



**Cooperative Alliance for Seacoast Transportation
Minutes of the Meeting of the Board of Directors
Wednesday, January 25, 2023**

PRESENT: Kendra Amaral (virtual), Scott Bogle, Fred Butler (virtual), Sönke Dornblut, Ben Fletcher (virtual), Denis Hebert, Margaret Joyce, Colin Lentz, Michael Mates, Kristen Murphy, David Sandmann (virtual), Mike Scala, Dennis Shanahan, Peter Stith (virtual), Nick Taylor

ABSENT: Robert Gibson, Thomas Wright

STAFF: Rad Nichols, Margot Doering, Michael Williams

I. CALL TO ORDER AND INTRODUCTIONS

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

II. APPROVAL OF MINUTES

Mr. Shanahan asked if a motion could be made to approve the minutes of the December 14, 2022 meeting. Mr. Hebert made the motion to accept the minutes as drafted, and Mr. Lentz seconded the motion. There was no discussion and Mr. Shanahan undertook the vote by roll call.

Ms. Amaral	Yes
Mr. Bogle	Yes
Mr. Dornblut	Yes
Mr. Fletcher	Yes
Ms. Haley	Abstain
Mr. Hebert	Yes
Ms. Joyce	Yes
Mr. Lentz	Yes
Mr. Mates	Abstain
Ms. Murphy	Yes
Mr. Sandmann	Yes
Mr. Scala	Yes
Mr. Shanahan	Yes
Mr. Taylor	Abstain

The motion passed unanimously with abstentions.

III. PUBLIC COMMENT

Mr. Nichols did not have any public comment to bring to the board.

VI. FINANCIALS

Ms. Doering noted the typical trends we have been experiencing continue for revenue lines. State funding taken in does reflect a jump due to a payment by the State of New Hampshire.

On the expense side there has been a bump in contract services due to the annual audit and wrapping up with DoubleMap.

Overall revenues are underbudget due to lower expenses.

On the balance sheet we have taken delivery of a new operations support vehicle and made down payment on other equipment and a shop truck.

There were no questions for Ms. Doering.

V. OLD BUSINESS

Recent Vehicle Purchases/Awards

Mr. Nichols provided an update that in the past couple of months we have had some vehicle purchases we wanted to share.

COAST replaced our operations support vehicle, a 2008 Ford Escape with 215,000 miles on it, with a new 2022 hybrid Ford Escape. This is our first hybrid vehicle at COAST.

An order for a new 2023 Ram 3500 truck w/plow setup, heavy duty liftgate, and Knapheide service body to replace our current maintenance shop truck (a 2004 Ram pickup with similar body and setup) was recently placed. Delivery is expected mid-year.

On December 23 COAST received an early present from the NHDOT, in the form of a 5339(a) award letter for one accessible low floor cutaway bus (like the four awarded last year). The total FTA funds awarded through the NHDOT included \$170,021. The total estimated cost for the vehicle is \$200,025.

Discussions with the selected vendor for our four accessible low floor cutaway buses happened earlier in the month. They are still awaiting news on when our chassis will be delivered, which could affect our anticipated delivery date.

Mobile Pressure Washer

Mr. Nichols also advised the board about an order for a mobile pressure washer. It will primarily be used for more regular, effective, and efficient cleaning of our bus shelters. Delivery is expected in late winter/early spring.

Passio Transition

Mr. Williams gave an update on the transition to Passio. The Passio Go app is currently allowing customers to see real time location information for our buses with minor inaccuracies, as well as get service alerts. However, many other aspects of this product continue to not function correctly. We have made it clear to Passio that if there are actions or levels of escalation they have not yet implemented to correct these issues, now is their chance to take those actions. Passio's co-founder and CTO, as well as one of their implementation specialists, will be coming on site on January 31 and February 1st.

There was discussion around ongoing issues and potential next steps with Passio.

Staffing

Mr. Williams also gave the latest update on staffing.

To be fully staffed for our FY23 budgeted service levels, COAST needs an additional:

- 2 full time CDL Operators
- 1 full time non-CDL Operator
- Preference for up to 4 additional part time CDL operators
- 1 or 2 fill-in dispatchers for Saturday (internal hires)

As of January 14, COAST is running 100% of weekday service budgeted for FY23 service levels. We are not running full Saturday service.

While the staff above are important to maintain reliable staffing for these service levels, especially considering the continued higher than typical rate of operators being out for health reasons, our main limiting factor is our ability to cover dispatch on Saturdays. We are continuing to explore options to cover this gap.

Additionally, it should be noted that full FY23 budgeted service levels are still below the full service designed and operated up until Summer 2021.

VI. NEW BUSINESS

ACTION ITEMS

Action Item #1: Draft FY22 Audit Acceptance

Ms. Doering gave an update on the FY22 draft audit and went over the auditor's communications to governance letter which was all positive.

There were two items highlighted in the exceptions.

The first was related to the expensing of a service contract in FY22 that also covered a portion of a future year (FY23) for \$11,013. The correction was to book the expenses proportionally in each year vs. only in FY22.

The second was a note on \$30,543 in contributions for ACT for which we record the granted funds as revenue when we provide related service vs. when awarded per nonprofit GAAP rules. The issue is an ongoing one that is diminimus overall, but still needs to be noted.

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Cooperative Alliance for Seacoast Transportation were prepared in accordance with GAAP.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Cooperative Alliance for Seacoast Transportation were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of internal controls over major federal award programs.

5. The auditor's report on compliance for the major federal award program for the Cooperative Alliance for Seacoast Transportation expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award program for the Cooperative Alliance for Seacoast Transportation.
7. The program tested as a major program was transit operations - the provision of bus transportation, Federal Assistance Listing number 20.507.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Cooperative Alliance for Seacoast Transportation was determined to be a low-risk auditee.

Action Requested: *That the Board of Directors accept the Draft 2022 Audit Reports.*

Mr. Shanahan asked if a motion could be made to approve the draft FY22 audit reports. Mr. Bogle moved the action as requested, and Mr. Hebert seconded the motion. There was no further discussion and Mr. Shanahan undertook the vote by roll call.

Ms. Amaral	Yes
Mr. Bogle	Yes
Mr. Dornblut	Yes
Mr. Fletcher	Yes
Ms. Haley	Yes
Mr. Hebert	Yes
Ms. Joyce	Yes
Mr. Lentz	Yes
Mr. Mates	Yes
Ms. Murphy	Yes
Mr. Sandmann	Yes
Mr. Scala	Yes
Mr. Shanahan	Yes
Mr. Taylor	Yes

The motion passed unanimously.

Action Item #2: FY24 Municipal Funding Formula & Financial Requests

Mr. Nichols noted that we have a local municipal and partner bottom line financial need of \$1,799,775. Of that amount, \$1,294,744 is determined through the municipal funding formula, which is 12% higher than the request in FY23. The formula results in municipal request increases of -5.36% to 21.89%. The minimum financial participation level of a community is being increased to \$25,760 (from \$23,000) as part of this proposal.

Partner request increases vary based on specific agreements and/or expectations based on the services being provided and escalating costs to provide those services. The State of Maine's recent notification of an increase of their funds has also been accounted for.

There has been no feedback received on the formula or proposed financial requests since the December meeting of the Board.

Ms. Joyce asked if staff had to attend and present our request to each community. Mr. Nichols noted that was handled differently in each community.

Ms. Amaral asked, given the increase in State of Maine funds whether that could help offset the Town of Kittery's funding level, particularly given how the parties had all agreed to fund the Town's route. Mr. Nichols suggested an offline discussion given it would not impact the bottom line need.

Action Required: *The COAST Board of Directors approve municipal and other partner funding requests for FY24.*

Mr. Shanahan asked if a motion could be made to approve the *municipal and other partner funding requests for FY24*. Mr. Sandmann moved the action as requested, and Mr. Lentz seconded the motion. With no further discussion Mr. Shanahan undertook a roll call vote.

Ms. Amaral	Yes
Mr. Bogle	Yes
Mr. Dornblut	Yes
Mr. Fletcher	Yes
Ms. Haley	Yes
Mr. Hebert	Yes
Ms. Joyce	Yes
Mr. Lentz	Yes
Mr. Mates	Yes
Ms. Murphy	Yes
Mr. Sandmann	Yes
Mr. Scala	Yes
Mr. Shanahan	Yes
Mr. Taylor	Yes

The motion passed unanimously.

Mr. Hebert noted the Town of Newington's recent decision by the Selectboard to reduce COAST funding further this budget year. He asked for advice on how to best approach advocating for full funding within his Town. Members discussed how COAST funding were discussions that would have to be had in each community and this budget cycle would be challenging. It was also suggested that the value and importance of COAST services for the Town's commercial tax base should be highlighted.

COMMITTEE REPORTS

Executive Committee – did not meet.

Board Development Committee – outreach to fill open positions on the board is ongoing.

Policy Committee – did not meet.

Legislative Committee – did not meet.

Finance Committee – met on Monday, January 23 (2:30pm, Rochester City Hall Annex, 2nd floor Conference Room).

Discussion Items

Discussion Item #1: New Facility Funding

Mr. Nichols gave updates on the latest in terms of funding for the new facility.

NHCDFA Tax Credits Purchased

COAST is actively marketing tax credits totaling \$100K in SFY23 and \$317K in SFY24.

	<u>SFY23</u>	<u>SFY24</u>
First Seacoast Bank	\$ 20,000	\$ 20,000
Leone, McDonnell & Roberts, PA	\$ 5,000	
Meredith Village Savings Bank	\$ 20,000	
Newburyport Bank	\$ 5,000	
Piscataqua Savings Bank	\$ 10,000	
TOTALS	\$ 60,000	\$ 20,000
<i>Balance</i>	\$ 40,000	\$297,000

We have reached out to approximately 26 Greater Seacoast businesses to date and will need to continue to expand our outreach efforts significantly. We have plans for using Chamber e-blasts and speaking engagements starting in late January.

CDS Award

Our CDS request through Senator Shaheen’s office successfully made it into the FFY23 budget. The request amounts to another \$2,000,000 in Federal funding for our project. While we had hoped these funds would have come from HUD under their Economic Development Initiative program, during the negotiations in Senate Appropriations they were moved to the USDOT Transportation Infrastructure program. As a result, they cannot be used as matching funds against our FTA grants.

Overall Funding to Date

SFY22 NHDOT FTA 5339(a) award	\$ 4,023,716
SFY22-23 NH CDFA Tax Credit Program	\$ 320,000 (net local match)
FFY22 FTA 5339(b) award	\$ 7,736,284
FFY23 CDS Award	<u>\$ 2,000,000</u>
TOTAL	\$14,077,000

Of the just over \$14M awarded to COAST, \$13,760,000 is Federal funding that needs to be matched at an 80/20 ratio. Thus, on top of the \$320K we expect to net from our Tax Credit award, if we were to spend all of the Federal funding awarded to us to date, we need to raise another \$3.12M in local matching funds.

Assuming all Federal funds awarded to date were matched and used on our project, we now have Federal funding awarded that could support a \$17.2M project. That is \$2.5M (17%) higher than our conceptual design estimate from last spring. Under that scenario we have raised 81.9% of those funds to date. All remaining funds need to be eligible to match FTA grants however.

Discussion Item #2: Statewide Transit Coalition

Mr. Nichols updated the board on the Coalition and recent movement. He thanked Mr. Taylor for the materials he had produced that resulted in a flurry of activities around the topic.

A meeting of interested NHTA parties was just held that seemed very positive and is beginning to gel the efforts.

The focus currently is reaching out to individual legislators on key Committees, House Finance Division II and Senate Transportation, to discuss our goals of increased state funding for public transportation operations. Luckily, there are several members on both Committees that are from communities serviced by public transportation.

Meetings with local municipal officials and area legislators are ongoing, and the information we have presented appears to be well received.

Members were also encouraged to reach out through their networks to tell the story of our need for increased state financial support.

VII. Community Updates/Information Items

Ridership

Mr. Nichols went over ridership in December.

- Overall ridership in December totaled 20,874. This was down 1.2% from November. Ridership was 9.7% below ridership achieved in December 2021, partially due to no warming shelter shuttle being in operation this year, as well as less fixed route services operated overall.
- Fixed route ridership totalled 18,995, down 1.3% from November. Ridership was 12.0% below ridership achieved in December 2021.
- After previously peaking at 2,016 in October, demand response ridership in December totalled 1,879, the third highest ridership level since the pandemic began. This represented a 0.7% decrease in ridership from November and a 22.5% increase over December 2021.

Mr. Hebert asked when the new pay rates for staff that were included in the FY23 budget kicked in. Mr. Williams noted that in November when we announced the new rates that took effect earlier this month we saw a notable jump in applications, and as a result positive improvements in staffing levels.

VIII. ADJOURNMENT

Mr. Shanahan adjourned the meeting, without objection, at 9:47am.

Respectfully submitted by Margaret Joyce, Secretary