



BATA Regular Meeting Minutes

Wednesday, March 28, 2018

Hall Street Transfer Station

Traverse City, Michigan 49684

1. Call to Order by Chairperson
The meeting was called to order by Chairperson Dr. Lathrop at 9:02am
2. Pledge of Allegiance and Moment of Silence
The Pledge of Allegiance was recited and a Moment of Silence observed.
3. Roll Call

Directors Present: Richard Cochrun, Linda Joppich, Dr. Lathrop, John Somnavilla, Nicole VanNess, Janet Wolf
Directors Absent: Debra Rushton

Others in Attendance: Chris Davis, Kelly Dunham, Mary Meredith, Wayne Stevens, Nichole Thompson
4. Public Comment
There was no public comment.
5. Approval of Agenda

On a Motion made by Janet Wolf and seconded by Linda Joppich, the BATA Board of Directors approved the March 28, 2018 Agenda as presented.
MOTION PASSES: 6-0
6. Approval of Minutes

a. February 28, 2018 Regular Board Meeting Minutes

On a Motion made by Janet Wolf and seconded by Linda Joppich, the BATA Board of Directors approved the February 28, 2018 Regular Board Meeting Minutes as presented.
MOTION PASSES: 6-0
7. Executive Director's Report – Kelly Dunham

Kelly Dunham reviewed her monthly report highlighting the following:

- Rural Tax Funding: The sharing area includes Benzie, Grand Traverse, and Leelanau Counties therefore we have two shares due to our presence in two counties equating to 3% of the funding dollars or \$40,000 annually in the past. Kelly Dunham is working on increasing our percentage of the total fund pool. The Directors discussed various strategies for this process and Dr Lathrop requested Kelly contact the Road Commission to inquire about coordinating projects and to also reach out to the State of Michigan to further define the distribution process. This could be a joint strategic effort with BATA and the Road Commission.

MPTA Conference: Kelly attended the conference in East Lansing which was well-attended by State legislators and Kelly had interaction with our Representatives and Senators regarding public funding and other business issues.

a. Advertising Sales Program Review – Wayne Stevens

Wayne provided the Board with current advertising goals and rebranding activities. Many buses are now displayed with advertising. Advertising sales have increased exponentially and Wayne reviewed some current advertising rates and orders in process. Wayne also discussed shelter advertising. A new campaign “Caught you Looking” will be launched within the next 30 days. The FY18 sales goal is \$70,000 however Wayne is hoping to surpass the goal and reach \$100,000 in gross annual advertising revenue. This would represent selling approximately 70% of the space capacity with an estimated \$60,000 in net revenue. We may also develop a program to manage advertising sales for some of our nearby smaller transit systems in the future. Billboard pricing is much more expensive when comparing monthly rates. Wayne estimates several thousand drivers see our advertising each day. Kelly invited the Board to look for other local businesses and organizations that would benefit from BATA advertising and to refer these leads to Wayne.

8. Finance Reports – Nichole Thompson

a. February 2018 Finance Reports

- i. Income Statements
- ii. Statement of Net Position
- iii. Capital Reserve Fund Report
- iv. Operating Reserve Fund Report
- v. Cash Flow Analysis

Controller Nichole Thompson reviewed the monthly Finance Reports with the following highlights:

- February YTD is still consistently above our budgeted Income forecast. Auxiliary Revenue reflects advertising sales, Indian Trails commission, and commission from our vending machines.

- Statement of Net Position shows our overall net position is at a 3% increase over last year. We are delayed in receiving our federal subsidy payment which is currently reflected as a receivable.
- Capital Reserve Fund reflects no new activity.
- Fare box revenue shows a slight decrease from projection. Discussion was had regarding the potential impact that the commuter pass, implemented in November, may be having. A Commuter Pass analysis will be presented at the April Board Meeting.
- Capital Reserve Fund: 5% of our total budgeted revenue is set aside at the beginning of the year to use on capital purchases throughout the year. Nichole reviewed the Asset Investment Projects approved for FY18 and presented a report of projects completed in the first quarter. All projects thus far have come in under budget. Capital projects will be reviewed on a quarterly basis throughout the year.

On a Motion made by Janet Wolf and seconded by Linda Joppich that the BATA Board of Directors accepted the February 2018 Finance Reports as presented.

MOTION PASSES: 6-0

b. Finance Oversight Team ("FOT") Update – Kelly Dunham

Kelly updated the Board on the recent meeting of the FOT where a MERS representative attended and explained the assumptions on rate of return as it relates to the Pension Plan. We are currently 101% funded which is in the top 10% of municipalities in Michigan. MERS reported the rate of return assumed was lowered recently from 8% to 7.75% (using a 30-year average). Changes in assumptions such as that can have significant funding impacts. The FOT will be making annual recommendations on the employer funding rates in an effort to maintain a 100% funded balance.

9. Chairperson's Report
There was nothing to report.

10. Old Business

a. Board Request Tracker

The most recent Board Request Tracker was reviewed.

Kelly informed the Board of her recent efforts regarding industry trend comparisons of liability insurance premiums and requested board feedback on the priority of this topic.

The Board Policy Committee meets immediately after the Board Meeting with the goal of creating an updated manual.

Director VanNess inquired about the planning of East Front Street and if we have contacted the City as to sidewalk plans and how this relates to some of our stops. Kelly will follow up with staff.

b. At-Large Seat Filling Process

Director Lathrop appointed himself, Janet Wolf and Nicole VanNess as the ad hoc committee for the purpose of soliciting and interviewing board of director applicants and bring a recommendation for appointment back to the board by the May regular meeting. This vacancy is to fill Director Wolf's seat.

11. New Business

a. BATA Board Member Job Description

On a Motion made by Nicole VanNess and seconded by Richard Cochrun the BATA Board of Directors approved the BATA Board Member Job Description as presented.

MOTION PASSES: 6-0

b. Purchased Service Agreement with Northern Lakes Community Mental Health Authority ("NLCMHA")

Director Sommavilla suggested in the future using titles vs names in the Agreement and moving the fee schedule section to the Appendix for ease of renewals and maintaining relevancy. The formula for the fully loaded costs and fee structure were reviewed.

On a Motion made by Janet Wolf and seconded by John Sommavilla the BATA Board of Directors approved the Purchased Service Agreement with Northern Lakes Community Mental Health Authority as presented.

MOTION PASSES: 6-0

c. Drug and Alcohol Policy – Chris Davis

Chris Davis, Director of Administrative Services, reviewed the Drug and Alcohol Policy which has been revised to meet MDOT requirements. Employees and our testing sites were informed of the changes in December and February.

On a Motion made by Nicole VanNess and seconded by Linda Joppich the BATA Board of Directors approved the 2018 Drug and Alcohol Policy as presented.

MOTION PASSES: 6-0

d. Dennis Gartland & Niergarth 1st Q Agreed Upon Procedures Report – Nichole Thompson

Nichole presented the results to the directors. Two areas were audited – payroll and cash receipts. There was one finding pertinent to the reconciliation of

farebox collection showing a discrepancy of \$112 between the Genfare report and the physical bank deposit. There is sometimes a lag between the data transfer and the actual deposit of cash from a bus. Staff believes this is the cause of the discrepancy. When the YTD variance is reviewed for confirmation, the discrepancy does not exist, which validates the theory. Staff will continue to pay close attention to all farebox discrepancies.

On a Motion made by Dr Lathrop and seconded by Richard Cochrun the BATA Board of Directors accepted the 1st Quarter Agreed Upon Procedures Report as presented.

MOTION PASSES: 6-0

e. 2017 Organizational Performance Scorecard Report

Kelly reviewed the 2017 Scorecard and provided background on our strategic approach. The various line items were described in more detail and the five pillars' importance (Financial, Customer Quality, Safety, Employees Equipped for Quality, and Performance Based Culture).

Some areas for improvement: Workers Compensation and Safety (slip and falls). Trak boot slips were provided to all drivers which has helped reduce injuries. We also have established a Safety Committee. Scorecard results are shared with staff. Director Somnavilla recommended moving Safety to the top of the Scorecard to convey importance and Director Wolf would like to see definitions of metrics printed.

12. Public Comment
There was no public comment.

13. Executive Director's Performance Review –**Closed Session**

On a Motion made by Janet Wolf and seconded by Richard Cochrun the BATA Board of Directors moved to go into closed session at 11:37am under section 8(e) of the Open Meetings Act, to consider the personnel evaluation of the Executive Director, Kelly Dunham as requested by Kelly Dunham.

MOTION PASSES: 6-0

The Regular Meeting was then reopened and Director Somnavilla excused himself from the meeting due to a previous commitment.

14. Executive Director's Merit Increase

On a Motion made by Richard Cochrun and seconded by Janet Wolf the BATA Board of Directors awarded Kelly Dunham a 2017 retroactive bonus of \$7,500 based on merit.

MOTION PASSES: 5-0

On a Motion made by Richard Cochrun and seconded by Janet Wolf the BATA Board of Directors awarded Kelly Dunham a 4.6% salary increase effective January 27, 2018 based on merit as provided in her annual performance review.

MOTION PASSES: 5-0

The Directors requested that Chris Davis formulate a 2016 retroactive bonus amount for Kelly Dunham and make a recommendation at the April Board Meeting for consideration.

15. Directors' Comments/Open Floor

16. Adjournment

On a Motion made by Janet Wolf, the BATA Board of Directors moved to adjourn the Regular Board Meeting at 11:57am.

MOTION PASSES: 5-0

Submitted/Recorded by: Mary Meredith, Administrative Assistant

Approved on 4-25-18
DATE

Linda Joppich
Linda Joppich, Board Secretary