

TRANSIT AUTHORITY OF NORTHERN KENTUCKY
Board of Directors
February 12, 2020

The TANK Board of Directors meeting was called to order at 5:30 p.m. on Wednesday, February 12, 2020 at the TANK Offices at 3375 Madison Pike, Ft. Wright, KY 41017 by Mr. Brian Ellerman, Board Chair. Mr. Ellerman requested all to stand for the Pledge of Allegiance.

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

Absent from the meeting was Mr. Tim Donoghue and Mr. Dave Sogar.

Mr. Ellerman asked for a motion to approve the January 8, 2020 Board Minutes. *Mr. Ed Kuehne made a motion to accept the Board minutes of January 8, 2020. The motion was seconded by Mrs. Gina Rittinger. MOTION PASSED.*

AUDIENCE RECOGNITION – Mr. Ellerman

- Mr. Ellerman asked if there was any audience recognition and there were (3) residents from the City of Ft. Thomas that expressed interest to address the Board of Directors regarding the proposed Route re-design for TANK services.
 - Mr. Joe Schwerling attended the January Board meeting express concerns regarding the proposed re-design. He added:
 - Feels the Park & Ride at the shopping center is too far for folks to get to with no service and would be of no benefit.
 - Suggested a circular shuttle to run every two hours for the hospital, shopping center and the business district.
 - Maintain the service to the Alexandria Walmart
 - Mr. Gary Foose believes TANK should retain the service of the #11 and #16 – ideal transportation for people working downtown Cincinnati.
 - Believes downtown businesses will support bus riding with pre-tax money for fares – some pay the total amount of the fare.
 - Increase fares to a reasonable level over a period of time.
 - Keep #11 and #16 for at least the core business hours.
 - Ms. Marjory Hall reported she is a rider of the #11 - feels the proposed change is alarming.
 - Concern about the cost of parking downtown, especially during special events.
 - Environmental impact concerns – concerns regarding folks with disabilities as well as economic disabilities.
 - Suggest a reasonable fare increase – gradually.

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Mr. Ellerman asked Mr. Aiello to move-up a portion of his report that addresses the re-design while our guests are in attendance.

- Mr. Aiello reported that we complied all of the Public comments received to date and provided it to the Board and all three Fiscal Courts for their review. The packet was five-hundred and thirty-four (534) pages of input from the Public. It has made an impact on the draft plan.
- Mr. Aiello said, as discussed in Committee meetings, we provided the Board the Public Comment packet and discussed some adjustments we could make to the plan. The goal for this meeting was to get any additional thoughts or considerations after having the opportunity to review the information and talk through some of the potential adjustments.

Potential Adjustments to the original plan:

- Splitting the #7 and #8 to better serve Eastern Avenue. This would be budget neutral. We have had opportunities to discuss this potential comprise and so far have not received any negative comments.
- The second adjustment we talked about was moving route #25 back to Village Green – this would be budget neutral. We have had discussions with different folks and cities and we have received positive comments. We want to see this service continued in the plan.
- The Southbank Shuttle / #12 – We have discussed keeping this recommendation, but delaying the implementation of the recommendation due to vehicle accessibility issues.
- There are (2) two adjustments we have discussed but fall outside of budget:
 - The extension from Winston Avenue in Latonia to St. Elizabeth Hospital in Edgewood.
 - The extension of the #16 through Ft. Thomas.

This is where we stand from a technical perspective. At this point we want to see as we move toward the budgeting process if the Board had other questions or concerns they would like for staff to address.

Mr. Aiello said we will continue to compile comments as we receive them and forward them to the Board. Many of the comments we are now seeing are similar to previous comments received. We will keep you posted.

Mr. Kuehne informed the Board that he has attended some of the Public meetings. He found their comments interesting and their concerns about not being able to get to work, to the doctors or St. Elizabeth Hospital. He encouraged people to attend their Fiscal Court meetings to express their needs and concerns. Mr. Parsons said when we give our budgets to the Fiscal Courts we want to be sure to do our due diligence adequately. If the ridership was there on the Routes they would not be slated for change – that’s a reality. We want to work as efficiently as possible with the understanding that the fare will never cover the cost of

operation. When we ask for more money each year they have treated us fairly. It's not just about money, it's about a system that works for the community and works as efficiently as possible. Some changes are necessary.

Ms. Thompson added, in coming up with the recommendations, we have done the quantitative analysis regarding ridership and then went out and talked to people. It all has to be taken into consideration and shared with the Fiscal Courts.

FY 2019 Financial Audit Report – Clark Schaefer Hackett, CPA's

- Mr. Brad Billet with Clark Schaefer Hackett, CPA's presented *TANK's FY 2019 Financial Audit Report*. He advised the Board they have been provided:
 - The FY 2019 Financial Audit Report
 - The Management Report – See Enclosed
 - Lett to the TANK Board – See Enclosed

Mr. Billet presented to the Board a power point. He said it will be more of a conversation and ask questions at any time. His presentation to the Board summarized the following:

- The Engagement Team – the same team for the last (3) three years
- Responsibilities under Professional Standards
 - Financial Statement Option
 - Internal Controls
- Responsibilities under Professional Standards
 - Single Audit
- Summary of Reports Issued
 - Unmodified
 - Government Auditing Standards:
 - No significant deficiencies identified in internal control noted – Clean Report
 - One material weakness in internal control noted
 - No material instances of noncompliance noted
 - Single Audit
 - No material weaknesses identified in internal control over compliance of federal programs noted.
 - No significant deficiencies in internal control of federal programs noted
 - No material instances of noncompliance for federal programs noted
 - Unmodified opinion on major program
 - Other Required Communications – Included in the Letter to the Board
 - Management is responsible for the selection and use of appropriate accounting policies.
 - Significant accounting estimates included:
 - Useful lives of capital assets

- Net pension liability, and related deferred inflows and outflows.
- We encountered no significant difficulties in dealing with management in performing and completing our audit. Mr. Billet indicated this their 3rd year doing TANK's audit and it by far has been the smoothest year. He said it was flawless and thanked Mr. Fuchs and Mr. Thiel for their cooperation.
 - Changes in Assets and Deferred Outflows
 - Changes in Liabilities and Deferred Inflows
 - Operating Revenues – Last 3 Years
 - Significant Sources of Revenue – Last 3 Years
 - Significant Operating Expenses
 - Financial Statement Findings
 - Material Weakness 2019-001: Audit Adjustments

Mr. Billet asked for questions and there were none. Mr. Ellerman thanked Mr. Billet for his presentation.

Pension Committee – Mr. Aiello

- Mr. Aiello informed the Board the Pension Committee minutes are within their packet. He said the Mrs. Douthat is the staff representative and she would answer any questions they might have regarding the Pension. There were no questions.

FINANCE COMMITTEE – Mr. Parsons

- Mr. Parsons indicated that certain routes decreased while others showed an increase year-to-date. Passenger revenue was less again but at the same time overall we are under budget by approximately \$115,000.00. Mr. Parsons reported health insurance expenses associated with the 2019 health insurance plan drove expenses over budget in December.

Mr. Parsons said overall we are under budget for the year. Actually, we used \$68,000.00 less than the operating assistance as provided – overall a very good report. He said the cooperation that the Auditor referenced is very important and having a clean audit is very important - he congratulated the team on that.

- Mr. Parsons indicated there were two items the Finance Committee discussed and recommended for approval by the Board tonight.
 - The first item would be the *Vehicle Disposition* which is vehicles that have exceeded their useful life as defined by the FTA. Detailed information can be found within your Board packet showing the 40-ft Transit Buses and Non-Revenue Support Vehicles that Staff is requesting *Action* to declare surplus property. (*See Enclosed*)

- ***Mr. Parsons made a motion, as requested by the Finance Committee, to declare this equipment surplus property and dispose of them through our normal procedures. Mr. Kuehne seconded the motion. MOTION PASSED UNANIMOUSLY.***
- The second item is regarding a *Bus Shelter* which has been declared surplus. The Campbell County Detention Center has requested it be transferred to them. The Committee reviewed the request and recommend to the Board for approval. (*See Enclosed*)
 - ***Mr. Parsons made a motion, as requested by the Finance Committee, to declare it surplus and transfer the shelter to the Campbell County Detention Center. Mr. Voelker seconded the motion. MOTION PASSED UNANIMOUSLY.***
- Mr. Parsons reported the Committee discussed the Kentucky State Budget as it was proposed by Governor Beshear. At this point there are additional funds in the Governor's budget to off-set the loss of *toll-credits*.

Mr. Aiello reported he along with folks from Louisville and Lexington and KPTA (they represent the thirty rural systems within the State) testified last week to the Budget Review Sub-Committee on Transportation specifically about this issue. He pointed out that HB 353 has actual *cash-match* for those Federal funds that need to flow into the State. We showed a breakdown that last year about 7.7 million dollars of *toll-credits* were used to pull Federal funds into the Commonwealth. We showed a breakdown of the Urban/Rural split – about a 50/50. So every Legislator should have an interest in this issue. It was well received by the Committee – the Chair of this Committee is Representative Sal Santoro from Boone County. We also went on a separate trip to meet with members of our local delegation to talk about this issue too.

PLANNING & MARKETING COMMITTEE – Mr. Kuehne

- Mr. Kuehne reported TANK has posted the open Marketing Manager position.
- Mr. Kuehne thanked the folks that attended the meeting tonight to voice their concerns. He encouraged folks to continue to contact TANK with their concerns about the proposed re-design.

OPERATIONS & SAFETY COMMITTEE – Mr. Aiello

Mr. Aiello reported the one *Action Item* we need to discuss is the *Scheduling Software Change Order* – a Memo is within your Board packet. He thanked Mrs. Whiteker for helping with this procurement and the proposed Change Order. He reported this change order has to do with software interface issues. Clever Devises made assumptions in their

proposal that their product would interface with our existing software systems with a slight amount of customization. As they got into it, they found they needed more customization than they thought and that is what is causing the need for this *change order*. Mr. Aiello reported the original contract amount was \$289,000 for five years. The modification request is for an amount of \$29,850.00 which is a little more than 10% of the total contract amount. He pointed out the comparison of Clever Devices with the two other firms that were on the short-list during the proposal evaluation. The pricing from Clever Devices, even after the change order, is still tens of thousands of dollars less than the next closest proposal. *(See Enclosed)*

- ***Mr. Voelker made the motion, as presented, to approve the RFP-2019.04 Contract Modification for the Scheduling Software. Mr. Kuehne seconded the motion. MOTION PASSED with Mr. Sogar voting no on the motion.***

GENERAL MANAGERS REPORT – Mr. Aiello

- Mr. Aiello reported on the following:
 - Mr. Aiello pointed out the updated EEO Policy that has been given to each of you this evening. Mr. Aiello reported our last EEO Policy update was in 2014. Since then, the Federal Transit Administration has published a circular that has updated guidance for transit systems. When reviewing the circular and looking at our Policy, there are some language changes that need to be made and updated – they are the highlighted areas on the document. The request of Staff is to move and approve the update of this EEO Policy. *(See Enclosed)*
 - ***Mr. Parsons made the motion to approve the update of TANK's EEO Policy as presented. Ms. Thompson seconded the motion. MOTION PASSED UNANAMOUSLY.***
 - Mr. Aiello echoed the comments by Mr. Parsons in regard to the Audit. He complimented Alex and Paul on the great job they continue to do.
 - Mr. Aiello wanted to remind the Board of the Grand Opening of the CareHere facility on Thursday, February 20th. He invited them to stop by to check it out.
 - Mr. Aiello reported Staff has been hard at work on the FY 2021 budget preparation.

OLD BUSINESS – Mr. Ellerman

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

NEW BUSINESS - Mr. Ellerman

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

GENERAL COUNSEL REPORT – Mr. Duncan

- Mr. Ellerman asked Mr. Duncan if he had a report.
 - Mr. Duncan said since we do receive Federal Funds, this relates to the Audit, we do need to have the Board approve the Audit.
 - **Mr. Guenther made the motion to approve the Audit as it was presented today. Mr. Kuehne seconded the motion to approve the Audit. MOTION PASSED.**

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

The Board of Directors meeting adjourned 6:40 p.m.

Respectfully Submitted:
Nancye McClanahan
Executive Assistant/Board Secretary

Brian Ellerman, Board Chair

Nancye McClanahan, Board Secretary