



**Cooperative Alliance for Seacoast Transportation
DRAFT Minutes of the Meeting of the Board of Directors
Wednesday, August 28, 2024**

PRESENT: Scott Bogle, Fred Butler (virtual), Arthur Capello, Sönke Dornblut (virtual) Ben Fletcher (virtual), Denis Hebert, Margaret Joyce, Colin Lentz, Joann Neumann (virtual), Crystal Paradis-Catanzaro (virtual, arr. 8:38), Dave Sandmann, Michael Scala, and Dennis Shanahan

ABSENT: Kendra Amaral, Michael Mates, Nick Taylor, David Tovey

STAFF: Rad Nichols, Michael Williams, Margot Doering (virtual), Heather Hesse-Stromberg (virtual)

I. CALL TO ORDER

The meeting was called to order at 8:37am with a quorum present.

II. APPROVAL OF MINUTES

Mr. Sandmann made a motion to approve the minutes of the July 24, 2024, meeting which was seconded by Mr. Bogle. There was no discussion. Mr. Shanahan took the vote by roll call:

Mr. Bogle	Yes
Mr. Dornblut	Yes
Mr. Fletcher	Yes
Mr. Hebert	Yes
Ms. Joyce	Yes
Mr. Lentz	Yes
Ms. Neumann	Yes
Ms. Paradis-Catanzaro	Yes
Mr. Sandmann	Yes
Mr. Scala	Yes
Mr. Shanahan	Yes

The motion passed unanimously.

III. PUBLIC COMMENT

Mr. Nichols reported that on Monday morning (August 26) he received notification from NH DOT awarding COAST \$560,000 for 5 years of support for commuteSMART Seacoast. There had been some back and forth between FTA, FHWA, and DOT but, after submitting a revised proposal, this was approved as a CMAQ project. We hope to move forward on this project sooner than later once we ensure we have pre-award authority.

IV. FINANCIALS

Ms. Doering reported there is an increase in fringe benefits for July due to staff vacations. Other expenses remained pretty much the same. In July fares were down a bit and there's a declining trend in the amount of federal support COAST is receiving, though not unexpected. This is due

to COAST using up CMAQ funds and the last of the large amounts of ARPA funding being drawn down for July expenses. Ms. Doering noted that many expenses that were being reimbursed at 100% will now drop down to 50%. This means we will see a significant drop in Federal reimbursement and we will start using more local funds.

Mr. Butler shared that, at the federal level, NHDOT is on record that Operating expenses should be treated at 80% across the board. He noted that the 50% reimbursement is a burden for many.

Ms. Doering reported that everything is going very well with the transition to Multiview, and they are still on track for a November 1st start date.

Mr. Nichols shared that he recently had a conversation with ATA who confirmed that they are experiencing issues with collections from their advertisers which now seem to be bogged down because of multiple middlemen in the process. ATA's delay in receiving payment impacts our receipt of advertising funds. We are not as far behind in sales and advertising on the buses and shelters as it appears, we are just waiting for the funds to make it through the layers as it makes its way to us.

II. OLD BUSINESS

2024 Triennial Review

Mr. Nichols shared that we had our Triennial Review On-Site visit the day before our last Board meeting. The process involves the review of 23 areas by an FTA consultant to ensure that we are spending federal funds correctly and in line with our grants. In the past, these visits would include a 2-3 day site visit with little time to make corrections to any potential deficiencies. Now they have moved toward a longer period for reviewers to examine materials before the On-Site visit. In addition, they now provide a week between the On-Site visit and an Exit Interview so there's more time to make corrections to avoid deficiencies. He noted that we had a very positive experience with a reviewer that was very willing to share his knowledge and experience to help us address anything that was brought up. There were a few items that needed to be addressed before the Exit Interview but ultimately COAST ended up with no deficiencies for the third Triennial in a row, which takes a lot of work to accomplish. Mr. Nichols thanked the entire team for their hard work to make that happen.

Mr. Shanahan noted that a clean review is helpful to COAST as it builds new relationships and seeks to engage stakeholders.

Fundraising Update

Learn and Engage Events

The first "Learn & Engage" event is scheduled for September 10th. Mr. Shanahan and Ms. Joyce will host the event and Mr. Nichols will be the guest. There was a first planning meeting for a similar event in Rochester on October 29th hosted by Laura Ring from the Rochester Chamber and Mayor Callahan.

Internal Giving Campaign/Focus

Mr. Nichols shared that, at the recommendation of our consultants, we will be focusing our internal giving campaign on our expanded Free Ticket program. He has created a flyer for that campaign.

Facility Project

Mr. Nichols shared that we are working on the scope of final design with CMA and coming up with the scope for a Project Manager which Mr. Williams has been taking the lead on. Mr. Nichols noted that he and Mr. Williams had a good conversation with a former coworker of Mr. Williams' in North Carolina who was actively involved in building 3 different facilities and gave some good insight and raised some good questions. The coworker was helpful in determining what can be handled internally and what would require a consultant. The timing of this is also being considered.

Community Transportation Month and Car Free Week

October is Community Transportation Month and includes Car Free Week. NHTA is hoping to put together a schedule of events across the state which will be shared on the NHTA website. COAST will be working on several events and a social media blitz.

Exeter Hospital Community Grant Funding Award

COAST was awarded \$90,000 from Exeter Hospital to support a one-year pilot project to expand service on Route 7 On Demand between Exeter and Newmarket, matching funds for the replacement of four of our minibuses and to upgrade TripLink's Common Application and website to meet the upcoming new website accessibility standards. This will be for a 13-month period (September 1, 2024 – September 30, 2025). The expanded service on Route 7 On Demand will begin the week of September 30th. Mr. Nichols noted that if this pilot program is a success, we hope to secure some level of ongoing funding from the hospital's community grant program.

We're On The Route (WOTR)

This is COAST's program that helps promote the proximity of businesses to the bus system for both customers and employees of area businesses. Mr. Nichols noted that Vanessa Polychronis has been engaging businesses and we've seen a nice surge in businesses signing up to participate. We will be working in Rochester, Somersworth and Portsmouth next.

Speaking Opportunities

Mr. Nichols asked for people to let him know about any opportunities for COAST to present a general overview of COAST with some targeted information depending on the community we're presenting in. These would be 20-30 minutes long and the presentation is available if any Board members would like to be part of these presentations. The hope is to get in front of the business community, clubs, and fraternal organizations to help spread the good word about COAST.

Mr. Bogle asked if Mr. Nichols has talked to the Active Retirement Association which is Durham-based but has members all over the region. He noted that they are always looking for good presentations and that might be a good opportunity to present with Wildcat. Mr. Nichols noted they have not, but they are looking to get into Riverwoods in Exeter. Mr. Sandmann suggested we contact Bagdad Woods. Mr. Nichols noted that he will look further into both of those suggestions.

V. NEW BUSINESS

Action Items

Action Item #1: Acceptance of new Berwick Appointee, Arthur Capello

Mr. Capello, now the Town Manager in Berwick, has recently been appointed by the Town to serve as their representative to the COAST board of directors. Mr. Capello had previously and actively served on the COAST board during his time as Town Administrator in Farmington.

Action Requested: *The COAST board of directors accept Mr. Capello's appointment to the board of directors.*

Mr. Sandmann made the motion to accept Mr. Capello's appointment to the COAST board of directors and this was seconded by Mr. Scala. Mr. Sandmann noted that it will be great to have Mr. Capello back on the board.

Mr. Bogle	Yes
Mr. Dornblut	Yes
Mr. Fletcher	Yes
Mr. Hebert	Yes
Ms. Joyce	Yes
Mr. Lentz	Yes
Ms. Neumann	Yes
Ms. Paradis-Catanzaro	<i>no vote registered</i>
Mr. Sandmann	Yes
Mr. Scala	Yes
Mr. Shanahan	Yes

The board unanimously voted in favor of Mr. Capello's appointment to the board.

Action Item #2: Revised Title VI Program (2023-2026)

Ms. Hesse-Stromberg shared that during our Triennial Review it was recommended that the following revisions be incorporated into our current Title VI program.

Further specify the elements of our Language Assistance Plan including:

- a summary of the results of COAST's Four-Factor Analysis determining the number of Limited English Proficiency (LEP) individuals in our service area;
- the race-neutral measures COAST makes available to assist LEP individuals;
- how COAST provides notice to LEP individuals;
- how staff is trained to assist LEP individuals, and
- how COAST monitors and updates its Language Assistance Plan.

The revised Title VI Program was subsequently supplied to the reviewer who was satisfied that the revisions made met his recommendations, and no deficiencies in COAST's Title VI plan were identified. The revised Title VI Program was also distributed to board members with the Board packet.

Action Requested: *The COAST board of directors approve the revised Title VI Program as discussed.*

Mr. Shanahan asked for clarification on whether this required any additional work on the part of staff or if this was a reformatting of the items already in process. Ms. Hesse-Stromberg noted it was a reformatting to put all the information in one place in the format suggested by FTA guidance.

Mr. Lentz made a motion to accept the revision to the Title VI Program which was seconded by Mr. Sandmann. The vote was taken by roll call:

Mr. Bogle	Yes
Mr. Dornblut	Yes
Mr. Fletcher	Yes
Mr. Hebert	Yes
Ms. Joyce	Yes
Mr. Lentz	Yes
Ms. Neumann	Yes
Ms. Paradis-Catanzaro	Yes
Mr. Sandmann	Yes
Mr. Scala	Yes
Mr. Shanahan	Yes

The revisions to the Title VI Program were approved unanimously.

Action Item #3: SFY24-25 State Capital Match Agreement

COAST must enter into an agreement with the NHDOT for \$236,385 of state capital match funds being awarded to COAST to replace several vehicles and acquire new bus shelters.

The state capital matching funds are being awarded in accordance with the capital spending plan submitted to the NHDOT in the winter of 2023, which outlined specific capital projects we were requesting financial support for.

Projects	State Capital Match Funds
1-LD Low Floor Cutaway Bus – Replacement	\$7,132
4-HD Low Floor 35’ Bus - Replacements	\$167,036
6-LD Cutaway Bus- Replacements	\$57,437
4-Bus Shelters – Replacements	\$4,780
Total 2025 Capital Match Funds	\$236,385

Action Requested: *The COAST Board of Directors adopt the Corporate Resolution included in the board packet to enable the Executive Director to enter a grant agreement for said funds with the NHDOT.*

Mr. Bogle made the motion which was seconded by Mr. Sandmann.

Ms. Joyce asked whether there was a timeframe for the Governor and Council meeting to approve the resolution. Mr. Butler noted that he believed the goal was to put this before the Governor and Council at the late October meeting.

The roll call vote was as follows:

Mr. Bogle	Yes
Mr. Dornblut	Yes
Mr. Fletcher	Yes
Mr. Hebert	Yes

Ms. Joyce	Yes
Mr. Lentz	Yes
Ms. Neumann	Yes
Ms. Paradis-Catanzaro	Yes
Mr. Sandmann	Yes
Mr. Scala	Yes
Mr. Shanahan	Yes

The corporate resolution was approved unanimously.

Discussion Items

Discussion Item #1: FY25 Draft Operating Budget

Mr. Nichols presented a PowerPoint of the Draft Operating Budget for FY25 sent out to the board prior to the meeting. As a reminder, COAST's fiscal year runs from October 1 through September 30.

Overall Goals for FY25 Budget

- Maintain all currently operated fixed route service levels
- Meet increasing demand for our ADA services within the region (approx. +15% in FY24)
- Maintain competitive, or even attractive, pay rates for our most challenging positions to fill (CDL & non-CDL Operators). Staffing fluctuates dramatically based on people leaving COAST (often to leave the area) and staff dealing with medical issues leaving them unable to work.

Summary

- Most FY25 projections are based on FY24 actuals through July, annualized, and with service level and other anticipated adjustments then accounted for.
- The total FY25 draft operating budget is \$8,260,456. This compares to the FY24 approved budget of \$7,601,277 and represents an overall budget increase of \$659,179 (+8.7%).
- As budgeted, there is a projected loss of \$356,864 in FY25.
- Inflation was adjusted up to 3.0% as a baseline, up from the 2.2% we projected last winter, and which is still 0.5% under the CPI-U for the preceding 12 months in New England through July 2024. Inflation accounts for 34% of the projected increase in our operating costs in FY25.
- Ridership is projected to grow by 5.8% (+20.8K) over our FY24 year-end projections.
- Added costs associated with operating our full fixed route schedule this year (vs. last year when we still had some suspended services through January) total just under \$120K (or 13% of projected budget growth). Growing demand for our demand response services is associated with just over \$177K of increased operating costs of those services (or 19% of projected budget growth).

Comparisons between FY24 and FY25:

- FY25 service hours are up 6.7% in total over FY24 budgeted and projected. FY25 Demand response service hours are projected to be up 12% and Fixed Route service hours are projected to be up 3.7% over FY24 year-end projections.

- FY25 expenses are projected to be 8.7% over FY24 budgeted and 12.9% over FY24 projected. We are running under budget so far this year in terms of expenses. The largest areas of increase in the proposed FY25 budget include the cost of adjusting for inflation and additional Demand Response services.

FY25 Adjustments

- Just under \$24,000 associated with the new accounting software and added functionality under our Passio agreement finally going live.
- Just under \$2,000 associated with switching our 2-way radio system to being cellular based (late in the budget year).
- \$50,000 for two anticipated additional engine rebuilds over our current experience this year. The assumption is that one of the rebuilds will be handled on-site and the other offsite.
- A reduction of administrative wages by \$40,000 as wages associated with fundraising activities are moved to the non-FTA line contained within the Miscellaneous expense line of the budget.
- In total, these adjustments make up 5% of projected budget growth.
- The reinvigoration of the commuteSMART TMA, which is 80% funded by Federal CMAQ funds and a blend of COAST and partner matching funds will add \$126K to the budget (or 13% of the projected budget growth). COAST is putting in local match because the TMA helps promote and support our services.
- Coordination will add just over \$88.5K to the budget (or 9% of the projected budget growth).
- Non-FTA related activities, primarily associated with our fundraising activities which can't be funded by FTA, include the IPE agreement, staff time, communications support, design and production services, as well as other associated costs, will add \$67,000 to the budget over last year's projected experience (or 7% of the projected budget growth).

Service Level Assumptions for FY25

- Fixed Route: We are projecting an overall increase of 3.7% in service hours and an increase of 2.1% in service miles over our FY24 projections.
- Demand Response: We are projecting an overall increase of 5.5% in ridership which translates into a projected 12.7% increase in service hours and a 12.3% increase in service miles.

Ridership Assumptions for FY25

- We are projecting varying levels of ridership growth by route or service based on FY24 experience. We are projecting a 5.5% increase in ridership on the Fixed Route side and a 10.7% increase on the Demand Response side. This results in a 5.8% increase in overall ridership (20.8K riders) over what we're projecting for the end of FY24.
- Fixed route ridership growth is driven by the economy (cost of housing, how far from home they work) and it is a natural progression for ridership to build back up slowly after a suspension or reduction in service.

Wage Considerations

- We are projecting a base wage increase of 4% for Operations and Maintenance employees for 9 months of the FY (starting in Jan of 2025). This would bring our entry level CDL Operator starting wage from \$25.95/hour to \$27.00/hour and our top tier CDL Operator wage from \$28.05/hour to \$29.15/hour. Our Non-CDL Operator starting wage

would increase from \$21.20/hour to \$22.05/hour and the top tier Non-CDL Operator wage would increase from \$23.55/hour to \$24.50/hour. These are the wages that we are most concerned about remaining competitive as they are our most difficult positions to fill. We are glad to get over \$27.00 for CDL starting wage, and \$22 for Non-CDL starting wage. A shift differential is still available for Operators working second shift schedules.

- Coordination and Administration employees are projected to receive a 3.5% increase.

FY Revenues

- We are projecting a 17% increase in fare and contract revenues.
- We reduced the revenue line by \$55,000 based on our collections experience over FY24.
- Interest and Other Income revenue is projected to grow by \$17K over the FY24 budget because of higher interest earning projections. This does not include revenue from vehicle sales.
- Municipal Revenues are projected to be down at least \$73K as two communities have not met our request for FY25 so far which is causing our projected deficit to grow. We asked for an overall increase from municipalities and partners of 25% that varied depending on the community and our municipal funding formula.
- The State of NH is contributing \$389K in FY25 year through the NH DOT versus the \$32K we received in FY24x.
- Federal funding continues to be a mix of 5307, small urban, and CMAQ funds.

Group Discussion Regarding Fares

Mr. Hebert asked why we haven't increased fares. The last fare increase was from \$1.00 to \$1.50 in the mid-2010s. Mr. Nichols shared that when we have done these analyses using the recommended methodology, it shows that if we raise our fares, we'll bring in less revenue. Mr. Nichols gave an example of when we last implemented a surcharge in Somersworth of \$.25 and we lost around \$5,000 in revenue due to lost ridership. Mr. Capello asked if there is a newer methodology we could use, and Mr. Nichols shared that he was not aware of any newer methodology. Mr. Scala noted that the revenue from fares is minimal compared to our overall budget and to saddle our customers, the people who need the service and, in some cases, are the least able to afford it, is not worth it to increase our fare revenue minimally. He suggested we find ways to increase our revenues in other ways.

Mr. Capello raised concerns about starting the fiscal year in a deficit.

Mr. Scala noted that we need to continue our lobbying efforts at the State level to increase their support, which could greatly help balance our budget. Mr. Shanahan shared that there's value in being able to say we recognize the needs of the people we're serving and noting that we want to provide them with more service, but we want to do that without negatively impacting their lives, which is why we're turning to other sources and have created a capital campaign. Mr. Shanahan suggested that on November 6th we contact the newly elected representatives and senators to educate them and start to express our need. We also need the businesses supported by the ridership to chip in and help us out. These are messages we'll be providing at the September 10th and October 29th meetings in Dover and Rochester.

Mr. Shanahan noted that we know we can't run COAST with a deficit, and we know that the deficit is projected to grow over the next couple of years. He stressed that we can't continue to increase the municipal requests as we've done as those may be maxed out, federal funding is not a guarantee, but that there is a lot going on in the next six months that may give us a lot of

direction in how we move forward. For example, if the fundraising campaign works out well and we get the facility up and running we'll see some cost savings that could be transferred over to increase growth of the service and ridership.

Mr. Hebert noted that he is not suggesting we do another 50% increase to fares, but suggested we do a small increase (\$.10 or \$.25). Mr. Nichols offered to do another analysis of the impact of a fare increase. Mr. Nichols also noted that to get more people to ride the bus we would need to offer service every half hour versus every hour as we do now and to increase service frequency increases costs. Mr. Sandmann reminded that when we added the surcharge in Somersworth it took almost a year for ridership to return to its previous level, so it was a loss rather than a gain. While we see gains after a while, the net loss was significant.

Ms. Doering stressed that an increase in fare revenues gets netted against the reimbursement you get from the federal government, so you don't really end up with more funding, and instead you have fewer riders which doesn't help support your system overall. The donations we receive during our fundraising efforts will not get netted against the reimbursement, they are matches. Therefore, things like donations are much more effective in increasing our sources of income versus raising our fares.

Mr. Shanahan suggested that we do the analysis and have the board consider this again next year. He noted that we are still looking at needing a Plan A, Plan B, and Plan C fork in the road coming up. Depending on how things go with fundraising and state funding, we may need to decrease service which, if combined with a fare increase, could start the spiral we've been worried about.

FY25 Expenses

- Wages based on actual FY24 actuals, additional hours of service in FY25, projected pay increases will lead to an increase of \$190K to this line item.
- Fringes are projected at an increase of 7.5% though it is based on usage which has been up. Currently it is projected to be an increase of \$65K. The CY25 rates won't be available until late October.
- Contract Services are down and are projected to decrease by \$70K.
- Materials and Supplies includes additional engine work over FY24 experience and is likely to be an increase of \$169K.
- Utilities are projected to decrease by \$28K.
- Insurance costs, based on preliminary discussions with our broker, are projected to increase by 5% over FY24 (\$48K) which includes the increase due to our fleet of two vehicles.
- Miscellaneous costs are anticipated to increase by \$116K as fundraising associated costs are non-FTA funded activities.
- Planning/Marketing costs are anticipated to decrease by \$4K.
- TMA Funding based on the restart of the TMA will increase by \$121K.
- ACT/Coordination costs have been set by the approved ACT budget and include an increase of \$29K.

Mr. Capello asked about the return on our fundraising investment. Mr. Nichols noted that we have been doing the preparation work and are now starting to take our fundraising efforts into the communities. Once we're out in the community we anticipate seeing a return on that investment.

Mr. Scala asked what our breakeven is for fundraising activities. Mr. Nichols reported that by the end of CY25 we expect to have invested \$150K and he has no concerns that we won't break even on that. Mr. Capello asked what the projected total of fundraising will be for the campaign and Mr. Nichols shared that the consultants believe COAST can reach \$7M (\$4M for the building, \$2M for an endowment, and \$1M for operating costs).

Service Options

The hope is to talk about these at the city level, but the City of Somersworth is significantly underfunding our request, by 40%, and we may have to make some changes to service we provide in Somersworth as a result. Options include eliminating some trips on Route 1, one of our most popular routes, and making service every other hour for part of the day. This would result in projected savings of \$109K. Such a change would impact Dover and Berwick as well. Another option would be to service only High Street in Somersworth, but this would not result in any actual cost savings. We could also reduce the daily span of service, but the savings would vary depending on the service span.

Mr. Scala noted that Somersworth is going to need to hear from their constituents to put a face on this. Mr. Nichols will continue to seek a meeting with Somersworth to discuss the options. Ms. Paradis-Catanzaro shared that she has had some preliminary conversations with the City Manager about how COAST is budgeted. Currently, COAST is budgeted as part of the nonprofits versus the public infrastructure budget. Ms. Paradis-Catanzaro noted that she would like to bring a request for a supplemental appropriation to the council outlining the options for reduction in service for them to consider the impact of their lack of funding. She believes Somersworth could get closer to our request through a supplemental appropriation.

Mr. Scala shared that Rochester handles COAST's requests along with other nonprofits. Mr. Capello shared that that's the same for Berwick. Mr. Hebert noted that Newington handles it the same way and the pushback he often gets is that COAST's request is more than twice the other nonprofits' requests combined. Mr. Scala shared that the "sell" to Rochester is the benefit of COAST getting people to the businesses in the city. Several members shared how frustrating it is to have to argue for the funding of COAST year after year.

Mr. Nichols closed the discussion by noting a vote to adopt the final FY25 operating budget is expected to be taken at the September Board Meeting.

Discussion Item #2: Internal Giving Campaign & Focus

Mr. Nichols will move this item to the next meeting. Mr. Hebert expressed concern about the expectation that board members will contribute to the campaign. Ms. Joyce noted that contributions can be minimal (\$5) but there's great benefit to being able to say on grant applications that 100% of the Board contributes.

Committee Reports

There were no Committee meetings to report on.

VI. Community Updates/Information Items

NH Coronavirus State Fiscal Recovery Funds (CSFRF)

Mr. Nichols has submitted a request for up to \$4,000,000 of unobligated funds in support of our new facility. It is possible that these funds may be used as a match to our FTA grants. This could be a real game changer for us should we be successful. Advocacy within influential

political circles in the state could be critically important and we need community support and action to help advocate for our project. The timeline is short so people would need to contact current representatives.

Ridership

Overall ridership in July totaled 33,310. This was up 3.1% from June, and up 23.9% over June 2023.

Additional Discussion

Mr. Hebert shared that our requests are going up so high that towns are going to drop out. Stratham and Greenland were good examples and he's afraid other towns are going to follow. He stressed that he wants COAST to survive and thrive.

Mr. Scala shared that the key is contributions from the state and that the community contributions should be secondary versus the main contributor.

VIII. Adjournment

The next Board Meeting will be the Annual Meeting on September 25, 2024. Mr. Shanahan adjourned the meeting, without objection, at 10:24 am.

Respectfully submitted by Ms. Joyce, Secretary