



October 3, 2017

Mr. Russell Dean  
Town Manager  
Town of Exeter  
10 Front Street  
Exeter, NH 03833

Dear Mr. Dean,

Our past fiscal year at COAST was largely focused on implementing the objectives contained within our first year of our new strategic plan and bolstering our organization's restated values. It was a very consequential way to celebrate our 35<sup>th</sup> anniversary as we are now on an intentional pathway to improving and growing the services we provide.

While focused on intentional improvement in FY17, COAST continued to see strong demand for our services as residents of the Greater Seacoast continued to rely upon COAST on a daily basis. We offer an affordable, convenient and efficient way for individuals to access their jobs, education, medical services and commerce. Public transit, COAST, is an important part of your community and provides an essential service for thousands of the region's residents.

The continued success and growth of COAST and public mass transportation statewide in New Hampshire is indicative of the growing importance of this and other alternative modes of transportation for our residents and local businesses. The number one and two uses of COAST, and public transit as a whole, are for work and to access commerce. Public transit provides affordable access to employment opportunities and the ability to shop local, both critically important to our local and regional economies.

Public transit only exists through the public's recognition that it is an important component of the overall set of services that we support in our communities. Public transit, with a low fare to ride (i.e., \$1.50), does not pay for itself through user fees, regardless of how many passengers are carried. COAST routes, despite all of our tremendous success, have farebox recovery ratios ranging from 80% to less than 10%. The fare to ride public transit is low so as to be affordable

for anyone to take advantage of and utilize on a frequent basis. There is a public benefit to this. Without community-based public transportation options; (1) many of our region's residents would have extremely limited or no access to employment opportunities, healthcare and basic services, (2) some area employers would have a harder time attracting and accessing employees, (3) family transportation expenses would be much higher, (4) more disabled and elderly individuals would be unable to continue living independently in their own homes, and (5) our streets would be more crowded.

The funds contributed to COAST by the municipalities served by our core system (Rtes. 1, 2, 6, 7 & ADA) are critical to matching and leveraging over \$1,600,000 in federal funds to support our regional public transit system.

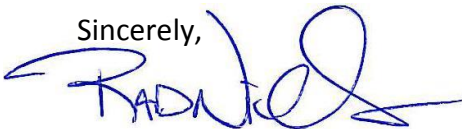
Last year, in response to community requests, we reviewed the municipal funding formula used at COAST to determine each community's fair contribution level. A full summary of the new formula, along with charts which illustrate the calculation of each community's contribution rate and resultant FY18 financial request, is attached. Because the Board of Directors chose to employ a minimum annual contribution level of \$20,000, the Adjusted FY18 Request column (shaded in gold) is the column we are using for our FY18 requests. In Exeter's case you are being asked to contribute at the minimum annual contribution level.

In order to secure the federal funding needed to operate our system, and based on the new FY2018 municipal funding formula, COAST needs a commitment from the Town of Exeter in the amount of \$20,000. This represents a \$12,891 (or -39.2%) decrease from our previous year's request, which the Town fully funded. The Town's funding will help leverage approximately \$30,000 in Federal Transit Administration funding in support of COAST operations in Exeter.

Without the continued support of communities like yours, we would not be able to provide essential public transit services to your residents and the region.

If you should have any questions, need more information, or if you would like me to make a presentation on our services and request, please do not hesitate to contact me. Thank you.

Sincerely,



Rad Nichols  
Executive Director

Attachments

cc: Mr. Daniel Chartrand, Exeter Representative to the COAST Board of Directors



TOWN OF EXETER, NEW HAMPSHIRE  
HUMAN SERVICES  
FY 2018

Organization's Name: Cooperative Alliance for Seacoast Transportation Year Founded: 1981

Address: 42 Sumner Drive, Dover, NH 03820

Executive Director/ Board Chair: Rad Nichols / Dave Sandmann Tax ID Number: 02-0362579

Applicant Contact: Rad Nichols

Email Address: rnichols@coastbus.org Phone: 603.743.5777x100

**Organization's Mission Statement:**

COAST's mission is to champion and provide customer-focused public transportation with a commitment to excellence in safety and service.

**Statement of Grant Purpose; e.g. This grant will be used...:**

COAST provides regularly scheduled fixed-route public transit services (M, W, T, Sat., 9:30a-5p), as well as complementary shared ride demand response services for individuals with disabilities who cannot use the fixed-route bus service, to the general public in Exeter.

% of overall services that goes to Exeter residents: approx. 1.5%

# of Exeter residents served: approx. 1,270

List all geographic area(s) served by organization: Exeter Stratham (Market Basket)

Newmarket

**Brief Detailed description of how the money will be specifically utilized for Exeter residents:**

Exeter funds will be specifically utilized to provide and support the provision of fixed-route and shared ride demand response services within the Town and connecting to Stratham (only a single stop at Market Basket) and Newmarket.

**Amount received from the Town of Exeter (by year) for the last 3 (three) years:**

2015 - \$32,891                      2016 - \$32,891                      2017 - \$32,891

Organization's total projected budget for FY 2018: \$ \$5,926,841 Amount Requested: \$ 20,000

**Additional Information Required:**

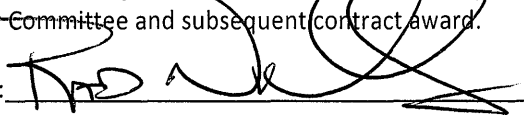
Please supply the following items for a complete application to be considered:

- Provide a narrative, not to exceed two pages in size 12 font
  - Organization's overview
  - Program's impact on Exeter residents
  - Program changes and/ or highlights from the past year
  
- Complete financial statements (Please note: the organization's 990 may be requested)
  - Operating budget
  - Balance sheet
  
- Board of Directors List
  
- 2017 Funding recipients must submit an Annual Report prior to consideration of 2018 application

I certify to the best of my knowledge that the information in this proposal reflects accurate data concerning need and estimates of planned/delivered services. The proposal was considered and approved for submission by the agency Board of Directors on 1/22/17 (date).

By signing this application the undersigned offers and agrees, if the proposal is accepted, to furnish items or services that is quoted. This agreement is subject to final negotiation and acceptance by the Board of Selectmen and the Budget Review Committee and subsequent contract award.

Director's (or Designee) Signature: \_\_\_\_\_



Date: \_\_\_\_\_

10/3/17

Submit no later than September 8, 2017:

Town of Exeter  
Town Manager  
10 Front Street  
Exeter, NH 03833



## Funding Formula Summary

COAST uses a funding formula to provide an equitable way of determining municipal funding of the regional public transit system. Since COAST's inception the formula has evolved as federal funding sources have come and gone, the census has impacted the region and attempts have been made to refine the formula to provide more equitable assessments.

In 2016 the organization undertook a reassessment of the previously employed formula based on feedback from member communities that had requested such a review. The latest iteration of the formula was developed through a subcommittee of the COAST Board of Directors, presented to interested Town and City Managers for their input, and ultimately approved by the COAST Board on January 25, 2017. The newly approved formula will serve as the basis for COAST's municipal funding requests for our core system (Rtes. 1, 2, 6, 7 & ADA paratransit) starting in the FY18 budget year.

The funding formula is a blended average, by community, of four separate factors that measure the supply and demand of our services in the member communities:

- 1) Weekly demand response (DR) service miles
- 2) DR ridership
- 3) Weekly fixed-route (FR) service miles
- 4) FR ridership

The DR & FR factors are weighted in accordance with the percentage of each service type in the projected budget. The end result is an overall assessment of the financial contribution needed from each community served by COAST.

Additionally, a minimum municipal contribution level was set, at \$20,000. This level was modeled on the minimum contribution level necessary to participate in the NH Municipal Association (NHMA).

Finally, beginning in FY18 a small portion of the request will reflect COAST's ongoing capital needs to match available federal funds at a 80/20 ratio.

Unlike in the past updates to each of the variables is easily accomplished on an annual basis from reliable sources that COAST already had in place.

- 1) Weekly FR Service Miles are a calculation of the scheduled fixed-route service miles in the proposed upcoming FY budget.

- 2) FR Ridership is an estimate of ridership in the previous FY, calculated based on extensive ongoing boarding and alighting surveys taken by COAST staff throughout the year.
- 3) Weekly DR Service Miles is an allocation of miles from the previous FY based on the number of boardings in each community.
- 4) DR Ridership represents the previous FY's boardings by community.

The total amount of municipal funding requested is determined only after considering and applying all other revenue sources against projected expenses in the projected operating budget.



## 2018 Municipal Funding Formula & Requests

(for the period 10/1/17 - 9/30/18)

### Funding Formula

- For regional COAST bus service on Routes 1, 2, 6, 7 & ADA paratransit services for disabled individuals.
- Based on Uneven Blended Averages of Weekly DR/FR Service Miles & DR/FR Ridership.

	Weekly DR Service Miles (4)	Local % of DR Service Miles	DR Ridership (3)	Local % of Total DR Ridership	Weekly FR Service Miles (1)	Local % of Total Service Miles	Fixed-Route Ridership (2)	Local % of Total FR Ridership
Berwick	0.6	0.0	4	0.0	97	1.7	4,384	1.5
Dover	773.5	30.5	5,508	30.4	1,770	30.3	113,063	38.3
Exeter	9.0	0.4	65	0.4	205	3.5	880	0.3
Farmington	45.2	1.8	329	1.8	440	7.5	8,914	3.0
Newington	36.8	1.5	277	1.5	305	5.2	26,882	9.1
Newmarket	8.4	0.3	55	0.3	179	3.1	1,383	0.5
Portsmouth	1,118.1	44.1	8,024	44.2	479	8.2	30,252	10.2
Rochester	272.1	10.7	1,949	10.7	1,364	23.3	68,022	23.0
Somersworth	268.9	10.6	1,933	10.7	1,007	17.2	41,506	14.1
	<b>2,532.6</b>		<b>18,144</b>		<b>5,847</b>		<b>295,286</b>	

### Proposed Funding Shares

	% of Total Budget	FY18 Request Calc	FY17 Request Calc	\$ Change FY17 - FY18	% Change FY17 - FY18	Adjusted (\$)	Adjusted FY18 Request	% Change FY17 - FY18 adj.
Berwick	1.1	\$ 7,266	\$ 10,711	\$ (3,446)	-32.17%	\$ 12,734	\$ 20,000	86.7%
Dover	33.2	\$ 211,006	\$ 167,716	\$ 43,290	25.81%	\$ (12,466)	\$ 198,540	18.4%
Exeter	1.5	\$ 9,371	\$ 32,891	\$ (23,520)	-71.51%	\$ 10,629	\$ 20,000	-39.2%
Farmington	4.3	\$ 27,360	\$ 23,879	\$ 3,480	14.57%	\$ (1,933)	\$ 25,427	6.5%
Newington	5.6	\$ 35,513	\$ 33,352	\$ 2,161	6.48%	\$ (1,939)	\$ 33,573	0.7%
Newmarket	1.4	\$ 8,674	\$ 21,005	\$ (12,331)	-58.71%	\$ 11,326	\$ 20,000	-4.8%
Portsmouth	18.9	\$ 120,097	\$ 99,210	\$ 20,887	21.05%	\$ (6,559)	\$ 113,539	14.4%
Rochester	19.7	\$ 125,374	\$ 118,179	\$ 7,195	6.09%	\$ (6,847)	\$ 118,527	0.3%
Somersworth	14.3	\$ 90,543	\$ 83,259	\$ 7,284	8.75%	\$ (4,945)	\$ 85,598	2.8%
	<b>100.0</b>	<b>\$ 635,203</b>	<b>\$ 590,203</b>	<b>\$ 45,000</b>	<b>7.62%</b>	<b>\$ 0</b>	<b>\$ 635,203</b>	<b>7.6%</b>

#### Sheet Notes:

1. Scheduled fixed-route service miles only.
2. Represents only those riders who rode COAST's core services in FY16 (Rtes. 1, 2, 6 & 7 trips associated with these routes).
3. Represents ADA ridership by core community from FY16.
4. Allocation of actual weekly service miles from FY16 based on the number of boardings in each community.
5. DR service factors are weighted to equal the same percentage the service represents as a part of the projected budget (27.7%).  
FR service factors are weighted at 72.3%.



# Approved FY2018 Operating Budget

	Proposed 2018 Budget		Approved 2017 Budget	\$ Difference	%
<b>Revenues</b>					
Fares/Contract Revenue	\$ 795,328	<i>Based on FY17 experience</i>	\$ 893,889	\$ (98,561)	-11.0%
Advertising	\$ 300,000	<i>Based on FY17 experience</i>	\$ 230,000	\$ 70,000	30.4%
Interest & Other Income	\$ 18,000	<i>Interest, Rebates, Asset Sales, Misc. Items</i>	\$ 18,000	\$ -	0.0%
Local Match	\$ 647,788	<i>Projected receipts from Communities &amp; Others for Operating Match</i>	\$ 568,785	\$ 79,003	13.9%
State Funding (NH/ME)	\$ -	<i>Funds from New Hampshire and/or Maine</i>	\$ -	\$ -	0.0%
Federal Funding	\$ 3,121,844	<i>Formula Driven Based on Expenses</i>	\$ 2,006,496	\$ 1,115,348	55.6%
Other State/Local Assistance	\$ 617,929	<i>Local share of Trolley / FastTrans / CMAQ Routes</i>	\$ 1,478,586	\$ (860,657)	-58.2%
Non Cash Contributions	\$ 3,000	<i>Lease @ 6 Sumner Dr.</i>	\$ 3,000	\$ -	0.0%
CommuteSMART TMA	\$ 140,000	<i>As per CMAQ Project Budget</i>	\$ 140,000	\$ -	0.0%
ACT / Coordination	\$ 233,634	<i>As per ACT approval</i>	\$ 858,657	\$ (625,023)	-72.8%
<b>Total Revenues</b>	<b>\$ 5,877,523</b>		<b>\$ 6,197,413</b>	<b>\$ (319,890)</b>	<b>-5.2%</b>
<b>Expenses</b>					
Wages	\$ 2,498,800	<i>Based on service level projections &amp; one additional staff position</i>	\$ 2,399,316	\$ 99,484	4.1%
Fringes	\$ 1,279,744	<i>Based on service level projections &amp; renewal expectations</i>	\$ 1,202,013	\$ 77,731	6.5%
Contract Services	\$ 370,175	<i>Based on annualized FY17 experience &amp; known upcoming new contracts</i>	\$ 273,851	\$ 96,324	35.2%
Materials & Supplies	\$ 708,144	<i>Based on annualized FY17 experience</i>	\$ 814,050	\$ (105,906)	-13.0%
Utilities	\$ 88,902	<i>Based on annualized FY17 experience</i>	\$ 69,052	\$ 19,850	28.7%
Insurance	\$ 419,398	<i>Based on FY17 experience &amp; poor commercial vehicle industry experience</i>	\$ 271,347	\$ 148,050	54.6%
Purchased Trans.	\$ -		\$ -	\$ -	0.0%
Misc. Items	\$ 88,044	<i>Based on annualized FY17 experience &amp; continued lease of 6 Sumner Drive Level</i>	\$ 103,027	\$ (14,984)	-14.5%
Planning & Marketing	\$ 100,000		\$ 100,000	\$ -	0.0%
CommuteSMART TMA	\$ 140,000	<i>As per CMAQ Project Budget</i>	\$ 140,000	\$ -	0.0%
ACT / Coordination	\$ 233,634	<i>As per ACT approval</i>	\$ 858,657	\$ (625,023)	-72.8%
Contingency	\$ -	<i>None planned currently</i>	\$ -	\$ -	-
<b>Total Expenses</b>	<b>\$ 5,926,841</b>		<b>\$ 6,231,313</b>	<b>\$ (304,473)</b>	<b>-4.9%</b>
Gain / Loss	\$ (49,318)		\$ (33,900)		
Reserves	\$ 49,318		\$ 33,900		



**COAST Income Statement  
August 2017**

*Preliminary, Subject to Audit Adjustment*

<b>Operating Revenues</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Change</b>	<b>%</b>	<b>Notes</b>
Farebox/Contract Revenue	\$ 690,612.53	\$ 819,398.25	\$ (128,785.72)	-15.7%	Lower Contract & Clipper Fares YTD
Advertising Revenue	264,313.25	210,833.37	53,479.88	25.4%	Very Strong Collections and Ad Sales
Interest & Other Income	51,611.66	16,500.00	35,111.66	212.8%	Vehicle Scrap Sales, Parking Shuttle
Local Match Contributions	537,533.85	521,386.25	16,147.60	3.1%	Slightly Above Plan, Assuming Full Payments
State Assistance	-	-	-		N/A
Federal Assistance	1,936,603.00	2,021,597.71	(84,994.71)	-4.2%	Lower Expenses
Other State/Local Assistance	1,005,638.65	1,171,888.30	(166,249.65)	-14.2%	Lower Expenses
Non Cash Contributions	2,798.00	2,750.00	48.00	1.7%	Close to Plan
TMA Funding	119,057.51	128,333.33	(9,275.82)	-7.2%	Lower Expenses
Coordination Funding	209,646.88	787,102.25	(577,455.37)	-73.4%	Lower Expenses
<b>Total Revenues</b>	<b>\$ 4,817,815.33</b>	<b>\$ 5,679,789.46</b>	<b>\$ (861,974.13)</b>	<b>-15.2%</b>	
<b>Operating Expenses</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Change</b>		
Wages	\$ 2,062,566.90	\$ 2,199,373.00	\$ (136,806.10)	-6.2%	Wage Increase in Jan 2017 & Vacancies Over the Year
Fringe Benefits	969,239.79	1,100,092.62	(130,852.83)	-11.9%	Lower than Projected Rate Increases
Contract Services	214,112.33	251,030.12	(36,917.79)	-14.7%	Less Outside Repair Work
Materials & Supplies	613,898.28	746,212.50	(132,314.22)	-17.7%	Lower Parts/Fuel Prices
Utilities	71,071.45	63,297.63	7,773.82	12.3%	Utility Catchup with Landlord @ 6 Sumner
Insurance	330,195.06	248,734.75	81,460.31	32.7%	Insuring New Buses & higher than budgeted rates
Purchased Transportation	-	-	-		N/A
Misc. Items	84,591.99	94,442.37	(9,850.38)	-10.4%	Less Training
Planning	76,661.21	91,666.63	(15,005.42)	-16.4%	Under Planned Expenditures
TMA Activities	119,057.57	128,333.37	(9,275.80)	-7.2%	Under Planned Expenditures
Coordination Costs	209,646.88	787,102.25	(577,455.37)	-73.4%	Under Planned Expenditures
<b>Total Expenses</b>	<b>\$ 4,751,041.46</b>	<b>\$ 5,710,285.24</b>	<b>\$ (959,243.78)</b>	<b>-16.8%</b>	
<b>(with Depreciation)</b>	<b>\$ 5,581,165.53</b>				
<b>Gross Gain/Loss</b>	<b>\$ 66,773.87</b>	<b>\$ (30,495.78)</b>	<b>\$ 97,269.65</b>		
<b>Depreciation Expense</b>	<b>\$ 830,124.07</b>				
<b>Local Share of Depreciation</b>	<b>\$ 166,024.81</b>				
<b>Gain/Loss Less Local Depr.</b>	<b>\$ (99,250.94)</b>				

