

Tompkins Consolidated Area Transit, Inc.

Meeting of the Board of Directors

August 25, 2022 | 4:00pm via Zoom

Attendees

Board Members: Bridgette Brady; Lisa Holmes; Jennifer Dotson; Dan Klein; Laura Lewis; Ducson Nguyen; Frank Proto; Gary Stewart; Denise Thompson

TCAT Staff: Erik Amos; Susan Brock; Taylor Hessler; Julie Ellis-Grove; Gian Fountain; Colleen Marsh; Curt Parish; Patty Poist; Megan Pulver; Phil Smith; Mike Smith; Nate Wells; Gina Lord

Public Attendees: Dwight Mengel; Theresa Alt; John Monkovic; Susan Beckley; Jimmy Jordan

Call to Order

Chair L. Lewis called the meeting to order at 4:01 pm.

Board Member Items

There were no Board Member items.

Public Comment

Theresa Alt lives in Collegetown. Her primary means of transportation is walking and for further distance, the TCAT bus. She recently had a couple of bad experiences with the buses not showing up at the expected times. On August 20th at the Ithaca mall, the bus was expected at 8pm for the Route 30. The bus didn't arrive until 8:40, where now 20 people were waiting. On July 22nd, on the Route 30 again, she had an appointment and had tried to pick an early enough time to account for delays, but the bus got stuck in traffic on campus and she nearly missed her appointment. The potential consequence of this instance was more serious, but the same experience might've happened in a car with detours and traffic jams. She knows TCAT needs more drivers and more mechanics, probably more parts and more buses, and how it all will cost money. Her understanding is that the City of Ithaca has rather little money; the County finds itself with some unexpected sales tax money and Cornell has a lot of money; of course, the state has even more, but TCAT would have to have a lot of riders if we're to persuade the state to give us more money.

Chair's Report

L. Lewis reminds the public that TCAT's Fall service schedule went into effect Sunday, August 21. There was a special meeting of the Board August 17, following the public hearing on August 15, where the Resolution was voted through. She said it was unfortunate there was a need to approve the Fall service reductions. We hope that it is temporary as we see supply chain issues being addressed, as there are more riders, and drivers coming on board and hope there will be some changes in the future. In partial response to Theresa's comment and about the service reduction, we want to be clear with riders about the service that we can provide and it is better to have public information about a reduction of service than have buses not show up because we don't have enough buses/drivers. The unexpected can happen, but we want to avoid it as much as possible and have predictability as much as possible for riders. She expressed appreciation for all who came to the public hearing for their support and interest in the matter. She also congratulated TCAT staff, for not only the challenging work they do every day, but

another significant accomplishment: TCAT has received a grant for \$8.7 million which will be used towards 10 more electric vehicles, a supplement to the 7 already in the fleet. This is a stride in the commitment from TCAT and the Board to transition to an all-electric fleet by 2035. It was an achievement to even submit the application and wonderful news that TCAT has received the Low-No grant. L. Lewis spoke about the meeting of Common Council's City Administration Committee that occurred August 24. D. Nguyen is also a member of the City Administration Committee, and L. Lewis had only recently joined the discussion. They are in the process of negotiating the Transportation Agreement. She asked for D. Nguyen's perspective.

He said, a couple members of Council, including himself, expressed concern over changes to Section 6.3. The City Attorney gave his perspective and said the changes give more agency to each body for controlling their own budget, as opposed to being held to any financial shortfall that TCAT might fall into. There was skepticism, but the City Attorney also pointed out that the agreement would need to be renewed by October and so on the Council timeline, they need to get it to the full Council by the first Wednesday in September. The C.A. did move it on to full Council for next month with the proviso that they mention that further negotiations are still ongoing, in particular for the length of the agreement. The version that was presented to the C.A. had a 15-year compromise but that is still up for discussion. D. Nguyen didn't want to speak for his colleagues, but thought a lot understood the version that goes to Council may see changes, so it was passed on, with that knowledge, knowing that further discussion will happen.

GM Report

Systems Report

M. Smith delivered the July systems report. Ridership is following the usual summer trend, consisting of a dip due to colleges not being in full session. This is expected to upturn again, once classes come back for fall. TCAT has been working through parts issues with the Proterra buses. Fuel prices are starting to drop for the first time since April. A proud moment for the Safety Department; for the first time of 2022, there were no collisions or incidents in the month of July. Two operators have passed their road test from the June class; a class of four will begin, with 3 already fully qualified CDL's, the other participant is a bus handler. A couple of mechanics were hired, and HR is still recruiting for numerous positions. They are looking at a class for October. Marketing and Communications put forth a lot of effort to get notices out about the public hearing. Finally, IT has implemented the new radio system updates, along with switching out the switches in the server room that allow TCAT to operate faster.

Approval of minutes

The minutes from the July 28, 2022 Board meeting was moved by D. Klein and seconded by D. Nguyen. Passed unanimously with a vote of 8-0-0. (L. Holmes had not yet joined the meeting at the time of the vote.)

Action Items

There were no action items.

Discussion Items

There were no discussion items.

Committee Reports

- **Executive Committee** – The Executive Committee met August 17 and discussed the Low-No award and Triennial Updates. L. Lewis asked about the timeframe for the 10 buses that will be

procured through the Low-No grant. M. Smith said it takes about 18-24 months after approving the vendor/specs for the buses. Four of the vehicles will be electric vans, and the rest will be buses.

- **Audit Committee** – The Audit Committee did not meet. F. Proto has been assured the audit is on track and should expect something back to TCAT in September, so the Audit Committee should be on alert to prepare for a meeting. There have been no red flags at this point. F. Proto doesn't think they will have enough time for a Committee meeting to be able to report during the September Board meeting.
- **Budget Committee** – The Budget Committee met on August 17 as well and discussed the July Budget report and the 2023 budget. During the meeting they went through the presentation that will go to the underwriters for an 8% increase request for this year's contribution.

D. Klein asked about the long-term projections that were promised at this meeting. J. Ellis-Grove had sent the projections to the Board after the Budget Committee meeting. D. Klein requested a walkthrough of the projections for those who are not as "budget-literate". J. Dotson asked to clarify that the projections are only Operating, and not Capital projections, and J. Ellis-Grove confirmed this. They don't have the forecasted Capital budget at this time, and are waiting on the Low-No grant that just came through, and a few other things.

J. Dotson was interested in, even if they can't forecast the actual spending before we have grants, just having the needs outlined for the next 5 years.

J. Ellis-Grove walked through some of the spreadsheets of projected numbers through 2024. The 2022 projected numbers are what have been included in the Board packets. She explained the forecasting spreadsheets. She said the biggest fluctuation is the Federal Operating Assistance, which we use to balance our budget. STOA is usually based on our mileage and ridership - the past few years they have been based on "hold harmless" which recognizes that we aren't at proper ridership levels, and they are allocating according to our 2019 ridership numbers instead. She explains the 'shares' column is the underwriter shares and the 2023 numbers reflect an assumption of an 8% increase, which is the potential ask from TCAT to the underwriters. The 2024 ridership numbers are based on the Planning Committee's ridership estimates of what ridership is expected to look like, which obviously makes the projecting difficult, in regards to ridership revenue. They have been leaving some projections based on very conservative assumptions, because until the time comes to negotiate with different entities, it is difficult to produce an accurate assumption number.

L. Lewis asks about future STOA funds, since the past couple years has been 'hold harmless', how did they arrive at the 2024 number? J. Ellis-Grove said the calculation shown is based on projected 2023 ridership and miles and the 'hold harmless' is not expected to continue into 2024. It had been announced from the state that anyone who is not at 100% ridership for this year, 2022, that they are extending the hold harmless for one more year, 2023, but beyond that, we cannot assume it will continue.

J. Ellis-Grove gives a breakdown of the expenditures: salaries, benefits, maintenance, and fuel. Increase in expenditures for 2023 projection over 2022 is at 14%, even though we only plan to ask for an 8% increase from the underwriters. She highlighted a row that reflected funds that have moved from operating to capital expenses, but the number can fluctuate and may need to get pulled back to the operating budget. They have started to build up a cash reserve, since TCAT is a not-for-profit. The goal is to build up 6 months' worth of expenses. The fund balance at the end of the year, is the balance that carries over year after year. She said the 2021 audit is almost complete and once it is fully complete she

will be updating the numbers once again to make them more accurate. It is a very fluid worksheet. The 2023 budget projections presented are more educated projections based on information received from our partners, brokers etc. such as the increase of insurance and health insurance rising by 20% and 15%, respectively.

D. Klein thanks her. He said it's important to understand this, to help the Board think about how we're spending money over the next couple of years. He thinks it's important to bring to all the Board members' attention and not too soon to be thinking of potential solutions, since currently the 2023 budget is balanced, but the projected 2024 budget is not, and has the potential for a deficit.

J. Dotson reiterated that it's important to start looking towards 2024, as it is not far away. For understanding TCAT's budget needs, it is very important to ground truth those against our likely available funds, but also what we are looking at needing in terms of capital investments or reinvestments. She has seen in prior years, TCAT only applying for what we thought we could get and that doesn't serve us so well. She also asked if there were any funding sources waiting in the wings that we may be able to access? J. Ellis-Grove responded that the County possibly had more money coming to them which would hopefully result in more money to TCAT as well.

F. Proto pointed out that these are proposed draft budgets for 2023 and 2024 and with new information updating the systems, some of the numbers will change. In the past the TCAT Board has voted on the budget in November or December and asked J. Ellis-Grove about the anticipated date of a vote.

J. Ellis-Grove said they are taking the 2023 budget to the County Legislature on September 12. Once presented, then it will be presented to the underwriters, so she theorized that November-December, is when the TCAT board will vote on it.

Frank said he is uncomfortable about the 8% ask. He asked about the Capital budget forecast and J. Ellis-Grove said they were sent to the Board last week.

L. Holmes, said she was a new member to the TCAT Board, and asked about procedure. It seems backwards to her: to present the budget to the various other entities before the TCAT Board themselves voted on it.

J. Dotson responded that the Board passes our budget last to give time to see what the underwriters are doing and how their budgets shift. The underwriters contributing at least an 8% increase over last year, is the minimum we should be asking for, in her opinion. But, it also allows them the opportunity to advocate for further funding for TCAT, there isn't one 'right' way to do this.

F. Proto said that in the past, the Budget Committee has a discussion on potential asks, along with the needs of TCAT being discussed. He informed the Board that the County's budget season differs slightly from the City, and in the past, we've tried to make sure they've had a feel of our potential ask. They normally decide on an agreed-to range we can ask from the underwriters and what we might be able to deal with if they don't go along with what the "best guess" ask is. He wants a discussion at the Budget Committee before making a presentation. He is concerned about scaring off the underwriters.

D. Klein was under the impression that at the last Budget Committee meeting, where the majority of Board members attended, they informally endorsed the 8% ask. L. Lewis agreed that it seemed like an informal agreement, and also agreed with F. Proto that the Board may still need more specific information on the 2023 proposed budget.

B. Brady added that to D. Klein's point, she believes the ask had been discussed twice in meetings, and to F. Proto's many valid points, it will continue to be discussed. She offered to hold a special Budget Meeting just for this discussion if it was wanted.

L. Lewis clarified that she did not think F. Proto was asking for a special meeting but rather at the September Budget Committee meeting, have greater detail and a better discussion about the ask.

F. Proto said he was answering the question about procedure and pointed out how the common procedure from years past has not been followed this year, and while some of it may be attributed to Covid, he is not comfortable enough with the budget information presented for the possible 8% ask increase. He would like to see the long-range financial plan/numbers that D. Klein has been asking for. He understands the numbers are highly volatile at the moment and uncertain, but a forecast of the Capital is important. He referred to D. Klein pointing to the piece of the budget where we may need to recover some of the federal money with our reserve.

L. Lewis agrees that the vote on the final budget is normally in November or more likely at the December meeting. Summarizing, there was not a formal vote on an increase; there was discussion and an informal agreement, but in addition to the informal agreement, was a call for more information. It has been previous practice that the presentation to the County has preceded the TCAT Board vote on the next year's budget.

J. Dotson reiterates she would like to see the Capital projection, but she is comfortable with the increased ask, and thinks we need to have the 8% ask at the very minimum.

L. Lewis makes a final summary, that the Board would like to see the Capital projections, looking at greater certainty for the 2023-2024 budgets and going forward. She said the budgets and forecasting are far more challenging than they may have been pre-pandemic.

D. Nguyen apologized for missing the Executive Committee meeting. He did not mean to but had a very busy day at work. Thankfully there was a quorum and they were able to proceed. He feels very comfortable with the 8% ask. We've talked about this looming funding budget crisis and it's appropriate to start asking for more to accommodate that and the rising costs.

S. Brock had written in the chat "The 8% (or whatever) ask is for Operating; there is always a separate ask for Capital that has no relationship to the Operating increase ask'. L. Lewis asked her about it. S. Brock said she wanted to clarify to Board members who may be new, what the 8% encompasses. Her recollection is that the Board doesn't typically hold a full formal vote on the percentage increase ask for such budgets, there is often a consensus reached at a meeting and the General Manager is given the authority to 'go ahead' and include the number in presentations that are made to the local funders and that number gets built into the proposed budgets that the Board does vote on, typically at the December meeting. It doesn't mean it has to be done that way and if the Board would like a formal vote, that can happen, but a consensus is sufficient.

L. Lewis thinks it would be beneficial to have more information before finalizing even an informal ask that's going to be presented. Some Board members may have already spoken to their respective entities about a potential 8%, and currently the County and City are working on their budgets.

- **Human Resource** – The Human Resource Committee did not meet in August. C. Marsh informs the Board about the Service awards occurring. These awards recognize operators for their years of service, perfect attendance for the year, and annual safety awards.
- **Planning Committee** – The TCAT Planning Committee met on August 11. They touched on a wide range of topics around the fare-free issue such as funding, STOA requirements, and hiring outside help, and will continue the conversation next month. D. Klein sent out notes about the meeting. Brainstormed that if money was not an issue, would we want this? obviously yes...but there are other priorities that need to be addressed first – such as expanding service. Talked about reaching out to M. Yarrow, who has done work on this idea previously. He is interested in adding to the discussion and sent some things to D. Klein. S. Vanderpool sent a list of factors that need to happen before fare-free could happen, especially about capacity issues. STOA clarifications are also needed.
- **Transit Service Committee** – The Transit Service Committee met on August 10. They discussed how hardware update issues for the fareboxes are continuing to compound. The RFP is still being developed and there is a timeline of 6-12 months for completing a requisition. FreeRyde youth cards are now available.

G. Stewart left the meeting at 5pm during committee reports.

Next Meeting

The next regular Board meeting will be September 22, 2022.

Executive Session

The Board moved to Executive Session at 5:15pm, motion by F. Proto and second by J. Dotson, to discuss UAW collective bargaining negotiations and the Transportation Agreement. L. Lewis recused herself and left the meeting after the discussion on collective bargaining negotiations. J. Dotson left the meeting near the end of the Executive Session. At 6:13 pm, F. Proto moved to leave Executive Session and return to open session. B. Brady seconded, and the motion was approved 6-0-0.

Adjournment

The meeting adjourned at 6:14 pm; motion by B. Brady, second by L. Holmes, motion approved 6-0-0.

Minutes respectfully submitted by Taylor Hessler, Recording Secretary, December 1, 2022.