



**Cooperative Alliance for Seacoast Transportation
Minutes of the Board of Directors
Wednesday, February 27, 2016**

Present: Donna Benton, Scott Bogle, Cynthia Copeland, Jen Decker, Kenn Ortmann, Marty Pepin, John Stoll, Maria Stowell, Juliet Walker (arr. 8:41)

I. Call to Order

The meeting was called to order at 8:34 am. All in attendance introduced themselves.

II. Approval of Minutes

Mr. Ortmann suggested an Amendment to the minutes. Mr. Ortmann stated that Ms. Howard did her best to represent the minutes in regards to how we request funds from our communities, however he felt that this was an important issue that needed further clarification in the drafted minutes. Mr. Ortmann requested the board to make a motion to adopt the minutes as presented and Mr. Ortmann will suggest an amendment. Mr. Pepin made the motion and Ms. Copeland seconded. Mr. Ortmann presented his suggested language as an amendment, which both Mr. Pepin and Ms. Copeland accepted. All voted in favor of the amended language and the amended motion.

III. Public Comment

Mr. Ortmann requested if the board members or staff had any public comment. Mr. Nichols responded he had none. Ms. Copeland wanted to know who was responsible for the bus shelter upkeep. Mr. Nichols responded that it is a community issue. However, if it is particularly bad, an operator will typically call in to our dispatchers, and someone will be sent out to clean

IV. Financial Report - December 2015 Income Statement & Balance Sheet

Mr. Nichols presented the December 2015 financials. He highlighted some key points. Fares are continuing to do very well. We are 9.9% ahead of where we were in December of last year. Advertising revenues in December were fantastic.

Mr. Nichols reported on the expense side, the fringe benefits line is still slightly higher due to the sale of PTO in November. Low fuel prices have been very advantageous for COAST. COAST has seen diesel prices range from \$1.20-\$1.30 per gallon. We do not pay Federal or State Tax on fuel, which is why that price is so low.

Mr. Nichols reported that on the balance sheet, COAST's available funds grew by about 2.9% from November to December. This brought us back up to close to \$978,000 in available funds.

Mr. Ortmann inquired about questions. Mr. Ortmann wanted to know if the advertising revenue was strong compared to what it should be or strong to what it has been. Mr. Nichols responded that it has been strong compared to what it should be. Mr. Nichols recently spoke with the owner of the ATA, Ms. Jane Cutter, and she confirmed that it was as great month and they have had some recent sales that have helped increase advertising revenue.

Ms. Copeland made a motion to accept the Financial Report as presented which was seconded by Mr. Bogle. All voted in favor.

V. Old Business

Route 1 Ridership Performance

Mr. Nichols explained that since implementing the additional \$0.50 fee on passengers boarding in Somersworth due to the City's underfunding of COAST, weekday ridership on Route 1 has experienced a notable drop. While initially around a 17% decline when compared with the previous six month average, weekday ridership appears to be averaging an approximate reduction of 13.5%. Average Saturday ridership since August 1 started down, but has recovered, with some fluctuation, more quickly than ridership on weekdays (-6.4%). This is evidence of the importance of Saturday service to residents of the City of Somersworth.

Comprehensive Strategic Planning & Management Systems Consulting Services

Mr. Nichols informed the board that we received a single proposal for the work. Mr. Nichols will be reaching out to other firms today to follow up with bidders who did not submit a proposal.

Ms. Walker wanted to know if we should go back out to bid. Mr. Nichols reported that one of the firms was simply too busy to take on the work. We sent requested to 4-5 other firms. We did not hear back from the bulk of them yet on why they had not bid.

Community Appreciation Week

Mr. Nichols described how he would like to hold such a week in April/May in one COAST community. Opportunities include:

- Hold a community Open House (with We're On the Route partners?)
- Featured on a Selectboard/Council meeting agenda?
- Create a government channel segment for use in community
- Rider appreciation handouts at events
- Coffee/Lunch & Learn with COAST (We're On the Route partner?)
- Press feature of COAST in that community.

Mr. Nichols mentioned he was looking for members of the board to volunteer to have their community be the first. Ms. Walker wanted to know if it was just one community with multiple events. Mr. Nichols confirmed yes.

Mr. Ortmann inquired if Mr. Nichols has thought to reach out the Editor of the magazine, Business NH. He lives in the Rochester area and is very involved in the community. He might be interested in speaking to us. Mr. Ortmann also inquired that if we do focus on one community, is there a way we for multiple businesses be featured. Mr. Nichols responded that

he wants to be as inclusive as possible. Mr. Ortmann asked if COAST was a member of the Dover, Rochester or Somersworth's Chamber of Commerce. Mr. Nichols stated that we are a part of all the Chambers in our service area. Mr. Ortmann stated that there might be great marketing/promotional opportunities if some of our board members were to attend a Business After Hours event. Ms. Walker informed the board that she was a recent Portsmouth Chamber event and she made two presentations for We're On the Route and commuteSmart. She said she will get a list of attendees that we could do some follow up with.

Municipal Funding Formula

Mr. Nichols stated that he is still looking for a good, block level, source of data or another alternative way of calculating estimated or real changes to population and employment.

Mr. Nichols would like to form a subcommittee to stay on top on this and keep it a priority. Mr. Ortmann is looking for thoughts or comments. Ms. Copeland suggested that Mr. Nichols contact Matt Sullivan at the Strafford County Regional Planning office. He might be able to offer some helpful and valuable information.

Ms. Walker volunteered to be on the subcommittee. Mr. Ortmann suggested that the subcommittee be open to not just board members but also to reach out specifically to people, such as the Mayor of Somersworth and or City Manager. Mr. Ortmann inquired if any other board members were interested in joining, Mr. Bogle and Mr. Stoll both volunteered. Mr. Nichols would also like to invite Farmington to this committee. Mr. Ortmann agreed but also cautioned that the subcommittee should not be too large.

Mr. Bogle inquired if COAST had the ability to pay for data? Mr. Nichols responded by saying yes. Mr. Nichols stated we might be able to partner with the Planning Commission and leverage it that way.

VI. New Business

Action Items

Action Item #1: Clipper Connection Routes- Fare Increase Proposal

Three and a half years into introducing the Clipper Connection bus routes, we covered approximately 60% of costs through the fare box this past fiscal year. The initial goal for these services remains to cover as close to 100% of the costs through the farebox as possible, particularly after all CMAQ funds have been expended.

Fare on the Clipper Connection Routes were last raised in June 2014. They were raised from \$3.00 to \$3.25 (cash fares) and \$120 to \$130 (monthly pass). At the time, we had not yet extended service onto the Shipyard, were not operating coach buses on the routes and were not operating under the understanding that ADA services had to be offered complementarily to these commuter express routes.

We introduced coach buses to two of the Clipper Routes in January 2015. The response to these buses has been fantastic as riders have really appreciated the upgrade. These buses are not part of our regular fleet and did cause us to incur additional capital expenses to incorporate.

To have the entire Clipper fleet consist of coach buses will require at least two more coach buses to be procured (possibly three).

In the spring/summer of 2015 it came to our attention that while commuter express services with limited stops; the Clipper Routes did not qualify for the commuter express exemption from having to have complementary ADA paratransit service. This has significantly increased the cost of providing these services using the formula COAST uses to allocate associated ADA expenses.

Given these three notable changes to the operation since June 2014, COAST should pursue the consideration of increasing Clipper Connection fares up to a potential maximum of \$6.50 (cash fare) or \$255 (monthly pass). Additional mid-point options are also included.

Currently the maximum reimbursable commuter benefit allowed by the IRS is \$255/mo. The USDOT Transportation Incentive Program, which oversees the Navy's reimbursement program in place at the Shipyard, also has raised their reimbursement rates to \$255/mo.

The last time we increased the fares on these routes (June 2014) we experienced approximately 16% of riders drop out of the program. At the time, we were also recovering from a number of service issues with our fleet through the previous winter. We essentially recovered, back to previous average monthly pass sales, by October 2014.

Mr. Nichols went over the following chart.

Fare Increase Analysis for Clipper Connection Routes (Feb-2016)				
	Current	Option 1	Option 2	Option 3
\$ Fare to Board	\$ 3.25	\$ 5.00	\$ 6.00	\$ 6.50
Monthly Pass Rate	\$ 130.00	\$ 190.00	\$ 225.00	\$ 255.00
Impact on Monthly Cash Fares Collected	-	\$ (136.50)	\$ (136.50)	\$ (136.50)
Impact on Monthly Pass Fares Collected	Past 9 Mos.	Impact 1 *	Impact 2 *	Impact 3 *
Avg. # Monthly Pass Holders	155	131	124	124
Monthly Pass Revs.	\$ 20,111	\$ 24,984.05	\$ 27,846.00	\$ 31,558.80
	FY14	FY15	FY16 YTD **	
Avg. Expenses/Mo.	\$ 27,004.42	\$ 28,856.58	\$ 42,307.11	
Avg. Revenues/Mo.	\$ 16,729.00	\$ 17,359.33	\$ 21,710.00	
Monthly Net Gain/Loss after Fares		\$ (17,186.56)	\$ (14,324.61)	\$ (10,611.81)
<i>Farebox Recovery Ratio</i>		58.7%	65.5%	74.3%
* Impact 1 = (15%), Impact 2 = (20%), Impact 3 = (20%)				
** includes new ADA service related charges not previously applied to Clipper Routes.				

Action Required: *That the board of Director approve a public comment period for the potential raising of fares on the Clipper Connection routes, up to a maximum of \$6.50 (cash fare) and \$255 (monthly pass).*

Mr. Nichols stated that he would like to have a discussion with the Shipyard regarding this proposal and how we can proceed. They are our partner. Mr. Nichols can see us potentially going to the maximum of \$255. We will have to go to an all coach fleet within a certain timeframe. The riders will know that the extra revenue will be used to improve services.

Mr. Ortmann will entertain a motion and then move to discussion. Ms. Copeland made a motion and Ms. Walker seconded.

Mr. Bogle wanted to know how the Shipyard workers purchased their passes. Do they make an out of pocket purchase and seek repayment or do they go to the Shipyard and express that they want to purchase a pass? Mr. Nichols explained that if they are in a van pool, they must make an out of pocket expense and seek reimbursement. With COAST, they receive a pre-loaded debit card with the monthly pass value. They then make an online purchase with us and we send out their monthly pass. There is no impact financially to them.

Mr. Bogle wanted to know that if the assumptions would remain the same or be significantly larger with this higher increase? Mr. Nichols replied that there is varying sensitivity to the rate charged.

Ms. Copeland wanted confirmation that there is no cash flow issues for the riders. Mr. Nichols confirmed. She inquired about their knowledge of funds. Do they know where the TIP funds come from. Mr. Nichols stated that it is hard to know exactly. Ms. Copeland suggested that COAST try to negotiate with the new Commander to try to have some other enhancements to services, i.e., early bus release from the yard.

Mr. Ortmann wanted to know that with the last fare increase, was the process explained to the riders and did it remain the same? Mr. Nichols informed him that the process remained the same and there was a staff member on board who explained the increase. Mr. Ortmann also inquired as to whether or not the buses were full. Mr. Nichols explained that the Dover run averages approximately 50% capacity but the other two routes are at or very near capacity.

Mr. Bogle wanted to know if non-Shipyard workers rode the bus. Mr. Nichols responded with yes. Mr. Bogle also inquired as to whether or not the Clipper Connection pass was good on the other bus routes and whether anyone used them on those routes? Mr. Deguzis responded that it was minimal.

Mr. Ortmann called for a vote. All voted in favor.

Action Item #2: Route 20 Service Elimination

As discussed last month, Route 20, traveling express between Rochester and the Pease International Tradeport is significantly underperforming.

Average monthly ridership for CY 15 was 38. This equates to an average of 1.5 passengers per revenue hour of service.

Eliminating the service will save approximately \$70,000 in variable costs associated with providing this service.

Action Required: *That the Board of Directors authorize the Executive Director to begin the process of soliciting public comments on the elimination of the current iteration of Route 20 in the near-term (by April), with the hope that new partners will be secured and the route can be re-established in the near future.*

Ms. Walker made a motion to accept. Mr. Pepin seconded.

Mr. Ortmann asked if this requires a hearing. Mr. Nichols replied stating that it requires us to offer the opportunity to hold a hearing should it be requested. Mr. Ortmann wanted to know if we will notify the riders. Mr. Nichols stated that the notice would be posed onboard the buses and the drivers would speak directly with the riders.

Ms. Copeland wanted to know if this service was covered by the Clipper Connection. Mr. Nichols responded with no. She then asked if there are other routes that go to Pease. Mr. Nichols stated that there are other direct commuter options via bus. He followed by stating there are local, less direct options, which take a little longer and do require a transfer.

Mr. Ortmann asked for a vote. All voted in favor.

VII. Information Items

Discussion Item #1: We're On the Route Campaign

Ms. Rugg had a short presentation for the Board of Directors including a handout. She explained how We're On the Route is a cross marketing campaign focusing on locally owned businesses/companies with websites. There are two levels:

1. First level is free. Free PR.
2. The second level, the business offers a discount to our riders who have either a monthly pass or a 15 Ride Punch Ticket.

Ms. Rugg has been going around to all the local businesses that are on our current routes in Rochester, Dover, Portsmouth, Newmarket, Somersworth, Newington and Exeter, to name a few. She has seen a great response. Has had a great ripple effect. People are now wanting bus schedules and more information about COAST. Great general PR.

Ms. Decker wanted to know if Ms. Rugg had gone to Flight Coffee Company (Former Café on the Corner). She mentioned that they are all about local community. They would be a great place to visit.

Ms. Walker wanted to know if you need to actually see the bus go by from the business. Mr. Nichols and Ms. Rugg both agreed that the bus does not need to be visible. It is up to the business owner to decide to be a part of the campaign.

Mr. Ortmann wanted to know why he did not see any locally owned franchises, for instance, Dunkin Donuts. Ms. Rugg stated that they do not have a local website. He also wanted to know if this was an on-going project. Mr. Nichols responded with yes.

Mr. Ortmann revisited the proposed increase of the Clipper Connection monthly pass. He wanted to know if there was any way we could provide an amenity that might add extra value to our service. He suggested a coffee dispenser and is that feasible. Wifi, donuts and newspapers were also suggested. Mr. Nichols responded with yes, it is a possibility.

Discussion Item #2; February 29th #DayItForward Celebration

Mr. Nichols mentioned COAST has a Leadership Meeting every week. About three weeks ago Ms. Howard asked if anyone had heard of Day It Forward. 2016 is a leap year, which means we have an extra day, what are going to do to make this day stand out. The idea was kicked around as a leadership team. We were thinking about a food drive and donating the food to a food bank. Mr. Deguzis suggested we make a monetary donation. We came up with the idea to donate all the fares from February 29th to the NH Food Bank.

Mr. Nichols contacted the NH Food Bank to let them know. They were really excited. Our goal was to donate \$2,000. We put out a press release and been using social media to promote this.

Mr. Nichols also let the Board know that on Feb. 29th we are also holding an Open House at 6 Sumner Drive, open to our employees and Board members. The open house is an opportunity to see our new administrative offices and kickoff a new health awareness focus for the organization.

Mr. Ortmann stated that this is a great idea. Is this something we could replicate in the future? Perhaps look into local food banks. Mr. Nichols agrees and is something we can do in the future.

VII. Information Items

Mr. Nichols went briefly over the presented information.

VIII. Adjournment

Mr. Ortmann suggested a motion to adjourn at 9:51 am. The motion was made by Mr. Pepin. This motion was seconded by Mr. Bogle and all voted in favor.