

TRANSIT AUTHORITY OF NORTHERN KENTUCKY
Board of Directors
March 14, 2018

The TANK Board of Director's Meeting was called to order at 5:30 p.m. on Wednesday, March 14, 2018 at the TANK Offices by Mr. Tim Donoghue, Board Chair.

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

Mr. Donoghue asked for a motion to approve the February 14, 2018 Board Minutes. ***Mr. Jim Parsons made a motion to approve the Board Minutes. The motion was seconded by Mr. Ed Kuehne. MOTION PASSED.***

AUDIENCE RECOGNITION – Mr. Donoghue

- Mr. Donoghue asked for any Audience Recognition and there was none.

RESOLUTION – Mr. Donoghue

- Mr. Donoghue read the *Resolution* regarding the retirement of Teresa Pierce, Director of Operations at TANK. He indicated Ms. Pierce was unable to attend the meeting but sent a letter of appreciation to the Board that was read by Mr. Aiello. Mr. Aiello said we greatly appreciate her service. She has been a strong leader for our organizations for many years and we wish her well in her retirement. Mr. Donoghue asked for a motion for the *Resolution*. (See Enclosed)

Mr. Voelker made a motion to approve the Resolution regarding the retirement of Ms. Teresa Pierce. Mr. Sogar seconded the motion. MOTION PASSED.

- Mr. Donoghue read the *Resolution* regarding the retirement of Gary Berkley, Assistant Director of Operations at TANK. He asked Mr. Berkley to come forward for the presentation of this *Resolution* and to take pictures with the Board members. Mr. Donoghue asked for a motion for the *Resolution*. (See Enclosed)

Mr. Berkley said it has been an honor and privilege to work with everyone. There is such great leadership here at TANK. It helped him to support his family. He thanked his wife for her support and said he could not imagine working with a greater bunch of people than those here at TANK.

Mr. Voelker made a motion to approve the Resolution regarding the retirement of Mr. Gary Berkley. Mr. Kuehne seconded the motion. MOTION PASSED.

FINANCE COMMITTEE – Mr. Parsons

- Mr. Parsons indicated we had a combined meeting on March 6th that covered a number of issues. From the Finance Committee’s perspective, we went over the financial report for the month of January and discussed issues relative to that situation. The primary reason for the Finance Committee agenda was the presentation of the Fiscal 2019 *Draft* Operating Budget that we need to present to the Counties. He indicated Mr. Aiello will have a presentation later in the meeting relative to that. Mr. Parsons reported the good thing about the Operating Budget is it looks like, assuming we adopt it and the counties approve it, it will represent a 2.4% increase in overall cost to the counties. Individually, the county rates will differ because of the formula changes and Boone County is becoming a larger percentage of the overall budget. But overall it is a 2.4% increase.

Mr. Parsons turned the presentation over to Mr. Aiello. Mr. Aiello provided a power point, for the benefit of those viewing this on television, what was presented to the Board earlier in preparation for *FY 2019*. He indicated each March is when we like to adopt a *Draft* Budget – the cost of maintaining existing service in the region. He said if the Board approves this *Draft* Budget as it was presented, it would go to the Fiscal Courts for their review. He reported on the following:

After he provided the timeline for the budgeting process, he reviewed the following information:

- Budgeting Process
 - Early March – Draft Budget
 - Draft - cost to maintain existing services
 - Mid-March – Committee and Board Review
 - Late-March Draft to Fiscal Courts for Feedback on revenues, service levels, etc.
 - April – Use feedback to create final budget
 - May – Final budget approved by TANK Board
- Budget Context
 - Fuel Prices Down, Holding Steady
 - Construction Challenges Hurt Ridership
 - Mobility/Technological/Commuting Changes
 - Nationally, bus ridership down, car ownership up
 - Campbell County Service cut, last 3 years
 - Largest cut in August, 2017
 - Construction delays, fuel, the, service cuts
 - Ridership Down
 - Passenger Revenue Down

- Reserves
 - Reserves on hand only equal 1.9 months of operation
- Budget Approach
 - Maintain level of service/Maintain fleet and building
 - Attract more riders to the system
 - Continue FY18 Marketing Campaign
 - Explore New Models/Technology to improve service
 - Work with employers to address workforce needs
 - Work internally to maintain an effective workforce
- Baseline Expenses
 - Maintain service hours and miles
 - Fuel cost flat
 - Fringes Flat
- Baseline Expenses/Revenues
 - Total Baseline Operating expenses +2.5%
 - Less Operating, Advertising and Grant Revenue
 - Required County Contribution – Change for FY19 +2.4%
- Fiscal Court Share
 - Total Fiscal Court Contribution
 - Total increase of 12.9% over 10 years
 - Average annual increase of 1.3%
- County Funding Formula
 - Formula belongs to counties
 - Agreed way to share costs of a regional system
 - Considers
 - Miles of bus service in a county
 - Hours of bus service in a counter
 - Population within one mile of bus routes in a county
 - Updated annually for service adjustments
 - Updated every ten years for population adjustments/census
- County Funding Formula
 - County request for FY19 based on updated formula
 - Boone County – 4.3%
 - Campbell County – 1.1%
 - Kenton County – 1.9%

Following his presentation he said Staff provided information to the Board regarding the Fare Analysis. The Board asked us to look at a couple of different scenarios and we have that information back from the consultant. He said we would be happy to share the information with you.

Mr. Aiello said the question in considering the *Draft Budget* is what is the pleasure of the Board in terms of presenting it to the counties? The Board would like to present the Budget as a baseline draft to maintain existing services with no proposed fare increase. Then, staff will gather feedback from each of the three counties relative to the budget and fares and then provide that feedback to the Board.

Mr. Donoghue asked if there were any further questions from the Board and if not he needed a motion to approve the FY 2019 *Draft Operating and Capital Budget*.

Mr. Parsons made the motion to recommend approval of this FY 2019 Draft Budget to the counties. The motion was seconded by Mr. Kuehne. Following further discussion Mr. Donoghue asked for a vote. ***MOTION PASSED***

Following the vote Mr. Donoghue thanked Mr. Aiello and all of his Staff. He said he does not think folks realize the amount of work that goes into developing the budget and he just wanted to thank them for their hard work.

GENERAL MANAGERS REPORT – Mr. Aiello

- Mr. Aiello said he did not have anything to report at this time unless there are questions.

GENERAL COUNSEL REPORT – Mr. Duncan

- Mr. Duncan indicated his report will be part of the closed session.

OLD BUSINESS – Mr. Donoghue

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

NEW BUSINESS – Mr. Donoghue

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

Mr. Donoghue said as there was no Old or New Business the Board would go into ***Executive Session pursuant to KRS 61.810(1)(c) for discussion of proposed or pending litigation and pursuant to KRS 61.810(1)(e) for discussions related to collective bargaining negotiations.***

Mr. Voelker made the motion to go into Executive Session. The motion was seconded by Mr. Guenther. MOTION PASSED.

Board of Directors
March 14, 2018
Page 5 of 5

Mr. Kuehne made the motion to come out of Executive Session. Mr. Sogar seconded the motion. MOTION PASSED.

Mr. Kuehne reported that *no action* was taken during the Session.

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

The TANK Board of Directors meeting adjourned at 6:30 p.m.

Respectfully Submitted
Nancye McClanahan
Executive Assistant

David L. Anneken, Secretary-Treasurer

Tim Donoghue, Board Chair