

TRANSIT AUTHORITY OF NORTHERN KENTUCKY
Board of Directors
March 13, 2019

The TANK Board of Directors meeting was called to order at 5:30 p.m. on Wednesday, March 13, 2019 at the TANK Offices at 3375 Madison Pike, Ft. Wright, KY 41017 by Mr. Tim Donoghue, Board Chair. Mr. Donoghue requested all to stand for the Pledge of Allegiance.

In attendance were: Mr. Tim Donoghue, Board Chair; Mr. Brian Ellerman, Vice-Chair; Mr. Ed Kuehne; Mr. Jim Parsons; Mrs. Gina Rittinger; Mr. Dave Sogar; Ms. Laura Thompson; Mr. Bill Voelker; Mr. Andrew Aiello, General Manager; Mr. Mike Duncan, Legal Counsel and Mrs. Nancye McClanahan, Executive Assistant.

Absent from the meeting were Mr. Scott Guenther and Mr. Dave Anneken, Secretary-Treasurer.

AUDIENCE RECOGNITION – Mr. Donoghue

- Mr. Donoghue asked if there was any audience recognition and there was none.

Mr. Donoghue asked for a motion to approve the February 13, 2019 Board Minutes. ***Mr. Kuehne made a motion to accept the minutes of February 13, 2019. The motion was seconded by Ms. Thompson. MOTION PASSED.***

FINANCE COMMITTEE – Mr. Parsons

- Mr. Parsons reported we had a Combined Meeting on March 6, 2019 to primarily review the financial statements of February 2019 and go over the *Draft Budget for FY2020* that would be presented to the Fiscal Courts. From that meeting, the Staff was directed to give the Board different scenarios that we might want to consider before we present the Draft Budget to the Counties. Mr. Parsons indicated this is the primary reason for tonight's meeting and asked if there was further discussion.

Mr. Aiello reported at last week's meeting there was a lot of good discussion. The Board provided Staff with some direction and requested creation of some potential scenarios for the FY2020 Draft Budget. He said over the past few days the Board has received a number of documents from Staff that show five different scenarios. Mr. Aiello indicated the goal, from a Staff perspective, is to get some direction from the Board regarding the path forward and what you prefer we take to the Fiscal Courts to begin the dialogue with them about what to expect in FY2020.

Mr. Aiello said the scenarios are in front of you - he indicated he would go through each of the scenarios and would answer any questions about how they were prepared. They are all pretty straight forward about the information that was provided to you but one of the questions is where did Staff get the ridership number projections. He indicated that staff

used the fare elasticity model that was developed last year by our consultant as part of the fare analysis work.

Mr. Parsons said with the numbers that were sent out he was satisfied with the Budget that was presented at the last meeting. He thought the request of the counties was reasonable – even though it is an increase, it is very modest based upon where the economy is currently. He said in looking at the numbers unless you have a substantial increase in revenue you would not significantly reduce the counties’ obligation. He does not think a fare increase at this time is warranted.

Mr. Parsons said his recommendation is to submit the *Draft Budget*, as presented by Staff, on to the Fiscal Courts and if we would want we can provide some explanation to them. If they would want us to consider a rate increase let them know what the impact would be. He said it is important for us to have a good balance. Again, he recommends that we go forward and recommend the Budget, as prepared by Staff, to the Fiscal Courts. He said if they have an issue Mr. Aiello can certainly share the other information about how a fare increase impact things.

Mr. Ellerman agreed this is a reasonable Budget but as an investment for the community we should look at the “**D**” scenario where there would be a Fare Decrease to \$1.00 base fare. He said it is an increase to the counties now but would help the community in the future. He would like for the Board to consider this recommendation and the secondary recommendation “**A**” would be keeping the Baseline Service the same with no change to the fares. The Board had discussion over these recommendations.

Mr. Aiello said a couple of things from a technical perspective we learned are related to the forces that push on ridership. He said that if we push the fare box recovery to a certain percentage (e.g. 20%) it helps for one year – but only two years out, on a per person basis, the counties will be paying a lot more to move each person. There are diminishing returns from a fare decrease as well; noting that removing fares all together would also result in a higher cost per passenger over a two-year period. There was additional discussion about possible options for consideration for the future.

Mrs. Rittinger said to present this to her Judge Executive it shows what a fare increase would look like but also how it would also impact our community. It would be difficult to ask riders to pay more for a public service.

Mr. Parsons made a motion to recommend the “A” Budget but also have Staff share the information with the Administrators in the counties on the impact of rate changes and why we are not recommending a rate increase. Furthermore, the Board would support the “D” budget if supported and recommended by the counties.

Mr. Donoghue asked for a second to the motion. *Mr. Ellerman seconded the motion.*
MOTION PASSED.

Mr. Parsons informed the Board that this concluded his report.

Mr. Donoghue indicated there were no Reports from the other committees at this time.

GENERAL MANAGERS REPORT – Mr. Aiello

- Mr. Aiello reported on the following:
 - Mr. Aiello expressed his appreciation for the time spent over the past two weeks working on all of this. This has been a great discussion and from a Staff perspective it is wonderful to have a Board this engaged in this discussion.
 - Mr. Aiello said our marketing push for Spring and Summer is being finalized by our marketing consultant so you will see some of the marketing material to push ridership.
 - Mr. Aiello said the proposals for our Network Study are due March 20th. Therefore, we will have a consultant selected shortly thereafter to begin that process.
 - Mr. Aiello reported that one of our main Bus Stops in downtown Cincinnati moved one block to 4th and Walnut. The change went into effect on March 1st and it went very smoothly thanks to our Staff communicating the information to our passengers.

Mr. Kuehne requested Mr. Aiello to again announce the change of the Bus Stop location in downtown Cincinnati. Mr. Aiello reported one of our main stops in downtown Cincinnati formerly called 4th & Main at Federal Reserve moved a half block to the West to 4th & Walnut. This is now where the main local outbound TANK stop is located. He indicated that other downtown Stops were not affected.

OLD BUSINESS – Mr. Donoghue

- Mr. Donoghue asked if there was any Old Business and there was none.

NEW BUSINESS – Mr. Donoghue

- Mr. Donoghue asked if there was any New Business and there was none.

GENERAL COUNSEL REPORT – Mr. Duncan

- Mr. Duncan said he did not have anything to report at this time.

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Mr. Donoghue requested a motion to adjourn the meeting. *Mr. Kuehne made the motion to adjourn the Board Meeting. The motion was seconded by Mr. Parsons. MOTION PASSED.*

The TANK Board of Directors meeting adjourned at 6:00 p.m.

Respectfully Submitted
Nancye McClanahan
Executive Assistant

David L. Anneken, Secretary-Treasurer

Tim Donoghue, Board Chair