

CAPITAL AREA TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS' MEETING

WEDNESDAY, FEBRUARY 18, 2026
4:00 P.M. – LANSING CENTER GOVERNOR'S ROOM
333 E. MICHIGAN AVENUE, LANSING, MI 48933

AGENDA

I. CALL TO ORDER

II. PUBLIC COMMENTS ON AGENDA ITEMS

*Members of the public are welcome to speak to the Board on any agenda subject. Anyone wishing to comment on any matter **not** on the agenda may do so immediately prior to adjournment.*

III. CHAIR'S COMMENTS

IV. CHIEF EXECUTIVE OFFICER'S REPORT

V. ACTION ITEMS – PROPOSED CONSENT AGENDA

A. APPROVAL OF MINUTES OF JANUARY 21, 2026, BOARD MEETING

B. APPROVAL OF MINUTES OF JANUARY 21, 2026, BOARD RETREAT

C. TREASURER'S REPORT FOR DECEMBER 2025

1. Interim Income Statement
2. Cash Summary
3. Investments
4. Fifth Third Investment Account Reconciliation

D. REAPPOINTMENT TO LOCAL ADVISORY COUNCIL

PROPOSED MOTION: That the CATA Board of Directors approves the recommendation of the Local Advisory Committee to appoint Darrin Fowler to a three-year term through February 2029.

E. CROSS-BOUNDARY AGREEMENT BETWEEN CLINTON TRANSIT AND CATA

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to execute a Cross-Boundary Agreement between Clinton Transit and CATA for a one (1) year term expiring January 27, 2027.

F. PURCHASE OF UP TO EIGHT (8), 40-FOOT HYBRID-ELECTRIC BUSES FROM NEW FLYER

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to execute a purchase of eight (8), New Flyer model XDE40, hybrid-electric transit buses from New Flyer, a subsidiary of NFI Group, Inc., using our 5339c Low/No Emissions Grant award and supplemental federal and state grant funds, for a total purchase price not to exceed \$9,800,410 for the vehicles, training, and accessories, pending successful completion of necessary FTA Buy America audits and inspections on such other terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

G. MAINTENANCE TOOLING AND EQUIPMENT FOR BATTERY-ELECTRIC 40-FOOT BUSES

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to execute the purchase of necessary tooling and equipment to support maintenance activities of battery-electric, 40-foot transit buses, at a price not to exceed \$178,017 of remaining federal and state grant funds and local operating funds, on such other terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

VI. DISCUSSION AGENDA

A. POLICY COMMITTEE REPORT – POLICY FOR IMMIGRATION ENFORCEMENT ACTIVITIES

PROPOSED MOTION: That the proposed policy for Immigration Enforcement Activities be accepted in accordance with Policy No. 402, Formulation of Policies and Administrative Procedures.

VII. PRESENTATION - CATA'S ROAD AHEAD - COMPREHENSIVE OPERATIONS ANALYSIS (COA)

- Andrew Ittigson, Associate Vice President, AECOM
- Elias Fischer, AICP, Senior Transit Planner, AECOM
- Ann Marie Kerby, AICP, Senior Planning Manager, C2G

VIII. OLD BUSINESS - BUDGET DISCUSSION

IX. NEW BUSINESS

X. PUBLIC COMMENT

Members of the public are welcome to speak to the Board on any CATA subject.

XI. ADJOURNMENT

CAPITAL AREA TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS' MEETING

WEDNESDAY, JANUARY 21, 2026
4:00 P.M. – LANSING CENTER GOVERNOR'S ROOM
333 E. MICHIGAN AVENUE, LANSING, MI 48933

PRESENT: Nathan Triplett, Chair
Shanna Draheim, Vice Chair
Phil Deschaine, Secretary/Treasurer
Mark Grebner
Steven Vagnozzi
Derek Melot
Eric Tans
Kellie Blackwell
John Prush

CALL TO ORDER:

Chair Triplett called the meeting to order at 4:00 p.m.

ROLL CALL: Kellie Blackwell, Phil Deschaine, Shanna Draheim, Mark Grebner, Derek Melot, John Prush, Eric Tans, Nathan Triplett, and Steven Vagnozzi were all present.

ABSENT: Ed Rodgers and Jack Schmitt

LATE: Chelsea Dowler

Chair Triplett welcomed everyone to the Board meeting. He also mentioned that the meeting is being held on Zoom for those who wish to view the Board meeting virtually.

PUBLIC COMMENTS:

None

CHAIR'S COMMENTS:

Chair Triplett requested a motion to excuse Jack Schmitt.

MOTION:

Shanna Draheim motioned to excuse Jack Schmitt and Kellie Blackwell supported the motion.

VOTE: The motion carried unanimously.

CHIEF EXECUTIVE OFFICER'S REPORT

Pay Your Way

Bradley Funkhouser stated that on Friday, January 9, 2026, CATA launched its new *Pay Your Way* campaign to inform riders of the many ways to pay fares including cash and contactless forms of payment. Mr. Funkhouser noted that many riders are already using it and CATA will be a track ridership.

2026 Martin Luther King, Jr. (MLK) Day of Celebration

Bradley Funkhouser stated that on Monday, January 19, 2026, CATA participated in celebrating Dr. Martin Luther King, Jr. at the Lansing Center. He explained that CATA coordinated with the MLK Commission of Mid-Michigan to have the Rosa Parks bus parked out front of the event to honor and recognize Rosa Parks' birthday and Transit Equity Day, which is on Wednesday, February 4, 2026. Mr. Funkhouser stated that CATA also coordinated with The Henry Ford Museum of American Innovation in Dearborn, Michigan, where the original Rosa Parks bus has been preserved and is currently on display. He noted that operator Karen Williams suggested that the bus have an outlined silhouette of Rosa Park being placed in the window.

State Funding

Bradley Funkhouser stated that there has been a lot of back and forth with additional funding for transportation from the state. He explained that CATA received \$5 million in grant money for the purchase and renovation of CATA's downtown facility located at 511 S. Washington. Further, Mr. Funkhouser explained that CATA has so far drawn \$1.5 million and has decided to do less renovation in order to move into the building sooner rather than later. More details to come.

Solar Power

Bradley Funkhouser stated that the Board had requested to have solar panels installed at both CATA buildings. He noted that a consultant will be present at the February Board meeting to give an update.

Listening Bus

Bradley Funkhouser stated that on Tuesday, January 13, 2026, CATA issued a press release regarding *CATA's 2026 Listening Bus* sessions. Mr. Funkhouser explained that the program gives riders a way to share their feedback while traveling on the bus.

Shanna Draheim inquired about whether anyone interested in participating in the Listening Bus program should sign up beforehand or just attend scheduled sessions.

Bradley Funkhouser stated that anyone interested can choose which way they prefer to participate.

Mark Grebner inquired about CATA's Rosa Parks bus.

Bradley Funkhouser stated that CATA's Rosa Parks bus was designed and wrapped to resemble the original vehicle. He then deferred to Brandie Yates, Interim Director of Marketing, for further details.

Brandie Yates confirmed that CATA worked with The Henry Ford Museum of American Innovation in Dearborn, Michigan, to replicate the original bus which has been preserved and is currently on display at the museum. She noted that the bus also includes a fact board of the civil rights movement and Rosa Parks' birth, life and legacy.

Chair Triplett stated that for those that have not yet seen the bus, the silhouette of Ms. Parks in the window creates a very nice visual for everyone to see.

Steve Vagnozzi expressed his excitement at CATA's creative choice in acknowledging Rosa Parks. He also stated that he has seen the original bus at the museum and can confirm that the colors match the CATA Rosa Parks bus.

Phil Deschaine echoed Mr. Vagnozzi's remarks. He also inquired whether CATA was absorbing the credit card fees associated with the "Pay Your Way" program.

Jim Frendt confirmed that CATA is absorbing credit card fees.

Chair Triplett requested a motion to excuse Ed Rodgers.

MOTION:

Mark Grebner motioned to excuse Ed Rodgers and Phil Deschaine supported the motion.

VOTE: The motion carried unanimously.

ACTION ITEMS – PROPOSED CONSENT AGENDA

- A. APPROVAL OF MINUTES OF NOVEMBER 19, 2025, BOARD MEETING
- B. APPROVAL OF MINUTES OF NOVEMBER 19, 2025, CLOSED SESSION MEETING
- C. APPROVAL OF MINUTES OF DECEMBER 10, 2025, SPECIAL BOARD MEETING
- D. APPROVAL OF MINUTES OF DECEMBER 10, 2025, CLOSED SESSION MEETING
- E. APPROVAL OF TREASURER'S REPORT FOR OCTOBER 2025
 - 1. Interim Income Statement
 - 2. Cash Summary
 - 3. Investments
 - 4. Fifth Third Investment Account Reconciliation
- F. APPROVAL OF TREASURER'S REPORT FOR NOVEMBER 2025
 - 1. Interim Income Statement
 - 2. Cash Summary
 - 3. Investments
 - 4. Fifth Third Investment Account Reconciliation

G. PURCHASE OF FIVE (5) SMALL BUSES

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to execute a purchase from the State of Michigan (MDOT) Small Bus Contract for five (5) cutaway-style, small buses in an amount not to exceed \$750,000, pending successful completion of necessary Buy America audits, on such other terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

MOTION:

Kellie Blackwell moved to approve the Consent Agenda and Steve Vagnozzi supported the motion.

VOTE: The motion carried unanimously.

ACTION ITEM - DISCUSSION AGENDA

None

OLD BUSINESS

None

NEW BUSINESS

None

PUBLIC COMMENT

None

ADJOURNMENT

There being no further business, Chair Triplett adjourned the Board meeting at 4:15 p.m.

Respectfully Submitted,

Phil Deschaine
Secretary/Treasurer

Tina Orlando
Recording Secretary

CAPITAL AREA TRANSPORTATION AUTHORITY
BOARD RETREAT MEETING

WEDNESDAY, JANUARY 21, 2026
LANSING CENTER GOVERNOR'S ROOM
333 E. MICHIGAN AVENUE, LANSING, MI 48933

PRESENT: Nathan Triplett, Chair
Shanna Draheim, Vice Chair
Phil Deschaine, Secretary/Treasurer
Mark Grebner
Steven Vagnozzi
Derek Melot
Eric Tans
Kellie Blackwell
John Prush

CALL TO ORDER:

Chair Triplett called the meeting to order at 4:18 p.m.

ABSENT: Ed Rodgers and Jack Schmitt

LATE: Chelsea Dowler

WELCOME:

Chair Triplett welcomed everyone.

INTRODUCTION:

Bradley Funkhouser welcomed everyone and began by explaining that this is a required retreat per CATA Board policy. He explained that this year, the retreat will focus on CATA's budget outlook. Mr. Funkhouser introduced Jim Frenedt, Director of Finance.

BUDGET OUTLOOK:

Jim Frenedt started off by giving a recap from FY 2025. He also reported on CATA's plan moving forward now that a number of items that were previously unknown are now known, such as the state's Local Bus Operating (LBO) funds, the new ATU, Local 1039, labor agreement and service in Delta Township.

Chelsea Dowler arrived at 4:29 p.m.

DISCUSSION:

Steve Vagnozzi inquired about the \$8.5 million estimated cash flow.

Jim Frenedt explained that the \$8.5 million estimated cash flow represents CATA's reserves.

Derek Melot summarized CATA's position in FY 2026 and FY 2027. He also inquired about CATA's expenses when there are no cash reserves.

Jim Frenedt stated that it would be in the low \$50 million range.

Shanna Draheim inquired about service cuts.

Jim Frendt stated that CATA would look at the comprehensive operations analysis (COA).

Andrew Brieschke echoed Mr. Frendt's remarks and confirmed that CATA will look at the comprehensive operations analysis (COA) to assist with determining service cuts. He noted that CATA has not committed to service reductions, but it is an option.

Shanna Draheim inquired about the COA timeline.

Andrew Brieschke deferred to Dustin Hagfors, Director of Planning and Development, for more details.

Dustin Hagfors stated that stakeholder meetings will start next week. He explained that he should have recommendations from the consultant by June 2026 and implementation strategies by September 2026.

Phil Deschaine stated that COVID created a unique situation where many government entities and businesses received money to assist with financial strains caused by the pandemic. He noted that many businesses have now spent their COVID money and find themselves having to close or make cuts in order to stay in business.

Chair Triplett inquired about CATA's service levels pre-pandemic compared to service levels throughout the pandemic and now.

Jim Frendt stated that CATA was able to maintain its levels with the COVID money that they received.

Chair Triplett summarized that CATA's current position is a result of saving a lot of the COVID money that was received rather than spending it.

Jim Frendt agreed with Chair Triplett's summary. He also noted that CATA incurred other expenses during the pandemic such as sanitizing the buses multiple times of the day.

Discussion ensued.

Mark Grebner left at 5:24 p.m.

Bradley Funkhouser stated that at the February Board meeting next month, CATA will present different scenarios for service reductions.

Chair Triplett thanked Mr. Frendt for his presentation. He also thanked Staff and Mr. Brieschke for providing additional information.

PUBLIC COMMENT:

None

CLOSING REMARKS:

Bradley Funkhouser thanked the Board for their patience.

ADJOURNMENT:

Chair Triplett adjourned the Board Retreat at 5:51 p.m.

Respectfully Submitted,

Phil Deschaine
Secretary/Treasurer

Tina Orlando
Recording Secretary

**Capital Area Transportation Authority
INTERIM INCOME STATEMENT
For The Month Ending December 31, 2025**

	December Actual	December Budget	Variance	% Variance	FY 2026 Actual YTD	FY 2026 Budget YTD	Variance	% Variance	FY 2026 BUDGET	% of Fiscal Year Completed 25%	% Annual Budget Revenues/Expense
REVENUES											
Farebox	\$ 213,119	\$ 242,400	\$ (29,281)	-12.1%	\$ 682,560	\$ 727,200	\$ (44,640)	-6.1%	\$ 2,908,800		23.5%
Contracted Services	\$ 474,536	\$ 376,500	\$ 98,036	26.0%	\$ 1,452,410	\$ 1,129,500	\$ 322,910	28.6%	\$ 4,518,000		32.1%
Property Tax	\$ 2,689,910	\$ 2,345,500	\$ 344,410	14.7%	\$ 2,690,411	\$ 7,036,500	\$ (4,346,089)	-61.8%	\$ 28,146,000		9.6%
State Revenue	\$ 1,756,518	\$ 1,589,250	\$ 167,268	10.5%	\$ 5,136,149	\$ 4,767,750	\$ 368,399	7.7%	\$ 19,071,000		26.9%
Federal Revenue	\$ 94,322	\$ 142,500	\$ (48,178)	-33.8%	\$ 125,579	\$ 427,500	\$ (301,921)	-70.6%	\$ 1,710,000		7.3%
Other Revenue	\$ 119,185	\$ 164,700	\$ (45,515)	-27.6%	\$ 306,846	\$ 494,100	\$ (187,254)	-37.9%	\$ 1,976,400		15.5%
TOTAL REVENUES	\$ 5,347,590	\$ 4,860,850	\$ 486,740	10.0%	\$ 10,393,955	\$ 14,582,550	\$ (4,188,595)	-28.7%	\$ 58,330,200		17.8%
EXPENSES											
Labor	\$ 2,237,865	\$ 2,165,816	\$ (72,049)	-3.3%	\$ 6,705,289	\$ 6,497,448	\$ (207,841)	-3.2%	\$ 25,989,800		25.8%
Fringe Benefits	\$ 2,340,560	\$ 1,509,101	\$ (831,459)	-55.1%	\$ 4,753,052	\$ 4,527,303	\$ (225,749)	-5.0%	\$ 14,424,990		33.0%
Services	\$ 409,328	\$ 503,183	\$ 93,855	18.7%	\$ 1,251,973	\$ 1,509,048	\$ 257,075	17.0%	\$ 6,035,200		20.7%
Materials & Supplies	\$ 369,966	\$ 496,461	\$ 126,495	25.5%	\$ 1,243,770	\$ 1,488,384	\$ 244,614	16.4%	\$ 5,955,040		20.9%
Utilities	\$ 102,656	\$ 85,555	\$ (17,101)	-20.0%	\$ 254,496	\$ 256,665	\$ 2,169	0.8%	\$ 1,026,660		24.8%
Casualty & Liability	\$ 118,575	\$ 120,000	\$ 1,425	1.2%	\$ 352,913	\$ 360,000	\$ 7,087	2.0%	\$ 1,440,000		24.5%
Purch. Transportation	\$ 1,138,731	\$ 1,152,666	\$ 13,935	1.2%	\$ 3,466,637	\$ 3,457,998	\$ (8,639)	-0.2%	\$ 13,832,000		25.1%
Miscellaneous	\$ 150,963	\$ 169,381	\$ 18,418	10.9%	\$ 301,726	\$ 508,142	\$ 206,416	40.6%	\$ 2,032,780		14.8%
TOTAL EXPENSES	6,868,644	6,202,163	(666,481)	-10.7%	18,329,856	18,604,988	275,132	1.5%	\$ 70,736,470		25.9%
NET INCOME (LOSS)	<u>\$ (1,521,054)</u>	<u>\$ (1,341,313)</u>	<u>\$ (179,741)</u>		<u>\$(7,935,901)</u>	<u>\$ (4,022,438)</u>	<u>\$ (3,913,463)</u>		<u>\$ (12,406,270)</u>		

Interim statements are subject to adjustments and year-end audit

**Capital Area Transportation Authority
Treasurer's Report
Cash Activity During the Month**

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12/01/2025 - 12/31/2025

Cash Balance - 12/01/2025	\$ 7,214,452
Disbursements	\$ (9,160,778)
Receipts	\$ 6,272,555
Adjustments	\$ -
Cash Balance - 12/31/2025	\$ 4,326,229

Disbursements:

Cash Disbursements Register	\$ (3,446,812)
Payroll	\$ (5,225,950)
Healthcare (BlueCross Blue Shield)	\$ (486,196)
Transfers To the ASU Claims Account	\$ (1,820)
Transfers To the Investment Account	\$ -
Total Cash Disbursements	\$ (9,160,778)

Receipts:

Cash Receipt Register	\$ 3,272,555
Transfers From the Investment Account	3,000,000
Total Cash Receipts	\$ 6,272,555

Adjustments:

Misc. Items	\$ -
Total Cash Adjustments	\$ -

**Capital Area Transportation Authority
 Treasurer's Report
 Cash and Investment Balances & Interest Earned**

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12/01/2025 - 12/31/2025

CASH & INVESTMENT BALANCES	PORTFOLIO BALANCE	% OF TOTAL
<u>CASH & CASH EQUIVALENTS</u>		
FIFTH THIRD BANK - General Account	4,326,229	12.13%
FIFTH THIRD BANK - ASU Claims Account	34,606	0.10%
FIFTH THIRD BANK - Savings	555,157	1.56%
MSUFCU CD and Savings	280,720	0.79%
CASE Credit Union CD and Savings	282,443	0.79%
<u>FIXED INCOME INVESTMENTS</u>		
FIFTH THIRD BANK	<u>30,177,988</u>	84.63%
TOTAL	<u>\$ 35,657,143</u>	100.00%

INTEREST EARNED	INTEREST
INCOME EARNED ON INVESTMENTS:	
FIFTH THIRD BANK (Net of Expenses/Accrued Interest)	\$ 166,360
OTHER BANKS	<u>2,547</u>
TOTAL	<u>\$ 168,907</u>
Monthly Average Rate of Return	0.4737%
Annual Average Rate of Return	5.684%

Interim statements are subject to adjustments and year-end audit

**Capital Area Transportation Authority
 Treasurer's Report
 Fifth Third Bank Investment Account Reconciliation**

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12/01/2025 - 12/31/2025

Market Value at the Beginning of the Period - 12/01/2025 \$ 33,089,967

Portfolio Activity:

Transfers (To) or From General Checking (3,000,000)

Net Income/(Loss) & Expenditures

Interest Earned	\$ 192,268
Accrued Interest Paid	(23,636)
Administrative Expenditures	(2,272)

Total Net Income/Loss & Expenditures 166,360

Realized Gains or (Loss) From Sales 44,316

Market Appreciation

End of Period	\$ 230,445
Beginning of Period	(273,345)

Unrealized Gain/(Loss) from Market Appreciation (42,900)

Change in Value From Accrued Income

Previous Accrued Income (-)	\$ (284,508)
Current Accrued Income (+)	204,753

Net Change from Accrued Income (79,755)

Market Value at the End of the Period - 12/31/2025 \$30,177,988

Interim statements are subject to adjustments and year-end audit .

NOTE:

The Fifth Third Bank Investment Account includes investments in the Federated Government Obligations Fund, Institutional Shares, considered as cash equivalents with a stable market value, and short-term fixed income investments in federal and Michigan municipal securities that have market values that may fluctuate prior to redemption or early call dates.

ACTION ITEM – REAPPOINTMENT TO LOCAL ADVISORY COUNCIL

The Local Advisory Council ("LAC") is a committee of consumers and interested parties who advise the Board of Directors on public transportation issues relevant to seniors and persons with disabilities. In accordance with 1951 PA 51, 50% of the membership of the LAC must be seniors or persons with disabilities. Membership terms are three (3) years and have staggered expiration dates.

At the February 2026 LAC meeting, Darrin Fowler was unanimously approved for reappointment to the LAC for a three-year term.

Mr. Fowler has resided in the Lansing area for over 20 years. He is employed by the Michigan Attorney General's office, and is on the board of the Riverwalk Theatre. He represents persons with disabilities and is a resident of Mason. Mr. Fowler utilizes CATA Rural Services and Spec-Tran.

CATA Board approval is sought to approve the reappointment of Darrin Fowler as a member of the CATA LAC.

PROPOSED MOTION: The CATA Board of Directors approves the recommendation of the Local Advisory Committee to reappoint Darrin Fowler to a three-year term through February 2029.

ACTION ITEM – CROSS-BOUNDARY AGREEMENT BETWEEN CLINTON TRANSIT AND CATA

CATA has a long history of cross-boundary agreements with the Clinton Area Transit System (Clinton Transit) to provide public transit within CATA's service area defined by boundaries within the State of Michigan. The previous agreements included that both parties arrange the appropriate connections to service the community for work, business, and pleasure. The agreements also provided variations in scheduled hours to service those with special needs or persons with disabilities.

While the previous agreement expired in August 2024, CATA and Clinton Transit have continued conversations working towards the implementation of another agreement that provides improved cooperation between CATA and Clinton Transit to ensure ongoing access to employment and medical care within the region. CATA and Clinton Transit have participated in discussions with legal counsel and wish to implement a new agreement. Details of this agreement include the following:

- The Agreement will be for one (1) year.
- Agreement will automatically renew for two additional one (1) year terms unless either party submits written notice not to renew at least sixty (60) days prior to expiration of a one-year term.
- CATA and Clinton Transit agree to utilize a regional ADA certification process to ensure that individuals that are certified for ADA paratransit for one are also certified for the other.
- Clinton Transit agrees to coordinate all trip requests to and from the campus of Michigan State University with CATA to ensure the most viable service to make the trip.
- Both counties will gather trip data and participate in monthly meetings to improve coordination of cross-boundary service and discuss plans for the future.

Staff recommends that the Board adopt the proposed motion set forth below.

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to execute a Cross-Boundary Agreement between Clinton Transit and CATA for a one (1) year term expiring January 27, 2027.

INTERLOCAL AGREEMENT

This Agreement is made this 28th day of January, 2026, by and between CAPITAL AREA TRANSPORTATION AUTHORITY ("CATA") and CLINTON AREA TRANSIT SYSTEM ("Clinton Transit"), (collectively, the "Parties").

RECITALS

A. Each of the Parties are authorized to operate public transit systems and receive funding under PA Act 51, Public Acts of 1951, as amended, within Service Areas ("Service Areas") defined by jurisdictional boundaries within the State of Michigan.

B. CATA is formed under Public Act 55 of 1963, the Mass Transportation System Authorities Act.

C. Clinton Transit is formed under Public Act 196 of 1986, the Public Transportation Authority Act.

D. The Parties recognize the need of members of the public to have cross boundary transit service from one Service Area to another for work, medical care, business, and pleasure.

E. Variations in schedules and hours of service of the Parties, and the special needs of persons with disabilities and the elderly, impact the ability of members of the public in need of cross boundary transportation within the Tri-County region to arrange appropriate connections between the transportation services provided by the Parties.

F. The Parties desire to establish a collaborative agreement to address and assess cross boundary transportation needs, without modifying their respective Service Areas.

NOW, THEREFORE, the Parties agree as follows:

1. The Parties will coordinate and assist each other in efforts to provide meaningful and cost-effective cross boundary transportation services, including, where

possible and feasible, arranging points of transfer between the transportation services that each provides.

2. Each of the Parties may provide transportation services into, returning from, or through the geographic Service Area of the other Party ("cross-boundary service"), as follows:

- (a) The cross-boundary service must originate in the requesting Party's Service Area.
- (b) Each Party will maintain and provide to the other on a monthly basis a log which reflects the number of cross-boundary trips made, and, with regard to each demand response trip including: the trip purpose, the passenger name(s), and the times, dates, and addresses of each pickup and drop off. For fixed route service the times, dates, and passenger numbers shall be maintained and provided. The Parties will meet monthly to discuss all cross-boundary trip data. The Parties further agree that the passenger names shall not be disclosed to anyone outside of the Parties to this Agreement, unless required in response to an audit or otherwise required by law.
- (c) Notwithstanding (a) through (b) above, Addendum A identifies service approved by the Parties in exception to the origination and, prior approval restrictions. The Parties may revise Addendum A to approve other exceptions from time to time, by mutual written agreement executed by their authorized managers.

3. This Agreement does not require either Party to provide cross-boundary transportation to residents of either of the Service Areas served by the Parties. Clinton Transit, while operating vehicles under this Agreement outside of Clinton County and to, from,

through, or within the Service Area of CATA shall provide transportation services only as authorized by this Agreement or other specific written authorization of the other Party. This Agreement does not restrict CATA from providing service in Clinton County. However, to the extent CATA provides fixed route services outside its normal Service Area under the terms of this Agreement, it shall only do so as authorized by this Agreement or other specific written authorization.

4. Each Party shall provide and maintain, at its own expense, insurance to cover its employees and equipment and to cover liability for any action of its employees or equipment while operating within the Service Area of the other. Each of the Parties will hold harmless the other Party to this Agreement from any and all liability arising from any operations conducted by it within the Service Area of the other Party.

5. Neither Party shall become an agent of, a joint venturer with, or under the authority of the other Party by virtue of this Agreement. This Agreement shall not be a basis to define or modify Service Areas of the Parties or be construed to limit any independent right CATA already possesses to operate within that portion of its Service Area within Clinton County.

6. This Agreement shall not be a basis to define or modify Service Areas of the Parties or be construed to limit any independent right either Party may have to operate in the other's Service Area. Neither Party shall seek financial support or any payment for services from the other, based on this Agreement or on any cross-boundary services which are provided unless otherwise agreed, in writing.

7. The Parties agree to utilize a regional ADA certification process to ensure that individuals that are certified for ADA paratransit for one Party are also certified for

ADA certification with the other Party. For those that need the ADA certification, the Parties will develop a mutually agreeable ADA certification process to provide ADA paratransit service.

8. The Parties will work to establish a Clinton County Connector Route within 6 months from the date of the last signature on this Agreement connecting the CATA fixed route network to a location within both the Lansing Urbanized Area ("Lansing UZA") and Clinton County. This Connector will be operated by CATA or contracted through a regional provider. If the Connector Route service is operated by Clinton Transit, CATA shall compensate Clinton Transit for its operation under terms agreeable to the Parties. This service will be connected into the regional Transit App program through technology provided by CATA.

9. Clinton Transit agrees to promote the Connector service for those riders who may not meet ADA certification in both urban and rural areas allowing for anyone in the tri-county region, including Ingham, Eaton and Clinton counties, to utilize this service. Riders will connect to the Connector at transfer points within Clinton County. Riders on the Connector will then connect to CATA fixed route services at an agreed upon location in the region. If the Connector service is operated by Clinton Transit, Clinton Transit agrees to provide CATA with monthly reporting on ridership trends and the percentage of riders that are using the Connector to enter Ingham County versus riding Clinton Transit paratransit vehicles.

10. CATA will conduct monthly reporting to the NTD about all transit services located in the Lansing UZA, unless otherwise directed by MDOT and the FTA.

11. Clinton Transit shall coordinate all trip requests to and from the campus of Michigan State University with CATA to ensure the most viable service to make the trip.

12. The Parties may revise either the Interlocal Agreement or any Addendum to approve exceptions from time to time, by mutual written agreement signed (or electronically signed) by the Executive Director for each Party. This Agreement and any related Addendum may be signed in counter parts and/or electronically, both of which will have the same effect as an original signature.

13. This Agreement does not confer any rights on persons or entities not a Party to this Agreement.

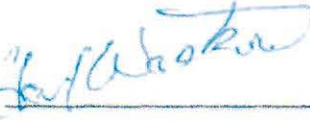
14. This Agreement is effective as of the date first above written and, together with any related Addendum(s) for one year, and, shall automatically renew for two additional one-year terms, unless either Party submits written notice not to renew to the other at least sixty (60) days prior to the expiration of a one year term. Thereafter, this Agreement and any related Addendum(s) shall terminate.

15. This Agreement and any Addendum thereto shall be construed as being mutually drafted and shall be interpreted under the laws for the State of Michigan.

WHEREAS, the Parties have hereunto set their hands as of the date first above written

CLINTON AREA TRANSIT SYSTEM

CAPITAL AREA TRANSPORTATION AUTHORITY

By: 

By: 

Printed Name: Gail Watkins

Printed Name: NATHAN TRIPLETT

Its: Chairperson

Its: BOARD CHAIR

By: 

By: 

Printed Name: Malissa F. Schott

Printed Name: Bradley T. FUNKHOUSER

Its: Executive Director

Its: CEO

**ADDENDUM A
TO
INTERLOCAL AGREEMENT**

CATA and Clinton Transit, pursuant to paragraph 2(d) of their Interlocal Agreement, make the following exceptions:

1. Clinton Transit may provide service to Ingham County residents for trips originating in Ingham County with Clinton County destinations, if the passenger has requested service from CATA, CATA does not provide such service, and that a CATA dispatcher has informed Clinton Transit of the customer's request. Clinton Transit shall not be obligated to provide such service. CATA shall have no obligation to Clinton Transit in connection with any such referrals. Clinton Transit shall hold CATA harmless for any claims in connection with Clinton Transit providing such referred service.
2. Clinton Transit is permitted to provide demand response service trips for all trip purposes originating in Clinton County with destinations in Ingham County, one way and round trips without prior notice or approval.
3. CATA is likewise permitted to provide demand response service trips for all trip purposes originating in Ingham County with destinations in Clinton County, one way and round trips without prior notice or approval.
4. This Addendum is effective only when approved by authorized managers of Clinton Transit and CATA, supersedes any prior approval which is inconsistent, and may only be modified by a subsequent written agreement which is executed on behalf of CATA and Clinton Transit.

ACTION ITEM – PURCHASE OF LARGE BUSES FROM NEW FLYER

In November 2025, CATA was awarded a competitive grant through the federal Department of Transportation's (DOT), 5339c Low/No Emissions Grant Program. This grant was awarded for the purpose of buying eight (8), 40-foot, hybrid-electric, heavy duty transit buses, in partnership with New Flyer. The federal portion of this award amounts to \$6,962,784, and, after adding matching funds from the State of Michigan (MDOT), totals \$8,703,480.

A requirement of the grant application included CATA partnering with a bus manufacturer. We chose New Flyer to continue our long-standing relationship and to pursue a consistent fleet of large buses. Based on our current replacement schedule, Staff has determined a need for all eight (8) buses. These New Flyer model XDE40 buses will be equipped with Allison eGen Flex Max technology, which includes an auto engine start-stop feature and allows the bus to operate approximately 25%-40% each day in full-electric mode.

With a price tag of approximately \$1,200,000 per bus, additional funding beyond this grant award is required in order to procure all eight (8) buses. Staff has identified an additional \$1,096,930 in existing federal and state grants that would be used to complete this purchase. Additionally, this procurement will include the purchase of required training and accessories that are above the base bus specification. As such, Staff is seeking Board approval for this project which will have a total not to exceed price of \$9,800,410 exclusively using federal and state grant funds. If approved, the earliest that this order will be built is Spring 2027, with delivery later that summer.

Following Board approval, the purchase of these vehicles is also pending successful completion of both Buy America Pre-Award and Post-Delivery audits, as required by the FTA.

Staff recommends that the Board adopt the proposed motion set forth below.

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to execute a purchase of eight (8), New Flyer model XDE40, hybrid-electric transit buses from New Flyer, a subsidiary of NFI Group, Inc., using our 5339c Low/No Emissions Grant award and supplemental federal and state grant funds, for a total purchase price not to exceed \$9,800,410 for the vehicles, training, and accessories, pending successful completion of necessary FTA Buy America audits and inspections on such other terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

ACTION ITEM – MAINTENANCE TOOLING AND EQUIPMENT FOR BATTERY-ELECTRIC 40-FOOT BUSES

Back in August 2021, CATA was awarded Grant #MI-2021-034-00 in the amount of \$2,464,014 (\$1,971,211 federal, \$492,803 State of Michigan) for the purchase of battery-electric large buses and related accessories. The federal and state portions of this grant expire in March 2026.

In November 2023, the CATA Board of Directors approved a purchase of one (1), battery-electric, 40-foot transit bus from New Flyer, a subsidiary of NFI Group, Inc., using the State of Washington, cooperative bus procurement contract #06719, at a price not to exceed \$1,300,000 of federal and state grant funds, for the vehicle and accessories.

CATA seeks to use the remaining fund balance of up to \$153,017 in the aforementioned grant above to purchase additional tooling and equipment to support maintenance activities on battery-electric buses in the fleet. Since the cost of these additional items may exceed \$150,000 and the previous \$1,300,000 Board approval amount for the New Flyer bus and accessories purchase, further Board approval is now being sought to utilize all remaining funds in the grant, which would fully expend all available funds from this grant source. Up to an additional \$25,000 to fully fund the equipment, freight, and shipping charges may be funded by local operating dollars.

Staff recommends that the Board adopt the proposed motion set forth below.

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to execute the purchase of necessary tooling and equipment to support maintenance activities of battery-electric, 40-foot transit buses, at a price not to exceed \$178,017 of these remaining federal and state grant funds and local operating funds, on such other terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

POLICY # _____

ACTION ITEM – IMMIGRATION ENFORCEMENT ACTIVITIES

An individual's immigration and citizenship status is immaterial to CATA's mission, vision, and values. Trust between customers, employees, and CATA is essential to safety and ensuring public access to essential transit services.

CATA does not ask about, nor record in any way, a person's citizenship or immigration status, unless specifically required by law or court order.

CATA does not consent to, or provide permission for, warrantless and/or suspicionless immigration enforcement activities by local, state, or federal law enforcement agents, including those from the U.S. Department of Homeland Security (DHS), U.S. Customs and Border Protection (CBP), or U.S. Immigration and Customs Enforcement (ICE) in the non-public areas of its facilities or vehicles.

CATA employees, contractors, and agents shall not voluntarily assist, facilitate, or cooperate with local, state, or federal law enforcement agents conducting immigration enforcement activities, including DHS, CBP, or ICE, while on duty and shall not provide consent or permission to local, state, or federal law enforcement agents conducting immigration enforcement activities, including DHS, CBP, or ICE, to board CATA buses or access non-public areas of CATA facilities for the purpose of conducting any search without a judicial warrant in writing. CATA employees, contractors, and agents are required to report any direct or indirect contact with local, state, or federal law enforcement agents conducting immigration enforcement activities, including DHS, CBP, or ICE to their supervisor immediately.

If local, state, or federal law enforcement agents conducting immigration enforcement activities, including DHS, CBP, or ICE, present a warrant in writing, the receiving CATA employee, contractor, or agent shall request a copy of the warrant and report it to their supervisor immediately. CATA administration will document the report.

If local, state, or federal law enforcement agents conducting immigration enforcement activities, including DHS, CBP, or ICE, make a verbal request or demand, the receiving CATA employee, contractor, or agent shall document the request or demand in writing and report the incident to their supervisor immediately. CATA administration will document the report.

Adopted:

INFORMATION ITEMS

FEBRUARY 18, 2026

1. DECEMBER RIDERSHIP REPORT
2. DECEMBER RIDERSHIP GRAPH YEAR-TO-DATE
3. FUEL PURCHASE FOR JANUARY 2026
4. DEI TASK FORCE UPDATE FOR JANUARY
5. LAC MINUTES FOR DECEMBER 2025

DECEMBER 2025 RIDERSHIP REPORT

<u>Total system rides – December</u>	<u>609,134</u>
Average weekday system ridership	25,000
Average weekday system ridership change December 2025 to December 2024	- 1.3%

	<u>December 2025 vs. December 2024</u>	
	Percentage Change	Ridership Change
Monthly total system ridership	+1.7%	+10,308
Monthly Urban Fixed-Route change	-1.0%	-3,094
Monthly MSU campus ridership change	+2.3%	+4,080
Monthly Spec-Tran ridership change	+8.5%	+2,063
Monthly Total Paratransit ridership change	+10.5%	+3,208

Notes: None.

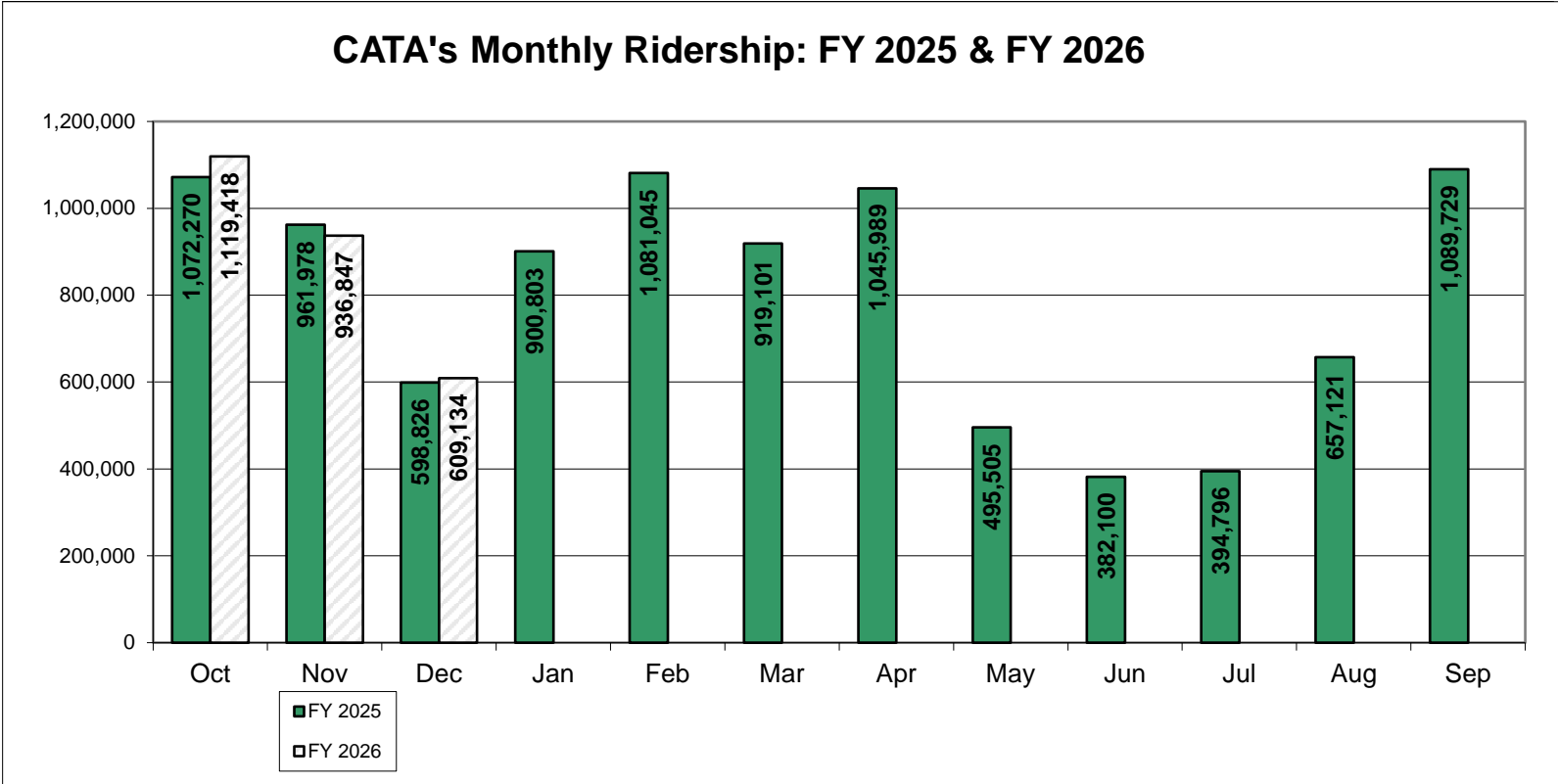
FY 2026 YEAR-TO-DATE RIDERSHIP

<u>Total system rides – FY 2026:</u>	<u>2,665,337</u>
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	<u>FY 2026 vs. FY 2025</u>	
	Percentage Change	Ridership Change
Total system rides change	+1.2%	+32,263
Year-to-Date Spec-Tran ridership change	+5.2%	+4,107
Year-to-Date Total Paratransit ridership change	+6.1%	+5,979

Notes: None

CATA's Monthly Ridership: FY 2025 & FY 2026



INFORMATION ITEM - FUEL PURCHASE FOR JANUARY 2026

The following lists our prices for diesel fuel for January 2026

<u>Date of Delivery</u>	<u>Price Per Gallon</u>
01/02/2026	\$2.0080
01/07/2026	\$1.9790
01/14/2026	\$2.1130
01/19/2026	\$2.1235
01/23/2026	\$2.1400
01/28/2026	\$2.3080

FY 2025 Current average per gallon fuel cost	\$2.11
FY 2025 Budget per gallon fuel cost	\$2.35

CATA ONE MEETING SUMMARY

Update: DEI Task Force Rebranding to Employee Affinity group

I am pleased to share that our DEI Task Force has officially rebranded as an Employee Affinity Group, reflecting the continued evolution of our commitment to fostering an inclusive and supportive workplace culture.

Following a recent employee vote, we are proud to announce that the group's new name is CATA One. Other options were One Team and One Community.

The newly adopted mission statement is:
"To foster a culture of belonging and respect where every employee feels valued, supported, and empowered to thrive."

We will be working with our Marketing team to develop the group's logo and visual identity. The first official meeting of CATA One will be scheduled in March.

This rebranding represents strong employee engagement and reinforces our shared commitment to unity, belonging, and organizational excellence. We look forward to the positive impact that CATA One will continue to have across the organization.

Respectfully submitted,

Marshea Brown
Chair, CATA One
Director of Human Resources

LOCAL ADVISORY COUNCIL MEETING

WEDNESDAY, DECEMBER 3, 2025
3:30 P.M. – Zoom

MEMBERS PRESENT: Deb Wiese, Chair
Caleb Adams
Erin Shannon, Vice Chair
Jeffrey Allshouse
Leah March-Pons
Gloria Johnson-Cannon
Doug Lecato
Darrin Fowler
George Hanley

MEMBERS ABSENT: Gill Lemonde, Geneva Smith and Diana Paiz

CATA BOARD MEMBER: Kellie Blackwell

CATA PERSONNEL: Bradley Funkhouser, Craig Frazier, Victoria Joseph, Brandie Yates, Hannah Kindree, Ericka Hartigan, Todd Brooks and Darren Horn

TRANSDEV PERSONNEL: Simone Moore

GUESTS: None

CALL TO ORDER:

Chair Wiese called the meeting to order at 3:33 p.m.

PUBLIC COMMENTS:

None

APPROVAL OF DECEMBER AGENDA

MOTION:

A motion to approve the December 2025 agenda was moved by Caleb Adams and supported by George Hanley.

VOTE: Motion passed unanimously.

APPROVAL OF OCTOBER MINUTES

MOTION:

A motion to approve the October 2025 minutes was moved by Doug Lecato and supported by Caleb Adams.

VOTE: Motion passed unanimously.

LAC CHAIR COMMENTS – Deb Wiese

Chair Wiese expressed her disappointment over the transportation millage not passing in Delta Township.

BOARD LIAISON REPORT – Kellie Blackwell

See attached report for October and November.

CATA CEO REPORT – Bradley Funkhouser

Delta Township

Bradley Funkhouser stated that due to the transportation millage failing in Delta Township, service changes will take effect on January 12, 2026.

Chair Wiese inquired about the reasons behind the millage failure and the impact it will have in the area.

Bradley Funkhouser stated that the impact will affect the Route 3 extension and the Grand Ledge Connector. He explained that both services will end on January 12, 2026.

Chair Wiese inquired whether fares would double.

Bradley Funkhouser stated that he is not in favor of fares doubling.

George Hanley inquired about the $\frac{3}{4}$ mile Spec-Tran boundary around fixed-route and wondered whether he would still be able to get to the township hall.

Bradley Funkhouser stated that Mr. Frazier will get back to him with an answer.

Doug Lecato inquired about the percentage of the millage that did not pass.

Bradley Funkhouser stated that the millage did not pass by 6%.

Doug Lecato inquired about the millage being back on the ballot for a vote.

Bradley Funkhouser stated that it is unknown when the millage will be back on the ballot for a vote.

Electric Buses

Bradley Funkhouser stated that the new 40-foot electric bus was launched last week and is currently in service. He noted that CATA has thirteen (13) hybrids on order, which are expected to arrive summer 2026, and one (1) new electric vehicle about to be delivered.

Contactless Fare Payment

Bradley Funkhouser stated that CATA's contactless fare payment is in its final testing phase and is expected to be operational soon.

Labor Agreement

Bradley Funkhouser stated that the current ATU, Local 1039, contract expired on November 30, 2025, and a new tentative labor agreement was signed for a three (3) year contract on November 26, 2025.

Doug Lecato inquired whether the loss in ridership from January 12, 2026, service changes will impact any state or federal funding that CATA receives each year.

Bradley Funkhouser stated that CATA will have to wait and see whether this change in ridership will have any effect on funding.

Chair Wiese inquired whether Mr. Funkhouser will be extending his contract with EATRAN.

Bradley Funkhouser stated that he has already given his notice to Board Chair, Mary Clark, stating that he will not be extending his contract with EATRAN.

CATA DIRECTOR OF OPERATIONS REPORT – Todd Brooks

Holiday Service and Events

Todd Brooks stated that CATA's Thanksgiving holiday service was a success with 100% on-time performance. He also thanked the Marketing Department for their help with this year's parades.

Awards/Training

Todd Brooks stated that awards and bonuses for safe driving and attendance will be sent by Thursday, December 11, 2025. He noted that supervisors have been training on the new electric 40-foot bus and additional department training has also been scheduled.

CATA Community Partnership Summit

Todd Brooks stated that CATA held the first CATA Community Partnership Summit meeting, which included Lansing Public Library, Lansing School District, Lansing Police Department, Advent House Ministries, and Child and Family Services. He noted that the partners plan to meet on a quarterly basis.

Darrin Fowler inquired whether the operators would receive any gifts or bonuses for the holiday season.

Todd Brooks stated that eligible operators receive an attendance bonus which will be disbursed next week prior to CATA's holiday party which will take place on Thursday, December 11, 2025.

PARATRANSIT OPERATIONS MANAGER – Craig Frazier

Craig Frazier stated that once CATA receives Board approval, new cutaway buses will be ordered in January. Mr. Frazier also stated that the My Spec-Tran website will be updated to the new version on Tuesday, December 9, 2025. He noted that CATA will

start taking calls for scheduling Christmas holiday service on Thursday, December 11, 2025.

TRANSDEV – Simone Moore

Simone Moore stated that safety remains their top priority and gave an update.

Darrin Fowler inquired whether Transdev operators receive any gifts or bonuses for the holiday season.

Simone Moore stated that operators will receive their second portion of the contract sign-on bonus. They will also be given vouchers for a turkey and boxed lunches.

SERVICE QUALITY SUBCOMMITTEE (SQS) – Erin Shannon

See attached report.

Doug Lecato inquired whether there will be a coat drive this year.

Erin Shannon confirmed that she will be participating again in the coat drive this year.

OLD BUSINESS:

None

NEW BUSINESS:

Annual Grant Application

Ericka Hartigan, Grants Manager, stated that CATA receives support from MDOT each year by applying for matched dollars through their application process. Ms. Hartigan explained that part of the process includes receiving LAC approval. She then presented three (3) forms for their review.

- FY 2027 Specialized Services Service Description
- FY 2027 Coordination Plan for Specialized Services
- FY 2027 Vehicle Accessibility Plan Update

Chair Wiese inquired whether CATA is requesting an increase.

Ericka Hartigan stated that CATA is not requesting an increase.

Chair Wiese requested that the word "addition" in the Vehicle Accessibility Plan Update, section 4E, be replaced with "and a Board liaison".

Ericka Hartigan confirmed that she would update the section to include Chair Wiese's request.

MOTION:

A motion to approve all three (3) grant application forms with the word "addition" in the Vehicle Accessibility Plan Update, section 4E, replaced with "and a Board liaison" was moved by Jeff Allshouse and supported by Caleb Adams.

VOTE: Motion passed unanimously.

New Website Presentation

Brandie Yates, Interim Director of Marketing, stated that a lot of work has been put into the website redesign project and congratulated Hannah Kindree for receiving her Certified Professional in Accessibility Core Competencies (CPAC) certification. Ms. Yates noted that the target launch date for the website is at the end of January 2026. She then deferred to Ms. Kindree for a presentation.

Hannah Kindree, Digital Accessibility Specialist, presented a brief overview of the redesigned website homepage. She also played videos that demonstrated what the updated screen reader will look and sound like. Ms. Kindree stated that the target date for the website to be fully accessible is April 24, 2026.

Chair Wiese inquired whether the links and tagged photos are accessible for screen reader users.

Hannah Kindree confirmed that both links and tagged photos are accessible for screen reader users.

MEMBER COMMENTS/ANNOUNCEMENTS:

None

PUBLIC COMMENT:

None

ADJOURNMENT:

MOTION:

A motion to adjourn was moved by Doug Lecato and supported by Jeff Allshouse.

VOTE: Motion passed unanimously.

Chair Wiese adjourned the meeting at 5:34 p.m.

Respectfully submitted,

Darren Horn
Paratransit Operations Supervisor

Victoria Joseph
Operations Administrative Assistant