

CAPITAL AREA TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS MEETING

WEDNESDAY, MARCH 16, 2022
4:00 P.M. – 3131 E. MICHIGAN AVE., LANSING, MI 48912
(FORMER SEARS BUILDING)

PRESENT: Nathan Triplett, Chair
Dusty Fancher, Vice Chair
Doug Lecato
Jennie Gies
Derek Melot
John Prush
Robin Lewis

CALL TO ORDER:

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

ABSENT: Shanna Draheim, Secretary/Treasurer and Mark Grebner

LATE: Phil Deschaine and Jack Schmitt

Jack Schmitt arrived at 4:03 p.m.

ROLL CALL: Dusty Fancher, Jennie Gies, Doug Lecato, Robin Lewis, Derek Melot, John Prush, Jack Schmitt, and Nathan Triplett were all present.

Shanna Draheim, Secretary/Treasurer and Mark Grebner were absent.

Phil Deschaine arrived at 4:05 p.m.

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

PUBLIC COMMENTS:

Deb Parrish commented on CATA's Bylaws, Section 1.09 and inquired about whether the contract with the Union will address split-shifts, mandatory overtime, and replacing and retaining employees in this current job market.

CHAIR'S COMMENTS:

Chair Triplett deferred to Derek Melot for the Audit Committee Report.

Audit Chair Melot stated that the Audit Committee, CATA staff, and Plante Moran met on March 2, 2022. He acknowledged fellow Audit Committee members Robin Lewis and Phil Deschaine. Chair Melot informed the Board that CATA received a

clean report and the highest assurance from the auditors. He also explained that it was a larger audit than usual due to new federal regulations on transit dollars. CATA received one (1) finding related to OPEB and the calculations on the Correction Action Plan.

Chair Triplett deferred to Dusty Fancher for the Policy Committee Report.

Policy Chair Fancher stated that the Policy Committee and CATA staff met on March 3, 2022. She explained that within CATA's Policy No. 200 - Purchasing and Contracting, the purchasing limits have not been updated in over twenty years and needed to be adjusted in accordance with the United States Department of Federal Regulations. Chair Fancher also explained that CATA's Policy No. 204 – Disadvantaged Business Enterprise Policy (DBE) was also outdated and needed to be adjusted.

Chair Triplett reminded Board members 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 informed the Board that Dion'trae Hayes from Lansing Township has resigned from the CATA Board. He recognized Ms. Hayes for her service to the CATA Board and looks forward to the township sending a new Board member soon.

MOTION:

Doug Lecato motioned to excuse Shanna Draheim and Mark Grebner. Robin Lewis supported the motion.

VOTE: The motion carried unanimously.

Chair Triplett informed the Board that the Policy Committee will be meeting to discuss CATA transitioning to a zero-emission fleet followed by a recommendation to the Board at next month's Board meeting.

CHIEF EXECUTIVE OFFICER'S REPORT

Transportation Security Administration (TSA) Mask Update

Bradley Funkhouser reported that although the Transportation Security Administration (TSA) has extended the mask update for public transportation until April 18, 2022, CATA as an employer will be removing the mask update in the administration building.

PASS App

Bradley Funkhouser stated that the PASS App has been launched on Apple and Android. Riders can download My Ride-CATA to test the app. Mr. Funkhouser explained that CATA will monitor the app closely and make improvements over time.

Ridership

Bradley Funkhouser stated that ridership has been slowly increasing. He believes this may be a result of the pandemic lessening and gas prices rising. The increase is not significant and it will take time to see any level of consistency.

Absenteeism

Bradley Funkhouser reported that CATA's absenteeism has reached a new high. He has been working with Steve Soliz, Union President, Local 1039 to help solve this ongoing issue. Mr. Soliz has been very helpful and they will continue to work together until this issue is resolved.

Fuel Prices

Bradley Funkhouser reported that due to the increase in fuel prices, CATA is already over budget for this year. Mr. Funkhouser hopes that prices will eventually come down over time and CATA will budget accordingly.

Local Advisory Committee (LAC)

Bradley Funkhouser commended the LAC, Doug Lecato (Board liaison), and Nancy Ohle (Strategic Plan Consultant) for their work with the disabled community. Mr. Funkhouser noted that the Michigan Public Transportation Association (MPTA) is aware of the LAC's accomplishments and are interested in how their conversations may be used to improve ADA transportation statewide.

Doug Lecato stated that the LAC has been extremely helpful in communicating what they would like to see in the new ADA vans.

Bradley Funkhouser thanked Doug Lecato for his remarks.

ACTION ITEMS – PROPOSED CONSENT AGENDA

- A. APPROVAL OF MINUTES OF FEBRUARY 16, 2022, BOARD MEETING
- B. APPROVAL OF TREASURER'S REPORT FOR JANUARY 2022
 - 1. Interim Income Statement
 - 2. Cash Summary
 - 3. Investments
 - 4. Fifth Third Investment Account Reconciliation
- C. CONTRACT FOR OPERATIONS UNIFORM SUPPLIER

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 Lansing Uniform Company to provide required uniforms and shoes to CATA's bus operators, supervisors, managers, and customer experience representatives for a term of five (5) years, from March 1, 2022, through February 28,

2027, or five (5) successive annual terms, on such terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

D. ADA LOW-FLOOR FULL-SIZE VANS EQUIPPED WITH SIDE-ENTRY MANUAL ADA RAMP

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 Creative Bus located in Elkhart, Indiana for up to fourteen (14) new ADA low-floor full-size vans equipped with side-entry manual ADA ramp in an amount not to exceed \$1,590,000 pending successful completion of necessary Buy America audits on such terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

E. TRANSIT MASTER AVL HARDWARE UPGRADE PROJECT

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett and Chief Executive Officer, Bradley T. Funkhouser, to enter into a contract with Trapeze Software Group, Inc. to provide hardware, software, support, installation and necessary ancillaries to replace or upgrade CATA's current fixed route bus AVL hardware to V8 AVL hardware with a cost not to exceed \$1,200,000.

F. EMERGENCY CONTRACT FOR CUSTODIAL SERVICES

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to execute an emergency contract with Clean Team USA, Lansing, Michigan to provide Custodial Services at the CATA Transportation Center (CTC) and Capital Area Multimodal Gateway (MMG) at a maximum amount of \$84,900 for a term of six (6) months, commencing February 21, 2022, through August 31, 2022, and not to exceed the approved annual Operating Budget for such services as the Board Chair and Chief Executive Officer deem necessary.

Bradley Funkhouser explained that the emergency contract is in accordance with Federal Transportation Authority (FTA) regulations, third party contracting. Federal rights and CATA's Purchasing Policy give the Chief Executive Officer the authority to make immediate decisions with the intent of releasing a Request for Proposal (RFP) and bringing the item back for Board approval.

Jennie Gies requested that Action Item D be moved to discussion.

MOTION:

Jennie Gies motioned to approve the Consent Agenda with ACTION ITEM D, ADA LOW-FLOOR FULL-SIZE VANS EQUIPPED WITH SIDE-ENTRY MANUAL ADA RAMP moved to discussion and Robin Lewis supported the motion.

VOTE: The motion carried unanimously.

ACTION ITEMS - DISCUSSION AGENDA

- A. ADA LOW-FLOOR FULL-SIZE VANS EQUIPPED WITH SIDE-ENTRY MANUAL ADA RAMP

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 Creative Bus located in Elkhart, Indiana for up to fourteen (14) new ADA low-floor full-size vans equipped with side-entry manual ADA ramp in an amount not to exceed \$1,590,000 pending successful completion of necessary Buy America audits on such terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

MOTION:

Dusty Fancher motioned to approve Discussion Item A, ADA LOW-FLOOR FULL-SIZE VANS EQUIPPED WITH SIDE-ENTRY MANUAL ADA RAMP and Jennie Gies supported the motion.

DISCUSSION:

Jennie Gies inquired about whether CATA has reached out to ADA riders in order to meet their needs.

Bradley Funkhouser stated that the LAC was involved in the design of the new vans and they will be involved in the testing once the vans arrive. He also stated that currently, vehicles are scarce everywhere which has forced CATA to be creative.

Doug Lecato explained that the LAC helped communicate what they needed so that CATA could search for the right van. He also inquired about the other two (2) vendors and their proposals.

Bradley Funkhouser confirmed that the other two (2) vendors did not meet with CATA's specifications.

- B. FISCAL YEAR 2021 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 2021 and the Communication to those Charged with Governance and Management of CATA.

MOTION:

Derek Melot motioned to approve Discussion Item B, FISCAL YEAR 2021 FINANCIAL STATEMENTS AND AUDIT REPORT and Phill Deschaine supported the motion.

DISCUSSION:

Bradley Funkhouser introduced Jim Frenedt, Director of Finance; Pam Hill and Ashley Frase from Plante Moran to discuss CATA's financial statements and report on federal awards for FY 2021.

Jim Frenedt thanked Mr. Funkhouser for the introduction and then deferred to Pam Hill from Plante Moran.

Pam Hill introduced herself and commended Mr. Frenedt and his CATA team for their hard work. She then deferred to Ashley Frase to summarize CATA's 2021 financial statements and audit report.

Ashley Frase commented on CATA's audit financial statements. She confirmed that CATA received a clean report with highest level of assurance from the auditors. Ms. Frase discussed CATA's net position and their \$51.5 million in assets as of September 30, 2021. In FY 2021, CATA had a \$5.5 million net increase in changes in net position. Ms. Frase continued with CATA's legacy liability and reported that as of December 31, 2020, CATA's ATU pension plan is 110% funded and the administrative pension plan is 103% funded. OPEB's net liability as of September 30, 2021, had a \$73.3 million increase from 2020. Ms. Frase completed her report by stating that CATA has done a very good job at securing both pensions.

Pam Hill reported that the State of Michigan requires CATA's Corrective Action Plan for OPEB to be over a 30-year period to maintain a 40% funding level. She also stated that Plante Moran put in over 500 hours of auditing and thanked Mr. Frenedt and his team for their cooperation.

Pam Hill also noted that CATA did receive one (1) finding with OPEB that was similar to last year's actuary report. She stated that Plante Moran was required to test 100% of CATA's federal dollars and found no findings.

Derek Melot pointed out that Plante Moran had to increase their testing due to new GASB regulations.

Doug Lecato thanked Plante Moran for their service. He also inquired about the reasons behind more testing.

Pam Hill explained that the COVID-19 related federal funds that CATA received required more testing.

Doug Lecato inquired whether Plante Moran found similarities between other transit agencies and how they handled receiving federal dollars related to COVID-19.

Pam Hill confirmed that Plante Moran has found similarities between other transit agencies.

Jennie Gies requested more details related to testing.

Pam Hill explained that Plante Hill has developed tools to help test office management recording including allowability, reporting, timing, and internal controls.

Jim Frendt commented on the audit process.

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

Chair Triplett thanked Plante Moran and the Audit Committee.

Bradley Funkhouser thanked Plante Moran for their report.

Jim Frendt noted that this will be CATA's fifth year working with Plante Moran, and their contract will be up for bid.

Doug Lecato thanked Jim Frendt for his hard work and working with Plante Moran.

VOTE: The motion carried unanimously.

C. POLICY NO. 200 – PURCHASING AND CONTRACTING - FIRSTREADING

PROPOSED MOTION: That proposed revised Policy No. 200 – Purchasing and Contracting, be accepted for the first reading in accordance with Policy No. 402, Formulation of Policies and Administrative Procedures.

MOTION:

Jack Schmitt motioned to approve Discussion Item C, POLICY NO. 200 – PURCHASING AND CONTRACTING - FIRST READING and Phil Deschaine supported the motion.

DISCUSSION:

Bradley Funkhouser explained Policy No. 200 – Purchasing and Contracting. Mr. Funkhouser also stated CATA's policy updating procedure and that each policy will have two (2) readings. He then deferred to Nicole Wilson, Purchasing Manager for any questions.

Doug Lecato pointed out that the word "renue" should be corrected to "revenue" in the updated Policy No. 200 – Purchasing and Contracting.

Jennie Gies inquired about the updates to purchasing costs.

Dusty Fancher replied that these policies haven't been updated in over twenty years and are updated in accordance with the federal regulations.

VOTE: The motion carried unanimously.

D. POLICY NO. 204 – DISADVANTAGED BUSINESS ENTERPRISE - FIRST READING

PROPOSED MOTION: That proposed revised Policy No. 204 – Disadvantaged Business Enterprise, be accepted for the first reading in accordance with Policy No. 402, Formulation of Policies and Administrative Procedures.

MOTION:

Robin Lewis motioned to approve Discussion Item D, POLICY NO. 204 – DISADVANTAGED BUSINESS ENTERPRISE – FIRST READING and Doug Lecato supported the motion.

DISCUSSION:

Bradley Funkhouser explained that Nicole Wilson, Purchasing Manager also worked on updating Policy No. 204 – Disadvantaged Business Enterprise (DBE). He stated that the policy was outdated and therefore needed to be updated in accordance with federal regulations.

Dusty Fancher thanked Nicole Wilson for her work in updating the two (2) policies and appreciated the summary she provided to the Policy Committee.

VOTE: The motion carried unanimously.

OLD BUSINESS:

None

NEW BUSINESS:

None

PUBLIC COMMENTS:

Deb Parrish commented on changing the Local Advisory Committee (LAC) bylaws. She also expressed her frustration over being denied to speak at the LAC meetings and would like there to be more transparency between CATA and the public.

Allen Drouare, an East Lansing resident, and member of the East Lansing Board of Commissions spoke on behalf of his mother who is a Spec-Tran rider. Mr. Drouare commended CATA and Spec-Tran for their service in the past; however, he would like to share a recent issue that his mother experienced with Spec-Tran's rules and scheduling. He hopes that CATA will correct this issue and Spec-Tran will provide better service to their riders moving forward.

Matt Howell stated that there is no dash in the MyRideCATA app.

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 Robin Lewis and supported by Jennie Gies 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: The motion was supported by Phil Deschaine, Dusty Fancher, Jennie Gies, Doug Lecato, Robin Lewis, Derek Melot, John Prush, Jack Schmitt, and Nathan Triplett.

Shanna Draheim and Mark Grebner were absent.

The Executive Session began at 4:58 p.m. and adjourned at 5:12 p.m.

ADJOURNMENT:

There was no further business Chair Triplett adjourned meeting at 5:12 p.m.

Respectfully Submitted,

Shanna Draheim
Secretary/Treasurer

Tina Orlando
Recording Secretary