

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

The TANK Board of Director's Meeting was called to order at 5:30 p.m. on Wednesday, February 14, 2018 at 50 E. River Center Blvd, Covington, KY 41011 by Mr. Tim Donoghue, Board Chair.

In attendance were: Mr. Tim Donoghue, Board Chair; 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 January 10, 2018 Board Minutes. *Mr. Bill Voelker made a motion to approve the Board Minutes. The motion was seconded by Mr. Dave Sogar. MOTION PASSED.*

AUDIENCE RECOGNITION – Mr. Donoghue

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

FINANCE COMMITTEE – Mr. Parsons

- Mr. Parsons reported the Finance Committee met at 8:30 a.m. on February 6th. Mr. Parsons reported the committee reviewed the financial statements for December 2018 and statistics provided by Mr. Harsaran. Mr. Parsons reported ridership on all routes was down in December. Overall, Mr. Parsons reported ridership on all fixed route services decreased by 10.0% and on the demand response ridership it decreased 2.6%. He indicated fixed route ridership is 7.7% less than the ridership for the same period last fiscal year.

Mr. Parsons reported that since our ridership was down our revenue was \$44,932 less than the monthly budgeted. He reported TANK operated \$117,806 more than the operating budget for December and is \$190,093 less than the approved operating budget for FY 2018 year-to-date.

- Mr. Parsons informed the Board of an *Action Item* recommended by the committee. He reported that TANK has some surplus equipment that needs to be declared surplus and sell or dispose of in accordance with our procedures.

Therefore, as requested by the Finance Committee, Mr. Parsons asked the TANK Board of Directors to declare this equipment surplus property. The motion was seconded by Mr. Guenther. MOTION PASSED.

- Mr. Aiello reported on the Pension Audit update. In October we were set to finalize the Financial Audit for the FY 2017. The auditors however where unable to finalize the Financial Audit as they were waiting for the results of our Pension Audit. The Pension Audit is complete and the Financial Auditors are now going through the Pension Audit and

transferring it into the Financial Audit. A draft is almost complete. We had hoped for them to have the audit wrapped up for this meeting but they are not quit through with their work yet. Mr. Aiello indicated the Board will be kept updated.

- Mr. Aiello reported on the Quarterly Investment Report that is within your Board packet. He reported we continue to manage the investments as we have done for a number of years. He reported all of TANK's investments are in CD's that are small enough to be insured through FDIC for an amount not to exceed \$250,000 per financial institution. We are getting a rate of just under 2%. The committee also discussed that there may be other things that might be beneficial to us from an investment perspective that are still compliment with KRS and State laws. We are exploring those options and will be reporting back to you.

PLANNING & MARKETING COMMITTEE – Mr. Kuehne

- Mr. Kuehne expressed his excitement about the New TANK App – the Real Time app for your phone that works great when planning your trip on TANK. He asked Mr. Busofsky for his report. Mr. Busofsky informed the Board we have now been *live* with the Real Time for about three weeks - Real Time information is for bus tracking. Mr. Busofsky provided a presentation showing the TANK website and explaining how it looks to users. He indicated he had put together two tutorials that walks a person through how to use the app. He reported the two apps we use are Google Maps, which can be used on a desktop as well as the smartphone and Transit App which is only available for your smartphone. He explained how the apps can be used to help a person plan their trips and help them find out, more accurately, when their bus will arrive. Mr. Busofsky gave an overview on Real Time by using the Google Map and Transit apps.
- Mr. Kuehne asked Mrs. Douthat to report on the UBER Partnership. Mrs. Douthat said over the past few months you have heard about TANK partnering with UBER and she wanted to provide the Board with an update. The Cincinnati Chamber approached TANK a few months ago and asked if we would be interested in working on a project with UBER. Not certain what they had in mind we agreed to have some discussions to see if we could move it forward. Mrs. Douthat reported they spent quite a bit of time going back and forth with UBER and the Chamber team. After many discussions, we came to an agreement to move forward and have a partnership with UBER. She reported a couple of weeks ago UBER came to town and they initiated a project called the *Mobility Lab*. The TANK partnership is one piece of the *Mobility Lab*. There are five different initiatives that UBER is going to partner with in Cincinnati – TANK, Cincinnati Metro, City of Cincinnati, OKI and some non-profits and social service agencies.

Mrs. Douthat said our focus will be on looking at transportation and transit in the region and comparing the use of TANK, Metro and UBER. UBER is going to hire a national transit consultant and they will be sharing their data with that consultant. TANK and Metro will also share their information with the consultant. The consultant will look at how travel happens in this region across the different modes. The consultant will look at the cost of

certain trips, why people choose one mode over another, and then they will get back in touch with us and we will learn from the information. At this time, this is all we have committed to and there is no cost to TANK. She indicated UBER is very excited to get started and hoping the work they are doing in Cincinnati can be used to do the same type of work in other cities. The best thing about this project is it is not costing TANK anything, only time. It is a way to learn by working with national consultants and technology experts. Mrs. Douthat advised the Board they would be kept posted as things move along.

OPERATIONS & SAFETY COMMITTEE – Mr. Sogar

- Mr. Sogar asked Mr. Aiello to present the report. Mr. Aiello reported that due to the ice that morning, the committee was unable to meet. He did provide a number of updates to share with the Board.
 - Mr. Aiello referred to a sheet regarding the Northern Kentucky Senior Transportation Program within their Board packet. He reported this is an updated funding model we are proposing for the Senior Transportation Program. He reported that back in 2016 the community asked TANK to fill a gap for Senior Transportation due a large social service agency going out of business. The community got together and certain agencies would take certain pieces and certain transportation elements would be provided by different social service agencies. But there was still a gap for certain type of senior trips. TANK said we would be willing to do that and the community raised the funds. At the time, we built a program and a funding model that assumed an operations cost of around \$300,000 per year. He said we put that model on the street in 2016 and ran the model with that much capacity for about six months, but we were not receiving the demand of passengers to fill that much service. So after about six months we adjusted and scaled back while providing service levels to match the demand. That brought the cost of the program down to about \$110,000 per year. So we dramatically reduced the cost of the program while meeting the needs and providing the program.

Mr. Aiello said we are now in the second year of providing the program. There is a certain amount of money that has been raised over the first year and a half to fund the program. He reviewed with the Board the update for the 3-Year Funding Model. He reported at the end of this fiscal year the funds for the Senior Program will have \$348,000 in the fund. These funds came from the Kentucky Transportation Cabinet, the fiscal courts, and then a year ago we received 5310 funds from OKI through a Grant process. With all of the funds together, there will be approximately \$350,000 at the end of the second year of operation. Mr. Aiello referred to our 3-Year Funding Model and said we have projected for years three, four and five how we would spend down the balance of those funds with the current operation.

He advised the Board if they feel this is appropriate we can contact the Counties and inform them we will not be requesting any additional funds for the Senior Transportation Program and report back to the Transportation Cabinet what our plan is to spend down the balance in the funds. Mr. Aiello asked for any questions and there were none.

- Mr. Aiello asked Mr. Clifton to provide an update on the Medicaid Program. Mr. Clifton said for the benefit of our newer Board members he would like to provide some background. He reported TANK began Medicaid Transportation in July, 2017 through a partnership with Federated Transportation Services of the Bluegrass (FTSB). They asked for TANK to provide Medicaid service in our area and we agreed.

Mr. Clifton reported TANK currently operates three dedicated Medicaid runs. He said that it requires our Medicaid operators to have separate certifications. Mr. Clifton reported our ridership numbers have been slowly dropping since the initiation of these Medicaid runs – basically through attrition due to clients passing away or going to a facility/Hospice.

In January, Mr. Aiello and Mr. Clifton met with the Executive Director of FTSB to express our concerns on the ridership numbers we were seeing at this point. He said back and forth communications ensued with the Executive Director and some of her staff. Mr. Clifton said he was happy to report that we have increased our ridership from 30 subscription trips per week averaging 120 trips per month, to 103 subscription trips per week, with an anticipated average of 412 trips per month. Additionally, FTSB calls his office with what they refer to as miscellaneous trips. These are trips booked by clients to go to the Doctor's office, pharmacy, etc. Mr. Clifton said the program has made significant gains within the last month.

GENERAL MANAGERS REPORT – Mr. Aiello

- Mr. Aiello reported on the following:
 - Mr. Aiello reported Staff has been working diligently on the *Draft* budget. He reported we will be holding a Combined Committee meeting in March at which time we will go over the TANK budget in detail. You will be receiving updated notification of the meeting date and time in the next few weeks.
 - Mr. Aiello reported TANK had a voluntary/complimentary visit from OSHA that occurred in January. There were two components to their visit which included:
 - Health related inspection
 - Safety

They were here all day and will be giving us some recommendations. This is a voluntary effort we are going through and if they happen to find anything there will be no penalties – this is just a pro-active effort. He indicated we will be doing the

second half when we receive notification from the State. We will report the findings through the Operations & Safety Committee.

GENERAL COUNSEL REPORT – Mr. Duncan

- Mr. Duncan said he did not have a report but would be happy to answer any question or concerns and there were none.

NEW BUSINESS – Mr. Donoghue

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

OLD BUSINESS – Mr. Donoghue

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

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. Ellerman. MOTION PASSED.

The TANK Board of Directors meeting adjourned at 6:05 p.m.

**Respectfully Submitted:
Nancye McClanahan
Executive Assistant**

David L. Anneken, Secretary-Treasurer

Tim Donoghue, Board Chair