

**TRANSIT AUTHORITY OF NORTHERN KENTUCKY**  
**Board of Directors**  
**September 12, 2018**

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The TANK Board of Director's Meeting was called to order at 5:30 p.m. on Wednesday, September 12, 2018 at the TANK Offices at 3375 Madison Pike, Ft. Wright, KY 41017 by Mr. Brian Ellerman, Board Vice Chair. Mr. Ellerman requested all to stand for the Pledge of Allegiance.

In attendance were: Mr. Brian Ellerman, Vice-Chair; Mr. Scott Guenther; Mr. Ed Kuehne; Mr. Jim Parsons; 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. Tim Donoghue, Board Chair; Mrs. Gina Rittinger, Board Member and Mr. Dave Anneken, Secretary-Treasurer.

Mr. Ellerman asked for a motion to approve the August 8, 2018 Board Minutes. *Mr. Ed Kuehne made a motion to approve the Board Minutes. The motion was seconded by Mr. Bill Voelker. MOTION PASSED*

**AUDIENCE RECOGNITION – Mr. Donoghue**

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

**FINANCE COMMITTEE – Mr. Parsons**

- Mr. Parsons reported the Finance Committee met on September 4, 2018. Mr. Parsons indicated Mr. Aiello shared with the committee a *Mission Moment* regarding Mr. Ed Webber and his family who depend on TANK for their everyday needs. He said we often report on the numbers but overlook reporting how important TANK is to the people that depend on our system for their transportation.

Mr. Parsons reported after about two years we are beginning to see some encouraging changes in our ridership. He indicated in looking at the financial report for July (our first month of our fiscal year) it showed Express ridership increased 5.8% over last year and fixed route ridership also increased by 1.1% over the previous year. Mr. Parsons reported passenger revenue was up \$3,394 more than the adopted budget.

- Mr. Parsons reported the Committee has been looking at TANK's investments where we could be more aggressive in the type of our investments – nothing unsafe or unsecure but legal investments that would provide more yield. Mr. Parsons said we had a presentation from our representative from Fifth Third Securities as to where we may consider swapping out some of our CD's. However, right now from the basis of the analysis it seems like the way we are investing our funds is the best way. We will continue to monitor our investments and if there is opportunity to get more aggressive in order to generate additional income without risking the security, we would need to take advantage of that.

Mr. Parsons pointed out that it is important we are looking at TANK's investments. There are a number of ways we generate revenue – ridership and advertising. He said we need to be more aggressive with our investments to be sure we are maximizing our return.

- Mr. Parsons reported an *Action Item* from committee for the Board's consideration was to approve the Purchase Order to Gillig for another nine buses which would be delivered in February/March 2020. This is on the five-year master contract that was approved earlier this year by the Board. This purchase would be covered from our Capital side at a cost of \$4,058,582.00.

***Mr. Parsons made the motion as Chair of the Finance Committee, to approve the Purchase Order to Gillig for nine diesel buses at a cost of \$4,058,582.00. The motion was seconded by Mr. Sogar. MOTION PASSED.***

Mr. Aiello added these are standard diesel vehicles. We have applications in for discretionary funds to convert some of those to hybrid buses. At this time, we don't have to make that decision but if we are successful in finding additional funding we might come back to the Board and ask for a *Change Order* to convert some of these 9 standard buses to electric hybrid buses. Mr. Guenther added these 9 buses are needed to replace 9 other buses that by 2020 will have exceeded their useful life.

- Mr. Parsons said the seconded *Action Item* from the Finance Committee was the request from Mr. Hock for Replacement Battery Packs for three Hybrid buses. These are part of our regular replacement program - cost will be \$41,893.53 each for the 3 energy storage systems plus a contingency for a total cost of \$129,451.02. He reported, in addition to that we have attached and included the Sole Source justification and cost analysis.

***Mr. Parsons made a motion, as Chair of the Finance Committee and in accordance to the Memo provided by Mr. Hock, to move forward and authorize the purchase of the battery replacement at a total cost of \$129,451.02. The motion was seconded by Mr. Guenther. MOTION PASSED.***

- Mr. Parsons reported on the VW Settlement Fund. Mr. Parsons said this is a national settlement dealing with some class action issues involving Volkswagen and some of their representations they made relative to their vehicle. There is a Master Fund – funds have been allocated by State. Based upon the recommendation by the Governor's office and the Executive Branch, we would benefit from the funds as they are recommending the funds go into transit buses. Other Legislators are hoping to direct the funds to the purchase of school buses which would not nearly have the impact or leverage dollars that transit would. That issue is still to be determined as they move forward.

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

- Mr. Kuehne reported the Committee met on September 4<sup>th</sup> and had discussions that covered many different things. He asked Mrs. Douthat to present the *Action Item* for TANK's Advertising Sales Vendor.

Mrs. Douthat reported about two months ago we went out to bid for Advertising Sales Services. We have evaluated the proposals received and are now ready to make our recommendation to the Board.

Mrs. Douthat reported we received two proposals from qualified vendors. She said there was a Selection Committee that included:

- Bill Voelker, TANK Board of Directors
- Bill Hock, Director of Maintenance
- Gina Douthat, Deputy General Manager

The committee members evaluated the proposals independently and then met together to sum up our scoring and sort through the revenue proposals. The proposals were scored using the following criteria:

- Revenue Proposal
- Qualifications, Experience, Competence
- Work Plan, Sales Strategy, and Sales Reporting

Mrs. Douthat reported the revenue proposals from the two companies were almost identical and that is extremely rare when going through this process. The proposals were for a five year period plus two option years. Therefore we had to look at the other two criteria to develop our scoring in order to make the best recommendation. She informed the Board our current provider for this service did not chose to submit a proposal.

After final scoring, we determined Adspasure was the best chose. They were able to put together a team that was already developed and they have their installation and sales crew already identified. Therefore, it is the recommendation to the Board of Directors to approve the proposal from Adspasure for the Advertising Sales Vendor for TANK.

***Mr. Kuehne made the motion, as Chair of the Planning & Marketing Committee for the Board of Directors to approve the proposal from Adspasure to be TANK's Advertising Sales Vendor. The motion was seconded by Mr. Voelker. MOTION PASSED.***

- Mr. Kuehne asked Mr. Busofsky to present the second *Action Item* pertaining to TANK's Facility Master Plan. Mr. Busofsky reported in 2014 TANK went through an RFQ process for architecture, engineering and planning related services. From that process MSA Architects was chosen as the preferred consultant for the 5-year time period of the RFQ.

Mr. Busofsky reported in June he along with Mr. Aiello and Mr. Hock met to discuss the Facility Master planning process. We have a building that was built in 1982 and have seen a number of essential systems having some problems. He reported they have met with a representative from MSA because this is a new process for us. They talked us through the process and what the timeline would be. About a week after our meeting they submitted their proposal to us— about two days prior to last month’s Board meeting. Over the next few weeks, staff conducted a price analysis and compiled more pricing information for similar projects (from both MSA and through internet research).

MSA provided three similar facility plans to us along with the cost – all three were school systems. Based off of square footage, they were all in line with the proposal submitted to TANK. We did additional analysis for similar project nationwide and found costs were higher than the proposal submitted to TANK by MSA.

Mr. Busofsky reported after doing this price analysis we felt the initial cost proposal of \$33,500.00 from MSA was appropriate. So Staff is recommending approval by the Board of Directors to approve the Facility Master Plan with MSA.

***Mr. Voelker made a motion to accept the proposal from MSA for an amount not to exceed \$33,500.00 for the Facility Master Plan. The motion was seconded by Mr. Kuehne. MOTION PASSED.***

- Mr. Kuehne asked Ms. Rennekamp to provide an update on our marketing. Ms. Rennekamp reported on the following:
  - *Day of Giving* – Ms. Rennekamp reported this event will take place on September 20<sup>th</sup>. This will be an opportunity to donate to United Way and/or Project RAMP.
  - *The System Map* – one of the main brochures we use has not been updated since June 2016 and she is in collaboration with Mr. Busofsky to revise the content and make it more user-friendly.
  - *Brand Audit*. A Brand Audit is:
    - What are we presenting to our audience?
    - Is this the information they need?
    - How do they need it?
    - Are we on Brand when we are doing that?
  - *Social Media* – We have had a really good bump in that in the past month. We have had engagement with over 400 people with us over the last 30 days through like, share or comment on our Social Media platform.
  - *Bengals* – Ms. Rennekamp reported due to the flooding in the Riverfront Transit Center in Cincinnati, we had to move our bus stops for the Bengal games – dropping off and picking up. We developed post cards to be passed out regarding the new location on Second Street along with Social media posts, Alerts and three large flags marking our space – this has worked out really well.
  - *Information Center* – Ms. Rennekamp reported we have had a couple of people leave our employment in the past couple of months. We have recently moved one of our

part-time folks to full-time at our Downtown location. This past Monday we had a new person begin work part-time in the Info Center - plus we have two more positions currently open.

**OPERATION & SAFETY COMMITTEE – Mr. Sogar**

- Mr. Sogar reported Mr. Aiello informed the Committee we have begun collecting stories from our TANK passengers. Many of our managerial staff went out-and-about on the system to get personal stories from folks using our system to better understand why they use the system and take the opportunity to ask how we can better improve our network.
- Mr. Sogar indicated Mr. Lockman reported to the Committee we ended the month of August with 5 preventable accidents and that comes to 4.75 per 400,000 miles driven. Last August we had 2 preventable accidents. Year-to-date we are at 45 preventable accidents compared to last year when we had 50 preventable accidents.
- Mr. Sogar reported Mr. Lockman said another thing he tracks is the accidents on site at the TANK facility. Over the years we have done a lot – painted the bullets, painted lines entering the garage, and high focus/training in this area. Unfortunately, around 25% of our accidents are on the property. Recently, we have started sending out safety messages each week to drivers. We have installed a new sign on the safety-lane and we will put up a big sign coming out of the bus-wash.
- Mr. Sogar reported Mr. O’Leary provided a report on Sunday’s Riverfest service -turnout was solid. We had 2,120 trips. The fare was \$6.00 round trip. The Southbank Shuttle did really well this year with 882 riders prior to the event. Our goal for the event is to break even and this year we essentially hit that mark with a net loss of only \$142.13.

**GENERAL MANAGERS REPORT – Mr. Aiello**

- Mr. Aiello reported on the following:
  - Mr. Aiello reported he and Mr. Voelker had the pleasure of meeting with Congressman Thomas Massie to discuss the state of public transit in Northern Kentucky and our latest technology projects we are working on.
  - Mr. Aiello reported we participated in a webinar from the FTA covering the new Safety Management System. This is a Federal requirement of all public transit systems across the county. This is a new rule - it has been in development or discussed for the past six years. It showed up in the prior Transportation bill and now the final rule was published July 2018 and actually becomes an active rule in July 2019 - systems are to be in full compliance by 2020. The Operations and Safety Committee will continue to hear about this throughout the coming months as we develop our plan.
  - Mr. Aiello reported we entered into a Voluntary Audit with OSHA. This is where OSHA comes on site and does two audits – environmental audit and safety audit. By

voluntarily going through the process, they will do a review of our system and if they find any deficiencies they will provide us a report to correct the deficiencies and we will not be charged with any fines. The environmental portion is complete and there were about a dozen things they wanted us to correct. Most of it was regarding our Paint Booth and the way we store gas cylinders in the Maintenance shop. We are now in compliance and have sent back our report to OSHA. It was a good process and we look forward to the Safety side that has more to do with our equipment. We should receive that report next week and we will respond quickly.

- Mr. Aiello reported we have been selling our used/surplus buses, five or six at a time, on PublicSurplus.com. So far we have recovered \$11,121.00 from sales. We will continue to do this. Mr. Hock, Director of Maintenance is managing this process.
- Mr. Aiello reported we have developed a Recurring Operating Conditions Report. We rolled it out to all of our employees about two weeks ago. We are getting recurring issues back from operators regarding things that need to be fixed. This is a process we will track and be responsive where possible. Ms. Whiteker, our Performance Analyst, will be overseeing this process.
- Mr. Aiello reported Tim Haye joined us two weeks ago as our new Fleet Supervisor. He manages the 2<sup>nd</sup> Shift Service Center. We welcome Mr. Haye to the team.
- Mr. Aiello reported about another pilot service. Mr. Busofsky and Mr. McCulley have worked together to create a new service for DuroBag in Florence on Empire Drive. There will be additional service starting in late September to serve 4 shifts. This will be funded privately.

#### **OLD BUSINESS – Mr. Ellerman**

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

#### **NEW BUSINESS – Mr. Ellerman**

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

#### **GENERAL COUNSEL REPORT – Mr. Duncan**

- Mr. Duncan reported he had one item. At the last Board meeting it was reported our auditors are currently doing the annual audit at TANK. Each year the auditors ask our office, as legal counsel, to file a report on any legal issues that may affect the financial position of the Authority – mainly on litigation and claims. We are currently getting that report together. He said he was happy to report that litigation and claims are few compared to previous years.

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Mr. Ellerman requested 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 6:05 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