

PARTA
PORTAGE AREA REGIONAL TRANSPORTATION AUTHORITY

BOARD OF TRUSTEES MEETING MINUTES
Held in person and via Zoom

June 24, 2021

Board Members Present:

Karen Beck
Marge Bjerregaard
Richard Brockett (via Zoom)
Jeff Childers

Debbie Davison
Mike Lewis, Vice President
R. T. Mansfield
Morgan Tipton

Frank Vitale
Karen Wise, TPO (via Zoom)
Marvin Woods

Staff Present:

Claudia Amrhein
Denise Baba
Marcia Fletcher

Kelly Jurisch
Justin Markey, Roetzel & Andress
Clayton Popik

Rebecca Schrader
Brian Trautman

Board Members Not Present:

David Gynn (1st excused absence)
Virginia Harris (2nd unexcused absence)

Jack Murphy (1st excused absence)

Guests Present:

None.

CALL TO ORDER

Vice President Mike Lewis called the June 24, 2021, PARTA Board of Trustees meeting to order at 7 p.m. He asked Ms. Marcia Fletcher to call the roll.

Ms. Fletcher then called the roll, and **a quorum was participating.**

Mr. Lewis welcomed everybody back and thanked the PARTA team for putting together the streaming to allow other people to join online today. He said a discussion would take place later about how that is going to change moving forward. Hopefully, everybody had a chance to review the minutes from the May 27 meeting. He then asked for a motion for approval. Ms. Karen Beck made a motion to accept the minutes as presented, which was seconded by Ms. Marge Bjerregaard. He asked all those in favor to signify by saying aye. He asked those who were opposed to say no. Hearing no opposition, he said the **motion to approve the minutes, as presented, passed unanimously.**

GUEST COMMUNICATIONS

Mr. Lewis said there were no Guest Communications.

GENERAL MANAGER'S REPORT

Mr. Lewis said hopefully everybody had a chance to review Ms. Claudia Amrhein's report. He asked if there were any questions or if Ms. Amrhein had anything to add.

Ms. Amrhein thanked Mr. Lewis and said she would be happy to answer any questions. She noted that she would have a brief presentation about the RLB Phoenix contract later in the meeting.

Mr. Frank Vitale said he looked at Ms. Amrhein's report and it had a lot of information about decreased ridership and providing time off for current employees for their hard work during the COVID-19 crisis. He asked what the plan was for finding drivers.

Ms. Amrhein said the plan is what she laid out in her Board report, which is to relieve some of the pressure on the current workforce that has worked continually and without, in many cases, any time off for months. They have been under mandatory overtime. Other staff members, who are qualified to drive, have been backfilling when people get sick or have child or parent issues. All the normal things that happen to everybody else happened to PARTA's workforce too. During the pandemic, some drivers did not want to continue and left. It has been difficult to hire during the pandemic because people cannot be brought in and students from Kent State University (KSU) left. Putting fewer buses on the road was the only thing left to do to keep current employees from burning out or leaving. Moving forward, to be as competitive as possible with other service industries, the current wage structure will be reviewed as well as how the economy is reopening in this area.

Mr. Vitale asked what the starting wage was, how it compared to others, and what was offered in the way of benefits.

Ms. Amrhein said PARTA has competitive wages. Bonuses are being offered right now to current employees. The fact is many people do not want to be drug tested, background checked, or come to work on time - all the things that PARTA requires. She does not have the answers but focusing and generating excitement about bringing trolleys on board and local community economies opening are both very attractive features.

Mr. Vitale asked about providing the opportunity for employees to further their education as a benefit.

Ms. Amrhein said PARTA offers a great benefit package to county and campus drivers.

Mr. Lewis said hopefully the workforce will start to come back, which will help everybody. He asked if there was anything else on the report. Hearing nothing further, he moved on to the committee reports.

ADMINISTRATION COMMITTEE REPORT

Mr. Lewis said the Administration Committee met earlier today and he asked Ms. Karen Wise to report.

Ms. Wise thanked Mr. Lewis and said there were two (2) items of business for the Administration Committee. The first was nominations for the three (3) officer positions: President, Vice President, and Temporary Presiding Officer. The Administration Committee solicited nominations over the past two (2) to three (3) months. At the meeting, they made a motion approving the following slate of officers to the Board:

President	Dave Gynn
Vice President	Mike Lewis
Temporary Presiding Officer	Karen Wise

The second order of business was Resolution #2021-06-01 requesting the Board approve a contract with Metis Construction Services for constructing a fitness studio and storage area in the new vehicle garage. They were the best, lowest, and most responsive bid, and the committee approved that resolution to the Board. The meeting concluded at 6:45 p.m.

Mr. Lewis thanked Ms. Wise and asked if there were any questions. Hearing none, he moved on to the Finance Committee.

FINANCE COMMITTEE REPORT

Mr. Lewis said the Finance Committee met and reviewed PARTA's finances first. KSU Revenues had a monthly variance against the budget of \$90,309. Federal Capital Maintenance Assist had a variance of \$83,333 because that money had not yet been drawn down. It will be drawn down in June. Expenses were pretty much in line. The financial audit caused Professional/Tech Services to go up a little bit more than expected. Fuel and Lubricants was down because of less driving. There was an invoice for Premium Public Liab/Prop Damage for \$52,512 that should have been paid in January but was not received so it was not paid until now. Overall, there was a Gross Operating Deficit of \$41,825 for this period and a deficit of \$45,084 for the year-to-date actual, but there will be a swing in those numbers within the next couple months. The Capital Finance Report did not have a lot of activity. A couple bills were paid for the Bus Storage Facility and Training Pad. Restricted funds remained close to \$4 million. There were not a lot of changes in the Statement of Net Position. There were some Receivables and Accounts Payables but everything else stayed relatively unchanged.

Moving on to the Kent Central Gateway (KCG), Mr. Lewis said there were some good numbers. The Annual Comparison chart for parking showed a substantial change from May of last year (1,535) to May of this year (7,067). Hopefully, with the activity in downtown Kent and at the hotel, parking will continue growing. Finance Report A+ showed this was the first month this year that the Cost Per Car was less than the Revenue Per Car, which was a nice change. It is getting close to balancing out year to year. There was a Gross Operating Surplus of \$12,615, which brought the year-to-date surplus to \$12,537. That is a good change compared to last year. He asked if there were any questions.

OPERATIONS COMMITTEE REPORT

Hearing none, Mr. Lewis said the Operations Committee did not have a need to meet this month.

PERSONNEL COMMITTEE REPORT

Mr. Lewis said the Personnel Committee did not have a need to meet this month.

OLD BUSINESS

Mr. Lewis said there was no Old Business and moved on to New Business.

NEW BUSINESS

Mr. Lewis asked Ms. Amrhein for her presentation on RLB Phoenix.

Ms. Amrhein presented her PowerPoint on the negotiations with RLB Phoenix and the Kent City Health Department, which is attached. She concluded by asking if there were any questions or comments.

Mr. Vitale asked if RLB Phoenix was in bankruptcy.

Ms. Amrhein said they are not bankrupt. Mr. Ron Burbick passed away. He was devoted to reinvesting in downtown Kent; however, his successors are not interested, and they want out of this lease agreement.

Mr. Vitale asked if his successors were local and what the total obligation was on the lease.

Ms. Amrhein said they are local, and the total obligation is \$16,000 for 2021 and \$114,000 for the next three (3) years.

Mr. Vitale said he thought Ms. Amrhein's offer of \$12,000 was reasonable and they just must not want to pay.

Ms. Amrhein said they seem to feel entitled to walk away without any ramifications.

Ms. Wise asked what PARTA's recourse was.

Ms. Amrhein said a decision will need to be made as to how much money PARTA wants to spend to recover what is owed. If it gets to a point where a decision must be made, she wants the Board to be behind her. That will be a conversation with Roetzel & Andress and the Board.

Mr. Jeff Childers asked if RLB Phoenix had contracts that extend through 2024 with the businesses that are there now and if it would be a true statement from RLB Phoenix that PARTA would do well to take over their contracts.

Ms. Amrhein said yes, they have contracts that extend through 2024 with one exception - one extends through 2025 because of a lending issue - and she believes that is a true statement. She said RLB Phoenix has not given an answer as to whether they made alternate arrangements for the Visitor Centre, which they paid for but will not continue to pay. The current tenants include two (2) salons and the Chamber of Commerce.

Mr. Childers asked when their next payment was due and if it was for \$8,000.

Ms. Amrhein said the next payment of \$8,000 is due July 1.

Ms. Marge Bjerregaard asked if legal expenses could be requested if it went to court.

Mr. Justin Markey said for a standard breach of contract usually not. The cost benefit is what has been identified as the problem. To enforce remedies under the contract, it would have to go before arbitration or some type of independent party, which costs money and time.

Ms. Morgan Tipton asked if any conversations took place with RLB Phoenix.

Ms. Amrhein said yes, conversations did take place. She told RLB Phoenix that there would be no further discussion until they were no longer overdue. They came in the next Monday with a check for the second quarter and asked to be released. She thought progress was being made but they have refused offers to settle. She thought her offer was very fair and reasonable.

Mr. R. T. Mansfield asked how they were doing with their other properties.

Ms. Amrhein said she believes they are trying to sell Acorn Alley and any of the properties that Mr. Burbick constructed.

Mr. Mansfield asked how profitable they were with the empty spaces and if tenants were behind on rent.

Ms. Amrhein said she does not know anything specific.

Mr. Mansfield said it sounds like they want to cash out.

Ms. Amrhein said yes, the family does not want to be involved.

Ms. Wise asked if something could be filed against them that would make their sale difficult.

Ms. Amrhein said she would have to ask Ms. Michelle Reese from Roetzel & Andress.

Mr. Markey said there is generally a line between an executive session versus an open session. To the extent that there are legal options, and a Board decision must be made about how to pursue the available options, he would prefer this discussion occur in executive session so that the Board can hear candid options.

Ms. Amrhein said her intent all along has been not to litigate. That has been her focus and that is still where she wants to land. She is hopeful that they will see reason and pay for 2021.

Mr. Childers asked if she was looking for a consensus from the Board.

Ms. Amrhein said not tonight because further legal possibilities will be examined. That would be done at another time once Ms. Reese gets a response to PARTA's counter to RLB Phoenix to pay something.

Mr. Lewis clarified that the plan was to wait and try to negotiate further.

Ms. Amrhein said correct.

Mr. Vitale said he does not see why they would be released since they owe money. He suggested filing a lawsuit against them when they cash out.

Ms. Amrhein said since a decision has not been made yet as far as taking legal action, the discussion will continue in executive session at another time. She is just updating the Board.

Mr. Lewis asked if there was anything else that would fall under New Business. Hearing nothing further, he moved on to the two (2) resolutions on the agenda.

Resolutions

Mr. Lewis introduced Resolution #2021-06-01.

#2021-06-01: A RESOLUTION BY THE PORTAGE AREA REGIONAL TRANSPORTATION AUTHORITY (PARTA) BOARD OF TRUSTEES AUTHORIZING THE GENERAL MANAGER, OR HER DESIGNEE, TO NEGOTIATE, ENTER INTO, AND SIGN AN AGREEMENT WITH METIS CONSTRUCTION SERVICES FOR THE CONSTRUCTION OF A FITNESS STUDIO, MEZZANINE EXERCISE ROOM, AND STORAGE SPACE IN THE BUS STORAGE FACILITY.

Mr. Lewis asked for a motion to accept the resolution.

Motion: Marge Bjerregaard

Second: Karen Wise

Mr. Lewis said it has been moved and seconded. He then asked if there was any discussion at this point.

Ms. Tipton said it is wonderful that PARTA is committed to keeping its employees healthy.

Hearing nothing further, Mr. Lewis asked Ms. Fletcher to call the roll.

Roll Call:	<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>
Michael Lewis	<u>X</u>	<u> </u>	R. T. Mansfield	<u>X</u>	<u> </u>
Virginia Harris	UNEXCUSED	<u> </u>	Marvin Woods	<u>X</u>	<u> </u>
Debbie Davison	<u>X</u>	<u> </u>	Karen Wise	<u>X</u>	<u> </u>
Jeff Childers	<u>X</u>	<u> </u>	Frank Vitale	<u>X</u>	<u> </u>
Richard Brockett	<u>X</u>	<u> </u>	Morgan Tipton	<u>X</u>	<u> </u>
Marge Bjerregaard	<u>X</u>	<u> </u>	Jack Murphy	EXCUSED	<u> </u>
Karen Beck	<u>X</u>	<u> </u>	David Gynn	EXCUSED	<u> </u>

Mr. Lewis said the motion passed. He then introduced Resolution #2021-06-02.

#2021-06-02: A RESOLUTION BY THE PORTAGE AREA REGIONAL TRANSPORTATION AUTHORITY (*PARTA*) BOARD OF TRUSTEES AUTHORIZING THE GENERAL MANAGER, OR HER DESIGNEE, TO AMEND RESOLUTION #2021-05-03 INCREASING THE COST OF \$1.8 MILLION TO THE NOT TO EXCEED COST OF \$2 MILLION FOR THE PRODUCTION AND PURCHASE OF THREE (3) CNG TROLLEY BUSES, OPTIONAL EQUIPMENT, AND SPARE PARTS FROM TRANSPORTATION EQUIPMENT SALES CORPORATION (TESCO).

Mr. Lewis asked for a motion for approval.

Motion: Debbie Davison

Second: Marvin Woods

Mr. Lewis asked if there was any discussion.

Mr. Vitale asked why it was increased to \$2 million when it was approved for \$1.8 million.

Ms. Amrhein said when the RFP was done and the white box bus was compared from both companies, the removable trolley windows were unable to be included in the specifications because GILLIG does not produce a trolley with removable windows. The communication of that happened a little late. After it had already gone to the Board, it was determined that to build the trolley under the TESCO contract with the removable windows it would cost about \$30,000 more per bus, which was not accounted for in the original contingency because normal bus builds include windows. Comparing apples to apples, it was not translated clearly because when they start building the bus on paper, it is a different situation than evaluating RFP submissions, and we underestimated a little bit. One option was to bring forward a resolution for \$90,000 but *PARTA* has never built trolleys before and has never built anything in a post COVID-19 world. To avoid delays with any unplanned contingent expenses, she wanted to be able to cover those without having to come back to the Board. She does not expect to spend \$2 million but there is a little more breathing room if something comes up. She asked if there were any other questions.

Hearing none, Mr. Lewis asked Ms. Fletcher to call the roll.

Roll Call:	<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>
Jeff Childers	<u>X</u>	<u> </u>	Frank Vitale	<u>X</u>	<u> </u>
Richard Brockett	<u>X</u>	<u> </u>	Morgan Tipton	<u>X</u>	<u> </u>
Marge Bjerregaard	<u>X</u>	<u> </u>	Jack Murphy	EXCUSED	<u> </u>
Karen Beck	<u>X</u>	<u> </u>	Mike Lewis	<u>X</u>	<u> </u>
R. T. Mansfield	<u>X</u>	<u> </u>	Virginia Harris	UNEXCUSED	<u> </u>
Marvin Woods	<u>X</u>	<u> </u>	Debbie Davison	<u>X</u>	<u> </u>
Karen Wise	<u>X</u>	<u> </u>	David Gynn	EXCUSED	<u> </u>

Mr. Lewis said that motion passed.

Moving on, Mr. Lewis said there was no need for an Executive Session.

ADJOURNMENT

Hearing nothing further, Mr. Lewis asked for a motion for adjournment. Mr. R. T. Mansfield made a motion to adjourn the meeting, which was seconded by Ms. Karen Beck. Mr. Lewis asked all in favor to say aye or wave. He asked any opposed to signify by the same sign. Hearing no opposition, the **motion to adjourn passed unanimously**.

The meeting adjourned at 7:44 p.m.

Respectfully submitted,



Marcia Fletcher
Executive Assistant