likely averaging in the mid-20s for ridership in the morning. That level of ridership has forced a second non-CDL vehicle to be necessary in the morning. The evening ridership is not as strong. The addition of a second vehicle in the morning raises the cost of the operation by roughly 50%.

IV. FINANCIAL REPORT

Ms. Doering went over the October financials and balance sheet. Given that it is the first month of the new fiscal year there were no real trends to note.

Mr. Shanahan asked about advertising revenues being low for the month. Mr. Nichols noted it is a collections issue. The final quarter of FY21 had shown strong collections, but as we get toward the end of the calendar year sometimes that slows. He noted that in his last conversation with ATA sales had seemed to be stronger, although not as strong as we all wished.

Ms. Doering also noted that we were in the midst of our annual audit, with the on-site portion having been completed. The auditors upon their departure noted that they had not seen any red flags and were very happy with our production of requested documentation thus far.

V. OLD BUSINESS

Staffing

Mr. Nichols gave a brief update on staffing, including a chart reflecting the most recent projections for staff availability.

Mr. Hebert commented that he was very concerned about the trend the graph reflected and asked what was being done to combat the trend. Mr. Nichols explained recent improvements in medical coverage options for operators (hourly staff), budgeted pay increases, and expectations for shifts in our fleet makeup to reduce our reliance on CDL licensed staff.

Mr. Fletcher asked if the improvements in our medical benefits package were being highlighted in our advertising. Mr. Nichols explained how COAST was advertising and pushing interested candidates to our website. Mr. Fletcher suggested leading with improved medical benefits as an advertising hook.

Mr. Hebert asked if staff could project impacts of moving to a more competitive wage for the next meeting. Mr. Nichols said that would be presented at the next meeting.

VI. New Business

Committee Reports

Executive Committee – met on October 25 at 2:30 in a nonpublic session under NHRSA 91-A:3, II(a)).

Board Development Committee – did not meet.

Legislative Committee – did not meet.

Policy Committee – did not meet.

Finance Committee – met on October 25 at 1:30.

Discussion Items

Discussion Item #1: FY21 Impact Report

Mr. Nichols introduced the FY21 Impact Report as a new tool for the organization to spread a high level recap of our annual operations amongst staff, member municipalities, and local, state, and federal elected officials.

Members expressed their positive impressions of the document. Some minor suggestions for further editing were asked to be considered.

Discussion Item #2: 2023-2027 Five Year Operating and Capital Projections

Mr. Nichols presented the latest calculations for COAST's five year operating and capital projections.

He went over the assumptions that were part of the projections:

- Operate fixed route schedules at full capacity

- Back to pre-pandemic ridership levels by the end of plan year 2
- Grow demand for DR services, particularly ADA service, at faster rates:
- Some variations in operating costs due to the differing number of service days/year
- Inflationary rates starting at 4% and dropping to 2.5% by plan year 5
- Federal funds growing by IJA assumed levels annually (2.54%). Continued for FY2027 as well.
- Local Municipal and Partner funding growing by 15% on average in plan year one and then by 10% on average in subsequent years of the plan

He also summarized some of the key findings of the projections:

- CARES & ARPA emergency relief funds will be fully expended by Plan Year 3 (FY2025)
- CMAQ funds will be fully expended by Plan Year 2 (FY2024)
- Will need to rely heavily on 5339 (a) & (b) grant programs for our capital program
- Will have to rely more heavily on unrestricted reserves beginning in plan year 3 (FY2025) to balance the budget.

Regarding the Operating revenue and expense projections, COAST the projections showed gains during 2023 and 2024, before having to rely on unrestricted reserves to cover sizeable losses in 2025, 2026 and 2027.

He next gave an overview of COAST's 2023-2027 anticipated capital projects. Ms. Joyce asked about the periodic peaks in the technology Projects line. Mr. Nichols explained that was related to replacement of hardware and cyclical agreements with technology vendors coming due.

Next Mr. Nichols went over the projected schedule of Federal funds, noting that as our CARES and ARPA emergency relief funding, and CMAQ funding, run out it will mean a heavier reliance on 5307 funds, which we will begin to draw down faster than we can expect to replenish through the annual allocation to our region.

Finally, Mr. Nichols walked through the different uses projected for Federal operating funds at COAST between 2023 and 2027 and COAST's current position. He noted that as one time funds are fully expended (CARES/ARPA/CMAQ), the heavier reliance on 5307 funds at a lower Federal participation rate results in a new reliance on COAST's unrestricted reserves to fund the operating budget.

Discussion Item #3: DRAFT FY23 Municipal Funding Formula and Financial Requests

Mr. Nichols presented the draft FY23 Municipal Funding Formula factor adjustments (ridership and service mile adjustments by community). Those factors then result in a formulaic calculation of what fair share each community is then asked to contribute to COAST's bottom line local match need. This year's bottom line local match need that is subject to the Municipal Funding Formula is proposed to be 15% higher than FY22, \$1,156,022. Allocated by formula, this results in municipal request increases of between zero and 22.9%.

Additionally, financial requests of partners, which are not subject to the Municipal Funding Formula, are proposed to increase by 5.7% to \$470,987.

Mr. Nichols stated that he had also run a scenario for a 10% average increase for communities included in the Municipal Funding Formula to estimate the impacts of that decision over the five year period, particularly considering the five year projections that had just been presented. The compounding impact of that downward adjustment by 5% in FY23 would result in COAST

raising \$320,000 less in revenues between FY2023 and FY2027. That would be contra to our needs.

Mr. Nichols also provided initial projections, assuming no shifts in the formula allocations by community over time and assuming an annual 10% growth rate, for FY24-FY27.

Mr. Hebert noted that Newington was likely enacting a 10% across the board cut to all outside agencies because of commercial property valuation reductions the Town has suffered in the last year.

Mr. Shanahan inquired whether any communities had not fully funded COAST in the current year. Mr. Hebert noted that Newington had not, and Mr. Capello noted that Farmington had not at well (by \$2K).

Mr. Nichols noted that the requests would need to be finalized and adopted at the January meeting.

VII. Community Updates/Information Items

Ridership information was presented.

VIII. Adjournment

Mr. Shanahan made a motion to adjourn the meeting and Mr. Hebert seconded the motion. The meeting was adjourned at 10:11am.