



**Cooperative Alliance for Seacoast Transportation
Minutes of the Board of Directors
Wednesday, July 22, 2015**

Members Present: Dan Chartrand (arr. 8:40), Steve Fournier, Colin Lentz, Kenn Ortmann (Chairman), Marty Pepin, Dave Sandmann, Cliff Sinnott (arr. 8:50), Maria Stowell, and Juliet Walker

COAST Staff Present: Rad Nichols, Brian Deguzis and Heather Hesse-Stromberg

I. Call to Order

The Board Meeting was called to order at 8:37 am.

II. Approval of Minutes

Mr. Sandmann made a motion to accept the minutes as presented. Mr. Pepin seconded and all voted in favor.

III. Public Comment

Mr. Ortmann noted that Exeter Selectman Dan Chartrand has been recently appointed by the Town of Exeter to serve as a Board Member to fill their vacant seat. He indicated that once Mr. Chartrand arrived, the Board would take action to vote and accept his appointment to the Board of Directors.

Mr. Nichols reported that there were two recent articles in the newspaper about COAST. One was an Opinion piece, to which COAST staff did not contribute. Mr. Nichols noted this was the strongest endorsement COAST has ever received from Foster's Daily Democrat.

IV. Financial Report

May 2015 Income Statement and Balance Sheet

Mr. Nichols reported that May showed an increase in both ridership and fare revenues. He noted that advertising revenue continues to be lower than anticipated but that it was continuing to improve each month. Mr. Nichols noted that our Contract Services expenses have decreased, likely due to the hiring of a fourth mechanic. Mr. Nichols also noted that COAST has benefited from notably lower fuel prices. Mr. Nichols indicated that the increase in Miscellaneous expenses was due to the many costs associated with relocating the Administrative, TMA & Coordination functions of COAST to 6 Sumner Drive. Mr. Nichols reported that we are ahead by almost \$16,000 year-to-date. We projected a deficit so we're in a very good position comparatively. Mr. Nichols noted that the Balance sheet shows that our available funds are down. He reported that was a result of some of these funds being used for recent capital expenses.

WELCOME

Mr. Chartrand was welcomed by the Board. Mr. Chartrand is co-owner of Water Street Books in Exeter and an Exeter Selectman. Mr. Chartrand stated that he anticipates his appointment will likely be on an interim basis until a more permanent Board Member can be found. Introductions were made and Mr. Chartrand expressed appreciation to COAST for its services and its work in keeping Route 7 viable.

Mr. Sandmann made a motion to accept Mr. Chartrand's appointment to the COAST Board of Directors. Mr. Fournier seconded and all voted in favor.

V. Old Business **Executive Director Goals**

Mr. Nichols shared the mutually established top priorities as determined through his latest performance review. They are as follows:

Capital Projects including initiating the design and plan of a new Administrative and Maintenance facility and incorporating real-time bus information.

Stakeholder Relations & Executive Committee/Board Relations including facilitating our riders serving as unofficial ambassadors; piloting the 'We're on the Route' campaign; seek more formal input from direct and non-direct report staff on performance; supporting and initiating a board strategic planning initiative.

Parking Lot Goal of observing a "Community Appreciation Week" in several communities a year as a way to engage with our communities.

VI. New Business

Action Items

HD Gillig Purchase

Mr. Nichols reported that COAST lost its original production slot in early 2016 for three 40' Gilligs because the process of securing the approvals through the State and FTA grant took longer than anticipated. He noted that COAST needs to initiate a Purchase Order to be given a production slot. The earliest production slots now available are in early 2017. COAST plan's to purchase the buses through a Piggyback with the Port Authority of Alleghany County, PA.

Action Required: *That the Board of Directors approve the Executive Director to proceed with an initial purchase order for the procurement of three (3) 40-foot heavy duty Gillig transit buses, and associated parts, tools and training, not to exceed a total price of \$1,350,000.*

Mr. Sandmann moved to approve the action and Mr. Sinnott seconded. Ms. Walker asked if these would be suitable for real-time capability and Mr. Nichols affirmed that they would. Ms. Walker asked about bike racks. Mr. Nichols indicated that we purchase our bike racks separately and put them on ourselves. He noted that they would be bike racks that hold three bikes. Mr. Ortmann asked what of our available funds would be used. Mr. Nichols noted it would be 10% or \$135,000 with FTA covering 80% and NHDOT covering 10%.

All voted in favor of the motion.

Nominating Committee

In accordance with Article XII, Section 2 of the COAST Bylaws, a Nominating Committee of up to five (5) representatives shall be appointed by the Chairperson at least sixty (60) days in advance of the organization's Annual Meeting.

The Nominating Committee may nominate one (1) or more candidate(s) for each office and position(s) open on the Executive Committee as stated in Article XII, Section 1, of the Bylaws.

Action Required: *That the Chairperson shall appoint a Nominating Committee of up to five (5) representatives to:*

- 1. Nominate a slate of Officers to be voted on at the September 2015 Board of Directors' Annual Meeting.*
- 2. Develop a slate of appointments to the Executive Committee, if necessary, to be voted on at the September 2015 Board of Directors' Annual Meeting.*

Mr. Ortmann asked for volunteers for the Nominating Committee to determine Officers and Executive Committee Members. Mr. Sandmann volunteered and volunteered Ms. Copeland to serve. Mr. Sandmann said he would ask Ms. Copeland. Mr. Pepin also volunteered. Mr. Fournier volunteered to be on the committee if Ms. Copeland cannot. Mr. Ortmann reminded everyone that the process is usually done over emails and phone calls and if anyone else is interested in participating to contact him.

Personnel Committee Establishment

In accordance with Article XII, Section 5, Other Committees, the Chairperson may establish other committees from time to time to serve the Board.

In order to complete the upcoming annual review of the Executive Director a Personnel Committee has been identified as needed. Historically the membership of the personnel committee has consisted of the Executive Committee.

The period of performance review will be between October 2014 and September 2015.

Action Required: *That the Chairperson establish a Personnel Committee of three to five members for the purpose of the Executive Director's annual review in October 2015.*

Ms. Walker and Mr. Ortmann indicated that they are willing to continue to serve on the Personnel Committee. Mr. Ortmann said he would check with Ms. Decker and Mr. Bogle to see if they are willing to continue to serve. Ms. Walker urged any members interested in participating to let them know. Mr. Ortmann noted the Personnel Committee is trying to get the Evaluation process back on track.

Discussion Items:

Draft Operating Budget

Mr. Nichols indicated that the first Draft of the Operating Budget will be presented at the August Board Meeting. He noted the following challenges:

1. Municipal Funding Shortfalls – Mr. Nichols projects we will raise 95% of our FY16 municipal funding requests. However, 95% of requested municipal funds will be received once the remaining 2016 municipal budgets are passed next year. That result will leave us approximately \$28K short in our projected local match need.
2. ADA Growth – While not growing at the same level as projected for FY14 (+25%), COAST's ADA program continues to grow and has the highest growth in our Operations. We are continuing to project a 12.5% growth rate in 2016.
3. Transit Advertising Revenues – YTD in FY15 revenues collected are off by 22% due to the loss of our highest volume advertiser. Mr. Nichols expects that an increase in bus shelter advertising will help offset this loss in FY16, particularly if Dover joins Rochester and Somersworth in allowing such advertising.

Mr. Nichols noted the following considerations in developing the FY16 budget:

1. Expense Growth Rate – Overall expense growth rate is 3-4% due, in large part, to adding a 4th Mechanic and the lease at 6 Sumner Drive.
2. Operator Pay Rate Adjustments – Mr. Nichols noted that COAST is having an increasingly difficult time attracting new bus and ADA vehicle operators. Mr. Nichols reported our starting wage is \$13.35 for a CDL-B, which is the lowest pay many new employees have made in years since the industry starting wage is closer to \$17.00. Mr. Nichols noted that the improving economy may also be an issue. Mr. Chartrand asked about COAST's turnover. Mr. Nichols indicated it is usually highest in the first 1½ years.
3. Federal Overtime Wage Calculations – Should changes be made to rules for eligibility for overtime for some salaried employees, as currently being discussed for proposal, there are a small number of COAST employees who may become eligible for overtime.
4. Affordable Care Act – We are evaluating our workforce to determine how the ACA will impact us, both in terms of potential penalties and possible increases associated with employee health benefits. Mr. Nichols noted that modifying our PTO policy will be the challenge in this area.
5. 6 Sumner Drive – We will need to incorporate the additional expenses associated with our new leased space for our administrative, coordination and TMA related staff.
6. Staffing Changes – We need to incorporate the additional FT mechanic.
7. Fare Increases – We are assuming all regional route base cash fares will remain \$1.50 and the Clipper Connection fares will remain \$3.25.
8. ADA Service Growth – We are projecting a 12.5% increase in the demand over the FY14 experience YTD. Mr. Sinnott asked what was behind this increase. Mr. Nichols noted that case workers now better understand what we offer, Medicaid managed care may impact this. Mr. Nichols noted there are many more people out there that have not yet sought our services. In addition, he reported that the heaviest users are dialysis patients who use our service 6 times/week.

9. Liability Insurance Coverage – After a +230% increase in rates last year, we are not yet confident in our expectation of what our rates may be in our second year with our new insurance carrier RLI.
10. Clipper Connection Services – Reflecting current Clipper Connection service levels that were last changed in January of 2015.
11. Route 7 Service Realignment – effective June 29, 2015, Route 7 service was dramatically realigned and will need to be accurately incorporated into the budget.

Mr. Nichols presented the schedule for budget adoption:

- August BOD Mtg (8/26) – present draft operating budget and options
- Budget Workshop Mtg (9/9) – possible workshop to further discuss the draft operating budget
- September BOD Mtg (9/23) – vote to adopt final FY16 operating budget

Mr. Ortmann encouraged all to attend these meetings.

Somersworth Committee

Ms. Walker reported that the Somersworth Committee had their first meeting last week. Mr. Bogle, Ms. Walker, Mr. Pepin and Mr. Lentz were in attendance.

Ms. Walker noted that the discussion included identifying ways to increase revenue, concerns over the funding formula and how best to reach out to community leaders. The committee plans to do a brainstorming/visioning session with the City Planner and Economic Development Director. The committee is compiling raw data and assessing the near-term impact of the surcharge.

Ms. Walker noted that next steps include bringing in new members and working to support an independent group in Somersworth to advocate for COAST. Mr. Ortmann asked whether there was a discussion to include the Chamber of Commerce. Ms. Walker indicated the brainstorming/visioning would include identifying who else should be at the table.

Ms. Walker reported that the goal is that this is a collaborative process. Ms. Walker noted that they appreciate the feedback and want to be as helpful as possible. Mr. Fournier indicated he would help as he has a history in Somersworth.

Ms. Walker noted the Somersworth Committee will not meet again until September.

VII. Information Items

Route 7 - Mr. Chartrand reported that he believes the new Route 7 is much more sustainable than the previous route and it just needs to find its base.

TRACS - Mr. Nichols reported that he will be attending another TRACS meeting in Washington, DC next week. As a reminder to the Board, Mr. Nichols was recommended for appointment to this national citizens advisory committee by Senator Jeanne Shaheen. TRACS advises the FTA on safety considerations from the industry perspective. The Committee has 30 members. Though it was previously rail-based, it is moving toward a broader perspective. Mr. Nichols is

the only bus-only member of the committee that isn't associated with a city or state. Mr. Nichols is hopeful that there will be an increase in small-medium transit participation.

The Committee addresses two major topics each year and then makes recommendations on those topic areas. This year the topics were Operator Assault and Operator Fatigue.

Preventive Maintenance – The FTA requires that COAST meet its PM goals 80% of the time. Mr. Nichols noted that we are over 80% in all vehicle categories.

VIII. Community Updates:

Ms. Walker reported that Southgate Plaza (at the end of a Trolley Route) is looking to add residential units and she encouraged them to talk to COAST. There will be 129 units. She also reported there will be a new shelter installed as part of the Taco Bell Development.

Mr. Ortmann asked why we are not considering a fare increase. Mr. Nichols reported that he thinks the current rate is fair. He noted that our fare is very reasonable if going community to community but high for in-town trips. Mr. Nichols fears the impact a further fare increase would have on ridership for those shorter trips. Mr. Ortmann suggested we think about a fare increase but a deeper discount on monthly passes. Mr. Nichols noted there are surprisingly few users of our multi-ride options. Mr. Ortmann wondered if a deeper discount would help. Mr. Nichols noted that if we push more people toward a cheaper monthly pass, it would have a notable negative effect on our overall fare revenues.

Adjournment

Mr. Pepin made a motion to adjourn at 10:01, second by Mr. Sandmann. All voted in favor.