



Approved August 28, 2024

**Cooperative Alliance for Seacoast Transportation
DRAFT Minutes of the Meeting of the Board of Directors
Wednesday, July 24, 2024**

PRESENT: Scott Bogle, Fred Butler (virtual), Sönke Dornblut (virtual - arrived 8:51) Ben Fletcher (virtual), Denis Hebert (arrived at 8:49), Margaret Joyce, Colin Lentz, Dave Sandmann, Dennis Shanahan, Michael Scala, Peter Stith (virtual)

ABSENT: Kendra Amaral Crystal Paradis-Catanzaro, Michael Mates, Joann Neumann, Nick Taylor, David Tovey, Thomas Wright

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

CALL TO ORDER OF INFORMATIONAL SESSION

The informational session was called to order at 8:37am with a member on their way giving the meeting a quorum upon their arrival.

I. FINANCIALS

Ms. Doering reported that there were not many things of note for June. Fares continue to be positive, maintenance costs continue to be down, and wages and fringe benefits continue to be under budget. The implementation of the new accounting system is going very well. The Multiview staff is very attentive to COAST's needs and has asked very appropriate and thoughtful questions.

II. OLD BUSINESS

2024 Triennial Review

The onsite portion of our Triennial Review took place yesterday, July 23. When staff received the final agenda packet on July 18, it had very few follow-up items in it. All additional information requested was provided by end of day on July 19. Our reviewer was very good, and was interested in educating and helping us. There were some additional items we need to follow up on with the chance that we can address the issues before our exit interview on August 1st. Our hope is that we can provide the follow-up in time to avoid deficiencies.

Fundraising Update

A stakeholder meeting will be held in Dover in September hosted by Mr. Shanahan and Ms. Joyce with COAST (Mr. Nichols) as the guest. The concept for the meeting is to serve as a "Learn & Engage" event to discuss how public transit is a common thread connecting our workforce and driving our economy, and to make sure they know that COAST is a nonprofit. The format will be a Q and A. The event is designed to have 40-50 attendees. Invitees will be key business and community leaders that we are striving to educate, develop as advocates, and encourage to engage further with us. A great comment from one of our strategy sessions was, "who do we want advocating for COAST and public transit at a hearing in Concord? That is who we want to invite and make sure attend." Of course, we are also looking for individuals that can volunteer and help guide us in our upcoming major gifts campaign. Ideally, attendees also help us identify who else in the community should be invited to similar events in the future.

By bringing in key members of the community, we hope to expand our stakeholders and community champions.

Mr. Nichols noted that the plan is to hold a similar meeting in Rochester in mid-late October and then move into other communities in late fall. The goal is to concurrently be engaged with several communities.

Ms. Joyce noted that there was a struggle with determining the hook to engage an audience. She was appreciative of Ms. Piper's help in helping us focus on the importance of how transit intersects with workforce and housing.

Public Awareness Campaign Update

Since our last board meeting, we have released a quarterly digest and one email update. The quarterly update had a 41.3% open rate. We have also been promoting these releases via our LinkedIn accounts (COAST & Rad Nichols). This has attracted a group of people that we had not previously reached.

Municipal Bus Pass Program

The Municipal Bus Pass Program is going well. So far, we have distributed the following passes:

<u>Passes Distributed</u>	
Dover	26
Portsmouth	39
Rochester	10

Dover Arts Commission Partnership

Like an offer made earlier this year to the Rochester Museum of Fine Arts, we have recently been discussing the placement of community art in unsold spaces in our bus shelters. The Commission is jumping on the opportunity and working with ATA Outdoor on specifications, etc. so that they can reach out to local artists about producing pieces related to this opportunity. This is another exciting way that COAST can engage more deeply with our communities as a partner and helps us fill blank spaces in our shelters.

Artists can work with whomever they want to create the material (within our parameters) and we work with ATA to get their work placed in our shelters. This will all be coordinated through the Arts commissions.

Mr. Lentz asked if we are tied to the shelter space or if different shelter structures could be created to further this idea.

CALL TO ORDER OF MEETING

The meeting was called to order at 8:54am

III. APPROVAL OF MINUTES

Mr. Shanahan asked for a motion to approve the June 26, 2024 minutes which was made by Mr. Bogle and seconded by Mr. Lentz. There was no discussion and Mr. Shanahan took the vote by roll call.

Mr. Bogle	Yes
Mr. Dornblut	Abstain
Mr. Fletcher	Yes

Mr. Hebert	Yes
Ms. Joyce	Yes
Mr. Lentz	Yes
Mr. Sandmann	Abstain
Mr. Scala	Yes
Mr. Shanahan	Yes

The motion passed.

IV. PUBLIC COMMENT

No public comment.

V. NEW BUSINESS

Action Items

While there are no action items at this time, a future action item may deal with the issue of customers trying to bring more than one bike on board at the same time. We currently have no policy that limits the number of bikes people can bring on board.

Mr. Scala asked why someone would have more than one bike and how many bikes our racks can hold currently? Members noted that someone may be dropping one off at the shop or bringing one for a friend. Mr. Williams noted our bike racks currently hold 3 bikes, and no larger racks are available.

Mr. Bogle asked if people can bring their bikes onto the bus. Mr. Williams noted that, in general, customers cannot bring their bikes onto the bus, however, he recognized that there are some bikes that can be folded up to be quite small and, provided a small, folded bike can be safely stowed, it would be allowed.

Mr. Hebert asked if on newer buses we can make sure there's more room for bikes on the bus? Mr. Williams indicated that all possible options for more bike storage onboard the vehicles have been exhausted with the bus manufacturers. In addition, he noted that the Front Runners do not have bike racks and adding bike racks are not an option. These vehicles are used on some routes with smaller ridership and do not require that the operator have a CDL. Mr. Williams was asked about eBikes and shared they can be put on the racks if they are under a certain weight. He noted that the tire width is often the determining factor in whether a bike will fit on a rack.

Mr. Bogle asked if we have a sense of how often someone attempts to board with a bike and the racks are already full. Mr. Williams indicated that we do not have good data on that. He noted that we try to limit the amount of data the operators have to collect so they can focus on safely driving the vehicles.

Mr. Williams shared that customers trying to board with more than one bike is an issue that operators have reported more frequently as of late, and he verified that routes with more ridership tend to be routes where there are more customers with bikes.

Mr. Nichols noted that we can have a future action item to limit the number of bikes individual riders can put on our bike racks. Mr. Williams shared that, because this is a customer facing issue, the Board would need to act.

Mr. Shanahan asked that the Board be presented, with whatever data staff has, to be considered at an upcoming board meeting.

Committee Reports

The Finance Committee met on Monday, July 22. Staff gave an update on our financial status through the first 3 quarters of the fiscal year and an update on the migration to the new accounting system.

Mr. Bogle reported that the Nominating Committee made up of Ms. Joyce, Mr. Lentz, and Mr. Bogle and after consultation with Mr. Nichols, it was determined that the current slate continue for the next year, especially given that we are in the middle of a Capital Campaign.

The Nominating Committee's recommended slate is as follows:

Chair	Dennis Shanahan
Vice-Chair	Michael Scala
Treasurer	Scott Bogle
Secretary	Margaret Joyce

Chair's Appointee to the Executive Committee	David Sandmann
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The slate will be voted on at COAST's Annual Meeting in September.

Discussion Items

Discussion Item #1: FY25 Budget Challenges & Considerations

Last December & January, when preparing the municipal funding requests to support our projected FY25 budget, we estimated an overall operating budget and updated our 5-year operating and capital projections.

The additional experience in the intervening months allows us to draft a more refined FY25 operating budget with greater confidence over the course of the remainder of the summer.

Mr. Nichols presented the challenges and considerations in the FY25 budget.

Challenges

1. Municipal/Local/State Funding Revenues – After our budget projections made last summer, we increased our financial requests of communities this year by 25%. The range of percentage increases was from -12% to 50%, depending on the inputs into the municipal funding formula. While we have been fairly successful, not all communities chose to increase their funding up to the level requested and we project being around 3.5% short (-\$75,000) of our request level set for municipalities. The majority of that shortfall comes from Somersworth who did not come up to our ask of this past year. We had hoped they would make much better progress in closing the gap with this funding request.

Partner funding increases, in accordance with contracts, demand, and costs were increased by a total of 25%.

Operating funds through the State of NH will amount to \$389,127 in FY25. This represents a 1116% increase over FY24. Operating funds through the State of Maine, to support our operations to Kittery, are expected to be \$40K in FY25.

2. FY24 FTA Allocation – While not a specific concern for FY25 due to our having carryover allocations available, the negative impact to our Federal funding as a result of the 2020 Census will be a challenge going forward. We expect to request FTA 5311 (rural) funding in the future to be able to support COAST Rte. 7 On Demand. When we begin to use our FY24 FTA 5307 allocation, those funds will no longer be eligible to be spent on that service.

Mr. Bogle asked if the amount of new rural funding the State is receiving exceeds the amount lost due to the results of the Census (which removed Durham, Exeter, and Stratham). Mr. Bogle has done an analysis and believes that the new rural funding exceeds the amount lost.

Mr. Bogle suggested we go after the full amount, or the amount we can justify needing to use, of new rural funding available to the state and attributable to our region

Mr. Butler shared that the money is earmarked, and the issue is how to get it to COAST. Mr. Nichols noted we will not need to use that funding until fall of 2025.

- 3) Projecting Demand Response Service Demand – Ridership on our demand response services continues to return faster to pre-pandemic levels than on our fixed route buses, and in nearly all areas, quite a bit faster than our previous estimates for growth. Some specifics:

DR SERVICE	Avg. % of FY19 Ridership YTD	% Gain over FY23	Projected Gain %
COAST ADA	98.4%	19.0%	15.0%
Ports. Senior Trans.	107.8%	- 4.8%	12.5%
Rt. 7 On Demand	143.9%	23.2%	10.0%
Community Rides	162.3%	20.2%	15.0%

Given the size and impact of these services on our budget, this is a large variable that can have significant financial impact.

- 4) Rising Costs of Operation – persistent inflation and supply chain issues continue to impact our ability to reduce the costs of our operation to the degree we had hoped. Through June of this year CPI growth for the Northeast region has been 3.5% for cities <2.5M in size. We had budgeted last year for 2.2% growth as a baseline.

Considerations

1. FY24 Actual Revenues – revenues that are not as closely tied to expenses are up and down. While fares are up by nearly 14%, interest and other income by 1277%, and Federal assistance by 5%, advertising is down by 42%, municipal and state contributions by 1.5% and 9%, and other local assistance by 5%. All that said, we are over budget YTD by \$94K, or 1.6%

2. FY24 Actual Expenses – overall we are under budget YTD by \$227,000, or 4.0%. As mentioned above, some DR demand has far outpaced our projections, however except for our ADA service, we are not experiencing a correlating increase in expenses that is putting those services over budget YTD.
3. Fixed-Route Service Levels – we are not projecting any service suspensions for FY25 as we have been in a good position with operators. We may need to consider service adjustments in communities not meeting large portions of our financial requests.
4. Expense Growth Rate – we had projected base expense growth rates of 2.5%, with some known exceptions for fringes, materials & supplies, and property & liability insurance. With more experience since January when that projection was made and using the latest available CPI data for the region (3.5% for the Northeast Region Cities <2.5M over the trailing 12 months in June 2024), we are working to see if we can refine these growth rates further.

Until such time as staff can begin building the budget against the FY24 actuals through June, it is unclear just what the overall impacts will be on the proposed budget for FY25. The expectation is that this will be much clearer by the August Board meeting, at which point a baseline budget, along with options will be first presented.

Schedule for Budget Adoption

- August Board Meeting (8/28) – present draft operating budget & options
- Budget Workshop Mtg. (week of 9/9?) – possible workshop to further discuss the draft operating budget
- September Board Meeting (9/25) – vote to adopt the final FY24 operating budget

Mr. Scala asked how many bus stops we have in Somersworth. Mr. Williams did not have that number but noted that Somersworth is served by Routes 1, 12 and 100 which tend to be routes with high ridership levels. Mr. Sandmann asked how changing the routes in Somersworth affects everything else. Mr. Williams noted it would be a significant problem and he does not expect service on Route 12 to be reduced because it's the primary regional route from Rochester to Portsmouth. Therefore, changes would need to occur on Route 1 which would negatively impact Berwick and Dover and would not actually reduce costs. Mr. Hebert asked how much Demand Response service is provided to Somersworth and noted that the loss of those services might apply pressure to Somersworth to increase their funding levels.

Mr. Williams noted that the best way to reduce service is to reduce frequency versus span so a vehicle would run every 2 hours versus every 1 hour, and reduction of frequency does not impact Demand Response because it maintains the same span of service. While it might be more inconvenient for customers, they would still be able to get where they need or want to go.

Mr. Scala asked where the decision to not fully fund in Somersworth came from (for example, City Council) and Mr. Nichols noted that the City Manager in Somersworth always puts level funding in the budget and then it's up to the City Council to determine what is funded. Mr. Nichols noted that Somersworth's City Council did not approve a reduction in funding. They in fact raised it by \$10,000, but that was far from the level requested this year, and still below the amount requested last year. He stressed that Somersworth had the highest increase in their request which is due to the formula we use and the fact that they have very strong ridership. Mr. Lentz asked for confirmation that Mr. Nichols has spoken directly with the City Council regarding

how a reduction in fixed route services would impact demand response services to their community. Mr. Nichols shared they know that the impact of their not funding our full request is more significant given the matching funds associated with the funding. He has not discussed any potential service reductions with the city.

Mr. Scala noted how important it is that the city's leadership understands the value of public transportation and the potential negative impacts of a reduction in transportation services on their communities.

Mr. Bogle asked if Somersworth does the local option fee. Mr. Nichols said they do, but he believes they use it for sidewalk and infrastructure improvements.

VI. Community Updates/Information Items

GATHER Relocation

GATHER has submitted a LOI on a new property at 124 Heritage Avenue in Portsmouth. They have requested that we review whether we can service a new stop on Heritage Avenue near this location. The location is off US Route 1 close to the southern end of Route 41. Also in close proximity is the relocated Portsmouth post office and the Salvation Army is also moving onto Heritage Avenue.

An option to serve this location would be to proceed from Walmart out the rear of the property back onto Constitution to Banfield and then onto Heritage before returning onto US Route 1 southbound. We would only be able to service Heritage Avenue in the southbound direction. It is likely that this would add around 3-4 minutes to the bus route, which would be the maximum extent of what we currently have for wiggle room in the schedule.

Mr. Nichols notes it would be a real stretch timing-wise to make the diversion on that route and the location of a bus stop would be challenging. He will discuss this with their Executive Director.

New Service Credit Union Workforce Housing Project

Service Credit Union has recently announced plans for a new workforce housing project on their property behind their corporate headquarters on US Route 1 in Portsmouth. As part of the project, we have been asked to consider adding a bus stop in proximity of the new development and have had some good conversations.

Lilac Family Fun Festival

COAST provided an event shuttle for the Festival on Saturday, July 13. The shuttle transported attendees from remote parking lots to the James W. Foley Memorial Community Center in Rochester where the event was hosted. A total of 64 rides were provided. Mr. Scala suggested that next year we use a smaller vehicle than this year which was likely a 30' bus.

Bus Buddy Program

Staff are working on creating a bus buddy program. The initial focus will be on partnering with senior programs within our communities. Details are still in the formative stages, but progress is being made on initiating such a program.

Community Transportation Month

Public and community transportation leaders across the state are beginning to plan for Community Transportation Month in October. Last year was our inaugural celebration and we hope to build on our program this year.

Ridership

Ridership for June was the second strong month in a row.

- Overall ridership in June totaled 32,322. This was down 0.8% from May, and up 13.9% over June 2023.
- Fixed route ridership totaled 30,424, up 0.1% from May, and up by 15.3% over June 2023. Average weekday ridership was 0.1% above what it was the previous month. By the end of June riders per revenue hour was 8.74 for the year vs.10.32 for FY19. That equates to 85% of the FY19 mark.
- Demand response ridership totaled 1,898 for the month. This represents a 13.8% decrease from May, and a 3.9% decrease over ridership in June 2023. Average weekday ridership decreased 7.1% from the previous month. By the end of June riders per revenue hour was 1.84 for the year vs.1.69 for FY19. That equates to 109% of the FY19 mark.

Mr. Scala asked about whether the Willand Warming Center will operate again this year and whether COAST will provide a shuttle again. Mr. Williams reported that he anticipates that we will continue to provide shuttle rides to the warming shelter.

VIII. Adjournment

The next Board Meeting will be on August 28, 2024. Mr. Shanahan adjourned the meeting, without objection, at 9:52am.

Respectfully submitted by Ms. Joyce, Secretary