



## **Minutes of the Board of Directors Wednesday, August 12, 2009**

**Members Present:** Jim Wiggin – Chairman, Jon Frederick – Vice Chair, Scott Bogle, Carol Gulla, Richard Hayes, Myranda McGowan, Kenn Ortmann

**COAST Staff Present:** Rad Nichols, Jenn Knox

**Others Present:** Bob Ruzinsky

### **I. Call to Order**

Mr. Wiggin called the meeting to order at 8:35 AM.

### **II. Public Comment**

Mr. Nichols stated that there was no public comment. He added that the president was at Pease Tradeport yesterday, which caused some disruption of service. The trolley did have to miss one section of the Tradeport, thus ran late during the early afternoon, but was back on schedule by around 4:00 PM.

### **III. Approval of Minutes**

Mr. Frederick made the motion to approve the minutes of July 22, 2009 and Ms. Gulla seconded. The motion passed unanimously, with Ms. McGowan's abstention.

### **IV. Financial Report**

Mr. Nichols presented the financial report for June 2009. He explained that there have been no changes in the trends from May to June. COAST remains under budget due to the open Coordination Manager position, the later than projected FastTrans implementation, lower fuel costs, and the use of ARRA funds for preventative maintenance. Mr. Nichols added that he expects the July preventative maintenance line to increase due to some recent and more expensive repairs, such as a transmission rebuild and new air conditioning condensers. Mr. Wiggin asked if the Manager of Fleet Maintenance could attend the next meeting. Mr. Nichols agreed, and explained that he would have been at this meeting, but the agenda was already quite long.

### **V. Action Items**

- **Operating Agreement for Deviated Fixed-Route and Demand Response Services**

Mr. Nichols said that COAST went out to bid as a result of a finding in last year's Triennial Review. The only bid submitted for the contract was a bid from Lamprey Health Care. Mr. Nichols recommended that COAST enter into an agreement with Lamprey Health Care for three years with the option for two one year extensions.

Cynthia Copeland joined the meeting. She explained that since she could not attend the entire meeting, Ms. McGowan would vote in her place.

Mr. Ortmann made the motion to authorize Mr. Nichols to enter into the operating agreement with Lamprey Health Care, and Mr. Frederick seconded. The motion passed unanimously. Mr. Ortmann asked Mr. Nichols to have someone from Lamprey Health Care come to a future meeting as a guest speaker, so the directors could learn more about their service and their challenges. Mr. Nichols agreed.

## **VI. Discussion Items**

- **Draft FY 2010 Operating Budget**

Mr. Nichols presented the proposed FY 2010 operating budget. It maintains the current level of service with no change to the bottom line. Mr. Wiggin asked how the budget could be balanced if some communities are not contributing the requested amount. Mr. Ruzinsky replied that COAST budgets only what it plans on getting. Every year, we receive about \$30,000 less than we requested, which comes out of our capital fund. In the past, we used state funds to make up for any capital fund shortfalls. In the next few years, we will be using ARRA funds for capital projects.

Mr. Nichols pointed out some specific lines in the budget, including the fact that advertising revenue and United Way revenue are going down. Mr. Ruzinsky explained that part of the reason the budget does not show the usual inflationary increase in spending overall is that fuel has remained so far below the projected amount.

Mr. Wiggin asked whether the directors needed a budget workshop this year. Ms. Copeland asked what changes arose last year as a result of the workshop. Mr. Nichols said that FastTrans and regional coordination were taken out of the budget in the workshop, and added back again in November after more details were known. This year, he was using the same strategy and leaving out Phase 3 of FastTrans and Phase 2 of service improvements so they can be added later as necessary.

Ms. Copeland asked for some clarification about Lamprey Health Care and how their service can be considered soft match. Mr. Nichols explained that COAST spends about \$70,000 to support their transportation program. There is a significant overmatch, which then on our books becomes local match for FTA funds. Mr. Nichols stated that COAST can use non-FTA federal money to match FTA funds. In fact, one of the first things Mr. Ruzinsky did when he started working with COAST was verify that this arrangement was being properly handled.

Mr. Nichols added that the state is using ARRA funds to make up for some of their cuts, which means that COAST will get around \$38,000 – more than our usual \$33,000, and much more than the anticipated \$6,000. Mr. Nichols added that the state is responsible for the additional record-keeping for those ARRA funds.

Mr. Ortmann asked whether any of our ARRA capital expenses would reduce our operating costs in the long run, since it would be his preference to do so. Mr. Nichols stated that the only ARRA projects that would significantly lower operating costs are the lighting upgrade and the procurement of new buses. The former will save about \$4,000 a year, and the savings from the latter depends upon which buses are retired.

Tom Morgan joined the meeting.

Mr. Nichols added that long-term cost savings was one criterion used to select ARRA projects. The other priorities were passenger amenities and safety and security. If COAST gets another opportunity to go after ARRA funds, we would be interested in a facility expansion involving a separate building for maintenance that would house the buses overnight. Mr. Ortmann and Ms. McGowan asked about the feasibility of hybrid or natural gas buses. Mr. Nichols stated that COAST is too small a system to get involved in these new technologies at this time. Natural gas would involve an extensive retrofit to engines and the facility, given the risk of explosion. In addition, more repairs would have to be done off-property, adding to the delay and cost. Mr. Nichols added that it is his understanding that there are as many transit properties transitioning away from natural gas as there are moving toward it.

Mr. Frederick asked what happens to the additional funds in the materials and supplies budget due to the fuel savings. Mr. Ruzinsky explained that it flows to the balance sheet reserve. Usually, we would draw this down for capital expenses, although we now have ARRA funds for such projects. Mr. Frederick commented that this would be a useful reserve for future fuel spikes. Mr. Ruzinsky stated that it is better not to specifically mark that reserve for any one purpose, since doing so would potentially restrict the Board's flexibility in how they could spend these funds in the future. Mr. Ruzinsky stated that it is also important for cash flow, since all our grants are reimbursements.

Mr. Wiggin asked for a show of hands to see if anyone wanted a budget workshop, since staff had done such a great job balancing the budget and preventing any increases. Seeing none, Mr. Wiggin stated that there was no need for a workshop. Mr. Ruzinsky asked if the Board was interested in voting on the budget today, in case there was a quorum issue at the September meeting. Mr. Ortmann made the motion to approve the proposed budget for FY 2010, and Mr. Bogle and Mr. Frederick both seconded. The motion passed unanimously.

- **COAST Role in Regional Transportation Coordination**

Mr. Nichols explained that it had always been assumed that COAST would function as the broker for Region 10, which is the area covered by the Strafford Regional Planning Commission and Rockingham county east of Rt 125. However, for a variety of reasons the organization might want to reconsider pursuing that role. One of the attractions had been that COAST could use the Medicaid funding as local match, but a recent interpretation by the Center for Medicaid and Medicare Services (CMS) has suggested that these funds cannot be used for federal match.

There are also significant hurdles at DHHS. Its data collection and billing systems are out of date and inefficient. As a result, the participation rate for Medicaid non-emergency medical trips is significantly lower than the national average. DHHS does not have adequate data to calculate the actual cost of service provision.

Another challenge is the potential lack of legal protection for members of Regional Coordinating Councils (RCCs). In our region, the Alliance for Community Transportation (ACT) is trying to become the RCC. The band-aid measure proposed by a DOT attorney was to have the RCCs fall under the protection of the Regional Planning Commissions (RPCs). Mr. Nichols stated that this may not be an effective solution in Region 10, since it covers two planning commissions with different insurance companies. Mr. Nichols was asked for an example of a legal situation in which the RCC would be vulnerable. He said that the RCC could recommend that the SCC go with a particular contractor, and another contractor may feel as though the RCC member inappropriately influenced that decision. Mr. Bogle explained that in this situation, it is not clear how far down the lawsuit could go – would it stop at the SCC, or would the RCC members be vulnerable also? The legislation that established the SCCs officially under the umbrella of the state does not mention RCCs, so it is unclear what legal protections, if any, members of the RCCs would have.

Mr. Nichols stated that COAST could house the RCC (ACT) at a sub-group. Local and federal funds could be used to reimburse for any additional expenses incurred by the sub-group. He expressed concern that entering into a direct contract with DHHS as a service provider for Medicaid transportation, given how fluid the environment is right now. In this scenario, COAST would not necessarily deal with the day to day operations, such as operating the call center, scheduling trips, or billing. Instead, COAST would continue its role in ACT, support coordination staff, and work with the regional broker. Mr. Hayes asked who would likely act as the broker in this region if COAST did not. Mr. Nichols explained that there would be a competitive selection process, and state, regional or even national entities might be interested. Easter Seals may be among the best options, since they have done the most thinking about the logistics of coordination. Mr. Bogle added that Easter Seals is interested in being the broker in as many regions as they can, to build efficiency. There may not be enough Medicaid volume to justify stand-alone brokers in every region. Two regions have already been collapsed in the North Country for this reason.

Ms. Gulla stated that from her experience with TASC, DHHS is drastically underestimating the actual demand for non-emergency medical transportation. Agencies providing Medicaid-eligible trips have encountered such problems trying to get reimbursed that they have given up on the process completely. If the process was fixed, the demand would be overwhelming.

Mr. Ortmann said that Mr. Nichols should discuss his concerns with ACT so that they do not continue to proceed under incorrect assumptions. Mr. Nichols stated that he had been uncomfortable speaking with ACT about this until he had feedback from the Board. Mr. Ortmann also asked for a new flowchart that would show the role that Mr. Nichols was proposing for COAST, since the flowchart that was passed out was the overall framework for all the regions and showed only the SCC, RCCs, and brokers.

Mr. Ortmann made a motion authorizing the Executive Director to share with ACT that COAST was not interested in being the broker at this time. Ms. Gulla seconded the motion.

Mr. Bogle explained that there was too much uncertainty around Medicaid at the moment. ACT existed before the current model, and still had the potential for making headway with coordination at a local level. This was especially important given the risk that the organizations that are part of ACT might give up if no progress is made. COAST would be the natural broker of transportation outside of Medicaid.

Ms. Copeland left the meeting.

Mr. Bogle said he was comfortable with the wording of Mr. Ortmann's motion, with the understanding that COAST would be interested in being the broker for non-Medicaid transportation. The motion passed unanimously.

- **Spaulding Turnpike Express CMAQ Project**

Mr. Ortmann made a motion to table this item until the next meeting. Ms. Gulla seconded, and the motion passed unanimously.

## **VII. Old Business**

- **Nominating Committee Update**

Mr. Frederick stated that the proposed slate of officers will be Mr. Ortmann for Secretary/Treasurer, Mr. Bogle for Vice Chairman, and himself for Chairman. This slate of officers will be voted on at the annual meeting in September. Mr. Nichols said he would put a notification in the mail so that all the directors would be aware of these nominees. Mr. Nichols reminded Mr. Wiggin that he would be serving on the Executive Committee as the past chair.

## **IX. Information Items**

Mr. Nichols did not add anything to the information items. He stated that Chris Sterndale has moved from Dover to Durham, and Ms. Gulla is in the process of moving from Stratham to Newmarket. Ms. Gulla is interested in becoming the representative from the town of Newmarket. She will discuss this possibility with the town administrator and with the two other Newmarket residents on the Board, Ms. Copeland and Ms. Von Aulock.

## **VIII. New Business**

Mr. Morgan made a motion to seal the minutes of the July 22, 2009 executive session until the next meeting. Ms. Gulla seconded. The motion passed unanimously.

Mr. Wiggin took a roll call vote to enter into an executive session to discuss a personnel matter. After the unanimous vote, Mr. Morgan left the meeting.

Mr. Ortmann made the motion to leave the executive session. Mr. Frederick seconded. The motion passed unanimously. Ms. Gulla made a motion to seal the minutes of the

executive session until the October Board meeting. Mr. Ortmann seconded. The motion passed unanimously.

**X. Adjournment**

Mr. Frederick made the motion to adjourn the meeting. Mr. Ortmann seconded, and the meeting was adjourned at 11:05 AM.