

CAPITAL AREA TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS MEETING

WEDNESDAY, MARCH 15, 2023
4:00 P.M. – DISABILITY NETWORK CAPITAL AREA
901 EAST MOUNT HOPE AVENUE, LANSING, MI 48910

PRESENT: Nathan Triplett, Chair
John Prush
Jack Schmitt
Phil Deschaine
Mark Grebner
Derek Melot (Zoom)
Doug Lecato
Phyllis Vaughn
Terrance Augustine

CALL TO ORDER:

Nathan Triplett, Chair called the meeting to order at 4:01 p.m.

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

ABSENT: Dusty Fancher, Vice Chair, Jennie Gies and Maggie Sanders

LATE: Shanna Draheim, Secretary/Treasurer

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.

PUBLIC COMMENTS:

Deb Parrish stated that she is in favor of the six (6) vans on order and wondered whether CATA will be ordering new buses as well.

Daniel Black stated that he knows many of the drivers well and considers them family. He inquired about having an informal meeting with all the operators. He also inquired about CATA's policy regarding posting the locations of CATA's Board meetings.

Mary Katherine Hughes spoke on behalf of those not able to attend. She stated that she is a local resident that relies on Spec-Tran. Ms. Hughes shared her experience and frustration with Spec-Tran. Moving forward, she hopes that her comments will be addressed and that Spec-Tran's customer service improves.

CHAIR'S COMMENTS:

Chair Triplett thanked the Disability Network Capital Area (DNCAP) for allowing CATA to use their facility to hold the March 2023 Board meeting.

Chair Triplett also reminded Board members to complete and send back their Annual Disclosure Forms to Tina Orlando, Board Secretary, and to include their availability for the Board Visioning Session.

MOTION:

Doug Lecato motioned to excuse Dusty Fancher, Jennie Gies, and Maggie Sanders. Phill Deschaine supported the motion.

Derek Melot was present via Zoom.

VOTE: The motion carried unanimously.

Audit Committee Report

Audit Committee Chair, Derek Melot, stated that on Friday, February 24, 2023, the Audit Committee, Chair Triplett, and Mr. Funkhouser met with Plante Moran to discuss CATA's FY 2022 Audit and Financial Statements. Audit Committee Chair, Derek Melot, reported that CATA received a clean audit and it was the first year with no findings. He congratulated Mr. Funkhouser, Mr. Frendt and CATA's Finance Department along with fellow Audit Committee members for their hard work and support.

Bradley Funkhouser thanked Board members for their patience over the last couple years. He also expressed his appreciation for CATA's Finance Director, Jim Frendt and his predecessor, Pat Lemon, for their achievements this year related to CATA's clean audit and having no findings for the first time.

Shanna Draheim arrived at 4:18 p.m.

CHIEF EXECUTIVE OFFICER'S REPORT

UPS Outage

Bradley Funkhouser reported that on Tuesday, March 7, CATA's uninterrupted power supply (UPS) unit failed. Mr. Funkhouser explained the reason for the failure was due to the age of the UPS unit. When the UPS failed, it sent a current into the system which affected our phone system and Paratransit dispatching. Mr. Funkhouser continued explaining that the UPS was older and that CATA had eventually planned to replace the unit. He stated that while IT was working on solving the server issues, he was floating back and forth between Paratransit and IT and Deputy CEO, Andrew Brieschke, was dispatching vehicles to multiple locations where riders were believed to have been waiting for their ride. By approximately 10:00 p.m., IT was able to reset and stabilize CATA's system. Mr. Funkhouser stressed that CATA was not hacked. He also noted that in order to be better prepared, each night CATA will print out a list of scheduled rides and employees will learn to schedule rides manually. An independent analysis will also be performed and an electrician brought in to evaluate CATA's wiring. Mr. Funkhouser acknowledged CATA's IT department, CATA staff and the operators for their hard work and dedication to serving CATA's riders.

Job Fair

Bradley Funkhouser stated that on Friday, March 10, CATA hosted another job fair at the Lansing Center where they received 83 applications. Mr. Funkhouser thanked Steve Soliz, ATU President, Local 1039, for his time and assistance during the job fair. He believes that this was a great step forward and hopes that CATA and CATA's Union can continue to work together.

CATA's Holiday Service

Bradley Funkhouser announced that on Easter Sunday, April 9, CATA will begin a piloted project to provide limited Holiday Service. Mr. Funkhouser thanked Senator Sarah Anthony, and Board member Mark Grebner for their part in making this happen. He also acknowledged that people need to travel during the holidays, yet due to the driver shortage, CATA is taking this project slow.

Consultant for EATRAN

Bradley Funkhouser stated that EATRAN is very close to having a signed contract with a consultant.

Mark Grebner inquired about CATA's Holiday Service and whether it will only include Paratransit service and not line-haul buses.

Bradley Funkhouser stated that due to the driver shortage, CATA's Holiday Service will only include Paratransit service.

Mark Grebner inquired whether CATA will someday include line-haul buses.

Bradley Funkhouser explained that CATA's Holiday Service may include line-haul buses at some point; however, CATA is being cautious about expanding service too fast.

Phil Deschaine inquired about CATA's failed UPS and the amount of damage that may have affected other equipment.

Bradley Funkhouser stated that the UPS was already going to be replaced and there was no damage to any other equipment. The issue was that CATA was not able to obtain scheduling information for Paratransit.

Phil Deschaine inquired about the number of operator positions still available.

Bradley Funkhouser stated that CATA has approximately 40 open positions for operators and asked Andrew Brieschke, Deputy CEO, to confirm.

Andrew Brieschke confirmed that CATA has approximately 40 open positions for operators.

Jack Schmitt commented on CATA recognizing the fact that during the UPS failure some riders may have been left stranded. He inquired whether CATA needs to issue a formal apology or communicate anything further to reinforce CATA's continued commitment to their riders.

Bradley Funkhouser stated that CATA has monitored and communicated with riders that were inconvenienced including reimbursing a rider that had to use Uber. On that night, many rides were late; however, CATA did their best to make sure everyone was accounted for.

Doug Lecato inquired whether this situation has made CATA think more about using a service similar to Uber.

Bradley Funkhouser explained that CATA is exploring using microtransit rather than providing a service similar to Uber. Microtransit enables CATA to continue to work with the Union and stay in the service area.

Doug Lecato stated that a lot of people depend on rides for medical reasons and that microtransit would be a great idea.

Bradley Funkhouser noted that during CATA's UPS failure, the riders with regular rides to dialysis and chemotherapy were the first to be contacted.

ACTION ITEMS – PROPOSED CONSENT AGENDA

- A. APPROVAL OF MINUTES OF FEBRUARY 2023, BOARD MEETING
- B. TREASURER'S REPORT FOR JANUARY 2023
 - 1. Interim Income Statement
 - 2. Cash Summary
 - 3. Investments
 - 4. Fifth Third Investment Account Reconciliation
- C. PURCHASE OF UP TO SIX (6) LOW-FLOOR ADA MINIVANS

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 up to six (6) accessible low-floor minivans from Hoekstra Transportation, Grand Rapids, Michigan, through the State of Michigan contract for a total amount not to exceed \$405,000, pending successful completion of necessary Buy America audits and inspections, on terms and conditions as the Board Chair and Chief Executive Officer deem necessary.

- D. REAL ESTATE LEASE – AUXILLIARY OFFICE/MEETING SPACE

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 Durga Properties Holdings, Cincinnati, Ohio, to provide a real estate lease at a cost not to exceed \$73,125 for a two (2) year contract on such other terms and conditions as the Board Chair and the Chief Executive Officer deem necessary.

E. MARKETING AND SERVICE INFORMATION AGENCY

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 LKF Marketing for Marketing and Service Information agency at a cost not to exceed \$672,000 for an initial three (3) year contract and an option for one (1) two (2) year extension on such other terms as the Board Chair and the Chief Executive Officer deem necessary.

F. CONTACTLESS FARE PAYMENT SYSTEM CONTRACT NEGOTIATION

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to enter into final negotiations to develop a contract with Masabi, LLC., New York, for the purpose of providing a contactless fare payment system for CATA on such other terms and conditions as the Board Chair and the Chief Executive Officer deem necessary.

G. VEHICLE ACCESSIBILITY PLAN FY 2023

PROPOSED MOTION: That the CATA Board of Directors approves the FY 2023 Vehicle Accessibility Plan and authorizes the Chief Executive Officer, Bradley T. Funkhouser, or his designee to implement the Vehicle Accessibility Plan in order to continue receiving State of Michigan funding under the Michigan Public Act 51.

MOTION:

Shanna Draheim motioned to approve the Consent Agenda and Doug Lecato supported the motion.

VOTE: The motion carried unanimously.

ACTION ITEM – PROPOSED DISCUSSION AGENDA

A. FISCAL YEAR 2022 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 2022 and the Communication to those Charged with Governance and Management of CATA.

MOTION:

Doug Lecato motioned to approve the Discussion Agenda and Jack Schmitt supported the motion.

DISCUSSION:

Jean Young from Plante Moran started off CATA's FY 2022 audit presentation by stating that CATA received a clean report that contained no findings. She then deferred to Chris Gilbert for the key highlights.

Chris Gilbert, Audit Manager from Plante Moran, went over CATA's FY 2022 audit report. He stated that CATA received an unmodified opinion which is the highest level of support that can be given. He also noted the new accounting standard, GASB 87, which relates to identifying and reporting lease agreements. Mr. Gilbert further commented on CATA's total operating revenue, which was very stable for the year. Lastly, he covered CATA's pension plans and stressed how the state really focuses on pension plans being funded. Mr. Gilbert reported that both CATA's Administrative Plan and Union Plan are well funded, while the OPEB plan is taking a phased approach and has almost completed phase one (1) of CATA's Corrective Action Plan.

Phil Deschaine inquired about CATA's investment income.

Jean Young stated that investments for FY 2022 were not as positive as FY 2021.

Doug Lecato inquired whether the OPEB liability had decreased due to the net loss.

Jean Young stated that as the discount rate increases the liability decreases. She also noted that the assumptions can impact the liability. Ms. Young further stressed that the State of Michigan really watches to make sure entities have a plan in place.

Chris Gilbert referenced CATA's Schedule of Expenditures of Federal and State Awards where CATA received no federal award findings and no internal control deficiencies. He reported that this is the first year that CATA has received no findings and they are one (1) year away from being labeled a "low risk entity."

Jean Young commented on the letter to the CATA Board of Directors from Plante Moran that was included in addition to CATA's audit report. Ms. Young stated that the letter is required and is the auditor's responsibility.

Doug Lecato thanked CATA's Finance Director, Jim Frenedt, and past Finance Director, Pat Lemon. He also inquired about "low risk."

Jean Young explained that "low risk" is two (2) years with a clean report. She also noted that if CATA becomes a "low risk" entity, they will still have to go through the same amount of testing due to the grants that they receive.

Mark Grebner summarized the audit process. He also reminded everyone of how bad things were for CATA just five (5) years ago and how many challenges CATA has since overcome.

Bradley Funkhouser requested that Mr. Grebner use six (6) years ago instead of five (5) years.

Jack Schmitt echoed Mr. Grebner's remarks regarding the Board's responsibility. He also recognized that CATA's FY 2022 audit report is a good sign that CATA is on the right track moving forward.

Chair Triplett thanked CATA and the finance team for the progress they have made over the last six (6) years.

VOTE: The motion carried unanimously.

OLD BUSINESS

None

NEW BUSINESS

None

PUBLIC COMMENT

Deb Parrish welcomed Mary Katherine Hughes and thanked her for coming to the Board meeting. She also thanked Steve Soliz, ATU President, Local 1039, and the drivers from last week for their service. Ms. Parrish further commented on CATA's My-Ride App and how her ride continues to be late. She expressed her belief that most of the issues are contributed to the lack of drivers and vehicles.

Daniel Black inquired about the DNCAP and wondered whether there were any members present to thank. He also commented on his bus ride to the Board meeting and requested that CATA include any construction and route issues when posting the location. Mr. Black further inquired about CATA purchasing any single wheelchair vans.

Deb Parrish stated that on CATA's Facebook, it shows the Board meeting location.

Chair Triplett indicated that Lolo Robison, Director of Marketing, Customer Experience and Public Information, makes sure that the Board meeting location and time are posted to CATA's social media outlets and website.

Phyllis Vaughn shared a story. She also expressed her opinion that CATA having an informal meeting between operators and riders would be a good idea.

ADJOURNMENT

Chair Triplett adjourned the meeting at 5:03 p.m.

Respectfully Submitted,

Shanna Draheim
Secretary/Treasurer

Tina Orlando
Recording Secretary