

**TRANSIT AUTHORITY OF NORTHERN KENTUCKY**  
**Board of Directors**  
**August 8, 2018**

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The TANK Board of Director's Meeting was called to order at 5:30 p.m. on Wednesday, August 8, 2018 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.

Mr. Donoghue asked that all remain standing following the Pledge for a moment of remembrance for Dale Furtwengler, former TANK Board member from Campbell County and Chairperson for the TANK Board of Directors who recently passed away.

In attendance were: Mr. Tim Donoghue, Board Chair; Mr. Scott Guenther; 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. Nancy McClanahan, Executive Assistant.

Absent from the meeting were Mr. Brian Ellerman, Vice-Chair Board Member and Mr. Dave Anneken, Secretary-Treasurer.

Mr. Donoghue asked for a motion to approve the July 11, 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 if there was any audience recognition and there was none.

**FINANCE COMMITTEE – Mr. Parsons**

- Mr. Parsons reported the committee meet on July 31<sup>st</sup> with all members present. The Committee discussed the June 30, 2018 financial statement which was the year-end statement. Mr. Parsons reported that although our revenues were down about \$600,000 most of that was offset by reduction in expenses for the year. Actually, the amount we had to pull from reserves was only \$163,416. It was good that we were able to offset the loss of revenue which was primarily created by ridership being down. He pointed out, as we go into the current year we have done about as well as we can do on the cost of fuel and other issues for savings. In the current year, we may not have the luxury of off-setting the loss of revenue with reduction of expenses like we have done the past couple of years.

Mr. Parsons indicated that although ridership is still down there seem to be some evidence that ridership numbers may be stabilizing. The committee also discussed some different ideas in relationship to ridership and some of the things TANK may be doing. Mr. Parsons said we were especially trying to encourage some regional initiatives as well as the important issues of working across the river to be sure our riders connect easily.

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- Mr. Parsons reported the committee did look at our Quarterly investments. He indicated they seem to be in line and actually some of the interest rates over the past several years we have been able to negotiate some better terms. Interest rates are still not where we would like for them in terms of income - we always want higher income. We are generating pretty good income over the last year. He reported we have about 5.2 million dollars in special and temporary investments. We also have another \$300,000 in other investments. We do monitor that and when we have an opportunity for changing out some of the CD's we are recommending to the Finance Manager to do that.
- Mr. Parsons said we were given an update on the Hiring Blitz. We also had Mr. Aiello give a presentation on TANK's Target strategies and asked him to provide the report. Mr. Aiello reported this was an issue discussed in every committee. Mr. Aiello reported that we periodically update our internal Strategic Plan – this is not our Service Plan. Our Service Plan is what we call our Network Study that tells us where our buses go, when they go and what the design of the system looks like. The Strategic Plan is more of our internal document on how we align all of our initiatives to push in the same direction. We appreciate the input we are receiving from the Board.
- Mr. Parsons reported the only *Action Item* from the committee was to declare Trolley #501, #502 and #503 surplus and dispose of them in accordance with our policy.
  - *Mr. Parsons made the motion for the Board to approve the disposal of Trolley #501, #502 and #503. The motion was seconded by Mr. Kuehne. MOTION PASSED.*

### **PLANNING & MARKETING COMMITTEE – Mr. Kuehne**

- Mr. Kuehne reported the Committee met on Tuesday, July 31<sup>st</sup>. Mr. Kuehne discussed fare media that can be used on both the TANK and Metro systems. Mr. Aiello said there are different fare media. We have a *Regional Stored Value Card* that you can pre-load with \$10, \$20 or \$30 – it is basically as good as cash and can be used on both systems seamlessly. We also have a *MT Pass* (Metro/TANK Pass) and it can be used on both systems. A *TANK 30 Day Pass* cannot be used to ride unlimited on Metro – it counts as a transfer to Metro but it does not pay the fare. Customers that only use TANK would buy a *TANK 30 Day Pass* and a customer whose commute uses both systems would buy an *MT Pass*. Monthly pass sales are going down because people's commutes are not as consistent as they used to be. People are buying 10 rides at a time or paying cash. We are working to make buying passes more mobile. Mr. Aiello said mobile ticketing needs to be a regional solution and we are working on that as we speak.
- Mr. Kuehne reported that we have an RFP on the street for Advertising Sales. He said we have received a lot of interest. Proposals are due on August 17, 2018. Mr. Kuehne reported in the past we did not allow alcohol to be advertised on the buses and we will now permit alcohol advertising with accompanying guidelines. We hope to increase revenue sales.

- Mr. Kuehne asked Mr. Busofsky to report on the Southbank Shuttle Survey results. Mr. Busofsky reported we wanted to get feedback on our one and a half month long *Free Fare* promotion that ran from April 12 through the end of May 2018 on the Southbank Shuttle. The survey we used was Survey Monkey and we also handed out surveys on the buses. We were pleased with the 186 responses we received. A lot of those came from the folks that use our Text Alerts they receive by email or cell phone number.

Some of the findings from the survey were:

- A lot of passengers convinced others to ride the system
- Increased ridership in June – first month after promotion that was not *free* and ridership was up.
- Feel it was a successful promotion and one that we could use in targeted areas in the future.

#### **OPERATIONS & SAFETY COMMITTEE – Mr. Sogar**

- Mr. Sogar reported we ended the month of July with nine preventable accidents compared to last July when we had eight preventable accidents.

Mr. Sogar reported with the 9 preventable accidents that came to 8.57 per 400,000 miles driven. Year-to-date it comes out to 40 preventable accidents or 5.41 per 400,000 miles driven. Last year at this time, we had 48 preventable accidents or 6.26 per 400,000 miles driven.

Mr. Sogar reported that Mr. Lockman informed the committee he looked at the years of service for the drivers and found that of the 40 preventable accidents that have occurred 24 of those were by drivers with five or less years of experience and that comes out to 60% of the accidents. Only 35% of the operators have been at TANK less than 5 years.

Mr. Sogar reported Mr. Lockman said at the next Safety Talks we will present a video on “*squaring your turns*” and pedestrian safety will be shown. He said, Mr. O’Leary, Director of Operations, added we are also creating our own video to further address pedestrian safety.

- Mr. Sogar asked Mr. Aiello to provide the Medicaid update. Mr. Aiello reported when we drafted our budget back in March it included the continuation of the Medicaid program. The Medicaid program, as envisioned, would have had three units of service running throughout the week to provide service for Medicaid. We have tried to increase the number of Medicaid passengers by working with the Broker – we have tried that a number of times. With the level of Medicaid trips coming through the system, it filled two of those three units. Mr. Aiello reported to right-size the amount of service that we have out on the street with the amount of trips coming in, we are reducing the number of Medicaid runs from 3 to 2. When we reduce the 1 run the expense to operate the Medicaid transportation program is in line with the revenues coming in the door. But there are also additional savings that come because a lot of the passengers were previously RAMP passengers where we getting \$2.50

reimbursement and we now get an approximate \$25.00 reimbursement. Mr. Aiello said if there is more demand available, we can scale back up again. At this point we feel it is the right balance.

- Mr. Sogar said Mr. Aiello reported within the past week there has been a lot of press about what is going on with SORTA. Hamilton County Commissioner Todd Portune has been very vocal about his plan for a regional, multistate, public transit system. The TANK Board members have not received any direction from elected officials regarding this matter. Regardless, TANK will continue to work with SORTA to continually improve the rider experience for anyone that uses both systems.

#### **PENSION COMMITTEE – Mr. Donoghue**

- Mr. Donoghue reported the Committee met on July 18<sup>th</sup>. He said Mr. Ken Donaldson from US Bank reviewed the performance of the market over the first half of the year and gave an out for Q3. The first half of the year we experienced lackluster returns in an environment of a strong economy – economy is still expanding. Mr. Donoghue reported the target for the S&P in 2018 is 2900. By and large, the outlook for 2018 remains positive and the third interest rate hike of year is expected this fall. He said volatility will continue, however, trade policy futures will affect volatility.

Mr. Donoghue reported returns for this quarter are relatively flat but year to date we are at 8%.

The Plan continues to hold a balanced investment objective although a few slight adjustments have been made to the portfolio. The account is currently 56.64% equities, 35.11% fixed income, 5.52% domestic real estate, 2.33% commodities and 0.4% cash. He reported the total portfolio balance reported on June 29, 2018 is \$11,863,137 – current yield is 2.23%. Mr. Donoghue reported the Capital Market Assumptions discount rate was lowered about 1%, which will affect the funding status (actuary) and level of funding declared by the actuarial.

- Mr. Donoghue reported the Actuary is completing GASB reports in preparation for the TANK audit. He reported Barnes Dennig will begin doing the work for the pension audit, as required by the TANK Audit in September.

#### **GENERAL MANAGERS REPORT – Mr. Aiello**

- Mr. Aiello reported on the following:
  - Mr. Aiello reported we are working on our Facility Master Planning process. A proposal was sent to the Board yesterday. We have had a number of questions come back from Board members about the proposal so we will take a step back to answer the questions and not take *Action* tonight. Mr. Aiello said Staff was working on clarifying a few issues and would be bringing it through the committee structure in September.

- Mr. Aiello said we have two very outstanding additions to our management team. Mrs. Lyndi Whiteker has joined us as TANK's Performance Analyst and Ms. Carey Rennekamp has joined our team as Manager of Marketing.
- Mr. Aiello reported we have been using, for the first time, an on-line process to deal with our surplus equipment. We have been using PublicSurplus.com as a means to have an auction for our surplus equipment. Mr. Hock, Director of Maintenance, has been managing this for us. As a test case, we auctioned three buses to see how it works. The buses were purchased and they are no longer here. We will continue to use this process.
- We continued in the month of July to work on our two technology projects – the Microtransit project and the Uber project.

**OLD BUSINESS – Mr. Donoghue**

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

**NEW BUSINESS – Mr. Donoghue**

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

**GENERAL COUNSEL REPORT – Mr. Duncan**

- Mr. Duncan said he had nothing to add.

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

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

**Respectfully Submitted**  
**Nancye McClanahan**  
**Executive Assistant**

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David L. Anneken, Secretary-Treasurer

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Tim Donoghue, Board Chair

