

CAPITAL AREA TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS MEETING

WEDNESDAY, JULY 17, 2024
4:00 P.M. – LANSING CENTER GOVERNOR'S ROOM
333 E. MICHIGAN AVENUE, LANSING, MI 48933

PRESENT: Nathan Triplett, Chair
Phil Deschaine, Secretary/Treasurer
John Prush
Doug Lecato
Derek Melot
Mark Grebner
Jack Schmitt
Terrance Augustine

CALL TO ORDER:

Chair Triplett called the meeting to order at 4:03 p.m.

ROLL CALL: Terrance Augustine, Phil Deschaine, Mark Grebner, Doug Lecato, Derek Melot, John Prush, Jack Schmitt, and Nathan Triplett were all present.

ABSENT: Shanna Draheim, Vice Chair, Eric Tans, and Maggie Sanders

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

Chair Triplett stated that Action Item G, Millage Renewal, requires a roll call vote; therefore, it will be moved to the Discussion Agenda.

PUBLIC COMMENTS:

Deb Parrish spoke on behalf of Glo Banks and thanked CATA for the July 4th holiday service. Ms. Parrish also expressed her appreciation that CATA is down to having only four (4) split-shifts.

Daniel Black commented on a conversation that he had with Mr. Funkhouser at the last Board meeting. Mr. Black expressed his appreciation for Mr. Funkhouser recognizing his hearing disability by sitting down and speaking at a level that was comfortable for him.

CHAIR'S COMMENTS:

Chair Triplett commented on new Board member, Eric Tans. Chair Triplett stated that currently, Mr. Tans is on vacation, yet he expressed his excitement in joining the Board.

Chair Triplett requested a motion to excuse Shanna Draheim and Eric Tans.

MOTION:

Jack Schmitt motioned to excuse Shanna Draheim and Eric Tans. Derek Melot supported the motion.

VOTE: The motion carried unanimously.

Chair Triplett stated that under CATA's policy, in July, the Board is required to appoint a Nominating Committee for the purpose of nominating members who wish to serve as Chair, Vice Chair and Secretary/Treasurer of the Board. Chair Triplett announced that three (3) Board members have graciously agreed to serve in this capacity with Derek Melot chairing the committee along with Doug Lecato, and Jack Schmitt.

MOTION:

A motion to approve the appointment of Derek Melot, Doug Lecato, and Jack Schmitt, to serve as the Nominating Committee in the upcoming year with Derek Melot chairing the committee was moved by Phill Deschaine and supported by Mark Grebner.

VOTE: The motion carried unanimously.

CHIEF EXECUTIVE OFFICER'S REPORT

Community Events

Bradley Funkhouser commented on the community events flyer that was handed out to Board members. Mr. Funkhouser stated that in addition to the events listed in the flyer, CATA also participated in Juneteenth and the Lansing Pride festival. He further noted that CATA is raising the bar by engaging in more activities with the community.

Community Report

Bradley Funkhouser stated that per policy, CATA released the 2024 Community Report. Similar to last year, CATA sent out postcards with a QR code that can be used to access the report online. He noted that anyone interested in receiving a paper copy can request one. The report went out to community members in late June, and it was also posted on CATA's website. Mr. Funkhouser thanked Lolo Robison, Director of Marketing, Customer Experience, and Public Information Officer, and her team for putting this together.

Downtown Facility Update

Bradley Funkhouser stated that with the support from the local delegation and ATU, CATA was awarded two (2) grants to fund CATA's downtown facility which will be part of the new city hall project. CATA continues to have weekly calls with developer, Boji Group, and the mayor's office. He noted that although, both parties have not reached a mutual agreement, CATA will continue to try to merge the vision of creating a neighborhood along with transportation hub.

Electric Bus

Bradley Funkhouser stated that Congresswoman Elissa Slotkin's office awarded CATA \$1 million for an electric bus through the Bus and Bus Facilities Formula Grant Program, Section 5339. He noted that the Board approved CATA to purchase one (1) electric bus from New Flyer and one (1) electric bus from Gillig. CATA and the ATU are committed to providing the extra training needed to ensure safety. He further noted that CATA is looking at replacing the older buses with electric buses. The electric buses from New Flyer and Gillig should arrive sometime next year.

Electric Vehicles

Bradley Funkhouser stated that along with the new electric buses, CATA has also acquired four (4) electric transport vehicles. He noted that these vehicles are Chevrolet Bolts and will go into service next week.

EATRAN

Bradley Funkhouser stated that the EATRAN Board has been very busy. They launched two (2) connector buses this year. The Charlotte Connector launched in January and the Grand Ledge Connector launched in May. Both connectors stop at the Marketplace in Delta Township where riders may board the Route 3. Mr. Funkhouser reported that the connectors' ridership has doubled since their launch dates and Route 3 has been servicing approximately 5,000 rides per month. He further stated that he will continue to have conversations with Charlotte, Grand Ledge, and Eaton County Commissioners in order to improve service in the community. He also thanked Chair Triplett and Chair Augustine for supporting regional coordination.

Cross-Boundary Agreement Between Clinton Transit and CATA

Bradley Funkhouser stated that due to Clinton Transit not implementing transfer rides as intended, the cross-boundary agreement will be terminated at the end of August. Both agencies have agreed to work on a new agreement that will have a stronger commitment in putting more connectors into service from Clinton County and sharing rides between agencies. Mr. Funkhouser also stated that MDOT is aware of the situation.

July 4th Holiday Service

Bradley Funkhouser stated that on the July 4th, CATA had 120 rides scheduled and provided 84 rides. Mr. Funkhouser noted that the service proved to be very helpful as CATA took a lot of riders to dialysis.

Training Program

Bradley Funkhouser stated that Dan Hodges, Director of Maintenance, has created a maintenance training program. He explained that there are many urban and rural individuals from across the state that are interested in learning how CATA operates.

Doug Lecato inquired about the electric charging stations and their location.

Bradley Funkhouser stated that the electric charging stations have already been installed. He noted that Norm VanAlstine, Facilities Manager, and Andrew Brieschke, Deputy CEO, worked together to find the best location.

Doug Lecato inquired about the microtransit contract.

Bradley Funkhouser stated that the microtransit contract has been completed and the launch will take place possibly in September.

Phil Deschaine inquired about the number of electric buses.

Bradley Funkhouser stated that CATA will have three (3) electric buses. He noted that CATA needs to learn more about the electric buses before ordering more.

Phil Deschaine stated that he has owned a Chevrolet Bolt for about a year and can travel about 250 miles before it needs to be charged.

Chair Triplett thanked Mr. Funkhouser, Mr. Augustine, and EATRAN for their hard work.

FISCAL YEAR 2024-2025 BUDGET DISCUSSION

Bradley Funkhouser stated that CATA has sent their Fiscal Year 2024-2025 Budget Report to Board members. He explained that part of CATA's Policy 202 requires that after the budget is sent to Board members, the first item in July is to have an open discussion placed on the agenda. Mr. Funkhouser deferred to Jim Frendt, Director of Finance, for an update.

Jim Frendt gave a brief update including a summary of the January and February Board Retreat. He also referenced the meeting in May where he commented on the changes in service, percentages of the LBO from the state, and CATA's revenue and expenses. Mr. Frendt further commented on increases in property taxes, and state and federal revenues.

Derek Melot inquired about the expenses and trends related to CATA's pension.

Jim Frendt stated that CATA's pension is fully funded. He also stated that the actuarial estimates are not cash out of pocket; however, CATA does have to report the information. Mr. Frendt further noted that trends do not exist and that the swings in the actuarial reports are part of the process.

Jack Schmitt inquired whether CATA has any concerns over the five (5) year projections and the gap between revenues and expenses.

Jim Frendt stated that he is closely watching CATA's five (5) year projections and will know more six (6) to nine (9) months from now as some of the uncertainties unfold.

Bradley Funkhouser reassured Board members that CATA has a talented group of individuals that are cautious. He stated that the Board will be notified if CATA does not see any changes in trajectory six (6) to nine (9) months from now. Mr. Funkhouser also stated that he is optimistic, and CATA is in a good position compared to other agencies.

Jack Schmitt inquired about the markers that CATA will be looking at in the next six (6) to nine (9) months.

Bradley Funkhouser stated that sustainability across the nation especially in big cities are unsustainable without federal assistance. He explained that CATA will watch to see whether the federal government will restore pandemic funding and/or the LBO funds will be part of an economic development package.

Jim Frendt confirmed that there should be more clarity from the federal, state, and local levels in the next few months.

Chair Triplett stated that CATA's budget will be presented at the August Board meeting and any members having additional questions can contact Mr. Funkhouser or himself.

ACTION ITEMS – PROPOSED CONSENT AGENDA

- A. APPROVAL OF MINUTES OF MAY 2024, BOARD MEETING

- B. TREASURER'S REPORT FOR APRIL 2024
 - 1. Interim Income Statement
 - 2. Cash Summary
 - 3. Investments
 - 4. Fifth Third Investment Account Reconciliation

- C. TREASURER'S REPORT FOR MAY 2024
 - 1. Interim Income Statement
 - 2. Cash Summary
 - 3. Investments
 - 4. Fifth Third Investment Account Reconciliation

- D. FLUID-APPLIED ROOF RESTORATION

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to execute a contract with Hoekstra Roofing Company for the fluid-applied roof restoration project. The contract includes a base bid of \$1,822,800, plus a performance assurance bond of \$12,500, and a 10% contingency reserve of \$183,530, bringing the total cost not to

exceed \$2,018,830, on such other terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

E. EXTENSION OF STUDENT HOUSING TRANSIT SERVICES AGREEMENT (ADDENDUM 19)

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to execute Addendum 19 to the Student Housing Transit Services Agreement for the period from August 1, 2024, through July 31, 2025, for extended public transit services, on such other terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

F. CONTINUATION OF CELLULAR SERVICES CONTRACT

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to approve the expenditure of up to \$150,000, to Verizon for cellular services and ancillaries during the 2024 budget period and to continue utilizing the existing NASPO contract, on such other terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

MOTION:

Derek Melot motioned to approve the Consent Agenda and Doug Lecato supported the motion.

VOTE: The motion carried unanimously.

ACTION ITEMS - DISCUSSION AGENDA

A. MILLAGE RENEWAL (ROLL CALL VOTE)

PROPOSED MOTION: That the CATA Board of Directors adopts the resolution set forth in the following Certificate of Resolution to submit the necessary ballot proposition language on the November 5, 2024, ballot to renew the CATA base millage of 3.007 (that being \$3.007 per thousand dollars of taxable value) reduced to 2.9895 mills (that being \$2.9895 per thousand dollars of taxable value) by the millage rollbacks required under the Headlee Amendment to the Michigan Constitution on real and personal property located within the City of Lansing, City of East Lansing, Meridian Township, Lansing Township, and Delhi Township for the years 2026 through 2030.

CAPITAL AREA TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS
CERTIFICATE OF RESOLUTION

At a regular meeting of the Board of Directors of the Capital Area Transportation Authority held at 333 E. Michigan Avenue, Lansing, MI, on July 17, 2024, at 4:00 p.m., there were

Present:

Absent:

The following Resolution was offered by _____
and supported by _____.

The following ballot proposition shall be submitted to a vote of the qualified electors of the City of Lansing, the City of East Lansing, Meridian Township, Lansing Township, and Delhi Township at the general election on November 5, 2024.

Shall the previously voter approved millage established at 3.007 mills (that being \$3.007 per thousand dollars of taxable value) and reduced to 2.9895 mills (that being \$2.9895 per thousand dollars of taxable value) by the millage rollbacks required under the Headlee Amendment to the Michigan Constitution be renewed and authorized to be levied by the Capital Area Transportation Authority (CATA), for continued public transportation service, as provided for by Public Act 55 of 1963, as amended, on real and personal property located within the City of Lansing, City of East Lansing, Meridian Township, Lansing Township, and Delhi Township for the years 2026 through 2030 inclusive, which is a period of five years? (The current levy was approved by the voters in 2020 and is authorized through 2025.) Based on currently available taxable value data, if approved and levied, this millage is estimated to generate approximately \$24,139,928.06 in 2026.

In accordance with State law, portion(s) of the millage may also be captured by the Downtown Development Authorities, Brownfield Redevelopment Authorities, and other such Tax Increment Financing Districts as established by the City of Lansing, City of East Lansing, Charter Township of Meridian, Delhi Charter Township, and Lansing Charter Township.

YES: _____
NO: _____

The Board vote resulted in:

Yeas: _____

Nays: _____

The Resolution was declared adopted.

The undersigned, being the Secretary of the Board of Directors of the Capital Area Transportation Authority, hereby certifies that the foregoing is a true and complete copy of a Resolution duly adopted at a regular meeting of the Board at which meeting a quorum was present and remained throughout and that an original thereof is on file in the Minutes of said meeting, filed with the Capital Area Transportation Authority.

Date: _____

Phil Deschaine, Secretary
Board of Directors
Capital Area Transportation Authority

MOTION:

Doug Lecato motioned to approve Discussion Item A, Millage Renewal, and Mark Grebner supported the motion.

DISCUSSION:

Bradley Funkhouser stated that CATA's attorney, Lindsay Dangl, has reviewed the millage language presented for Board approval.

Chair Triplett stated that CATA needs to submit the millage language by August 13, 2024, in order for it to be placed on the November ballot.

Doug Lecato expressed his belief that it is a great time to submit CATA's millage now rather than waiting until next year. He noted that CATA has done the same in the past.

Mark Grebner commented on CATA receiving the highest millage in the state. He also acknowledged Meridian Township at 3.8 mills while Eaton County is at .25 mills.

Bradley Funkhouser stated that there will be more to come.

Mark Grebner stated that CATA is not under financial pressure thanks to a very supportive public but one day, CATA may have to look at cutting service.

Phil Deschaine stated that he has spoken to approximately 3,500 taxpayers and some of them are not happy with the CATA millage or the LCC millage; however, Meridian Township residents rely on the region especially MSU, and are happy to give back.

Chair Triplett stated that CATA is blessed by the size of the millage they receive along with the consistent support from the public.

Mark Grebner stated that CATA's millage support is very impressive.

ROLL CALL: Phil Deschaine, aye; Mark Grebner, aye; Doug Lecato, aye; Derek Melot, aye; John Prush, aye; Jack Schmitt, aye; and Nathan Triplett, aye.

Motion passed with seven (7) ayes and zero (0) nays.

OLD BUSINESS

None

NEW BUSINESS

None

PUBLIC COMMENT

Deb Parrish expressed her appreciation for the cashless pay station installed in the Redi-Ride buses. She also commented on the last Board meeting where Ms. Jackson expressed her concerns regarding her support animal. Ms. Parrish stated she understands her concerns yet believes there needs to be a balance. She shared her own experience where she was bit by a dog and is still afraid of them.

Doug Lecato thanked Marshea Brown, Director of Human Resources and Lolo Robison, Director of Marketing, Customer Experience and Public Information Officer, for the DEI summary each month and the upcoming CATA event schedule.

ADJOURNMENT

Chair Triplett adjourned the meeting at 4:42 p.m.

Respectfully Submitted,



Phil Deschaine
Secretary/Treasurer



Tina Orlando
Recording Secretary