

CAPITAL AREA TRANSPORTATION AUTHORITY  
BOARD OF DIRECTORS MEETING

WEDNESDAY, JUNE 15, 2022  
4:00 P.M. – 3131 E. MICHIGAN AVE., LANSING, MI 48912  
(FORMER SEARS BUILDING)

**PRESENT:** Nathan Triplett, Chair  
Dusty Fancher, Vice Chair  
Shanna Draheim, Secretary/Treasurer  
Phil Deschaine  
Jack Schmitt  
John Prush  
Derek Melot  
Doug Lecato  
Mark Grebner  
Robin Lewis  
Maggie Sanders

**CALL TO ORDER:**

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

**ABSENT:** Jennie Gies

**ROLL CALL:** Phil Deschaine, Shanna Draheim, Dusty Fancher, Mark Grebner, Doug Lecato, Robin Lewis, Derek Melot, John Prush, Maggie Sanders, Jack Schmitt and Nathan Triplett were all present.

Jennie Gies was absent.

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 welcomed new Board member Maggie Sanders, Supervisor of the Charter Township of Lansing. Board members welcomed Ms. Sanders.

**PUBLIC COMMENTS:**

None

**CHAIR'S COMMENTS:**

**MOTION:**

Doug Lecato motioned to excuse Jennie Gies and Robin Lewis supported the motion.

**VOTE:** The motion carried unanimously.

Chair Triplett reminded Board members to complete and turn in their annual disclosure forms if they have not done so already.

## **CHIEF EXECUTIVE OFFICER'S REPORT**

### **Cooling Centers**

Bradley Funkhouser commented on the current high temperatures in the area. Mr. Funkhouser stated that CATA is prepared and has coordinated with the Equal Employment Opportunity Commission (EEOC) to be a cooling center for the region.

### **New Operator Class**

Bradley Funkhouser stated that the operator class that started last month is doing well. He also announced that there are two (2) additional operator classes scheduled for July 11<sup>th</sup> and September 12<sup>th</sup> and two (2) more job fairs scheduled for June 29<sup>th</sup> and July 7<sup>th</sup>.

### **Triennial Review**

Bradley Funkhouser reported that yesterday, CATA completed their Triennial Review with the FTA. In 2018, his first year at CATA, there were 18 findings which went through a corrective action plan. Mr. Funkhouser was happy to report that CATA received only two (2) findings this year related to the purchase of the Shopping Bus from the Gillig Corporation of Livermore, California. He believes that CATA complied with federal law and anticipates that CATA will be able to close this finding once details are submitted.

### **Regional Coordination**

Bradley Funkhouser reported that he has met with EATRAN, Delta Township, LEAP and Capital Region Airport Authority this past week to discuss ideas for improving and expanding service. Mr. Funkhouser stated that he will be bringing more ideas on regional mobility to the Board soon.

### **Budget**

Bradley Funkhouser referred to the budget report given at the January 2022 Board Retreat. Mr. Funkhouser informed the Board that they will receive a draft of the FY 2023 Operating & Capital Budget FY 2023 by July 1, 2022. He reported that there have been a few changes to the proposed budget including canceling the Route 12 extension to the industrial park and adding a Route 3 extension. There has also been an increase to the budget due to fuel prices and MSU coming back in the fall. CATA also made a non-cash transfer made to OPEB. The drafted budget will include the \$1.8 million increase and a new proposed budget of \$62 million.

Derek Melot inquired whether the financial report could cover from April 30<sup>th</sup> to present. He also inquired about the variance on purchased transportation and on fringe benefits.

Bradley Funkhouser deferred to Jim Frenndt, Director of Finance.

Jim Frenndt, Director of Finance stated that because the demand was low CATA didn't purchase more transportation. He also stated that the fringe benefits estimated amount will adjust once he receives the report from CATA's actuaries.

Doug Lecato inquired whether the triennial included CATA's fixed assets.

Bradley Funkhouser confirmed that the triennial included CATA's fixed assets.

**ACTION ITEMS – PROPOSED CONSENT AGENDA**

- A. APPROVAL OF MINUTES OF MAY 18, 2022, BOARD MEETING
- B. APPROVAL OF TREASURER'S REPORT FOR APRIL 2022
  - 1. Interim Income Statement
  - 2. Cash Summary
  - 3. Investments
  - 4. Fifth Third Investment Account Reconciliation
- C. RENEWAL OF APPOINTMENT TO LOCAL ADVISORY COMMITTEE

**PROPOSED MOTION:** That the CATA Board of Directors approves the recommendation of the Local Advisory Committee to appoint Kellie Blackwell to a three-year term through May 2025.

- D. APPOINTMENT TO LOCAL ADVISORY COMMITTEE

**PROPOSED MOTION:** That the CATA Board of Directors approves the recommendation of the Local Advisory Committee to appoint Jeffrey Allshouse to a three-year term through June 2025.

**MOTION:**

Shanna Draheim motioned to approve the Consent Agenda and Jack Schmitt supported the motion.

**VOTE:** The motion carried unanimously.

**ACTION ITEMS – PROPOSED DISCUSSION AGENDA**

- A. PRELIMINARY EXECUTIVE COORDINATION PLAN BETWEEN CATA AND EATON COUNTY TRANSPORTATION AUTHORITY (EATRAN)

**PROPOSED MOTION:** That the CATA Board of Directors approves the Preliminary Executive Coordination Plan between CATA and the Eaton County Transportation Authority (EATRAN) and authorizes Chief Executive Officer Bradley T. Funkhouser, to enter into negotiations regarding a contract to serve as the EATRAN Executive Director on such other terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

The CATA Board of Directors further authorizes the participation of a non-voting representative representing Eaton County on the CATA Board, as provided for in Section 1.11 of the CATA Bylaws, upon execution of the contract and during the term of such contract.

**MOTION:**

Derek Melot motioned to approve Discussion Item A, PRELIMINARY EXECUTIVE COORDINATION PLAN BETWEEN CATA AND EATON COUNTY TRANSPORTATION AUTHORITY (EATRAN) and Dusty Fancher supported the motion.

**DISCUSSION:**

Chair Triplett referenced past Board discussions about regional coordination and the goal to create transportation that operates more smoothly between regions. Chair Triplett explained that Donna Webb, CEO at EATRAN has requested to step down as CEO and take on the role of EATRAN's Financial Manager. Through conversations between CATA and EATRAN, the idea of CATA taking over the operational management of EATRAN was presented. This opportunity is not intended to be permanent, but an incremental step forward in reaching regional coordination while a long-term solution can be found.

Chair Triplett also explained the reasoning behind the second part of the proposed motion. In the past, CATA has had voting and non-voting members. This was changed a few years ago. The second part of the proposed motion will extend the non-voting status to a member from Eaton County. Eaton County will send CATA their recommended member and the CATA Board will vote on approving the recommendation.

Bradley Funkhouser stated that although things seem to be happening fast with EATRAN, CATA has been working a long time to coordinate service at a regional level. There is a very large influx of development in the west and CATA needs to be more involved to provide regional service. Mr. Funkhouser noted that the preliminary coordination plan attached in the Board packet outlines the details. He also expressed his enthusiasm and anticipation for working with EATRAN.

Chair Triplett mentioned that there were no term dates stated in the proposed motion or in the preliminary plan. This was intentional since there are a lot of uncertainties on how long this process will take. The EATRAN Board has approved the preliminary plan that was attached in the June 2022 Board packet. Chair Triplett noted that both CATA and EATRAN will have a say in decisions and this arrangement can be dissolved at any time if the plan doesn't seem to be working for either or both parties.

Derek Melot inquired whether the two (2) parts to the proposed motion are legal.

Chair Triplett confirmed that legal counsel had approved the two (2) parts of the proposed motion.

Derek Melot inquired about adding a provision to the contract where Mr. Funkhouser can step aside if things do not work out with EATRAN.

Chair Triplett clarified that the contract is between Mr. Funkhouser and EATRAN. The CATA Board will not be involved in the contract process.

Derek Melot inquired about the risk involved with Bradley Funkhouser overseeing the two (2) transit authorities.

Chair Triplett stated that there is little risk for CATA and Mr. Funkhouser can step away at any time.

Derek Melot stated that he is very excited for this plan and believes that CATA should have taken these steps 30 years ago.

Shanna Draheim noted that EATRAN will only have a seat with the CATA Board for as long as the plan is working.

Chair Triplett confirmed that EATRAN will only have a seat on the CATA Board for as long as the plan is working for both CATA and EATRAN.

Doug Lecato inquired about the contract with EATRAN including terms of compensation for Mr. Funkhouser.

Chair Triplett confirmed that the contract with EATRAN will include terms of compensation for Mr. Funkhouser.

Mark Grebner stated that this plan has been proposed multiple times with various counties. Although CATA has offered a very different approach, Mr. Grebner hopes that EATRAN will look at this coordination as long-term rather than a short-term arrangement. He also inquired about providing CEO services at a certain amount of time and money and whether Mr. Funkhouser will be paid by both authorities.

Bradley Funkhouser confirmed that he will continue with his current payment from CATA and will also be paid for his services with EATRAN by EATRAN.

Mark Grebner stated that in order to ease ridership between counties, services such as rides, payroll, and buses should not be done separately but combined and under CATA. He also warned of providing service to Delta Township without the township fully paying for the service. Mr. Grebner stated that CATA needs to guide Delta Township into levying their own millage.

Chair Triplett agreed with Mr. Grebner's remarks and stated that some of the Eaton County Board members are already on board to levy a new millage for Eaton Township.

Robin Lewis inquired about communication between the two (2) Boards. She also expressed her support for Mr. Funkhouser and wishes him well on this big endeavor.

Chair Triplett stated that more details on this topic will need be discussed. He also stated that Donna Webb may be a possible liaison between EATRAN and CATA's Executive Committee.

Bradley Funkhouser informed the Board that regional coordination was on his 100-day plan when he first started as CATA's CEO. The plan was delayed further due to the COVID-19 pandemic. Mr. Funkhouser stated that the opportunities are grand and he is very excited. He also stated that he has contacted legal about any conflict of interests and has been very transparent with this plan.

Jack Schmitt inquired about the EATRAN Board's vision on sharing information and the shared responsibilities that Mr. Funkhouser will have to perform.

Bradley Funkhouser stated that he prides himself in finding the right people including a new hire that will join CATA's staff soon. He accepted the position because of CATA's clear vision for the future and he felt that it was a good fit for him.

Chair Triplett stated that EATRAN recognizes that this is not a long-term plan with Mr. Funkhouser overseeing the two (2) authorities.

Bradley Funkhouser noted that Donna Webb will be changing her position to EATRAN's Director of Finance. He also explained that communication will be the key to being successful.

Phil Deschaine inquired about EATRAN's budget.

Bradley Funkhouser stated EATRAN's budget is \$2.5 million.

Phil Deschaine expressed his concern over EATRAN's stability.

Bradley Funkhouser stated that Mr. Deschaine's remarks are a fair concern. Mr. Funkhouser has looked at EATRAN's financials and believes there are a lot of opportunities.

Doug Lecato noted that this is not the first time he has seen this sort of plan and hopes for the best.

Shanna Draheim echoed Mr. Lecato's remarks. She also stated that CATA has a very strong and capable Board.

Mark Grebner shared his advice moving forward with the plan between CATA and EATRAN. He assumed that it won't be long before Clinton Township follows in the same path as EATRAN. Mr. Grebner shared his advice on working with EATRAN and thinking about hiring a regional transit manager.

**VOTE:** The motion carried unanimously.

**OLD BUSINESS:**

None

**NEW BUSINESS:**

None

Dusty Fancher left meeting at 4:58 p.m.

**PUBLIC COMMENTS:**

Doug Lecato expressed his appreciation for the DEI summary each month.

**EXECUTIVE SESSION REGARDING UNION LABOR AGREEMENT**

**PROPOSED MOTION:** That this Board meeting go into closed session, pursuant to MCL 15.268(c), for a strategy session in connection with negotiation of a collective bargaining agreement with the Union, ATU, Division 1039, and that following such closed session, this Board meeting return to open session for completion of the Agenda.

**MOTION:**

A motion was made by Derek Melot and supported by Shanna Draheim to approve going into closed session, pursuant to MCL 15.268(c), for a strategy session in connection with negotiation of a collective bargaining agreement with the Union, ATU, Division 1039, and that following such closed session, this Board meeting return to open session for completion of the Agenda.

**ROLL CALL VOTE:** Phil Deschaine, Shanna Draheim, Mark Grebner, Doug Lecato, Robin Lewis, Derek Melot, John Prush, Maggie Sanders, Jack Schmitt and Nathan Triplett were all present.

Dusty Fancher and Jennie Gies were absent.

The Executive Session began at 5:00 p.m. and adjourned at 5:07 p.m.

**ADJOURNMENT:**

There was no further business Chair Triplett adjourned meeting at 5:07 p.m.

Respectfully Submitted,

Shanna Draheim  
Secretary/Treasurer

Tina Orlando  
Recording Secretary