

**TRANSIT AUTHORITY OF NORTHERN KENTUCKY**  
**Board of Directors**  
**November 14, 2018**

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The TANK Board of Director's meeting was called to order at 5:30 p.m. on Wednesday, November 14, 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.

In attendance were: Mr. Tim Donoghue, Board Chair; Mr. Brian Ellerman, Vice-Chair; Mr. Scott Guenther; Mr. Ed Kuehne; Mr. Jim Parsons; Mr. Dave Sogar; Mr. Andrew Aiello, General Manager; Mr. Mike Duncan, Legal Counsel; Mr. Dave Anneken, Secretary-Treasurer; and Mrs. Nancye McClanahan, Executive Assistant.

Absent from the meeting were Mrs. Gina Rittinger, Ms. Laura Thompson and Mr. Bill Voelker.

Mr. Donoghue asked for a motion to approve the October 10, 2018 Board Minutes. ***Mr. Kuehne made a motion to accept the minutes of October 10, 2018. The motion was seconded by Mr. Scott Guenther. MOTION PASSED***

**AUDIENCE RECOGNITION – Mr. Donoghue**

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

**RESOLUTION – Mr. Donoghue**

Mr. Donoghue read the *Resolution* regarding the retirement of Robin Newsome, TANK's agent for Sales of Advertising. Mr. Donoghue asked for a motion for the *Resolution*.

***Mr. Kuehne made a motion to approve the Resolution regarding the retirement of Ms. Newsome. Mr. Sogar seconded the motion. MOTION PASSED.***

He asked Ms. Newsome to come forward for the presentation of this *Resolution*.

Following the presentation Ms. Newsome said it has been an honor working with everyone at TANK for the past thirty-four plus years and she thanked the Board for the opportunity.

**PENSION COMMITTEE – Mrs. Douthat**

- Mrs. Douthat reported the meeting commenced at 9:00 a.m. Committee Members present included Chairman Phil Wiedeman, Tim Donoghue and Gina Douthat. Also in attendance were Thomas Poe and Ken Donaldson (US Bank), Andrew Aiello (TANK General Manager), Barry Harsaran (TANK Finance Manager) and plan member Paul Thiel. John Boland was absent.

**Finances:**

- Ken Donaldson from US Bank reviewed the performance of the market over the first half of the year and gave an outlook for Q4.

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- The Plan continues to hold a balanced investment objective. The account is currently 56.42% equities, 34.49% fixed income, 5.04% domestic real estate, 2.23% commodities and 1.81% cash.
- The total portfolio balance reported 9/28/18 is \$11,933,615. Current yield is 2.21%.
- The full Market Review and Outlook, Portfolio Overview and Performance document provided for the third quarter by US Bank is available for review. See Gina Douthat, Pension Rep to see a copy.

**Audit Update:**

- Actuary has completed GASB reports for the TANK Audit.
- Barnes Dennig is nearing completion of the pension audit, as required by the TANK Audit. Audit is currently under review.

**TANK Participation in Payment - Required Audits/Actuary Reports:**

- Traditionally, the pension committee has conducted a full pension audit every other year and a full actuarial report every 3 years.
- With GASB, there is now a requirement to conduct:
  - Audit every year
  - Actuary funding report every other year
  - GASB report every year
- This change, required in order to complete the TANK financial audit, was discussed at length. In order to limit additional administrative spending out of the pension plan, TANK management and the Pension Committee came to an agreement re: payment sharing of future required audits and GASB/Actuarial reports. This sharing will allow TANK to pay for the requirements over and above those that have always been handled by the pension committee. The pension committee will still hire the auditors/actuary and still conduct the work. The only change will be that the payment for these services will be shared by TANK. She referred to the enclosed graph within their Board packet.

**FINANCE COMMITTEE – Mr. Guenther**

- Mr. Guenther reported the Finance Committee met on November 6<sup>th</sup>. We reviewed the financial statements of FY 2019 through September. He reported ridership has continued to decline although it looks like the degree of the decline is thinning out and plateauing. As a result of decreased ridership, revenues were down about \$40,000.00 for September however expenses were down by about \$61,000 so the net number was ahead of budget. He said he would be happy to answer any questions and there were none.
- Mr. Guenther indicated there were some *Action* items for the Board's consideration. He said the first was:
  - **FTA Grant Resolution No. 2019.02** – He reported this is done annually and asked Mr. Aiello to discuss. Mr. Aiello said this is an annual authorization that allows the General Manager to execute federal awards with the Federal Government's grant

system. The language is the same each year – it’s required by the FTA. Mr. Donoghue asked for a motion on Resolution 2019.02.

***Mr. Guenther made the motion to approve Resolution 2019.02. The motion was seconded by Mr. Sogar. MOTION PASSED.***

- Mr. Guenther reported the second *Action Item* was we have some Buses that need to be declared as *surplus property* so we can dispose of them. He referred to the memo in the packet. These are four trolleys that are past their useful life. Mr. Donoghue asked for a motion.

***Mr. Ellerman made the motion to declare the four trolleys surplus property. Mr. Kuehne seconded the motion. MOTION PASSED.***

- Mr. Guenther reported we also have some *Surplus Equipment*; IT equipment that is listed on a Memorandum from Mr. Aiello dated October 29, 2018. He indicated this equipment also needs to be declared as *surplus equipment*.

***Mr. Guenther made the motion to declare the equipment listed in the Memorandum dated October 29, 2018 as surplus. The motion was seconded by Mr. Kuehne. MOTION PASSED.***

- Mr. Guenther reported another *Action Item* is related to the potential engagement of a *Compensation Strategy Consultant*. He asked Mr. Aiello to report on that. Mr. Aiello reported we have an existing compensation matrix that details pay grades within the organization. This matrix has not been updated for a number of years and needs to be updated it relates to the market as well as some FLSA classifications. We sought quotes from a number of Human Resource firms to help us do that work and received mixed results when we got the proposals back.

Mr. Aiello reported Staff’s recommendation, as presented to the Finance Committee, is to approve ERA, Employers Resource Association, to do the work. Their proposal was the most straightforward and clear in terms of pricing. He reported the goal is for them to come back with a draft report which would then be presented to the Finance Committee to see if there would be any financial impacts before anything was implemented. Mr. Donoghue requested a motion.

***Mr. Guenther made the motion to approve ERA to do the work as TANK’s Compensation Strategy Consultant. The motion was seconded by Mr. Kuehne. MOTION PASSED.***

- Mr. Guenther reported on work we needed to have completed as it related to a voluntary OSHA audit. OSHA came to TANK to look at our facilities and as a result they required us to make changes to some electrical panels. Mr. Aiello indicated OSHA came in to do “part two” of their on-site review. One of the things that came out of the second review was the

fact that electrical panels in our facility were not all labeled. They were not labeled when the facility was built in 1982. OSHA required, as part of the compliance review, that we label every circuit and every panel. We have twenty-eight panels in this building with hundreds of circuits that needed to be traced. Mr. Aiello said after they are all labeled it will provide a comprehensive guide to our electrical system within the facility. This work needed to be done within OSHA's 30 day deadline. Therefore, under the Emergency Clause of our procurement process, we got the quotes from companies and following review of their proposals, Arc Electric was selected to begin the work. This is being brought to the Board for information. Mr. Aiello informed the Board that the work is now underway.

Mr. Aiello informed the Board we are able to use our Federal facility dollars for the project. It will push through the budget as an expense, but it will be offset by federal funds in the budget on the revenue side. Mr. Guenther added this was an emergency procurement, multiple quotes were obtained, and this was the best quote.

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

- Mr. Kuehne reported the committee met on Tuesday, November 6<sup>th</sup> and they have three line items to bring to the Board. The first item is an *Action Item* regarding advertising. He asked Mrs. Douthat to provide the information.
  - Mrs. Douthat reported staff recently put out an RFP for *Advertising/Marketing Creative Services*. This is our advertising and marketing agency that we use for creative, media buying, public relations and strategy. Our contract had expired last month and we were required to go out to find a new agency. She reported through the process we received three proposals. They included:
    - Intrinzie
    - Fieldtrip
    - Advance 360

She reported they evaluated the proposals and they all met the basic requirements of the RFP. They were then scored on the following criteria:

- Pricing Proposal
- Agency Qualifications, Experience, and References
- Staff Qualification, Work Plan, Approach
- Technical/Graphic Capabilities

She reported of the three proposals received, two were excellent – Fieldtrip and Intrinzie. At the end of the scoring, Intrinzie's proposal was scored the highest. We have been very happy with Intrinzie and by continuing with them it allows us to take advantage of the work that we have done over the past five years. We feel we can hit the ground running with our marketing and by staying with Intrinzie we believe we can start with a pretty heavy marketing push to help increase ridership.

Mrs. Douthat reported the Planning and Marketing committee recommends to the Board of Directors to approve the proposal from Intrinzie as TANK's Advertising/Marketing Creative Service Vendor for the next five years.

*Mr. Kuehne made the motion to approve the recommendation to approve the proposal with Intrinzie for TANK's Advertising/Marketing Creative Service Vendor for the next five years. The motion was seconded by Mr. Sogar. MOTION PASSED.*

- Mr. Kuehne asked Ms. Rennekamp to provide the Board with a marketing update. Ms. Rennekamp reported on the following:
  - Ms. Rennekamp informed the Board about our annual *Stuff-the-Bus* event. This year it will be at the Remke store in Crescent Spring, Saturday, December 8<sup>th</sup> from 10:00 a.m. to 2:00 p.m. with the proceeds going to *Be Concerned*.
  - Ms. Rennekamp said she was excited to share the good success we are having on social media. We are using Instagram and Twitter, but we have a really large audience that is engaging with us on Facebook. She said we recently had an Operator, Candy, graduate and because she showed so much excitement she asked her to do a *Recruitment* video for TANK. The video on Facebook has been viewed by 5,400 compared to our normal 2000 – it has been viewed 3,500 plus times and we have had over 2,100 engagement/shared.
- Mr. Kuehne asked Mr. McCulley to give a report on the *Newport High School Service* we will be providing.
  - Mr. McCulley reported a few months ago Newport Independent Schools reached out to us regarding a need for transportation. They have kids on a waiting list for transportation to school. He reported we have signed a contract with the school and we will be starting service on November 27<sup>th</sup> and it will run through May 29<sup>th</sup> – the service will have two morning trips and two afternoon trips to the school. The school is paying for this service 100% and we are treating this as a pilot.

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

- Mr. Sogar reported the Operation Committee met on November 7<sup>th</sup>. He reported Mr. Lockman, Risk Manager, told the committee we had 5 preventable collisions compared to 4 preventable collisions last October. Year-to-date, we have had 52 preventable collisions compared to 57 this time last year. Mr. Lockman indicated we are trending in the right direction. Per 4000,000 miles driven year-to-date, it puts us at 4.92 – last year at this time it was 5.21. Mr. Sogar reported last year was a record year and we are currently exceeding those numbers.
- Mr. Sogar reported the 2018 Roadeo was held on Sunday, October 21<sup>st</sup> at General Cable in Highland Heights. Mr. Sogar indicated this is the fourth year the Roadeo was held at General Cable and indicated they are very gracious to allow us to use their facility.

Mr. Sogar reported Mr. O'Leary showed a video of the Roadeo to the committee. Winners of the Roadeo were:

- Fixed Route
  - 3<sup>rd</sup> Place – Don Turner
  - 2<sup>nd</sup> Place - Jeff Bischoff

- 1<sup>st</sup> Place – Frank Tacopina
  - Maintenance
    - Brandon Hurst
  - RAMP
    - Stacy Jeffries
- Mr. Sogar reported we recently sent out an RFP for Uniforms. Currently, our Uniform contract has expired so we have been on a month-to-month renewal with Galls Uniform Company. We recently sent out an RFP for Operator uniforms and Supervisor uniforms. Each employee receives a uniform allotment so there is no budgetary impact for this contract. This is for a three year contract. We look at several things in reviewing the proposals. They include:
    - Quality/Appearance of Uniform Items
    - Delivery Options and Estimated Delivery Time
    - Cost of Uniform Items
    - Available Stock
    - On Line Store
    - Physical Store for Operators and Supervisor fittings
    - Experience

Mr. Sogar reported we received two proposals – Cintas and Galls. Most of the folks we sent it out to do not have the capacity to handle an organization this large. The selection team scored and ranked the proposals and selected Galls Uniform Company.

Mr. Sogar indicated Mr. O’Leary and the Operations & Safety Committee would like the Board of Directors to approve the contract with Galls Uniform Company for a period of up to three (3) years with an additional one (1) year term for the purchase of bus operator and supervisor uniforms.

***Mr. Sogar made the motion to approve Galls Uniform Company for the uniforms for bus operators and supervisor uniforms as stated. The motion was seconded by Mr. Kuehne.***

Mr. Guenther asked about the cost of this contract compared to the other quotes we received? Mr. Aiello reported that cost of the uniform items is one of the factors in the review of the proposals received. He said from a budgetary perspective, there is a set uniform allotment amount each operator receives as part of the collective bargaining agreement - \$225.00 per operator per year. ***MOTION PASSED.***

- Mr. Sogar reported Mr. Aiello advised the committee TANK’s new Human Resource Manager is Ms. Denise Banks. Ms. Banks has about 16 years of HR experience in both for-profit and non-profit organizations. She will begin full-time on November 19<sup>th</sup>.

**GENERAL MANAGERS REPORT – Mr. Aiello**

- Mr. Aiello reported on the following:
  - Mr. Aiello reported he provided a presentation to the Kentucky Legislature, Interim Joint Budget Review Subcommittee on Transportation to discuss the impact of toll credits on transit funding in Kentucky. He reported in addition to TANK staff attending there were some TANK Board members in attendance at the meeting too.
  - Mr. Aiello reported he continues to meet with CVG. He reported there is a lot going on at the airport – the Amazon Prime Air project, the master planning project they are going through and their workforce development efforts. We are spending a lot of time finding out how TANK will fit into future state of the growing airport.
  - Mr. Aiello said from the Planning & Marketing side we are continuing to move forward on some of the initiatives you have heard about in committee. Those include some of the regional coordination efforts that we are doing with Metro and other regional transit agencies. He reported TANK Board members Mrs. Rittinger and Mr. Guenther have joined a sub-committee of the SORTA Board where these issues are being discussed at the Board level. So far they are moving along very well and you will continue to be updated.
  - Mr. Aiello said our two technology projects continue to move along very well – Uber and Microtransit. We will provide deeper updates in committee.
  - He thanked the Staff for all of their hard work. We are moving into the time of year where we have to react to the weather. It takes great teamwork and communication throughout all departments to effectively manage the operation during weather events.

Mr. Donoghue added he wanted to thank Staff for all that they do but also adding the drivers back in Maintenance for the work they are doing in regard to safety and operations with our upcoming winter weather.

**OLD BUSINESS – Mr. Donoghue**

- Mr. Donoghue asked if there was any old business and there was none.

**NEW BUSINESS – Mr. Donoghue**

- Mr. Kuehne extended to Staff and people watching a Happy Thanksgiving. Mr. Donoghue added “safe travels” too.

**GENERAL CONSEL REPORT – Mr. Duncan**

- Mr. Duncan reported he had one item which is a follow-up from the discussion we had in *Executive Session* last month. He asked that we discuss this item further in *Executive Session* tonight. He asked for a motion under KRS 61.810(1)(B&C). “B” is deliberation on real on sale of real estate and “C” is discussion on possible litigation.

*Mr. Sogar made the motion to go into Executive Session. The motion was seconded by Mr. Kuehne. MOTION PASSED.*

*Mr. Kuehne made the motion to come out of Executive Session. Mr. Guenther seconded the motion. MOTION PASSED.*

Mr. Donoghue reported that *no action* was taken during the Executive Session.

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

The TANK Board of Directors meeting adjourned at 6:30 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