

## **BATA Regular Board of Directors Meeting Minutes**

115 Hall St, Traverse City, MI 49684

Thursday, February 23, 2023 @ 1:00 pm

1. Call to Order by Chairperson Cochrun at 1:00 pm.
2. Roll Call

Richard Cochrun	PRESENT
John Somnavilla	PRESENT
Robert Fudge	PRESENT
Heather Harris-Brady	PRESENT
Brad Jewett	PRESENT
Jamie Kramer	PRESENT
Joe Underwood	PRESENT

Also in attendance: Kelly Dunham, Eric Lingaur, Phil Masserant, Chris Davis, Britny Schwartz.

Pledge of Allegiance/Moment of Silence

3. First Public Comment\*

Mitch Treadwell: City Commissioner/Local Advisory Council member.

Introduced self as a municipal community member, rider – looking forward to BATA's growth plans.

Rob Hentschel: Chairman of the Grand Traverse County Board of Commissioners: Concerned about item: Articles of Incorporation changes and states that Public Act 196: Formation of authority guidelines state that members of a public authority shall not appoint their own members to serve on their Board. Mr. Hentschel stated that Grand Traverse County appoints four board members and Leelanau County appoints two board members for BATA and they are who create the articles of incorporation for the Board. Should there be a change needed, this would need to come from the interlocal agreement that formed BATA to make changes.

Mr. Hentschel also stated that it's his understanding that the change to the Articles of Incorporation is to allow the Board to appoint their own members and he feels this is a breach of public trust as it is possible there would be no link to members represented by new Board members. He stated he takes issue with an authority appointing its own members as it takes them one step further from the voters and accountability. He encouraged the Board to rethink their decision regarding the change of Bylaws and Articles of Incorporation to ensure they are adding board members who are accountable to the government and voters. He also reminded the Board that they have Bylaws that they can change and that Articles of Incorporation trump Bylaws. He encouraged the Board of Directors to rethink how the additional board members are elected to this Board.

Director Joe Underwood: Stated that he felt his integrity was questioned by Chairman Cochrun as well as Director Kelly Dunham. He stated that he will not accept the BATA mug that was given to all Directors at the January Board meeting and will not accept any compensation from either BATA or the Road Commission for attending BATA Board of Director meetings.

Chairperson Richard Cochrun asked Joe if he was appointed the liaison for the Road Commission during their Board meeting last month, Joe Underwood stated that he did create a liaison position, and that he doesn't believe there is a conflict of interest for a liaison of the Road Commission to attend meetings because he was appointed to this Board by the County Commissioners, not the Road Commission. Joe Underwood also clarified that he has not filled the liaison position with anyone else because he sits on this Board of Directors. Director Kelly Dunham requested clarification on what the appointment of the liaison meant and whether he would be paid by the road commission for his attendance at BATA meetings.

Director Underwood further stated that his loyalty is to the Grand Traverse and Leelanau County residents as he was appointed to serve on the board by them. Chairperson Cochrun stated that all the Board of Directors serve their communities as a whole as well, Joe then stated that he feels as though his loyalty was questioned because the Grand Traverse County appointment was not who some of the BATA Directors were hoping for and that is also why he is refusing to take any funds to sit on this board. Chairperson Cochrun stated that he can accept the Board Compensation per policy, Joe stated that he is aware that he is able to, but that he will not be. He also stated that he will bring this topic back up further on the agenda as he feels as though it was suggested that the reason that the \$40 compensation amount was set was to avoid having Board Members receive a 1099 tax form at the end of the year and stated that it was a comment made by an official on the board. He also voiced concern in regard to skirting tax law for board compensation, he is lead to believe that there are other things happening in the organization. Director Kelly Dunham stated that the board members are more than able to receive more than \$600 in compensation throughout the year and BATA as an organization would have no issue with issuing a 1099 to any board member. Chairperson Cochrun also stated that with the \$40 compensation and 10 meetings in a year, a board member will not hit the \$600 threshold to receive a 1099 regardless.

4. Approval of Agenda/Declaration of Conflict of Interest

**On a Motion made by Brad Jewett and seconded by Robert Fudge, the BATA Board of Directors approved the February 23, 2023, Regular Meeting Agenda as presented.**

**MOTION CARRIED: 7-0.**

**Oath of Office:** Oath of Office taken and recorded.

Introduction to Jamie Kramer – Representing the Leelanau County Commissioners for a 3-year term. Board introductions concluded.

5. Consent Calendar

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with in one Board motion without discussion. Any member of the Board, staff or the public may ask that any item on the consent calendar be removed and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single Board action adopting the consent calendar.

*Consideration of Approving the following Minutes*

a. *Organizational Meeting Minutes of January 26, 2023 [page 5]*

b. *Regular Board Meeting Minutes of January 26, 2023 [page 8]*

*Consideration of Accepting the following Reports*

- b. *Monthly Income Statement [page 13]*
- c. *FY23 Q1+ Ridership Report [page 15]*
- d. *FY23 Q1 Turnover Report [page 20]*
- e. *Governance Committee Minutes of February 13, 2023 [page 21]*
- f. *Finance Oversight Team Notes of February 13, 2023 [page 23]*
- g. *Board Request Tracker [no new items]*
- h. *Correspondence [page 24]*

6. Any items removed from the Consent Calendar – Richard Cochrun

**On a Motion made by Brad Jewett and seconded by Joe Underwood, the BATA Board of Directors approved the February 23, 2023, Consent Calendar as presented.**

**MOTION CARRIED: 7-0.**

7. Executive Director's Report – Kelly Dunham *[page 37]*

Director Kelly Dunham shared insights from Transpro and stated that she is looking forward to the strategic planning meeting on March 16<sup>th</sup>. She also shared that the Procurement and Grants Management Specialist position has been filled with a new employee who will be starting on April 3<sup>rd</sup>.

a. HQ Facility/Owner's Representative Report

Jerry Tomczak, Program Manager, Cunningham-Limp

Jerry was unable to attend, Kelly provided an update that there is one difference in the subcontractor from the last list shared and that is for the asphalt, it is now awarded to Elmer's due to their having the lowest bid when carrying both bids. She stated that they are currently focusing on permitting, county/township approval processes.

b. Technology Plan Update – Eric Lingaur *[page 38]*

Eric provided a detailed update on the five-year technology plan including current focuses, timelines for planned upgrades, grant funding and reason for upgrades.

John Somnavilla asked who is implementing required project management. Eric stated that this is currently handled in house by our staff, but there is a possibility of needing to bring in outside vendors in the future. John also requested a return on investment (ROI) calculation on future recommendations to the Board. Heather Harris-Brady requested an update on backordered buses and if the current plan will accommodate the new fleet. Eric stated that there is no update on the timeline of backordered buses, but the current plan will accommodate those buses when they arrive.

8. Chairperson's Report – Richard Cochrun  
Nothing to report.

9. Committee Reports

a. Finance Oversight Team – Richard Cochrun

Chairperson Cochrun stated that the Finance Oversight Team met this month and is continuing to review driver compensation and recruiting efforts which are getting closer to reaching the FTE goal but have yet to reach it. There is also a need to update the Payroll/HR software and needing to select a realtor for Cass Rd transfer station. Kelly Dunham stated that she has reached out to Aspire North to obtain a list of certified commercial agents which she will use to solicit interest from qualified agents.

Brad Jewett requested an update on the employee count. Chris Davis reported that the current shortage is at 5.7 FTE, but they are seeing an increase in applications, new employees hired as well as an increase in the retention rate. Chris also stated that she is not prepared to give a hard date of when we will have full staff, but she reported they are forecasting staffing needs three months out.

- b. Governance Committee – John Sommovilla  
John shared that the Governance Committee is prepared to share the final draft on board comp, bylaws, and Articles of Incorporation. He also shared that it was decided to table meeting location conversation.

10. Finance Reports  
No finance reports to present.

11. Old Business  
No old business to report.

12. New Business

- a. MPO Presentation – Networks Northwest  
Hannah Yurk shared a presentation to help educate the Board of Directors of the changes the Metropolitan Planning Organization (MPO) will bring to the area as well as how it will affect BATA and how the data has been cultivated over the last 20 years. Hannah shared that the goal is to have the designation set in plan by September 2023, the MDOT transition plan will follow a similar timeline and the request for designation can begin after the MPO designation has been made.

Director Kelly Dunham shared that the next thing the board will be presented with will be the interlocal agreements. Kelly is the BATA contact for the MPO, she also reiterated that the MPO is a big deal for the region and while the transition to a small urban system coincides with the MPO, they are not the same; that becoming a Small Urban agency is a much bigger deal to BATA. The small urban designation will come after the MPO designation, likely in the 2025 Fiscal Year, with some reporting starting even in FY24.

- b. FY 2022 Audit Presentation – Rehmann  
Josh Sullivan from Rehmann provided a review of the recent audit report, highlighting the following:
- Total assets are up.
  - Liabilities are down.
  - Single Audit had no issues or deficiencies found.
  - Changes to GASB-96 which will affect subscription-based technology leases.

Brad Jewett requested clarification that the language of the audit “presents fairly” is common, Josh confirmed that this language is common.

**On a Motion made by Joe Underwood and seconded by Brad Jewett, the BATA Board of Directors moved to accept the FY Audit Presentation as presented.**

**MOTION CARRIED: 7-0.**

- c. Michigan Class Investment Resolution *[page 49]*

Phil presented the MiClass Investment resolution as well as shared the benefits of added daily returns that allows investments to stay liquid and the ability to have them tracked as sub accounts. The funds invested will be coming from maturing T Bills as well as excess funds from the checking account.

**On a Motion made by Joe Underwood and seconded by Brad Jewett, the BATA Board of Directors moved to approve the Michigan Class Investment Resolution as presented.**

**MOTION CARRIED: 7-0.**

d. Investment Policy Adoption *[page 106]*

Phil presented the proposed investment policy and stated that this is a minimum requirement required to participate in MiClass Investments. Phil also shared that this would allow for investing of funds outside of MiClass in the future.

Chairperson Cochrun reported that the Finance Oversight team will set milestones to review at their monthly meeting, Phil will also present MiClass reports quarterly.

**On a Motion made by Jamie Kramer and seconded by John Somavilla, the BATA Board of Directors moved to approve the Investment Policy as presented.**

**MOTION CARRIED: 7-0.**

e. HRIS/Payroll Software Purchase *[page 108]*

Chris presented information on a proposed HRIS/Software purchase, she stated that the Ultimate Kronos Group (UKG) Ready platform is a single platform for payroll and employee scheduling and is a secure platform hosted in Google Cloud.

The current software used, Ascentis, was purchased in 2011 and will no longer receive improvements. It also does not allow all necessary reporting to be available.

There is an initial investment of \$22,200 as well as an annual cost of \$39,720 which is a cost increase of \$6,425 per year. The cost is available in the existing FY23 planned expenses.

Brad Jewett asked if there was research regarding other similar products, Chris shared that research was obtained for Paylocity, Paychecks as well as Pay Core and the conclusion was that UKG Ready was the best product overall. A reference was also done with The Ride in Ann Arbor to determine their satisfaction with the move to UKG Ready/ The reference was favorable.

**On a Motion made by Brad Jewett and seconded by Jamie Kramer, the BATA Board of Directors moved to approve the HRIS/Payroll Software Purchase as presented.**

**MOTION CARRIED: 7-0.**

f. Board Compensation Policy *[page 110]*

Brad Jewett inquired as to how the amount of \$40 was established. Kelly Dunham stated that she called other local boards and found the average compensation was \$40.

**On a Motion made by Jamie Kramer and seconded by Robert Fudge, the BATA Board of Directors moved to approve the Board Compensation Policy as presented .**

**MOTION CARRIED: 6-1.**

- g. BATA Board Recognition Policy *[page 112]*  
Brad Jewett inquired how the ten-year timeline was established, Heather Harris-Brady stated that the Governance Committee felt that ten years was a good time commitment as directors would serve for several terms in that timeframe.  
Joe Underwood shared his concern in providing a lifetime pass due to the use of tax dollars that this commitment would require.

**On a Motion made by John Somnavilla and seconded by Jamie Kramer, the BATA Board of Directors moved to approve the BATA Board Recognition Policy as presented.**

**Roll Call**  
Richard Cochrun YES  
John Somnavilla YES  
Robert Fudge YES  
Heather Harris-Brady YES  
Brad Jewett NO  
Jamie Kramer YES  
Joe Underwood NO  
**MOTION CARRIED: 5-2.**

- h. BATA Articles of Incorporation Revision *[page ]*

**Moved by Joe Underwood and seconded by Brad Jewett to table this agenda item until public input could be solicited.**

**Roll Call**  
Richard Cochrun NO  
John Somnavilla NO  
Robert Fudge NO  
Heather Harris-Brady NO  
Brad Jewett YES  
Jamie Kramer NO  
Joe Underwood YES

**MOTION FAILED: 2-5.**

**On a Motion made by John Somnavilla and seconded by Jamie Kramer, the BATA Board of Directors moved to approve the BATA Articles of Incorporation as presented.**

**Roll Call**  
Richard Cochrun YES  
John Somnavilla YES  
Robert Fudge YES

Heather Harris-Brady	YES
Brad Jewett	NO
Jamie Kramer	YES
Joe Underwood	NO

**MOTION CARRIED: 5-2.**

Robert Fudge requested clarification on the discussion of filling the positions at 1-, 2- and 3-year intervals to ensure there isn't such a large turnover on the same calendar. Kelly stated that the Governance Committee can work on the language of the terms. Joe Underwood requested clarification as to why the language would change after approval. Kelly stated that because it would be a 1-time occurrence, it would not need to be listed in the current Articles of Incorporation and assured Joe that implementation will be made by the full board when new members are added to the Board of Directors.

i. **BATA Board Bylaws Revision [page ]**

Brad Jewett made the recommendation for the Board of Directors to work with the GT County and Leelanau County representatives to discuss the appointment of these additional two directors and to seek input from the public. Kelly Dunham stated that as a public entity, BATA is not required to seek input from the public, rather, the full Board would appoint these two new board members. Kelly also reiterated that this revision was presented to the board at the last Board meeting with the intention to have a broader representation on the board.

Chairperson Cochrun stated that the expansion of the board was underway over one year ago and the intention is to ensure the public is represented with the proposed addition of two members at large.

Heather Harris-Brady added clarification to the discussion as she is currently the only member at-large on the Board, Heather stated that adding two additional at-large board members was a recommendation made at the Board Retreat last year and stated that she believes having additional board members will create a strong, resilient, and purposeful board.

**Moved by Joe Underwood and seconded by Bratt Jewett to table this agenda item until legal questions can be answered.**

**Roll Call**

Richard Cochrun	NO
John Somnavilla	NO
Robert Fudge	NO
Heather Harris-Brady	NO
Brad Jewett	YES
Jamie Kramer	NO
Joe Underwood	YES

**MOTION FAILED: 2-5.**

**On a Motion made by Jamie Kramer and seconded by John Somnavilla, the BATA Board of Directors moved to approve the BATA Board Bylaws revisions as presented.**

**Roll Call**

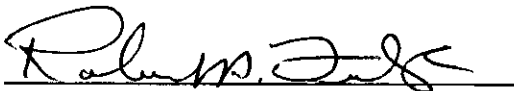
Richard Cochrun	YES
John Somavilla	YES
Robert Fudge	YES
Heather Harris-Brady	YES
Brad Jewett	NO
Jamie Kramer	YES
Joe Underwood	NO

**MOTION CARRIED: 5-2.**

13. Board Discussion Items  
Brad Jewett requested an update regarding the bus rollover from 2/22/2023. Kelly reported that it was a single vehicle accident, the driver hit ice but was not injured.
14. Second Public Comment\*  
  
Mitchell Treadwell: LAC. Hopeful with changes that there can be better opportunities granted for riders and engaged riders to serve on the board. Would like to see more representation from the city itself – Not a requirement, but it is good to look at geographical representation.
15. Directors' Comments and Announcements/Open Floor  
None.
16. Adjournment  
**On a Motion made by Brad Jewett, the BATA Board of Directors moved to adjourn the February 23, 2023 Regular Meeting of the BATA Board of Directors at 3:12 pm.**

Approved on

4/27/23



Robert A. Fudge, Secretary