

AREA TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS MEETING via ZOOM

WEDNESDAY, MARCH 17, 2021; 4:00 P.M.

PRESENT: Nathan Triplett, Chair
Dusty Fancher, Vice Chair
Shanna Draheim, Secretary/Treasurer
Dion'trae Hayes
Mark Grebner
Robin Lewis
John Prush
Jennie Gies
Derek Melot
Doug Lecato
Phil Deschaine

CALL TO ORDER:

Nathan Triplett, Chair called meeting to order at 4:02 p.m.

ABSENT: Jack Schmitt

LATE: Jennie Gies

ROLL CALL: All present except for Jack Schmitt who was absent.

Chair Triplett instructed all participants on the Zoom meeting format in accordance with the authority of Public Act 254, 2020.

CORRESPONDENCE TO THE BOARD AND PUBLIC COMMENTS

Correspondence to the Board

Chair Triplett stated that there were no emails sent to the Board.

Public Comments

Deb Parrish thanked the Board for letting her speak and thanked CATA for their great service in transporting her to Sparrow to receive her COVID vaccination. Ms. Parrish expressed her sorrow for CATA's recently bad press and her confusion for why both sides cannot come to an agreement.

Katie Kelley, former President, ATU Local 1039, expressed her frustration with CATA for not being able to come to an agreement with the ATU on a contract.

CHAIR'S COMMENTS:

Chair Triplett presented an update on virtual meetings. He reported that virtual meetings will be allowed through the end of the year as long as they are conducted in Lansing and the City of Lansing remains in the state of emergency.

Board members were reminded to fill out their Annual Disclosure Form – Policy #209 Code of Conduct and to send completed forms to Chair Triplett and Bradley T. Funkhouser, CEO.

Chair Triplett thanked Audit Chair Derek Melot and the Audit Committee for their work. He then deferred to Chair Melot for the Audit Committee Report.

Audit Chair Melot stated that the Audit Committee and Plante Moran met on March 4, 2021. He acknowledged fellow committee members Robin Lewis and Phil Deschaine. CATA has done well handling the challenges from COVID-19 which has put a strain on traditional revenue streams. CATA received a clean audit and the pension systems are in solid shape. The overall challenge will continue to be the OPEB liability.

CHIEF EXECUTIVE OFFICER’S REPORT

COVID-19

CATA has been working with the other three (3) counties and created a task force to make sure transportation is not a barrier for anyone seeking to receive their vaccine. There is no fare for this service. Thus far, approximately 550 trips have been provided. Most of the trips have been in the Ingham County area. Clinton County has been able to offer Saturday trips with one-third of the trips coming back to Ingham County. Next month, there will be a revised local agreement presented to the Board for cost sharing of federal grants. This will ensure that everyone has safe transportation to the vaccine facilities.

On Monday, March 22, 2021, Rite-Aid Pharmacy will be providing vaccines to all employees here at CATA. The information has been relayed to other agencies.

Regional Coordination

CATA has partnered with Kerry Ebersole-Singh, Michigan Statewide Census Director, to aid in administering and marketing free transportation rides to vaccine facilities. This pilot project with all three (3) transit agencies will include all the resources and equipment necessary to provide the vaccine to eligible riders.

Doug Lecato inquired about Transdev being included on providing transportation to vaccine facilities.

Bradley Funkhouser replied that Transdev has been included in providing transportation to vaccine facilities.

Phil Deschaine provided the Board with some positive feedback from two (2) Meridian residents that were recently transported by CATA to receive their vaccine.

Shanna Draheim thanked Bradley and CATA for their work in helping the public get vaccinated.

PROPOSED CONSENT AGENDA

- A. APPROVAL OF MINUTES OF FEBRUARY 17, 2021, BOARD MEETING
- B. APPROVAL OF TREASURER’S REPORT FOR JANUARY 2021
 - 1. Interim Income Statement
 - 2. Cash Summary
 - 3. Investments
 - 4. Fifth Third Investment Account Reconciliation
- C. PURCHASE OF 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 option on its contract with Hoekstra Transportation of Grand Rapids, MI for eight (8) gasoline engine cutaway buses of which there will be four (4) floor plan “A” models and four (4) floor plan “B” models at prices not to exceed \$581,404.16 and pending successful completion of necessary Buy America audits on such terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

Shanna Draheim requested that Action Item C be moved to discussion.

MOTION:

Doug Lecato motioned to approve the CONSENT AGENDA with Action Item C, PURCHASE OF SMALL BUSES moved for discussion and Robin Lewis supported the motion.

ROLL CALL VOTE: The motion carried unanimously.

DISCUSSION AGENDA

- A. PURCHASE OF 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 option on its contract with Hoekstra Transportation of Grand Rapids, MI for eight (8) gasoline engine cutaway buses of which there will be four (4) floor plan “A” models and four (4) floor plan “B” models at prices not to exceed \$581,404.16 and pending successful completion of necessary Buy America audits on such terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

MOTION:

Shanna Draheim motioned to approve Discussion Item A, PURCHASE OF SMALL BUSES and Dusty Fancher supported the motion.

DISCUSSION:

Shanna Draheim inquired about exploring other sustainable options for purchasing small buses, especially electric.

Bradley Funkhouser stated that other sustainable options have been explored. The technology for electric small busses is not there yet. CATA has been successful with large buses and has partnered with the Lansing Board of Water and Light for charging stations using the Low-No Grant that CATA received. More large electric buses will be available for purchase soon and the details will be sent to the Board once the grant becomes available.

ROLL CALL VOTE: The motion carried unanimously.

B. FISCAL YEAR 2019-2020 FINANCIAL STATEMENTS AND AUDIT REPORT

PROPOSED MOTION: That the CATA Board of Directors accepts CATA's Financial Statements and Report on Federal Awards for Fiscal Year 2019-2020 and the Communication to those Charged with Governance and Management of CATA.

MOTION:

Doug Lecato motioned to approve Discussion Item B, FISCAL YEAR 2019-2020 FINANCIAL STATEMENTS AND AUDIT REPORT and Phil Deschaine supported the motion.

DISCUSSION:

Bradley Funkhouser introduced Jim Frenndt, Financial Director and his team Pam Hill and Michael Machala from Plante Moran to discuss CATA's financial statements and report on federal awards for FY 2019-2020.

Jim Frenndt thanked Bradley for the introduction and then deferred to Pam Hill from Plante Moran.

Pam Hill commended Jim and his CATA team for their hard work. She then continued to summarize CATA's 2019-2020 financial statements and audit report. CATA received a clean audit which is similar to receiving an A+.

Michael Machala commented on CATA's revenue and pension plans. He reported that the ATU pension plan is 102% funded and the administrative pension plan is 96% funded. CATA has done a very good job at securing both pensions.

Pam Hill reported that CATA received approximately \$4.2 million in federal awards. She also commented on the finding related to internal control in financing pertaining to the retiree healthcare trust fund, specifically the reconciliation of this

fund. CATA's reconciliation was typically reported on a quarterly basis. This year, due to COVID-19 and some challenges in receiving information, the reporting was carried out once at the end of the year. Plante Moran recommended that CATA return to performing the report quarterly moving forward.

CATA also received one (1) program non-compliance item related to federal programs. CATA is required to validate vendors with contracts over \$25,000 and document whether contactors have been barred for breaking federal regulations. Of 25 samples, four (4) were not documented. After speaking with CATA, it was determined that these four (4) contractors were validated and clear to receive funds yet lacked documentation. In response, CATA will continue to expand on their existing procedures on all contracts moving forward.

Overall, CATA was successful at keeping internal controls intact during a challenging past year.

Jim Frendt commented on the audit process. He stated that CATA has implemented processes to help correct the audit finds.

Doug Lecato inquired about finding new accounting software.

Jim Frendt replied that CATA is at the very beginning of that process.

Board members thanked Jim Frendt and Plante Moran for their hard work.

ROLL CALL VOTE: The motion carried unanimously.

OLD BUSINESS

None

NEW BUSINESS

None

PUBLIC COMMENT

Steve Soliz stated that the Union and management have only met 1.5 days within the 60 day period which ends April 15, 2021. The Union has not received a proposal since June of 2020. He expressed his frustration with CATA and stated that the Union is ready to negotiate at any time.

EXECUTIVE SESSION REGARDING UNION LABOR AGREEMENT NEGOTIATIONS

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:

Doug Lecato motioned to go into closed session and Robin Lewis supported the motion.

ROLL CALL VOTE: The motion carried unanimously.

ADJOURNMENT

There was no further business Chair Triplett adjourned meeting at 4:46 p.m.

Respectfully Submitted,

Shanna Draheim
Secretary/Treasurer

Tina Orlando
Recording Secretary