



TANK Board of Directors Meeting

March 10, 2021

Call to Order: 5:30 p.m. via Zoom conference

ATTENDANCE, Board Members:

- Brian Ellerman, Chair
- Ed Kuehne, Vice-Chair
- Tim Donoghue
- Jim Parsons
- Laura Thompson
- Dave Sogar
- Scott Guenther
- Bill Voelker
- Gina Rittinger

ATTENDANCE, Staff/Other:

- Andrew Aiello, General Manager
- Mike Duncan, Legal Counsel
- Gina Douthat, Deputy General Manager
- Sean O’Leary, Director of Operations
- Bill Hock, Director of Maintenance
- Alex Fuchs, Director of Finance
- Jenny Kammes, Manager of Marketing

AUDIENCE RECOGNITION:

Mr. Ellerman noted that staff will be monitoring the comments section of the Facebook Live event. Staff will relay questions to the Board throughout the meeting. **See summary below.**

APPROVAL OF MINUTES:

Motion to approve the February 10, 2021 Board Minutes.

Motion: Jim Parsons

Second: Tim Donoghue

Discussion: None

Action: **Motion Passed**, Unanimously, Mr. Ellerman abstained given he did not attend the February meeting.

REPORTS:

Pension Committee Report

Mr. Donoghue reported that the Pension Committee met January 20th, 2021.

Ken Donaldson from US Bank reviewed the performance of the market over the 4th quarter of the year. It was a strong 4th quarter with a global economy that continues to improve, despite



COVID19. The Plan is a managed plan and continues to hold a balanced investment objective. The account is currently 64.20% equities, 31.20% fixed income, 1.93% real assets, 2.67% cash. The total portfolio balance reported 12/31/2020 is \$13,545,783, up from the September 2020 quarter end portfolio value of \$12,428,570. Current yield on the fund is 1.76%.

After the meeting, the committee held discussions over email in February to discuss the pension committee recommendation for labor agreement negotiating teams re: continued contributions by members and company in the next BU agreement. We recommend continuing the approach from the last 10+ years of increasing contributions and that detail was sent to Andy and John in preparation for upcoming negotiations.

Finance Committee Report

Vehicle Disposition (ACTION)

Mr. Parsons referred to the memo in the packet dated February 25, 2021, regarding vehicle disposition. The vehicles in the memo have exceeded their federally-defined useful life and would be sold through on-line auction and/or advertised sealed bid. Three vehicles would be offered for transfer to Gateway Community & Technical College.

Recommend that the TANK Board of Directors dispose of the vehicles in accordance with the attached memo.

- Motion: Tim Donoghue
- Second: Ed Kuehne
- Discussion: None
- Action: **Motion Passed**, Unanimously

Draft FY22 Operating & Capital Budgets (ACTION)

Mr. Aiello referred to the presentation contained in the Board packet. This is the time of year when the Board considers a draft operating and capital budget for the following fiscal year. This information was covered at two of the committee meetings and was in the Board packet for review prior to this meeting.

The following subject areas were discussed.

- **Context.** Before the pandemic, public transportation across the country was facing some significant challenges – ridership declines due to changing commute/mobility options and workforce attraction and retention. Since the pandemic, these challenges have only accelerated. Also, during the pandemic, our community learned about the “essential commuter” and how cities cannot function in times of crisis without a functioning public transit system.

- **Workforce.** TANK is not currently operating the Southbank Shuttle due to staffing constraints and daily workforce shortages are impacting system reliability. Hiring and retaining bus operators will be TANK’s most significant challenge in the short-term.
- **Pandemic Budget Impact.** Passenger revenue is down due to suppressed ridership. Overtime pay and off-day pay has increased. Other pandemic-related expenses remain in place (federal emergency leave, additional sanitizing, barriers, etc.).
- **Moving Forward.** Many pandemic-related impacts will fade quickly. However, two major impacts will continue to be challenging for years to come – rebuilding ridership and recruiting/retaining workforce. Thankfully, we have federal support (CARES, CRRSAA, and maybe “stimulus III”) to help balance budgets over our four-year plan.
- **Budget Approach.** Keep as much bus service on the street as possible. Incur short-term costs (recruiting, marketing, etc.) to rebuild the system. Use one-time federal funds to offset increased cost and lost ridership. Taper these revenues over four years to return to “equilibrium” in FY26.
- **Budget Summary.** For FY22, baseline operating expenses should increase about 3.1%. One-time pandemic-related expenses will equal \$500,000. Ridership (and in turn passenger revenue) should begin to rebound in FY22. Federal relief funds (CARES/CRRSAA) will fill the gap. The total county contribution is budgeted to decline by 4.4% in FY22.
- **County Funding Formula.** FY22 represents the final phase of transitioning to the new County Funding Formula.
- **Four-Year Funding Plan.** The four-year funding plan shows individual county contributions either very near or below the planned amounts for the life of the plan.

Recommend that the TANK Board of Directors approve the Draft FY22 Operating & Capital Budgets as presented.

Motion: Jim Parsons

Second: Dave Sogar

Discussion: None

Action: **Motion Passed**, Unanimously

Planning & Marketing Committee Report

Marketing Items Update

Mr. Kammes provided updates on a few marketing items. The marketing department has been working on a hiring campaign to assist HR and Operations in recruiting new drivers. This includes internal promotions and social media promotions as well.



Operations & Safety Committee Report

Monthly Safety Stats

Mr. Donoghue informed the committee that in February of 2020 we had 9 preventable collisions. In February of 2021, we had 11 preventable accidents. Of the 11, all were fixed object strikes. Eight of the incidents were from employees with three years or less tenure. The other three incidents were from employees with 3 to 5 years of experience. Most were right-side contacts. We have placed an emphasis on this and are actively coaching these individuals to determine root cause.

Mr. Donoghue thanked the operators for their efforts to maintain a safe operation during the snow storms that occurred in February.

Workforce Shift Analysis

Operator’s work schedules are now much more predictable under the redesigned operating model. The number of straight-through runs has increased 38%; split runs have been reduced by 11%.

General Manager’s Report

Mass Vaccination Weekend

Mr. Aiello informed the Board that TANK staff has been asked to join discussions being led by the local Chambers of Commerce and public health organizations in both Ohio and Kentucky. One of the ideas is to highlight a few “mass vaccination” weekends and potentially eliminating transit fares for the weekend(s) to engage transit-dependent populations about vaccination and lower the transportation hurdle as well. Private businesses may offset or partially offset the lost fares for TANK. This would most likely occur in April and May.

The Board expressed interest in continuing to learn about this.

FTA Triennial Review

TANK continues to provide information and documentation to FTA as they work through our Triennial Review process. The virtual site visits will occur next week. More to follow.

Transit Worker Appreciation Day

Next Thursday is Transit Worker Appreciation Day. Staff will be thanking employees next week. Mr. Donoghue recommended an appreciation gathering/party after the pandemic fades to thank everyone for their work over the past year.



OLD BUSINESS:

None.

NEW BUSINESS:

None.

GENERAL COUNSEL’S REPORT:

None.

AUDIENCE RECOGNITION:

Ms. Douthat reported that there are some comments related to passengers trying to understand the redesigned system. Staff is responding to educate passengers on the changes to the system.

There are also comments from passengers related to missed trips on the system. These are trips that were not operated due to workforce shortages and customers are expressing their frustration.

Ms. Thompson asked if customers can log complaints. Ms. Douthat explained how TANK takes, categorizes, and logs complaints through our customer hotline (331-TANK), online chat function, etc. We have seen an increase in complaints related to missed trips.

Mr. Aiello stated that it is important to underline these public comments for the Board. TANK has been consistently missing trips due to workforce shortages and this is impacting TANK’s reliability and trust with our customers.

Mr. Aiello stated that staff is working on a temporary service adjustment to pull back a bit on service levels so that the service on the street can be reliable.

Mr. Aiello and Ms. Douthat explained how TANK communicates with our passengers when trips are missed.

Mr. Sogar asked about the amount of overtime being worked. Mr. Aiello and Mr. O’Leary discussed the provisions in TANK’s contract available to operators to call off if they are working extended hours. It was agreed that a service reduction is necessary as soon as possible to provide some relief.

Mr. Sogar asked when TANK would be able to make this temporary adjustment to service levels. Mr. Aiello stated that staff would like to make this temporary adjustment within the next four to five weeks.

Mr. Donoghue asked about other transit systems. Mr. Aiello stated that all of our peer systems are struggling to hire, and some are also missing trips/pullout. Most businesses in this region that rely upon hourly workers are having difficulties attracting and retaining a workforce.

Mr. Guenther asked if we should add this issue to the next round of committee meetings. Mr. Aiello stated that staff would like to move quickly, and he offered to review with the Board staff's current planning on this issue. The approach would be as follows.

- The reduction would be applied to local routes only
- The first early morning trip for each route would stay the same
- The last evening trip for each route would stay the same
- The frequency of trips throughout the day would be slightly reduced
 - o E.g. from 20-minute frequency to 30-minute frequency
 - o E.g. from 40-minute frequency to 60-minute frequency

This would ensure that everyone would still be able to reach their destinations at all times of the day, but they may have to travel a bit early or a bit later than they are traveling today. Also, the passengers will have better assurance that every trip will be reliable and will show up as scheduled.

Motion to approve the temporary service reduction as described above.

Motion: Dave Sogar
Second: Laura Thompson

Discussion: Mr. Parsons asked if staff needed the authority of the Board to act. It was discussed that it would be beneficial to have a policy in place noting when Board approval was required, given the level of service change.

A friendly amendment was made to the motion:

Motion to approve the temporary service reduction as described above and direct staff to present at a future meeting a draft policy detailing when Board approval would be required, given the level of service change.

Action: **Motion Passed**, Unanimously

EXECUTIVE SESSION:

Motion to go into closed Executive Session pursuant KRS 61.810(1)(e) regarding collective bargaining negotiations between public employers and their employees and pursuant to KRS 61.810(1)(c) regarding proposed or pending litigation against or on behalf of the public agency.



MINUTES

Motion: Ed Kuehne
Second: Scott Guenther
Discussion: None
Action: **Motion Passed**, Unanimously

Motion to close the Executive Session and note that no action was taken during the session.

Motion: Tim Donoghue
Second: Dave Sogar
Discussion: None
Action: **Motion Passed**, Unanimously

ADJOURN:

Motion to adjourn the meeting.

Motion: Scott Guenther
Second: Laura Thompson
Discussion: None
Action: **Motion Passed**, Unanimously, 6:50 p.m.