



TANK Board of Directors Meeting

August 11, 2021
Call to Order: 5:30 p.m.
3375 Madison Pk., Fort Wright, Kentucky

ATTENDANCE, Board Members:

- Scott Guenther, Chair
- Brian Ellerman
- Ed Kuehne
- Laura Thompson
- Dave Sogar
- Jim Parsons
- 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
- Alex Fuchs, Director of Finance
- Gary McCulley, Assistant Director of Operations
- Matthew Rosenbloom-Jones, Manager of Scheduling
- Tricia Duvall, Manager of Human Resources
- Lyndi Whiteker, Performance Analyst

AUDIENCE RECOGNITION:

Mr. Guenther asked for Audience Recognition and there was none.

APPROVAL OF MINUTES:

Motion to approve the July 14, 2021 Board Minutes.

Motion: Bill Voelker
Second: Ed Kuehne
Discussion: None
Action: **Motion Passed**, Unanimously

REPORTS:

Pension Committee Report

Ms. Douthat reviewed the Pension Committee Report. The committee met on July 22nd and no action was taken at the meeting.



US Bank reviewed the performance of the market over the 2nd quarter of the year. It was a strong 2nd quarter with a global economy that continues to improve

The Plan is a managed plan and continues to hold a balanced investment objective; spread over equities, fixed income, real assets and cash.

The total portfolio balance reported 6/30/2021 is \$14,170,078, up from the December 31, 2020 year end portfolio value of \$13,545,783. Current yield on the fund is 1.51%.

Mr. Parsons asked if the 1.51% figure was the return on the investment for the year. Ms. Douthat stated that this is the return on the investment for the reporting period (one quarter).

June FY21 Financial Statements

Mr. Aiello first reviewed the summary sheet, TANK Targets Metrics. This report represents the last month of the fiscal year; a year which was entirely impacted by the Covid-19 pandemic. For Fiscal Year-to-Date, total TANK ridership is down about 42% from last year.

He stated that TANK is still short-staffed in fixed-route bus operators and turnover rates remain unusually high.

The agency is in good financial shape. TANK operated under budget by approximately \$21,000 for the month and ended approximately \$1.8 million under budget for the fiscal year.

For the fiscal year to date, TANK has drawn \$2.9M less in operating assistance than budgeted.

Title VI Survey RFP

Ms. Douthat informed the Board that staff released a Request for Proposals for a Title VI Survey, a project that is required by the Federal Transit Administration. The RFP resulted in three proposals. The lowest priced proposal was significantly less expensive than the other two proposals. Staff checked references and conducted some additional due diligence given the low price. After this work, staff feels confident that the firm is very capable to do the work. *(See Attachment)*

Recommend that the TANK Board of Directors allow staff to enter into a contract with RLS & Associates for Title VI Survey work at a cost not to exceed \$30,136.30.

Motion: Dave Sogar
Second: Gina Rittinger

Discussion: Mr. Guenther noted that the recommended bid came in lower than TANK’s Independent Cost Estimate that was prepared prior to releasing the RFP.

Action: **Motion Passed**, Unanimously

General Manager's Report

Mr. Aiello informed the Board that the Finance Department hired a new Accounting Specialist, Dee Wickersham. Dee comes to TANK with over 20 years of experience in payroll, finance, and accounting.

In accordance with the TANK FY22 Capital Budget, the TANK Finance Department requested and was awarded state matching funds from the Kentucky Transportation Cabinet in the amount of \$772,765. This is the first year the state legislature has provided a real cash match for federal transit funds. In the past, the state provided "toll credits" as a means to match federal funds. This will improve the purchasing power of TANK's federal funds.

Mr. Aiello referred to pages 21 and 22 in the Board packet. TANK service continues at around 85% of planned levels. We continue to struggle with retaining fixed-route operators and turnover remains high in this category. This is not unique to TANK. Operator shortages have resulted in service reductions in Lexington, Dayton and Cincinnati.

Recruitment and attraction of applicants has improved dramatically over the past two months. The applicant and new hire pipelines are full, and our training team is very busy training new hires. The increase in starting wages back in May appears to be the most significant contributor to the increase in applicants.

Despite this, retention of new operators remains a challenge. We are maintaining current service levels, but the operator shortage means that we occasionally miss scheduled trips.

Mr. Parsons asked about school service. Mr. Aiello stated that TANK has not cut any school service and will continue to provide school services as usual this fall.

Staff conducted a thorough analysis of operator retention data from the last 12 months.

- Over the last 12 months, only 57% of new hires were retained.
- Of those that left TANK in the last 12 months, 72% left within the first 12 weeks of employment (quit, termed, etc.).

Of those retained, staff analyzed several factors to assess correlation with retention. We examined things like length of commute to work, previous employment type, gender, referral source, etc. Overall, there were very few correlations except the following:

- Retention rate was 86% if the employee had previous public transit experience (compared to the baseline of 57%).

TANK staff has created an Operator Retention Task Force that will continue to meet to improve our focus on retention.

At our current operator workforce levels, TANK is getting close to having to consider another service cut. We need to make a choice between two options. The first would be to further cut

service. The second would be to continue to aggressively hire, retain, and push toward an improved schedule. This option would mean that the operation will continue to be very tight on operators (with some occasional missed trips) but would preserve overall service levels. This option would ensure that we are doing everything possible (within reason) to prevent further reduction of essential services to the community. This is staff's preferred path.

Mr. Parsons stated that he is in favor of maintaining service levels if possible. He hears in various City meetings the desire for residents to see TANK's full service return.

Mr. Voelker agreed and is concerned that further cuts would harm those who need the service most. Also, local employers need transit service to support their employees.

Ms. Rittinger stated that this could help long-term with retention as well.

Mr. Aiello stated that final outcomes of this path are uncertain. There are so many macroeconomic issues that will impact the success of this plan/path (progression of the pandemic, businesses returning to work, unemployment benefits, etc.) that we cannot guarantee a certain workforce level six months from now. However, staff is recommending that we try all options before a further service reduction.

If TANK is to continue to maintain service levels, staff is proposing creating a retention incentive program to support that path. The incentive program is not required – it is simply another tool to consider as we head down this path.

Retention Incentive Program

The program would work as follows:

All full-time bus operators (fixed-route and RAMP), maintenance employees, and operations supervisors that were employed at TANK prior to 9/1/21 would receive a \$2,000 six-month retention incentive if they are still employed at TANK on 3/1/22 (\$1,000 for part-time).

All those hired in the above categories after 9/1/21 would receive the incentive six months after their hire date.

Detailed eligibility rules (minimum attendance requirements, etc.) would apply.

The estimated cost of this program in the six months would be \$375,000 and can be funded with federal emergency relief funds. The program would be reevaluated for its effectiveness after the first six-month incentive payment to determine if it would continue for those hired after 3/1/22.

Mr. Parsons asked for clarification of who would be eligible. He wanted to make sure that those eligible were folks that were actively involved with getting the buses and the service out in a front-line capacity – not managers or behind-the-scenes staff. Mr. Aiello stated that yes, these are front-line employees who get the work out daily.



Recommend approval of an employee Retention Incentive Program as detailed above.

Motion: Dave Sogar
Second: Ed Kuehne

Discussion:

Mr. Parsons asked if staff needs any additional authorization beyond this motion to move forward. Mr. Aiello stated that this motion is sufficient to move forward. The only details that staff would need to create would be some of the specific eligibility rules (minimum attendance levels, etc.).

Mr. Parsons suggested that we keep the Counties up to speed on TANK’s service levels and major issues. Mr. Aiello stated that he sends regular updates to the County Administrators and will continue to do so.

Ms. Thompson suggested that staff make sure that the eligibility rules are reviewed with respect to HR rules/regulations (FMLA, etc.).

Action: **Motion Passed**, Unanimously

OLD BUSINESS:

None.

NEW BUSINESS:

None.

GENERAL COUNSEL’S REPORT:

Mr. Duncan had no report.

ADJOURN:

Motion to adjourn the meeting.

Motion: Bill Voelker
Second: Dave Sogar
Discussion: None
Action: **Motion Passed**, Unanimously, 6:17 p.m.