

Tompkins Consolidated Area Transit, Inc.

Annual Meeting of the Board of Directors

December 1, 2022 | 4:00pm via Zoom

Attendees

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

TCAT Staff: Susan Brock; Erik Amos; Julie Ellis- Grove; Taylor Hessler; Gian Fountain; Gina Lord; Patty Poist; Phil Smith; Mike Smith; Nate Wells; Laurel Lango; Dameon Allen; Scot Vanderpool; Curt Parrish; Sam Nicholson

Public Attendees: Evan Cleveland; Jimmy Jordan; Susan Beckley; Sabrina Leddy; LeVon Brewer

Call to Order

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

Board Member Items

There were no extra Board member items.

Presentation of the 2021 Audit

Representative from Insero, Evan Cleveland, joined the Board meeting to present the findings of the 2021 Audit.

He said they are required to communicate at the conclusion of the audit. They do so in writing through the *Communication Letter*. The letter informs if there are any new accounting policies that were adopted (there were no new policies adopted this year). It dives into significant audit estimates that are evaluated for reasonableness, clarity and there are no issues related to the estimates as a whole. Also describes if there are any sensitive financial statement disclosures that we'd like to point out to users of the financial statements. We did not need to point any out. We did not encounter any difficulties in performing the audit. We had no corrected or uncorrected misstatements related to the audit, and no disagreements with management. We have obtained a *Management Statement Letter* which essentially states that we've been provided with everything we need to perform the audit, nothing will change the opinion that we've rendered. There were no consultations of other independent accountants, no other audit findings or issues. We also issue a *Management Comment Letter*, which is used for any control efficiencies, and for any future accounting standards that are coming out. We do not have any control efficiencies or issues to communicate to members of the Board. The letter communicates things related to future accounting standards updates, so it is the lease standard that will be applicable next year for 12-31-22 year, we are preparing for that now. We are well aware of the requirements and the standard. Operating leases that any entities have must have assets and liabilities reported. TCAT has a few leases that will be affected by this standard.

E. Cleveland said the Independent Auditors' Report has changed around a little bit With new accounting and auditing standards this year. They changed around some of the required communications mostly for the independent auditors' area. Previously, the *Opinion* was on page 2 or 3, now the standard has moved that to the beginning, and it adds some more info regarding responsibilities relating to the audited financial statements. It hasn't changed how we audit or what we're required to audit, it just

adds more info that was implied and now is explicit in the letter. They issued an unmodified opinion on TCAT's financial statements for the years ended on 12-31-2021 and 2020. Added *Basis for Opinion* paragraph. *Auditors' Responsibilities for the Audit of the Financial Statements* used to be one paragraph, and is now 1 page. Includes more info about our responsibilities related to the GAAS audit and *Government Auditing Standards*. They are used because TCAT expends over \$750,000 in federal awards. It was \$3,343,964 in federal award dollars that were expended throughout the year. They also issue an opinion in *Supplementary Information* about the scheduled expenditures of the federal awards, the schedule has shown \$3.3 million in awards. Identified no instances of non-compliance, no material control weaknesses. Since \$750,000 in federal awards were expended, they issue a *Uniform Guidance Report* on compliance for each federal program, and that report identified no instances of non-compliance, no material internal control issues as well.

The *State Single Audit Report* is required if you expend DOT funds. So, if you have single audit and you also expend over \$750,000 in State Transportation Assistance funds, we are required to perform this audit as well. This report also identified no instances of non-compliance, no material internal control weaknesses regarding State Transportation Assistance programs. Issued a modified opinion on the State Transportation Assistance Program amounts that are reported further back in the audit report. \$6,131,003 in State Transportation Operating Assistance and \$2,228,876 in State Share- Capital Assistance, making a total of \$8,359,879 in expenditures. Overall was a very positive audit report and we appreciate J. Ellis-Grove and her team, whose efforts are very much appreciated.

F. Proto thanks E. Cleveland for the presentation and says the Audit Committee recommends acceptance of the audit report. He said we have an unqualified opinion [an opinion with no qualifications] by the auditors, and the only item to be aware of, that will change going into 2022 is the item on leases, which E. Cleveland highlighted and J. Ellis-Grove is aware of.

S. Brock had emailed some observations to the Board that needed to be corrected during the meeting. S. Brock noted, "in the financial statement on page 8 (pdf pg 10), the last sentence says *"78% of TCAT Inc.'s labor force is subject to collective bargaining agreements, which are currently in force."* It should be changed from plural to singular; should be *"a collective bargaining agreement"* and revise the rest of the statement to say *"which is expired, with ongoing negotiations for a new agreement."* E. Cleveland amended this statement on the screen.

F. Proto wanted J. Ellis-Grove to weigh in. She said overall, E. Cleveland covered everything; the audit went very smoothly. There was a lot of info we needed to find, but were able to come up with everything. Moving forward we know what is needed for the lease piece and she thinks we are in good shape.

F. Proto also mentioned that every year the auditors ask board members if they are aware of any certain items and he thanked those who had responded and helped in the process this year.

L. Lewis added thanks to J. Ellis-Grove and the others on the Audit Committee. When she hears that "the audit runs smoothly", she is aware that that it is not a spontaneous phenomenon and that there is an awful lot of documentation that needs to be organized and presented to the auditors. She thanks them for the concise and thorough report.

F. Proto moved to accept the auditor's report, with the revisions that were made during the meeting. D. Thompson seconds. Adopted with a vote of 9-0-0, this shall also be recognized as **Resolution 2022-13** for future reference. Chair Lewis thanks E. Cleveland and he leaves the meeting.

Public Comment

There was no public comment made.

Approval of minutes

D. Klein moved to approve the August 25, 2022 and September 22, 2022 Board meeting minutes together, with a second from D. Nguyen and the motion was adopted 9-0-0.

Chair's Report

L. Lewis gives her last chair's report as Board Chair for 2022 and shares her reflections. It has been a challenging year, we had a mask mandate that was imposed on drivers and riders; once the mandate was lifted, there were also concerns of the risks, so also challenging in that regard. Staffing shortages have been talked about at many of the board meetings, has been a challenge for TCAT as it also has been for organizations across the country; the city; the state; but truly it is shortages that have been experienced across the country. Adjacent to that, the challenges of supply chain issues. We have experienced that in the City, TCAT has experienced that, and the County as well. The ongoing Zoom meetings has plusses; we are able to conduct business and vote, able to make sure things move forward as needed for this very important public transit organization; at the same time, I am very aware, and perhaps speaking personally, there are some downsides to Zoom. She misses seeing many of the colleagues in person. A great deal can be gained by coming together for physical, in-person, meetings; the chats we're able to have before, during, and after the meetings add real value. It is very good we have [Zoom] to make sure that we can conduct business when necessary. Also, the holiday season is upon us. We will be experiencing holidays throughout the coming month and I'm aware that holiday season can bring both joyful and stressful moments for various people and I want to make sure we recognize both of those realities; for staff, for our own families and for all with whom we interact. As she reflects on the past year, Chair Lewis highlights some "bright spots", this year is the first time TCAT introduced the FreeRyde program which provides fare-free riding for youth 17 years and younger. This allows the youth to get where they need to go comfortably, conveniently, and addressed sustainability issues to avoid using private vehicles. It also begins engagement towards the topic of Fare-Free. She gave credit to the 'incredible' work of TCAT staff on the Electric Mobility Grant, with an award amount of \$7 Million. She is happy to see an increased number of electric buses out and about; appreciates the electric buses and TCAT staff who attend many events like Streets Alive. She thanks P. Poist for all the work she does to promote the events; and the TCAT drivers that show up to the events. Many people come up to her expressing the desire to use the bike racks on the buses but lacking the knowhow to confidently do so. Having the bus operators at events demonstrating this exact need is tremendously beneficial. The bright spot in all of the shortages and troubles of the year has and will continue to be the dedicated and bright staff members at TCAT.

GM Report

GM Report - S. Vanderpool thanks Chair Lewis for serving as the 2022 Board Chair, and that we appreciate the work she has done.

Systems report - October 2022 had just over 239,000 riders, October 2021 had 338,000. This is a drop of 29%. Year to Date is a 33% increase over 2021 numbers. Service levels started strong at the beginning of the year, but slowly declined as service levels had to drop off because of the various shortages. TCAT is running about 56% of where we were pre-pandemic. Other transit agencies have also been using this unit of measure, pre-pandemic levels, and other agencies are between 60-65% of where they were in 2019. Missed Trips for October is at a high point of 903 missed one-way trips; 705 were due to a lack of operating buses. L. Lewis asked about the bus shortage, and the difference between driver and bus shortage...she asked how these factored into 'planned cuts'...S. Vanderpool explained that bus

shortages mean there isn't a bus at the garage available for a driver to take out. She asked if that was due to the mechanic shortage? S. Vanderpool said it had to do with many factors; mechanical issues, parts shortage, and yes, lack of mechanics at present. E. Amos went on to explain the process of 'planned cuts'. In the beginning of October and a little before, multiple daily cuts were being made at the beginning of each day depending on the number of buses and drivers available and analyzing if the current schedule could be met each day... beginning mid-October so that trips were manageable both internally but also to help riders plan their weeks instead of the mystery of whether their bus would be available on any particular day. We got to the point of having to cut a few rural routes and that's when the service development team started planning further ahead and created weekly cuts. The cuts impact a few different routes throughout the second half of the month, still primarily impacting higher-frequency routes such as those serving Cornell, but they did also impact a few of the rural routes.

L. Lewis mentions that the Board had previously approved the need for service reductions for the Fall, but she commends TCAT for communicating the necessary information with riders. Once the weekly updates were issued, it seemed to really aid riders as well. She commends TCAT for making every effort to keep the public updated in a timely manner.

D. Thompson commends everyone as well, especially P. Poist and her communications team. She had another question about the bus shortage; if there is a driver ready to drive but doesn't have a bus to drive, are they still paid? S. Vanderpool responded that the driver is on site and does still get paid. They stay onsite and mainly in the driver's lounge, in case a bus becomes available from the shop.

Preventative maintenance is at 67% and brake inspections are at 97%. A total of 128 road calls for the year. Cost of Parts for October was about \$40,000 and has been fairly consistent month over month. Diesel fuel prices jumped \$0.99 from September to October and cost TCAT \$109,000 for the month. Jan-Oct of 2022, the total fuel cost has risen to \$1.1M. There were 5 collisions in October 2022, YTD 31, vs 40 from 2021. Overall, 2022 had a record low of collisions and incidents, besides 2020; the low number would be attributed to the drastic reduction of service because of the pandemic. HR Employee stats - at 63 FT operators, up 2 from Sept. and 9 mechanics as of October. Recruiting has been a top priority for HR for a while. L. Lewis asks about the drop in the retention rate of the 3rd quarter from 97% in 2021 to only 88% in 2022. TCAT staff said this could be due to a couple factors, but the actual root cause isn't known. The rate does also include administrative staff. Recruiter G. Lord said TCAT is looking to hire a second Trainer, so classes of Operators can be larger and/or move through training quicker. This could include being able to separate CDL holders from those who still need to acquire their CDL. Marketing and Communication milestones included logistics for the PBS NOVA story, press release for the Transportation Agreement, and communication with the public regarding service cuts. On the screen was the logo created by J. Jennings for the Ithaca Electric Transportation Project. Significant IT updates included the addition of IT temp, Eric Miller.

L. Lewis adds a significant bright spot she forgot to mention earlier, the renewal/signing of the Transportation Agreement among the 3 underwriters and TCAT. It took a lot of work from many people and she is grateful that we have gotten it done.

Action Items

Chair Lewis introduced **Resolution 2022-xx Extend Legal Services for One Year with Hancock Estabrook, LLP**. L. Lewis moved, and B. Brady seconded the resolution. F. Proto asked who our main representative at the firm is and S. Brock responded that it was John McCann. D. Klein left the meeting before voting started. There was no further discussion and the Resolution was approved with a vote of 8-0-0 as follows:

RESOLUTION 2022-14
EXTEND LEGAL SERVICES CONTRACT FOR ONE YEAR
WITH HANCOCK ESTABROOK, LLP

WHEREAS, on December 6, 2018, TCAT, Inc. and Hancock Estabrook, LLP entered into a Contract for Legal Services with a term from January 1, 2019 through December 31, 2021 (the “Contract”), and

WHEREAS, the Contract provides that upon mutual written agreement, it may be renewed in one-year increments for up to a total of two additional years upon such terms as the parties deem acceptable, and

WHEREAS, the contract was renewed for a one-year term, from January 1, 2022 through December 31, 2022, and

WHEREAS, both parties wish to renew the Contract for an additional one (1) year term upon the terms set forth in the attached Extension of Contract for Legal Services, therefore be it

RESOLVED, that the TCAT, Inc. Board of Directors hereby approves the attached Extension of Contract for Legal Services and authorizes Board Chair Laura Lewis and General Manager Scot Vanderpool to execute the Extension of Contract.

Adopted by the TCAT, Inc. Board of Directors on this 1st day of December, 2022.

The next resolution presented was **Resolution 2022-xx Extend Legal Services Contract for One Year with Susan H. Brock, Attorney at Law**. S. Brock turned off her camera and speaker during the discussion and vote. B. Brady moved the resolution and L. Holmes seconded. The resolution was passed with a vote of 7-0-1 (G. Stewart abstained) as follows:

RESOLUTION 2022-15
EXTEND LEGAL SERVICES CONTRACT FOR ONE YEAR
WITH SUSAN H. BROCK, ATTORNEY AT LAW

WHEREAS, on December 6, 2018, TCAT, Inc. and Susan H. Brock, Attorney at Law entered into a Contract for Legal Services with a term from January 1, 2019 through December 31, 2021 (the “Contract”), and

WHEREAS, the Contract provides that upon mutual written agreement, it may be renewed in one-year increments for up to a total of two additional years upon such terms as the parties deem acceptable, and

WHEREAS, the contract was renewed for a one-year term, from January 1, 2023 through December 31, 2023, and

WHEREAS, both parties wish to renew the Contract for an additional one (1) year term upon the terms set forth in the attached Extension of Contract for Legal Services, therefore be it

RESOLVED, that the TCAT, Inc. Board of Directors hereby approves the attached Extension of Contract for Legal Services and authorizes Board Chair Laura Lewis and General Manager Scot Vanderpool to execute the Extension of Contract.

Adopted by the TCAT, Inc. Board of Directors on this 1st day of December, 2022.

Chair Lewis introduced the next resolution, **Election of Directors**. She highlighted that D. Dawson was recommended from the County, J. Dotson was recommended from the City, and D. Thompson was recommended from Cornell. F. Proto moved the resolution, B. Brady seconded. L. Lewis thanks the three for accepting the positions and welcomes D. Dawson back to the board as she served in 2021, but did not serve for 2022. The resolution was adopted with a vote of 8-0-0 as follows:

RESOLUTION 2022-16
ELECTION OF DIRECTORS FOR TCAT, INC.

WHEREAS, the bylaws of Tompkins Consolidated Area Transit, Inc. ("TCAT, Inc.") state that Directors shall be elected at Annual Meetings of the Board, and

WHEREAS, the bylaws further state that three of the Directors shall be elected from candidates recommended by the City of Ithaca ("City"), three from candidates recommended by Tompkins County ("County"), and three from candidates recommended by Cornell University ("Cornell"), and

WHEREAS, the terms of three directors are expiring on December 31, 2022, and

WHEREAS, the City, County and Cornell have provided TCAT, Inc. with the names of recommended candidates to fill the three three-year terms that begin January 1, 2023, therefore be it

RESOLVED, the TCAT, Inc. Board elects the following as Directors with three-year terms beginning January 1, 2023:

<u>Name</u>	<u>Address</u>
Deborah Dawson	125 E. Court Street Third Floor Ithaca, NY 14850
Jennifer Dotson	212 Wood Street Ithaca, NY 14850
Denise Thompson	531 Willard Straight Hall Ithaca, NY 14853

Adopted by the TCAT Board of Directors on this the 1st day of December, 2022.

The next resolution on the agenda was, **Resolution 2022-xx Election of Secretary/Treasurer**. Chair Lewis apologizes for delaying the decision so long, and thanks J. Dotson for stepping into the position. F. Proto moves the resolution, with D. Nguyen seconding. Vote of 7-0-1 (J. Dotson abstained):

RESOLUTION 2022 - 17
ELECTION OF SECRETARY/TREASURER

WHEREAS, the bylaws of Tompkins Consolidated Area Transit, Inc. ("TCAT, Inc.") state that a Secretary/Treasurer shall be elected each year at the Annual Meeting of

the Board to serve throughout the following calendar year, and

WHEREAS, the bylaws further state that a nominating committee appointed by the Chairperson shall nominate an individual for Secretary/Treasurer from the Directors recommended by the recommending party whose representative is the current Chairperson, and

WHEREAS, the current Chairperson was recommended by the City of Ithaca as a Director, so the new Secretary/Treasurer must be one of the Directors who was recommended by the City of Ithaca, and

WHEREAS, the Chairperson appointed a nominating committee which met and agreed to nominate Jennifer Dotson as the Secretary/Treasurer for 2023,

THEREFORE, BE IT RESOLVED, the TCAT, Inc. Board elects Jennifer Dotson as Secretary/Treasurer for a one-year term beginning January 1, 2023.

L. Lewis reads in full the last resolution for the meeting; **Resolution 2022-xx Appreciation of Daniel Klein**. She also moves the resolution and D. Thompson seconds. G. Stewart had to leave the meeting before voting, and the resolution passed as follows with a vote of 7-0-0:

RESOLUTION 2022- 18 IN APPRECIATION OF DANIEL KLEIN

The undersigned secretary of Tompkins Consolidated Area Transit, Inc. (TCAT, Inc.) does hereby certify at a meeting of the TCAT, Inc. Board of Directors on December 1, 2022, at which time a quorum existed, the following resolution was unanimously approved:

WHEREAS, during his service as a member of the TCAT Board of Directors since January 1, 2016, Dan Klein has generously contributed his time, energy and passion to ensuring a strong public transportation system for Tompkins County residents and visitors, and

WHEREAS, Dan has ably served on the following TCAT Board committees: Executive, 2019 through 2022; Human Resource, 2016 and 2022; Transit Service, 2017 and 2018, and Planning, 2016 through 2022, serving as that committee's chairperson since 2017, and

WHEREAS, Dan capably served as Chairperson of the TCAT Board in 2021, for which he was commended by fellow board members for steadfastly leading TCAT during a year of unprecedented pandemic-related challenges, and

WHEREAS, with resolve and vision, Dan has generously devoted his time to ensuring TCAT's future, especially by hours upon hours of research to find ways to fulfill TCAT's need for a better facility, and for other capital improvements, and

WHEREAS, TCAT has benefited greatly from Dan's wealth of knowledge and experience as both a dedicated civic leader and staunch advocate for environmental sustainability, and

WHEREAS, TCAT Board members and staff are confident that Dan will continue his advocacy for better public transportation in his role as Tompkins County Legislator,

NOW, THEREFORE, BE IT RESOLVED that the TCAT, Inc. Board recognizes the many contributions Dan has made to TCAT, Inc., and be it further

RESOLVED, that the TCAT, Inc. Board extends its deepest gratitude to Dan for his seven years of service to TCAT, and wishes him all the best with his future as a public servant who continues to demonstrate an unwavering commitment to Tompkins County's overall well-being.

Adopted by the TCAT Board of Directors on the 1st of December, 2022.

Discussion Items

There were no additional Board member discussion items

Committee Reports

- **Executive Committee** – The Executive Committee did not meet in November. S. Vanderpool sent an email with updates about service levels; spring service cuts – the need for another public hearing; maintenance situation; collective bargaining schedule update.
- **Audit Committee** – The Audit Committee met on November 15. Went over the results of the 2021 Audit. L. Lewis thanks F. Proto for chairing the committee and J. Ellis-Grove for all of her work. F. Proto informs the Audit Committee that they can cancel any future meetings for the rest of 2022. He thanks J. Ellis-Grove tremendously and says it was a challenging year.
- **Human Resource** – HR Committee did not meet in November. J. Dotson says there is not much to add beyond the GM's report. S. Vanderpool adds that the HR Manager position has started to be posted.
- **Planning Committee** – The Planning Committee met did not meet in November. D. Klein sent a plethora of documents, presentations, and a draft Fare-Free report. The Board will wait and discuss the report when D. Klein is present.
- **Transit Service Committee** – The Transit Service Committee met on November 9, and discussed recent weekly service cuts, spring service planning, farebox update. They went over the farebox RFP. Responses were due November 17 and staff are going to look at responses in the beginning of December and hopefully make a decision by December 18. Several vendors have expressed interest; it is a preferred option to support Cornell's magstripe cards, so they will see if any vendors are able to do so. They are also looking at modem upgrades for the buses to consolidate all the devices that require/collect data so it is all in one device. E. Amos added they are scheduling meetings with each of the vendors for some detailed answers.

Chair Lewis begins announcing the next regular Board meeting of January 26, and a special board meeting is scheduled for January 5 which would include a public hearing on proposed service cuts (*Recording Secretary's note: this public hearing was later cancelled*).

- **Budget Committee** – The Budget Committee met on November 23 and discussed the October 2022 budget report for the Board, completion of the Audit and updated year-end totals, status of the 2023 budget (waiting for Cornell). They only discussed a few items, including the October financial info. J. Ellis-Grove highlights the month over month changes from September to October. The IC volume discount is still under budget so they had to take another \$9,000 out of the projected budget; the mortgage receiving tax came in slightly over-budget so the budget gained some from that. 'Other revenues' gained \$19,000, mostly due to bus advertising which is done through Cayuga Radio Group. She said they have been great to work with. Like they saw on the fuel report in the GM report, fuel expenditures are rising again. At the beginning of the

year, TCAT had budgeted for \$2.50/diesel gallon so that hit really hard this year, just for October the fuel prices brought us over budget by \$25,000. Overall TCAT is currently under budget, due to the supply chain issues experienced.

Next Meeting

The next regular Board meeting will be January 26, 2023.

Executive Session

L. Lewis made a motion to move into Executive Session to discuss collective bargaining and the employment history of a particular person. F. Proto seconded, 7-0-0 vote. At 5:21pm the Board moved into Executive Session.

During the Executive Session, J. Dotson left the meeting. The Board came out of Executive Session at 6:52 pm (motion by L. Holmes, second by D. Thompson, 6-0-0 vote).

Adjournment

The meeting adjourned at 6:52 pm (motion by B. Brady, second by L. Lewis, 6-0-0 vote).

Minutes respectfully submitted by Taylor Hessler, Recording Secretary, April 27, 2023.