

**CASCO BAY ISLAND TRANSIT DISTRICT
MINUTES OF THE BOARD OF DIRECTORS MEETING OF
May 29, 2025**

56 Commercial Street, Portland, ME

In Person/Video Conference/Phone

*Video of entire meeting in three parts is [available online](#)

	Webex	<u>Attendance</u> In Person	Phone	Absent
<i>Directors:</i>				
Lavanture (Pres)		X		
Donovan (1 st VP)		X		
Pizey (2 nd VP)	X			
Hoffman (Treasurer)		X		
Luedke (Clerk)		X		
Higgins (Asst. Clrk)				X
Cooper	X			
Belesca	X			
Cohen		X		
Crowley				X
Murray				X
Geary				X

<i>Staff:</i>				
C. Gildart		X		
Mavodones		X		
Bishop		X		
Bowie		X		
Bryand		X		
Pottle	X			

<i>Public:</i>				
Lynn Heineman	X			
Ross Sneyd		X		
Margaret Kelsey		X		
Call in user 1			X	
Call in user 2			X	
Call in user 3			X	
Call in user 4			X	

Guests: Katharine Balukas, Jason Badeau, Kelly McDonald, John Lightbody

1. Call to Order
 - a. President Lavanture called the meeting to order at 7:46 AM.
 - b. It was noted the meeting is being recorded
2. Approval of Minutes (was deferred to later in the meeting)

- a. Cohen moved approval of the meeting minutes for April, 24, 2025 with the modification that she stated affordability is key and frequency is the antithesis. Lavanture seconded. There was no public comment. The vote was unanimous of those present.
- 3. Old Business
- 4. New Business
 - a. Discussion and acknowledgement of the receipt of the FY2024 Annual Independent Draft Financial Audit Report for year ending 9/30/2024
 - i. Lavanture welcomed Katharine Balukas and Jason Badeau from Berry, Dunn, McNeil & Parker, LLC. Noted this presentation was made at the Finance Committee earlier in the month and there was a thorough presentation and discussion.
 - ii. Balukas and Badeau made their presentation.
 - iii. Hoffman is pleased with greatly improved audit report for this year compared to last. Also, praised L. Bowie for all of her efforts to get there. Significant that with adverse finding last year that all but one are resolved.
 - iv. Cohen asked auditors to elaborate on the Garage fund.
 - 1. Balukas noted the garage funds are related to the City of Portland lease. Those funds, which are based off lease agreement, can be used to offset grants. The funds are on the balance sheet as a liability until used and then the funds are brought in to revenue.
 - v. Luedke asked what other funds are taken in that can be considered matching funds.
 - 1. Balukas noted ticket fares can be local match. Lavanture noted that contradicts what Board has been told in the past. Discussion about fare box revenue and other revenue and Balukas will look in to the passenger fares and that distinction and what regulations are restricting those other buckets of money.
 - vi. Hoffman asked when the high risk audit approach would change
 - 1. Balukas noted high risk audit for federal compliance audit and CBL will be in high risk standpoint for two years following a material weakness in compliance (last year it was related to suspension and department and that was resolved). Pending no additional compliance findings, CBL will drop to low risk in FY26. Only change from low risk to high risk is the percentage of funds that have to be tested.

- vii. Cohen asked if the operating loss is typical for a public transit agency
 - 1. Balukas noted that of their governmental clients, right now all of them have an operating loss. It is also how your grant funds have to be reported.
- viii. Cooper noted that looking at what ifs on grant funding would be a good exercise for the finance committee.
- ix. Hoffman moved to go in to Executive Session pursuant to MRSA 405 (6)(a). Lavanture seconded. The vote was 6 in favor and 2 opposed (Luedke, Donovan).
- x. The Board came out of Executive Session at 8:47
- xi. Donovan moved to acknowledge and accept receipt the FY24 independent audit report. Lavanture seconded. There was no public comment. The vote was unanimous of those present.

5. Workshop

a. Battery Steele Construction Contract

- i. Lavanture noted that there have been significant delays in timing of Battery Steele and we are now looking at October and the Board wants to understand what recourse and remedy it has. Welcomed John Lightbody and Kelly McDonald to give review of contract and help us understand the facts on the ground and will likely have Executive Session.
- ii. McDonald and Lightbody prepared two memos; one for public distribution, and one that was Attorney-Client confidential communication. Public memo included contract and amendment history.
- iii. Donovan wanted to know if the issues that go back to the design, do we have recourse with the design contract and on the price modifications, what is the process of authorizing those.
 - 1. Mavodones noted that the process is that the General Manager has to sign off on change orders. In terms of original design, he doesn't believe we have recourse with some of the things we had to do for change orders.
 - 2. Pottle talked about buy America requirements.
- iv. Lavanture stated as a governance matter, Board would like develop a framework for threshold of materiality that needs to come to the Board. Board hasn't had enough visibility into some of the cost changes.

- v. Hoffman notes this is giant complex project that is not really over budget but that the governance question and how we set this up at an appropriate board level for the future. Original Board vote gave authority to management to oversee and contract this boat. The budget present to the Board was for \$14 million but that figure was not included in the language of the motion.
- vi. McDonald noted Board has ultimate authority over this.
- vii. Cohen asked if 22 million was original contract and Pottle confirmed 22,805,000 was original bid price from Senesco and included original charger and original batteries.
- viii. Executive Session pursuant to MRSA 405(6)(e) to receive advice of counsel regarding rights and duties of Board with respect to construction contract of Battery Steele. Donovan moved to go in to Executive Session pursuant to MRSA 405(6)(e). Hoffman seconded. There was no public comment. The vote was unanimous of those present.
- ix. The Board came out of Executive Session at 9:56.

6. General Information Reports

a. Committee Reports

- i. Donovan noted Operations Committee is pursuing conversations with staff concerning modifications to the winter 25/26 schedule, which will probably have an effect on spring and fall schedule. Donovan noted there was a vessel advisory committee meeting and Bristol Harbor Group was on site. Propulsion study was discussed. There will be another vessel advisory committee in June.
- ii. Lavanture would like to get presentation to Board on status of Maquoit replacement.
- iii. Hoffman noted Finance Committee had discussed and accepted the audit report and thanked board who made time to attend meetings. Vote was taken on vehicle rate change and tariff has gone to PUC. Finance Committee will take up commercial vehicle rates in July.

b. Staff Reports

- i. Mavodones and Gildart noted there was nothing in addition to prepared staff report.

7. No public comment on items not on the agenda

8. No Directors comment on items not on the agenda

9. Adjourn

- a. Cohen moved to adjourn the meeting; Hoffman seconded. The vote was unanimous of those present.

Respectfully submitted by: _____

James Luedke, Clerk

DRAFT