

TRANSIT AUTHORITY OF NORTHERN KENTUCKY

Special Meeting of the Board of Directors

Tuesday, May 5, 2026, | 11:34 a.m.

CALL TO ORDER

The Special Meeting of the Board of Directors of the Transit Authority of Northern Kentucky convened on Tuesday, May 5, 2026. The Chair called the meeting to order at 11:34 a.m.

ROLL CALL

IN ATTENDANCE, Board Members:

Boone County	Kenton County	Campbell County
Kimberly Rossetti	Scott Guenther	Gina Rittinger
<i>Laura Thompson (Excused)</i>	Ed Kuehne	Lisa Cooper
Eric Hall		Brian Ellerman

IN ATTENDANCE, Staff/Other:

Gina Douthat – General Manager
Bill Hock – Director of Maintenance
John Young – Director of Operations
Sutton Rowley – Manager of Finance
Gary McCulley – Assistant Director of Operations
Matt Crowe – Board and External Affairs Coordinator
Michael Duncan – Board Attorney

Note: As a special meeting, no formal actions were taken. All items were presented for information and discussion only.

1. FISCAL YEAR 2027 BUDGET UPDATE

General Manager Gina Douthat provided an update on FY 2027 budget negotiations with the three funding counties. We have made revisions to the draft budget, based on the verbalized financial commitments of each county and provided a final draft budget to the fiscal courts. Each county is expected to take final action prior to the June board meeting; final board action on the adopted FY 2027 budget will occur at the June Board meeting. GM Douthat expressed strong optimism and credited the joint session with board members, judges, and county administrators as a significant contributor to the opportunity to get a budget passed that will grow service levels. Annual joint sessions with the judges will continue going forward.

Service changes called for by the growth budget are targeted for implementation in November 2026; tentative schedule planning is already underway. Details related to the November 2026 service change will be communicated publicly after the June action is completed.

2. FLEET RENEWAL AND UTILIZATION PLAN

Director of Maintenance Bill Hock presented a comprehensive fleet plan addressing current fleet composition, cost data, replacement schedules, ridership capacity analysis, peer system comparisons, and a recommended six-year capital strategy.

Fleet Size Parameters

- FTA formula: peak demand plus 20% equals the maximum allowable fleet size.
- Current calculation: 61 buses at peak plus 10 regularly used supplemental vehicles equals 71; 20% allowance equals 14; authorized maximum equals 85 fixed-route buses.
- TANK currently operates 95 fixed-route buses and must reduce to 85 over the replacement cycle. No immediate action is required; a documented plan is sufficient for the next Triennial Review.
- Demand response fleet size is not subject to FTA maximums; TANK applies its own 20% reserve standard.

Fleet Cost Analysis

- Total combined fleet: 132 buses; approximately 29 million miles operated since 2014; average fleet-wide cost of \$0.73 per mile.
- RAMP cutaway fleet is most cost-efficient at \$0.42 per mile.
- Trolleys are least efficient at \$0.90 per mile; their elimination via South Bank shutdown aligns with this finding.
- Hybrid buses are currently efficient but are newer vehicles; significant component replacement costs are anticipated, including: power inverter module (\$77,000), battery pack (\$50,000), and drive unit (\$195,000). In-house maintenance capability mitigates some of this exposure.
- Absent low/no-emission grant funding, the agency would procure conventional diesel buses. GM Douthat noted the historical approach of pursuing low/no grants regardless of total vehicle cost is being reconsidered; capital funds are increasingly constrained and the environmental rationale carries limited weight in this market.

Replacement Cycles

- Fixed-route replacement cycle extended from 12 to 14 years (FTA recommended standard), enabled by improved maintenance practices over the past decade.
- Six buses approved for order by the board are included in the 2028 procurement column.
- Buses identified for retirement in 2026–2027 (including South Bank trolleys and additional units) will reduce the fleet to the 85-bus maximum.
- Projected annual fixed-route replacement cost: \$6–\$10 million.
- Demand response replacement cycle extended from 6 to 7 years based on observed vehicle condition. Projected annual cost: \$1–\$2 million.
- TANK Plus additions of up to 12 units (bringing the demand response fleet to 16) are funded in the capital plan but not yet finalized.

Ridership and Capacity Analysis

- 275,000 fixed-route trips operated in 2025.
- Only 742 trips (0.3%) exceeded seated capacity; 0.16% exceeded total capacity, indicating current 38-seat 40-foot buses are oversized for most trips.

- Modeling with 20-seat buses showed only 3.7% of trips would have exceeded seated capacity and 1.16% total capacity, supporting a smaller-vehicle strategy on appropriate routes.

Peer System Comparison

Comparison agencies: BCRTA (Butler County, Ohio) and LakeTran (Lake County, Ohio) — both regional systems adjacent to a major metropolitan area.

- TANK carries the highest ridership of the three despite similar operating miles and budget to LakeTran.
- TANK's cost per rider is approximately one-third of LakeTran's, reflecting three times the ridership volume.
- Fleet composition: TANK is 70% large bus / 30% cutaway; Butler County is approximately 50/50; LakeTran is predominantly small vehicles.

Recommended Strategy – 25% Cutaway Conversion by 2032

Staff recommend transitioning 25% of the fixed-route fleet to smaller ADA-accessible cutaway buses (the same vehicle type used in RAMP demand response service).

- Vehicle specifications: 23–28 feet; 14–18 passenger seats; 2 wheelchair positions; fully ADA-accessible. A longer-body variant is expected within approximately two years.
- The 14–18 seat range spans the CDL license threshold, which staff noted as significant for future operational and labor flexibility; this was identified as a topic requiring labor contract review before implementation on fixed routes.
- Cutaway buses will be replaced on a 7-year cycle, compared to 14 years for full-size buses.
- Deployment targeted on routes with consistently low average occupancy; data supports that most routes average well below 12–13 riders per trip.
- Smaller vehicles also improve route flexibility in areas where 40-foot bus turning radii are impractical, potentially enabling new service requests that have previously been declined.

Capital Cost Comparison

- Traditional strategy (84 vehicles over six years): approximately \$47.5 million.
- Recommended strategy (91 vehicles, mix of full-size and cutaway, over six years): approximately \$36 million.
- Projected capital savings: approximately \$11.5 million over the plan period.
- Additional projected operational savings: approximately \$250,000 per year in maintenance costs from improved fuel efficiency and lower parts costs.
- Remaining full-size bus purchases will be 30-foot diesel units (approximately \$700,000–\$800,000 each) rather than 35-foot hybrids (\$1,000,000+), absent low/no grant availability. Existing capital funding designations for larger buses cannot readily be reprogrammed without grant amendments.
- The next order of three large buses (2029 column) will not be placed for approximately one year, preserving flexibility to adjust vehicle type if warranted.

Next Steps

- Staff will bring action to the Board in June to authorize purchase of cutaway fixed-route buses.
- The 25% cutaway composition target will be evaluated at approximately the four-to-five year mark to determine whether to expand, maintain, or reduce the cutaway share based on ridership and operational results.

3. FUEL COST UPDATE

Staff provided an update on current fuel contracting and potential budget implications for FY 2027.

- TANK contracts fuel four to twelve months in advance. Approximately 67% of fuel is contracted through June 2026 at favorable rates.
- Attempts to secure contracts for July through December 2026 have returned significantly higher prices coinciding with geopolitical market volatility. Spot pricing was approximately \$4.50 per gallon for diesel as of the meeting date.
- Fuel is budgeted at \$2.45 per gallon for FY 2027 based on recent contract history. Current market conditions create meaningful risk that this rate cannot be achieved at the start of the fiscal year.
- No material adverse impact on the current fiscal year budget is anticipated given existing contract coverage and available budget cushion.
- If fuel costs cannot be brought to the budgeted rate in FY 2027, staff may return for a budget revision. The plan would be to use reserves to offset the difference rather than curtail planned service growth.
- GM Douthat expressed a clear preference to protect the service growth plan even if reserve use is required, characterizing fuel cost volatility as an unpredictable external factor that should not derail the service expansion.

4. EMPLOYEE HANDBOOK UPDATE

GM Douthat provided an overview of the updated Employee Handbook, currently under final legal review by labor attorney Rob Hudson. The original handbook was last comprehensively updated in 2000 without attorney review; the current revision addresses legal alignment, operational currency, and HR policy modernization.

Key Changes

- Equal Employment Opportunity language updated to align with current federal and state law, incorporating further refinement from the 2024 EEO policy update.
- Time reporting and payroll information updated to reflect current practice and alignment with the new HRIS system.
- Drug-free workplace section updated to reflect board-approved changes from earlier in 2026.
- Board-approved Safety Plan is incorporated into the handbook.
- Christmas Eve added as a paid administrative holiday (previously added as a service/union holiday but omitted for administrative staff).
- Sick time earning rate updated: from 12 days per year (1 per month) to 8 days per year; converted 2 days to vacation
- Vacation accrual schedule modernized: milestones moved from 7 or 8-year and intervals to 5-year intervals.
- Short-term and long-term disability qualifications and procedures added.
- FMLA statement and procedure incorporated into the handbook; the standalone FMLA policy will be repealed to consolidate reference.
- Corrective action procedures and benefits language updated throughout.

Anticipated Board Actions – Next Regular Meeting

The following actions are anticipated at the next regular board meeting, contingent on receipt of final redlines from attorney Rob Hudson:

- Approval of the updated Employee Handbook.
- Approval of the updated Equal Employment Opportunity Policy.
- Repeal of the standalone FMLA Policy.

5. NKU PARTNERSHIP – RIDERSHIP RESEARCH AND ECONOMIC IMPACT STUDY

GM Douthat and Gina Rittinger presented a proposed multi-phase research partnership with Northern Kentucky University (NKU) and its Center for Economic Analysis and Development (CEAD). No action was requested; the item was presented for awareness and to solicit board input prior to a future formal action request.

Background and Rationale

- Throughout the planning study process, stakeholders raised consistent questions about who is actually riding TANK, what their circumstances are, and whether elected officials have an accurate picture of the transit-dependent rider population.
- Conventional survey approaches (online/email) tend to capture discretionary or leisure riders rather than transit-dependent riders, who are less likely to have email access or complete digital surveys.
- The partnership concept was developed to deploy NKU students directly onto buses to conduct in-person interviews and gather data from dependent riders who would not be reached by traditional survey methods.
- NKU President Cady Short-Thompson expressed strong interest in meaningful community-engaged student projects. Dr. Al Bahrani, a professor in the college of business, confirmed significant student and faculty demand for applied community challenges of this type.
- Gina Rittinger referenced a “hackathon” model used by the City of Cincinnati with UC students on sustainability challenges as an inspiration for the approach.

Proposed Scope (75% Developed)

- Student teams from NKU's College of Business — spanning marketing research, finance, data analysis, AI, economics, and public policy — would conduct an extended engagement of approximately 40+ weeks.
- Work would include in-person onboard rider surveys, data analysis, and recommendations for attracting new riders, particularly young professionals.
- The engagement would fulfill TANK's Title VI requirement to survey customers once every three years.
- CEAD would provide a professional economic impact analysis of TANK's regional role — a component GM Douthat considers essential and is currently negotiating into the final scope.
- The partnership is structured so that students, CEAD, and TANK each derive meaningful benefit from the engagement.

Funding and Cost

- Initial cost indication: approximately \$100,000, of which approximately 40% would go directly to student compensation.

- Proposed funding source: reallocation of marketing budget funds previously used for the Vehr PR firm contract, which has ended. We would use a portion of the administrative services budget to cover some of the expense.
- The project scope is organized into approximately 12 phases; GM Douthat is exploring cost efficiencies within phases but does not anticipate meaningful savings from eliminating phases.

Discussion

- Board Member Hall suggested a pilot period before committing to full scope; GM Douthat noted the phased structure provides a degree of built-in staging.
- Board Member Kuehne asked about Thomas More University as a potential partner; Chair Rittenger noted NKU's public research infrastructure and CEAD capacity are better suited to this type of engagement than a private institution without an equivalent research center.
- Chair Rittenger noted preliminary conversations with Judges Pendery and Moore generated support; Judge Knochermann was briefly informed and appreciated the concept.

Next Steps

- GM Douthat will finalize scope with NKU/CEAD, including the economic impact component, and confirm President Short-Thompson's formal commitment.
- A complete scope and cost proposal will be shared with the board prior to requesting formal action, anticipated within the next one to two months.

6. OPEN PAYMENT – MASABI FARE SYSTEM UPGRADE

GM Douthat presented the next phase of TANK's Masabi mobile fare system: Open Payment capability. A formal action will be requested at the May board meeting.

- Open Payment allows riders to pay fare using any contactless debit or credit card directly at the farebox, without requiring a mobile app, account registration, or cash.
- Deployment fee: \$41,092. Annual service and maintenance fee: approximately \$17,000 per year.
- Both costs are capital-eligible and have been budgeted in the hardware/software capital line for the next five years.
- Federal funds will be used for the initial upgrade; the ongoing annual fee will continue to be funded through the capital plan.

ADJOURNMENT

There being no further business, the Chair adjourned the Special Meeting of the Board of Directors.