The Board of Directors meeting was called to order at 5:30 p.m. in the Conference Room of the TANK office, 3375 Madison Pike, Ft. Wright, Kentucky by Mr. Ed Kuehne, Board Chair. Mr. Kuehne requested all to stand for the Pledge of Allegiance.

Mr. Kuehne requested Mr. David Anneken, Secretary-Treasurer to call the roll. In attendance were: Mr. Ed Kuehne, Board Chair; Mr. Timothy Donoghue, Board Vice-Chair; Mr. Brian Ellerman; Mr. Steve McCoy; Mrs. Jean Miller; Ms. Jody Robinson; Mr. Andrew Aiello, General Manager; and Mr. Mike Duncan, Legal Counsel.

Absent from the meeting were Mr. Jim Parsons; Mr. Dave Sogar; Mr. Bill Voelker and Mrs. Nancye McClanahan, Executive Assistant.

Mr. Kuehne reported the first order of business was to approve the minutes of the September 14, 2016 Board meeting. Mr. Donoghue made a motion to approve the September 14, 2016 Board minutes. Mr. McCoy seconded the motion. MOTION PASSED.

Mr. Kuehne reported we conducted a Special Board of Directors meeting on October 4, 2016 and indicated they had a copy of the minutes. He asked for a motion to approve the minutes of the Special Board of Directors meeting. Mr. McCoy made a motion to approve the October 4, 2016 Special Board of Directors minutes. Mr. Donoghue seconded the motion. MOTION PASSED.

Mr. Kuehne said prior to the start of the meeting, he would like to thank Mr. Aiello and all of the Staff for the excellent Grand Opening the Covington Transit Center. He said that it went great and for those that were unable to attend or are listening on TV, he wanted to repeat some of the comments he made at that time.

- The CTC has a total of 488 buses that go through that hub each day.
- TANK transports on a daily basis approximately 11,000 people.
- Of the 11,000 people, approximately 4,000 go through the CTC each day.
- 1,200 people either board a bus or get off of a bus at the CTC.
- On a monthly basis, we drive 380,000 to 400,000 miles.

Mr. McCoy expressed his appreciation to Mrs. Douthat and Mrs. Holgate for managing the CTC project and getting it ready for the Grand Opening. The Board gave them a round of applause. Again, Mr. Kuehne thanked everyone. He said representatives from the Counties attended along with many others.
RESULTS OF FY 2016 AUDIT – Mr. Herald P. Kremer, CPA – Barnes Dennig

- Mr. Kuehne asked Mr. Herold P. Kremer, CPA with Barnes Dennig to present the FY 2016 Audit prior to the committee reports. Mr. Kremer informed the Board that Barnes Dennig have audited the financial statements of the Transit Authority of Northern Kentucky (TANK) for the year ending June 30, 2016 and have issued our report dated October 6, 2016. He indicated this information has been distributed to the Board. The first thing he would discuss would be the Audit and Financial Statement and he said he would be happy to answer any questions the Board might have but the important thing for the Board to know is they had a *unqualified opinion*. This means the audit was clean and TANK is doing things the correct way.

He reported that since TANK received over $750,000 of federal money they do additional procedures on some of the programs that TANK has to make sure the controls are place and we had *no findings*.

Mr. Kremer thanked Mr. Barry Harsaran, the Manager of Finance and his staff. They did a wonderful job and were very cooperative in helping the audit go very smoothly. He pointed out the letter he also distributed to the Board. It lists out some of our communications and, as he is required to do, he will summarize the information for the Board.

Mr. Kremer reported there are a number of accounting policies that TANK follows and none of those had changes since last year. Mr. Kramer said they had no difficulty with the audit – it went very smoothly with the work of the TANK staff. If there were any corrected or uncorrected misstatements they would make you aware of those but we did not have any adjustments during this audit and that is good new as well. If there had been any disagreement with Management you would have to be informed but there were none. He indicated that Management does make certain representations to them in a representation letter. Mr. Harsaran would have a copy of this letter if you would like to see what the representation include. He indicated he would have to advise you if TANK had consultation with other independent accountants because of a disagreement on a policy, but as far as they are aware there are no consultations with other accountants.

Mr. Kremer reported there were a couple of *best practice* suggestions related to fixed assets capitalization policy and making sure of proper review of federal reports before they are submitted. He said there was nothing significant or material to worry about. Again, Mr. Kremer said it was all good news and again thanked TANK for using Barnes Dennig for their audit.
Mr. Kuehne asked for any comments. Mr. Aiello said he would like to echo what Mr. Kremer said about our staff. Our core financial team (Mr. Barry Harsaran, Mr. Paul Thiel, Mr. Steve Henriksen and Mr. Joe Ryan) does this work every day. They rely on our staff to follow all of the internal procedures and controls. Everyone here has a part in helping the audit go smoothly so thanks to the staff for committing to the processes throughout the year. We will follow up on some of the best practices listed in the letter – we will take them under advisement as we continue through the year to refine for the next time around. We appreciate the feedback. (See Enclosed Letter)

OPERATION & SAFETY COMMITTEE – Mr. Donoghue

- Mr. Donoghue provided an update on the Senior Transportation Program. He indicated last month we discussed cutting back on some of the service we had on the street to match the demand. He wanted to inform the Board that Mr. Clifton and his team worked to get that done in an efficient way and the reduced service began on October 1st. This will significantly decrease program costs and TANK will invoice much less to the ADD District each month. Mr. Donoghue indicated he would provide an update on the program’s ridership again in a couple of months.

- Mr. Donoghue reported we periodically use a contractor to conduct performance audits (or “secret shopper audits”) on our operators. The person who has been performing our audits for the last 6-7 years has been in the transit industry for over fifteen (15) years and has worked as both a bus operator and operations supervisor. Mr. Donoghue said we do these audits to make sure our operators are maintaining their driving and customer service skills and are complying with federal and state regulations.

Mr. Donoghue reported that about seventy (70) audits were conducted this round – the operators are picked randomly and included both junior and veteran operators and the operators do not know the audits are being done. Not all operators were audited and a few were audited more than once. Mr. Donoghue indicated with the information we obtain, it helps guide our training topics for safety talks, safety meetings and daily electronic messages. Also, all of our operators are divided into teams and each team is led by a Supervisor. The Supervisor meets with the operators that have been audited and they review the findings with the operator.

Ms. Pierce reported there are nine (9) different categories. Some of the general areas that are evaluated include:

- Schedule Adherence
- Driving Skills
- Safety Observations
- Bus Stops
Mr. Donoghue reported Ms. Pierce reviewed with the committee some findings in each area, ones where we excelled and ones where we need improvement. The results are pretty typical of what we have seen in the past years - rolling stops and not making required ADA announcements have always been areas for improvement. He indicated Ms. Pierce said we have always done well in the area of customer service, but this year we did exceptionally well. Mr. Donoghue reported Mr. Aiello said that we do not use the “secret shopper” findings for punitive or disciplinary measures but as an opportunity to coach and train our Operators.

FINANCE COMMITTEE – Mr. Kuehne

- Mr. Kuehne reported at the Special meeting of TANK’s Board of Directors on October 4th we reviewed the financial report. He indicated each Board member has received a copy of the financial report. He asked if anyone had anything additional to discuss and there were no questions or comments.

GENERAL MANAGERS REPORT – Mr. Aiello

- Mr. Aiello reported on the following:
  - Mr. Aiello reported we have started on the next step of our Strategic Plan in terms of updating our TANK Target process. Mr. Aiello said we received good feedback internally from staff. He added in addition to feedback internally from staff and from the Board, we reached out to our Bargaining Unit. He reported three (3) of the members of the Executive team of the Bargaining Unit provided feedback to the process too. All of the information has been compiled and our next step is to provide the Board with a “draft” final plan for the next few years which they would receive prior to our next round of committee meetings.
  - Mr. Aiello reported he has an Action Item regarding asphalt repair. This information was sent to you earlier this week. Mr. Aiello reported we have some asphalt failing on the property. We have come up with a plan and received some quotes. The project involves some drainage issues on site that are causing a lot of deterioration. We have received two (2) quotes:
    - Eaton Asphalt Company - $12,285
    - Queen City Blacktop - $16,655

(See Enclosed)
Based on those quotes received we are recommending the Board allow staff to proceed with the project with Eaton Asphalt Company to do the asphalt repair in the CDL lot. Mr. Ellerman made a motion to approve the quote of Eaton Asphalt Company for the asphalt repair in the CDL lot. Mr. McCoy seconded the motion.

Prior to the vote, Mrs. Miller asked if there would be enough time for the project to be completed before the plants close for the season. Mr. Aiello said that given the timing and your approval, at this meeting, the projects will be able to move forward prior to the closing of the plant for the season. Mr. Kuehne asked for a vote of the motion. *MOTION PASSED.*

**GENERAL COUNSEL REPORT – Mr. Duncan**

- Mr. Duncan said, as Mr. Kremer pointed out in his audit report, we do receive federal funds and there is a federal regulation that requires us to document that we have accepted and approved the audit report. Mr. Duncan reported the Board can do this as early as tonight if you feel comfortable with the report given by Mr. Kremer or if you want to read it first you can do it at a later time. Mr. Kuehne indicated that as Mr. Parsons is not in attendance he would like for him to have the opportunity to review the audit report and therefore recommends waiting until next month’s meeting. Following discussion, approval was *tabled* until next month’s meeting.

**AUDIENCE RECOGNITION – Mr. Kuehne**

- Mr. Kuehne asked for Audience Recognition and there was none

**OLD BUSINESS – Mr. Kuehne**

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

**NEW BUSINESS – Mr. Kuehne**

- Mr. Kuehne asked for any New Business. Mr. Donoghue indicated under *Good and Welfare*, he would like to say the Covington Transit Center (CTC) is beautiful. He said that Mr. Aiello is so good about handing out compliments he wanted to compliment him on the excellent facility. Since he is the leader of this team, Mr. Donoghue wanted to thank him as he is doing an outstanding job. The Board all agreed with a round of applause.

*Mr. Kuehne requested a motion to adjourn the meeting. Mr. McCoy 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 5:50 p.m.

Respectfully Submitted:
Nancye McClanahan
Executive Assistant

David L. Anneken, Secretary-Treasurer

Ed Kuehne, Board Chair