

PARTA
PORTAGE AREA REGIONAL TRANSPORTATION AUTHORITY
BOARD OF TRUSTEES MEETING
MINUTES

April 28, 2022

Board Members Present:

Karen Beck
Marge Bjerregaard
Richard Brockett
Jeff Childers
Debbie Davison

Dave Gynn, President
Virginia Harris
Mike Lewis, Vice President
R. T. Mansfield

Jack Murphy
Frank Vitale
Karen Wise, TPO
Marvin Woods

Staff Present:

Claudia Amrhein
Denise Baba
Marcia Fletcher

Kelly Jurisch
Justin Markey, Roetzel & Address

Rebecca Schrader
Brian Trautman

Board Members Not Present:

Morgan Tipton (2nd excused absence)

CALL TO ORDER

President Dave Gynn welcomed everyone to the April 28, 2022, PARTA Board of Trustees meeting. He called the meeting to order at 6:58 p.m. and asked for a roll call. After roll call, it was determined that a **quorum was participating.**

Mr. Gynn then asked for a motion to approve the minutes from the March 24, 2022, meeting. **Ms. Marge Bjerregaard** made a motion to approve the minutes as presented, which was seconded by **Ms. Karen Beck**. He asked if there was any discussion. Hearing none, he asked all those in favor to say aye. Any opposed to say no. Hearing no opposition, he said the **motion to approve the minutes, as presented, passed unanimously.**

GUEST COMMUNICATIONS

Mr. Gynn said there were no guest communications.

GENERAL MANAGER'S REPORT

Moving on, Mr. Gynn asked Ms. Claudia Amrhein to comment on the General Manager's report.

Ms. Amrhein thanked everyone for coming out and said there were a few things on the agenda tonight. First, there will be a "big picture" overview presentation of 2022. Secondly, a tour will be offered of the mezzanine in the Bus Storage Facility that was constructed in 2020, complete with a workout room and storage area, and the CDL Training Pad that has been in use and discussed a lot. A bus will be out front after the meeting that Mr. Brian Trautman will drive to view these two locations. Thirdly, the financial audit is underway and almost complete. The auditors are now off sight, and the final report won't be available

until July. Lastly, the golf outing is coming up in less than a month and she looks forward to seeing anyone who can make it out, even nongolfers. It's a scramble and it's a fun day. Nongolfers can volunteer, and sponsorship opportunities are available to help offset the cost of transportation for those who slip through the cracks by working with social service agencies in Portage County.

Mr. Mike Lewis said he and the PARTA staff would appreciate anyone's help on May 20 and if they were available to help, they should let someone know before the end of the night or call in the next couple days.

Mr. Gynn noted that the Board packet also included information on the "Connecting Communities" grant. He said he hoped everyone had a chance to look at it. A lot of work went into it and it's showing the fast forward for the proposed mile. He asked if there were any questions on Ms. Amrhein's report or for the staff.

ADMINISTRATION COMMITTEE REPORT

Hearing none, Mr. Gynn asked Ms. Karen Wise to give the report of the Administration Committee.

Ms. Wise said the Administration Committee met tonight, which included herself and Mr. Jack Murphy, as well as some other Board members. The business included a discussion about nominations for Board Officers. She reminded everyone that there are three positions: President, Vice President, and Temporary Presiding Officer. She said serving in those roles currently are Mr. Dave Gynn as President, Mr. Mike Lewis as Vice President, and Ms. Karen Wise as Temporary Presiding Officer. These are one-year appointments, which began in July 2021. Nominations will remain open now through the end of June. If anyone has an interest in nominating themselves or anyone else for the three positions, they should let Ms. Marcia Fletcher know. The committee reviewed the three officer positions and their duties. So far, Mr. Gynn has expressed interest and a willingness to serve again for another one-year term as President. She asked if there were any comments or questions.

Mr. Frank Vitale asked why the positions were only for one year because the person just starts to learn the position and then their term expires and if it would be better to serve more than one year.

Ms. Wise said one year is what the By-Laws state and to change that, the Board would need to change the By-Laws.

Mr. Gynn said since everybody is appointed by different governmental agencies, it would be possible that somebody served a year as President and then was not reappointed by the appointing agency the next year. That would put PARTA in a bind. He doesn't think somebody should run forever but he has served for two years and would be willing to run again unless someone else is interested.

Mr. Lewis asked if it was PARTA's standard or the individual appointing agency that decides the length of the appointment.

Mr. Gynn said they are all three-year appointments and are pretty much evenly divided. For example, the City of Kent and Portage County Commissioners each have three people on the Board, with one being appointed each year. Everybody serves a three-year term and approximately one third of the Board must be reappointed or has a new person appointed. They all are under the same PARTA guidelines. Ms. Fletcher notifies the appointing authorities and reminds them of the need to reappoint or appoint a new person by June because the new term begins July 1.

Ms. Amrhein said each appointing authority has a resolution of their own that is adopted. The dates of appointment and terms used to be all different. About 10 or 15 years ago, the process was updated by having each appointing authority reflect the same term effective July 1 through the following June 30. When there were 15 Board members, five terms expired each year. Now, with 14 Board members, five terms expire each year for two years and four terms expire in one year.

Mr. Gynn asked if there were any other questions. Hearing none, he thanked Ms. Wise and her committee and then moved on to the report of the Finance Committee.

FINANCE COMMITTEE REPORT

Mr. Gynn said a copy of the minutes was distributed and he thanked Ms. Fletcher for getting them out so quickly. He then asked Mr. Lewis to give the report.

Mr. Lewis thanked Mr. Gynn and said the minutes, as always, were very well done. Reading through them provides a really good idea of start to finish of the Finance Committee meeting on Tuesday. It's nice to look at a financial report and see that everything is pretty much where it should be. All Revenues were in line and where they should be. Sales Tax Revenues was ahead of budget by \$74,613 for the month. Almost all the Expenses were below budget. The only one above budget was Students Salaries and Wages. The month looked good with Revenues up and Expenses down. The budget for the month was \$199,786. The actual current period was \$439,110, which meant there was a surplus of \$239,324 for the month. It was a very good month. Moving on to the Capital Project Costs, there was a draw down for the Bus Storage Facility for the final engineering and design follow through invoice. There was a partial payment made under Facility Improvements for a study about electric vehicles. There was a discussion about electric vehicles and possibly making some adjustments in the future. He asked if there were any questions on PARTA.

Hearing none, Mr. Lewis moved on to the Kent Central Gateway (KCG). He said everything looked good. March had 9,363 cars in the deck compared to March 2021 with 6,736 cars and 2020 with 5,082 cars. The numbers are almost catching up to 2019, which was the last normal year before COVID hit. Another good thing was the monthly passes for 2022 were above 2021, 2020, and 2019. Mr. Trautman indicated they were all sold out at this time. Revenues and Expenses were in line. Everything was pretty much below budget. The monthly budget was \$881, and the current period was \$14,263, which was \$13,382 to the good compared to budget. More importantly, the year-to-date budget was \$8,800 to the negative and year-to-date actual was \$23,969 to the good, which means there was a \$32,769 variance against budget to the good. He asked if there were any questions on KCG.

OPERATIONS COMMITTEE REPORT

Hearing none, Mr. Gynn thanked Mr. Lewis and his committee and said the Operations Committee did not meet.

PERSONNEL COMMITTEE REPORT

The Personnel Committee did not meet.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

Moving on to New Business, Mr. Gynn asked Ms. Amrhein to give her presentation on the "big picture" as promised.

Ms. Amrhein presented her PowerPoint, which is attached.

After Ms. Amrhein's presentation, Mr. Gynn expressed the Board's appreciation to the staff and employees of PARTA for making transportation accessible to so many people in Portage County.

Ms. Wise asked what the biggest limiting factor is in 2022 moving forward to meeting this year's goals.

Ms. Amrhein said it would have to be the state of the industry with bus manufacturing, finding chassis, and lack of parts. Mr. Trautman spent the last two days in Indiana and could talk more about that.

Mr. Trautman said he was in Elkhart, Indiana, until this afternoon. The new vehicle contract is with Turtle Top manufacturing out of Elkhart, where almost all the bus manufacturers are located. Ford has not delivered a cutaway chassis to any of the manufacturers since February. He was shown pictures of acres and acres of farmers' fields in Michigan that have vehicles parked in them by the thousands waiting for chips. Ford decided they will not have any model year 2020 production vehicles in the cutaway chassis market. They just wrote it off. They started building 2021s and 2022s and now they are building model year 2023 chassis and vehicles that they are parking. Turtle Top has orders for 600 vehicles right now. They build about 470 a year and have zero chassis. If they got all the chassis that they needed today, they would finish their order in a year and a half from now. They are usually building somewhere around two and a half months out from start to finish. He told Ms. Amrhein that he is going to employ some of his old school longevity maintenance on some of the current equipment because PARTA already has seven vehicles on order, which do not have chassis. PARTA is in the front of the line because the Board gave approval to order those vehicles. With luck, those seven buses might arrive in 2024. With that, PARTA will have to start looking at what it has now and maybe get back into some old school refurbishing and rebuilding the current stock and pushing out the new vehicles another two or three years. It can be done, it's just a little more expensive. The depreciation and maintenance curve will cross a little sooner than expected. Ways to push those two out so they cross a little later must be determined. It's going to be a minimum four- or five-year problem. Ford usually produces around 25,000 chassis for this industry a year. They've told the manufacturers that they are only going to produce 10,000. That includes ambulance, motorhome, and transit bus builders and everybody that builds on a cutaway chassis, which is a van front end with a box on the back. In all the years he's been doing this, he's never seen anything like it.

Mr. Murphy asked if Turtle Top would be sustainable and stay in business until 2024 if they are not getting chassis.

Mr. Trautman said there's a big player out there called Forest River that came in and bought out a lot of the smaller manufacturers putting them out of business. Elkhart Coach bought out ElDorado, which used to build Aerotechs. Aerotechs are out. There are five manufacturers left but Turtle Top builds the best, in his opinion. They also build on a Freightliner chassis, which they were able to acquire. They have been in business since the mid-1920s and are only about six to nine weeks away from shutting the plant down temporarily until they see what's going to happen. He doesn't know if it will put them out of business or not but it's a real possibility. He brought up the idea with them that they should get involved in refurbishing by bringing in vehicles, going through them, regening them, putting new seats and flooring in, and replacing sidewalls. It would cost less than a new bus and would put somebody back in a bus. This could push them out another three to four years down the road. They thought it was a good idea, but he doesn't know where they will take it. The other thing that's coming right now, whether it's good or bad he hasn't figured out yet, is the big chunk of money that's available for electric vehicles. There are several electric vehicle manufacturer platforms that are popping up all over the place so there will be a bunch of electric chassis vehicles built that will take the place of a lot of the vehicles that would have been built on these Ford chassis. There's going to be a little bit of an offset there. The infrastructure and logistics aren't there for the electric vehicle push that's coming. Ohio Edison decides whether a substation is needed or not based on how much amperage is being pulled. If a lot of chargers are planned to be put in one place and there isn't room for a substation, the chargers can't be put in. There are logistics that aren't being thought through, so he doesn't know how it's going to play out in the long run. He is going to approach it from the conservative side, which is to maintain the current equipment longer. It's been done before. Something different will have to be done with the undercarriage on the buses when they come in because what is being put on the roads now instead of salt is eating cars up faster.

Mr. Vitale asked if Ford was the only manufacturer with this severe problem of thousands of vehicles sitting in the cornfields waiting to be finished.

Mr. Trautman said no, they all have the same problem. *PARTA*'s problem is twofold in that it must comply with the Buy America Act and can't build on a Mercedes or Nissan. *PARTA* can only build on a Ford or a Chevrolet chassis because those are the only two that meet the Gross Vehicle Weight Rating (GVWR). Amazon is buying about every van that's coming off the line right now and they're buying them by the thousands, which is also a battle.

Mr. Lewis said he read an article that stated there are fields of cars sitting and waiting on chips. The cars are being pushed around, lifted with forklifts, and moved around by trading chips. Now they are sitting completely ready minus the chip. There are 2021s and some 2022s that will not be able to be sold for 12 to 18 months, which is not good for the car. They will have to be sold at a discount, which was not planned by the dealers, and given a warranty because they will be sold as new cars even though they aren't new cars. This will mean skyrocketing warranty costs. Car dealers will be hurting within the next 18 to 24 months because they are going to get hit on both sides, which may result in closings unless they are the real big guys.

Mr. Trautman said the problem with the chip is that the auto industry is using old technology. It's not the chips that are in cell phones. It's a chip that was almost specific to the automotive industry and they don't want to go to the new chips because they haven't been proven in a vehicle service application.

Mr. Murphy asked what the availability of spare parts would be for maintaining equipment longer in the existing fleet.

Mr. Trautman said *PARTA* carries about \$300,000 worth of parts inventory in house and uses a just-in-time (JIT) supply chain. Most of the problems are competing with the heavy-duty truck industry. What used to be rebuildable as a diesel engine is now operating at a much higher temperature with CNG, which means it is much more brittle towards the end of life and deteriorating way ahead of what it normally would. Buses are sitting for weeks at a time waiting on a part, which usually would arrive via next day air. It's been tough and it's getting tougher. He is hopeful that the bottom of the dip is near, but there is no end in sight.

Mr. Gynn asked if there were any other questions or comments.

Resolutions

There were no resolutions.

EXECUTIVE SESSION, as needed

Hearing none, he said there was no need for an Executive Session.

Moving on, Mr. Gynn said there were a couple announcements before adjourning. After the meeting, there will be a bus out front that Mr. Trautman will be driving to the CDL Training Pad and then back to the Bus Storage Facility. The second announcement is about the June Board meeting. He has discussed with Ms. Amrhein and Ms. Kelly Jurisch about attending the Akron RubberDucks v. Harrisburg Senators game on June 23 instead of having a Board meeting since there will not be any resolutions. Everyone could meet at *PARTA*, get on a bus – maybe a trolley, and go to the Akron RubberDucks game. *PARTA* will treat everyone with a ticket to the game and an all-you-can-eat buffet-style picnic. He asked if that was something the Board would be interested in doing instead of the June meeting. He said a minimum number is required and he asked Ms. Jurisch if she had anything to add.

Ms. Jurisch said everyone is welcome to bring their families or significant others. A minimum of 24 is required. A head count is needed for riding the bus and attending the game. There is a Fowl Territory area off to the side where the picnic will be served. It would be a good time for everyone and hopefully everyone can attend. If anyone plans on attending, they should let Ms. Fletcher know. The game starts at 6:35 p.m. Plan to be at PARTA by 5:30 p.m. if a bus ride is needed. If not, plan to meet at the stadium.

Ms. Amrhein said an email will be sent out with all the information.

Mr. Gynn asked for a show of hands of those who were interested in attending the game. He said in the past, except the last couple years because of COVID, PARTA hosted an outing to the game. This time it will be a little different with seating in the Fowl Territory area instead of stadium seats. This will provide a casual atmosphere to talk and get to know each other as opposed to only seeing each other at meetings. It would be a nice opportunity to end the year.

Ms. Amrhein said PARTA cannot do a charter but is allowed to transport its employees and Board members according to the FTA.

Mr. Gynn asked if anybody else had any other comments.

Mr. Richard Brockett asked if employment has picked up any.

Ms. Jurisch said the last open interviews were held on April 6. Four people came, which was better than none but still very disappointing. The following week PARTA attended a job fair in Summit County, which wasn't very productive either. Two schedulers and a couple full time drivers have been hired and several more offers have been made so there is some movement. Hopefully it will continue.

Mr. Lewis said there are a lot of industries right now that just can't find people who either want to work or can work.

Mr. Murphy said he got a phone call at work yesterday from a recruiter. They called through the secretary to his direct work line asking if he wanted to switch jobs.

Ms. Jurisch said PARTA received a call from another transit company recruiting mechanics while they were on the clock. It's very cutthroat out there right now.

Mr. Vitale said there is a lot of retirement going on in the trucking industry. He asked what the phenomenon was between 24 months ago and now that has created such a different atmosphere as far as not having enough people.

Ms. Jurisch said nobody has the answer. In 2021, there were more 1099s opened than ever before. More people are starting their own businesses and figuring out how to survive. A lot of retirees may be working a part time job. There were a lot of early buyouts and a lot of mothers have stayed home with their children. It's a domino effect.

Mr. Gynn asked if there were any other questions or comments.

ADJOURNMENT

Hearing nothing further, Mr. Gynn entertained a motion to adjourn. **Mr. Mike Lewis** made a motion to adjourn the meeting, which was seconded by **Mr. Jack Murphy**. Mr. Gynn asked all in favor to say aye. He asked any opposed to say no. Hearing no opposition, the **motion to adjourn passed unanimously.**

The meeting adjourned at 7:54 p.m.

Respectfully submitted,



Marcia Fletcher
Executive Assistant