

CAPITAL AREA TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS' MEETING

WEDNESDAY, MARCH 18, 2026
4:00 P.M. – LANSING CENTER GOVERNOR'S ROOM
333 E. MICHIGAN AVENUE, LANSING, MI 48933

PRESENT: Shanna Draheim, Vice Chair
Phil Deschaine, Secretary/Treasurer
Mark Grebner
Steve Vagnozzi
Eric Tans
Kellie Blackwell
John Prush
Chelsea Dowler

CALL TO ORDER:

Vice Chair Draheim called the meeting to order at 4:00 p.m.

ROLL CALL: Kellie Blackwell, Phil Deschaine, Chelsea Dowler, Shanna Draheim, Mark Grebner, John Prush, Eric Tans, and Steve Vagnozzi were all present.

ABSENT: Derek Melot, Ed Rodgers, Jack Schmitt, and Nathan Triplett, Chair

Vice Chair Draheim welcomed everyone to the Board meeting. She also mentioned that the meeting is being held on Zoom for those who wish to view the Board meeting virtually.

PUBLIC COMMENTS:

None

CHAIR'S COMMENTS:

Vice Chair Draheim requested a motion to excuse Derek Melot, Ed Rodgers, Jack Schmitt, and Nathan Triplett.

MOTION:

Mark Grebner motioned to excuse Derek Melot, Ed Rodgers, Jack Schmitt, and Nathan Triplett. Phil Deschaine supported the motion.

VOTE: The motion carried unanimously.

Vice Chair Draheim reminded Board members to fill out their Annual Disclosure Form – Policy #209 Code of Conduct, and return it to Tina Orlando, Recording Secretary.

CHIEF EXECUTIVE OFFICER'S REPORT

Code Blue

Bradley Funkhouser thanked operators and everyone involved in the City of Lansing Code Blue. He stated that the most recent alert was released on Thursday, March 12, for 7:00 p.m. Friday, March 13, to Thursday, March 19, at 7:00 a.m. Mr. Funkhouser noted that CATA has provided a 24-hour warming bus along Route 1 and a shuttle bus to the Letts Community Center. He also noted that CATA has exceeded over 3,000 trips during the Code Blue activation periods this winter. He further stated that CATA will continue to work with the city and provide warming buses when needed.

Phase II Renovation Plans

Bradley Funkhouser stated that CATA has been reaching out to our state and federal law makers. He explained that this is the time that all requests are submitted and CATA is requesting additional funding for Phase II renovation plans for the former Greyhound building. Mr. Funkhouser noted that CATA has put together an information packet which includes updates to the project and funding opportunities.

Solar Presentation

Bradley Funkhouser stated that the speaker for the solar presentation could not make it to today's Board meeting; therefore, the presentation will take place at the April meeting.

ACTION ITEMS – PROPOSED CONSENT AGENDA

- A. APPROVAL OF MINUTES OF FEBRUARY 2026, BOARD MEETING
- B. APPROVAL OF TREASURER'S REPORT FOR JANUARY 2026
 - 1. Interim Income Statement
 - 2. Cash Summary
 - 3. Investments
 - 4. Fifth Third Investment Account Reconciliation
- C. JANITORIAL SERVICES

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 Sweep You Off Your Feet Cleaning, using operating funds, at a cost not to exceed \$1,594,610, for a five-year period on such other terms and conditions as the Board Chair and the Chief Executive Officer deem necessary.

- D. ESTABLISH 5310 SUBRECIPIENT AGREEMENTS WITH DISABILITY NETWORK CAPITAL AREA AND MASON COMMUNITY SERVICES

PROPOSED MOTION: That the CATA Board of Directors authorizes Board Chair, Nathan Triplett, and Chief Executive Officer, Bradley T. Funkhouser, to expand the subrecipient agreement with DNCAP for \$100,001 and to execute a subrecipient agreement with Mason Community Services for one (1), accessible minivan valued at \$75,000 through CATA's 5310 subrecipient program to conduct their corresponding projects.

MOTION:

Steve Vagnozzi motioned to approve the Consent Agenda and Kellie Blackwell supported the motion.

VOTE: The motion carried unanimously.

ACTION ITEMS – PROPOSED DISCUSSION AGENDA

- A. AUDIT COMMITTEE REPORT - FISCAL YEAR 2025 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 2025 and the Communication to those Charged with Governance and Management of CATA.

On behalf of Audit Committee Chair, Derek Melot, Phil Deschaine gave the Audit Committee report. Mr. Deschaine stated that the Audit Committee convened via Zoom on Thursday, March 5, 2026, to review CATA's Fiscal Year 2025 Financial Statements and Audit Report by Plante Moran. Mr. Deschaine reported that CATA received no findings and the findings from last year were corrected. He also reported that CATA's Fiscal Year 2025 Financial Statements reflected that CATA is in very strong financial health.

Jim Frendt, Director of Finance introduced Christopher Gilbert, Senior Manager, from Plante Moran.

Presentation by Plante Moran

Christopher Gilbert went over some of the highlights from CATA's fiscal year 2025 audit. He commented on CATA changing accounting policies to adopt GASB Statement No. 101, Compensated Absences. He also confirmed that CATA received no findings this year. He explained that last year's findings were related to strengthening internal controls and have been corrected without having any repeat occurrences. Mr. Gilbert noted that the ATU pension plan is funded at approximately 133% while the administrative pension plan is at 94%. He further noted that CATA's Other Post Employment Benefits (OPEB) corrective action plan is at approximately 41% which is a strong position with the State of Michigan.

MOTION:

Chelsea Dowler motioned to approve Discussion Agenda Item A, Fiscal Year 2025 Financial Statements and Audit Report. Phil Deschaine supported the motion.

DISCUSSION:

Phil Deschaine commented on CATA's OPEB position improving due to CATA's investments and a strong market. He also inquired whether CATA's investments are reviewed annually or over a five-year period.

Christopher Gilbert stated that there are many factors that contributed to CATA's OPEB position improving, including a strong market over the past (5) five years and closing the plan.

Bradley Funkhouser stated that in 2018, CATA was faced with a corrective action plan for the first time due to new accounting standard, GASB Statement No. 75, which was implemented that year. He explained that CATA began funding the plan which had previously followed the "pay as you go" method. Mr. Funkhouser further explained that CATA was able to contribute to the plan more than what was required, which has put them ahead of schedule.

Eric Tans inquired about CATA's findings from last year's audit.

Christopher Gilbert explained that CATA's findings from last year were due to new accounting standards that required entities to look closer at their internal controls to prevent risk. He noted that although nothing specific was found, CATA implemented a new two-step verification to their processes to lower risk of potential errors.

VOTE: The motion carried unanimously.

Vice Chair Draheim thanked Jim Frendt and Plante Moran, for their hard work.

OLD BUSINESS - BUDGET DISCUSSION

Bradley Funkhouser stated that at the February Board meeting members requested to look more closely at ridership impacts. He explained that Staff looked at a two-year layout and came up with some scenarios. He deferred to Andrew Brieschke, Deputy CEO, for details.

Andrew Brieschke presented the budget update and three (3) scenarios for Board members to consider.

Steve Vagnozzi requested clarification over an additional 10% service cut.

Jim Frendt explained that the 10% cuts are across the board.

Phil Deschaine inquired whether the scenarios are based on CATA not receiving any additional funding.

Andrew Brieschke confirmed that the scenarios are based on CATA not receiving any additional funding.

Phil Deschaine inquired whether Mr. Funkhouser still believes that without any additional funding, some transit agencies may cease to exist.

Bradley Funkhouser confirmed that he still believes that some transit agencies may cease operating or cut service.

Steve Vagnozzi stated that on Thursday, March 12, 2026, he participated in the Michigan Public Transportation Association (MPTA) Legislative Transit Day, where many transit agencies asked for additional funding. Mr. Vagnozzi also stated that Governor Whitmer's budget does allow for slight increase in additional funding going to transportation. He inquired whether there was any value in looking at a bigger cut in 2027 to allow for a lesser cut in 2028.

Andrew Brieschke confirmed that there is value looking at a bigger cut in 2027. He explained that whatever CATA does in 2027 will mitigate what is done in 2028 as long as revenue remains the same.

Vice Chair Draheim expressed that she was happy to see a second year presented in the budget update. She stated that it allows CATA some flexibility moving forward.

Bradley Funkhouser stated that he would like to wait to cut service with so many variables to consider. He explained that the Comprehensive Operations Analysis (COA) will help CATA understand how to make service more efficient, which will give CATA more time to have some other contingencies in place to regain revenue.

Discussion ensued.

Vice Chair Draheim summarized comments and confirmed that the Board agrees with scenario "3.5" and \$65 million as the targeted operating budget. She stated that the conversation will continue once the COA has been completed.

NEW BUSINESS

Bradley Funkhouser congratulated Board member Chelsea Dowler, Project Manager, Lansing Economic Development Corporation (Lansing EDC), for the \$5 million grant award that they received for a new planning development in REO Town. He noted that CATA is also part of the project.

PUBLIC COMMENT

Steve Whelan, City of East Lansing Councilmember, introduced himself. Mr. Whelan shared that he is a former East Lansing police officer who has spent a lot of years working alongside CATA. He expressed his appreciation for CATA and their work with MSU. Mr. Whelan stated that he looks forward to working as a liaison from East Lansing to the CATA Board.

Vice Chair Draheim thanked Mr. Whelan for his comments.

ADJOURNMENT

There being no further business, Vice Chair Draheim adjourned the Board meeting at 5:11 p.m.

Respectfully Submitted,

Phil Deschaine
Secretary/Treasurer

Tina Orlando
Recording Secretary