



**NOTICE OF CAPITAL AREA TRANSIT SYSTEM
REGULAR MEETING OF THE BOARD OF COMMISSIONERS**

August 16, 2022

4:30 p.m.

BREC Administration Building

Commissioner's Room

6201 Florida Blvd

Baton Rouge, Louisiana 70806

AGENDA

- I) CALL TO ORDER: Mr. Kahli Cohran**
- II) ROLL CALL: Mr. Theo Richards**
- III) APPROVAL OF MINUTES OF July 19, 2022, MONTHLY BOARD MEETING:
Mr. Kahli Cohran**
- IV) PRESIDENT'S ANNOUNCEMENTS: Mr. Kahli Cohran**
- V) ADMINISTRATIVE MATTERS**
 - 1. Executive and Financial Report: Ms. Dwana Williams and Executive Staff**
- VI) COMMITTEE REPORTS AND ANY ACTION THEREON**
 - 1. Finance & Executive: Mr. Kahli Cohran**
 - 2. Technical, Policies & Practices: Dr. Peter Breaux**
 - 3. Audit: (no meeting held)**
 - 4. Planning: Mr. Patrick Downs**
 - 5. Community Relations: Ms. Linda Perkins**
- VII) ACTION ITEM – Consideration of approval for the purchase of nine (9) electric vehicles and eleven (11) charging stations from Gillig, for the BRT Plank-Nicholson BRT Project.**
- VIII) ACTION ITEM - Consideration of approval of the 2021 Annual Audit**
- IX) ACTION ITEM - Consideration of approval of the Collective Bargaining**
- X) ACTION ITEM - Consideration of approval of the WSP Task Order 1, NTE \$645,000**
- XI) ACTION ITEM - Consideration of approval of the authorization to enter into an amended legal services contract with Breazeale, Sachse & Wilson, LLP**
- XII) ADJOURNMENT**



CATS July Board of Commissioners Meeting

Tuesday, July 19, 2022

4:30 pm

MINUTES

CALL TO ORDER

The regular meeting of the CATS Board of Commissioners Meeting was called to order at 4:30 pm by President Kahli Cohran.

1. ROLL CALL

Attendee Name	Title	Status
Dr. Peter Breaux	Member	Present
Carolyn Coleman	Member	Present
Kahli Cohran	President	Present
Melissa DeGeneres	Member at Large	Present
Patrick Downs	Member	Absent
Johnathan Hill	Member	Present
Linda Perkins	Vice-President	Present
Antoinette Pierre	Secretary	Absent

2. APPROVAL OF MINUTES OF JUNE 21, 2022, BOARD MEETING & Mr. Kahli Cohran
M/S/C (Perkins/Breaux) to recommend the approval of the June 21, 2022, Monthly Board Meeting Minutes

RESULT: ACCEPTED – Approval of June 21, 2022, monthly board minutes

MOVER: Linda Perkins

SECONDER: Dr. Peter Breaux

YEAS: Breaux, Coleman, Cohran, DeGeneres, Hill, Perkins

NAYS:

ABSTAIN:

ABSENT: Downs & Pierre

3. APPROVAL OF MINUTES OF JUNE 29, 2022 SEPCIAL BOARD MEETING Mr. Kahli Cohran
M/S/C (Hill/Perkins) to recommend the approval of the June 29, 2022 Special Board

RESULT: ACCEPTED – Approval of June 29, 2022, Special Board Meeting.

MOVER: Johnathan Hill

SECONDER: Linda Perkins

YEAS: Breaux, Coleman, Cohran, DeGeneres, Hill, Perkins

NAYS:

ABSTAIN:

ABSENT: Downs & Pierre

Meeting Minutes & June 29, 2022 Special Board Meeting

4. PRESIDENT'S ANNOUNCEMENTS: Mr. Kahli Cohran

5. ADMINISTRATIVE MATTERS

Operations – James Payton

There are 110 total operators, 99 actives, and 11 inactive.

CATS Culture of Accountability Training- Classes completed so far are Customer Service, Leadership, and Stress Management. Next is Positive Attitude training.

Currently a Cadet class of 8 is in progress. Target date for the next class is June 21st Mr. Payton reviewed the June performance measures.

Planning and Program Development – Cheri Soileau

LYNX by CATS revenue service started June 7, 2022, in the City of Baker. Over 1,300 rides have been provided. Average ride is 6.6 minutes with a rating of 4.8/5. Busiest locations: Walmart, Baker Middle School, and Baker City Hall.

CATS was awarded two grants from FTA.

CEO – Dwana Williams

No contracts were executed for the month of June. Collective Bargaining agreement is being finalized for review. 2021 Audit is complete and NTD is in the process of being finalized.

Finance Report – Michael Falgout

Michael Falgout presented the June financials and noted that the total current assets as of June 30, 2022, are current assets \$36,039,694. The total assets are \$59,532,751. The total current liabilities are \$15,420,449 and the total liabilities are \$17,104,715. The total net assets are \$42,428,036 The total liabilities and net assets are \$59,532,571.

The total operating expenses for the month of June are \$2,421,994

The total CATS-generated operating revenues for the month as of June 30, 2022, are \$169,529. The total non-federal subsidies for the month are \$1,685,452 and the total federal subsidies are \$901,557

The total operating revenues as of June 30, 2022, are \$2,756,538

The net operations balance for the month as of June 30, 2022, is a deficit of (\$123,791). The net operations balance for the year is a \$233,611.

6. COMMITTEE REPORTS AND ANY ACTION THEREON

1. Finance and Executive: Mr. Kahli Cohran

Mr. Cohran noted the minutes are in the packet

2. Technical, Policies and Practices: Dr. Peter Breaux

Dr. Breaux noted the committee did not meet.

3. Audit:

Noted the committee did not meet.

4. Planning: Mr. Downs.

Mr. Downs noted the committee did not meet.

5. Community Relations: Ms. Linda Perkins

Ms. Perkins noted the committee did meet on and the minutes for

July 13, 2022.

7. Action Items

1. APPROVAL of amending the July 19, 2022 Board of Commissioners agenda to Action Items X, VII and IX.

M/S/C (Perkins/Hill) to recommend the amending the July 19, 2022 Board of Commissioners agenda to Action Items X, VII and IX.

RESULT: ACCEPTED – Approval of Board Agenda Amendment

MOVER: Linda Perkins

SECONDER: Johnathan Hill

YEAS: Breaux, Coleman, Cohran, DeGeneres, Hill, Perkins

NAYS:

ABSTAIN:

ABSENT: Downs & Pierre

2. APPROVAL to enter into executive session to discuss agenda item X.

M/S/C (Perkins/Cohran) to recommend entering into executive sessions to discuss agenda item X.

RESULT: ACCEPTED – Approval of executive session started at 5:11 pm

MOVER: Linda Perkins

SECONDER: Kahli Cohran

YEAS: Breaux, Coleman, Cohran, DeGeneres, Hill, Perkins

NAYS:

ABSTAIN:

ABSENT: Downs & Pierre

3. APPROVAL to end executive session

M/S/C (Hill/Perkins) to recommend ending executive session

RESULT: ACCEPTED – Approval of to end executive session at 5:30 pm

MOVER: Johnathan Hill

SECONDER: Linda Perkins

YEAS: Breaux, Coleman, Cohran, DeGeneres, Hill, Perkins

NAYS:

ABSTAIN:

ABSENT: Downs & Pierre

4. APPROVAL of the authorization to settle the claims of Jesse Donahue under the terms of the settlement and judgment payment policy adopted by the Board on July 20, 2004, as amended.

M/S/C (DeGeneres/Perkins) to recommend the authorization to settle the claims of Jesse Donahue under the terms of the settlement and judgment payment policy adopted by the Board on July 20, 2004, as amended.

RESULT: ACCEPTED – Approval of Settlement
MOVER: Melissa DeGeneres
SECONDER: Linda Perkins
YEAS: Breaux, Coleman, Cohran, DeGeneres, Hill, Perkins
NAYS:
ABSTAIN:
ABSENT: Downs & Pierre

5. APPROVAL that the CATS Board of Commissioners designate The Advocate as their official journal of record through June 2023.

M/S/C (Perkins, DeGeneres) to recommend that the CATS Board of Commissioners designate The Advocate as their official journal of record through June 2023.

RESULT: ACCEPTED – Approval of Advocate Designation
MOVER: Linda Perkins
SECONDER: Melissa DeGeneres
YEAS: Breaux, Coleman, Cohran, DeGeneres, Hill, Perkins
NAYS:
ABSTAIN:
ABSENT: Downs & Pierre

6. APPROVAL of the of the Public Transportation Agency Safety Plan (PTASP)-Safety Committee

M/S/C (DeGeneres, Perkins) to recommend the approval of the Public Transportation Agency Safety Plan (PTASP)-Safety Committee

7. Adjournment

M/S/C (

RESULT: ACCEPTED – Approval Public Transportation Agency Safety Plan.
MOVER: Melissa DeGeneres
SECONDER: Linda Perkins
YEAS: Breaux, Coleman, Cohran, DeGeneres, Hill, Perkins
NAYS:
ABSTAIN:
ABSENT: Downs & Pierre

Perkins, Cohran)



EXECUTIVE REPORT

August 2022

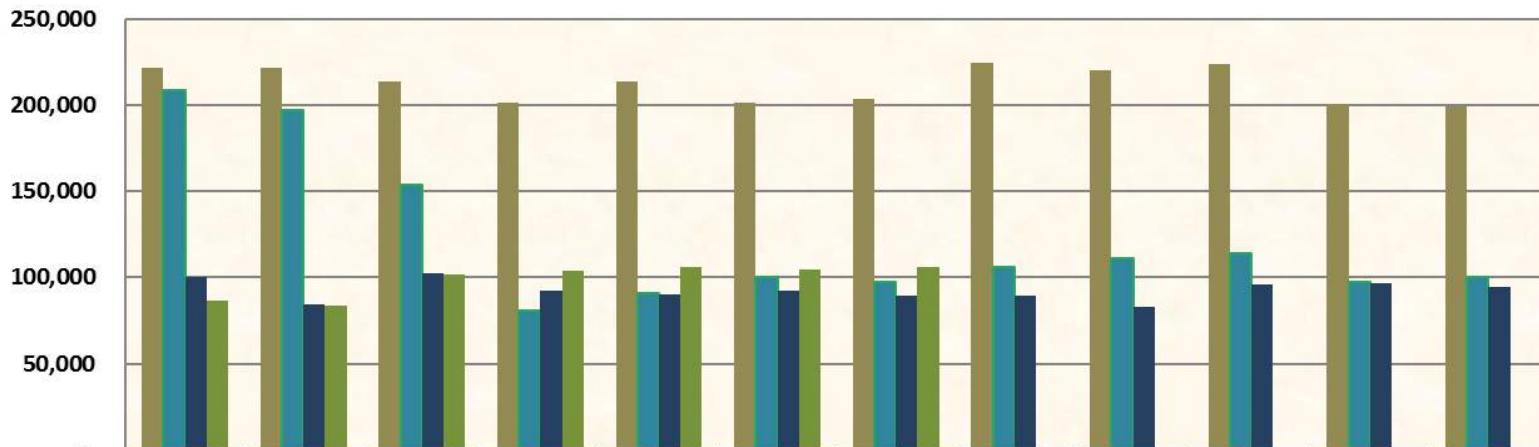
STAFFING

- Operators - 109 total operators, 100 active, 9 inactive.
 - Currently a Cadet class of 5 is in progress. Next class is scheduled for Aug. 29th
- Culture of Accountability Training- for the month of July was Personal productivity.
- Other ongoing training is conflict resolution and Smith System training
- Top Performers on low performing routes for the 2nd quarter
Brandon Smith, Shontell Chenevert, Cynthia Cummings, Gloria Banks, Henry Devold, Lori Cage

PERFORMANCE MEASURES



Monthly Ridership 2019-2022

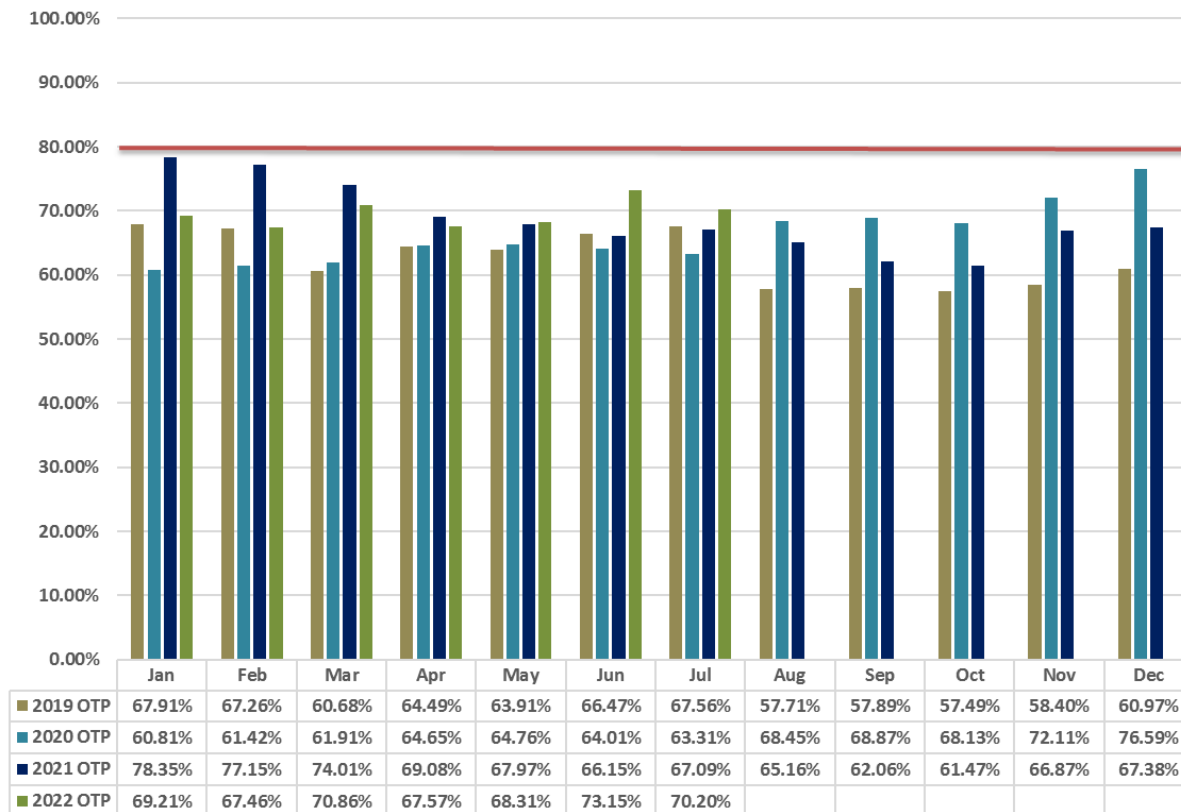


	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2019 Ridership	221,453	221,163	213,485	201,647	213,627	201,041	203,476	224,556	220,042	223,657	200,579	198,778
2020 Ridership	208,810	197,151	153,561	80,458	90,485	100,415	97,366	105,704	111,403	114,030	97,230	100,521
2021 Ridership	100,271	84,605	102,631	92,457	89,900	92,268	89,356	89,066	82,766	95,695	96,622	94,274
2022 Ridership	86,487	83,809	101,998	103,809	106,046	104,654	105,759					

PERFORMANCE MEASURES



OTP 2019-2022



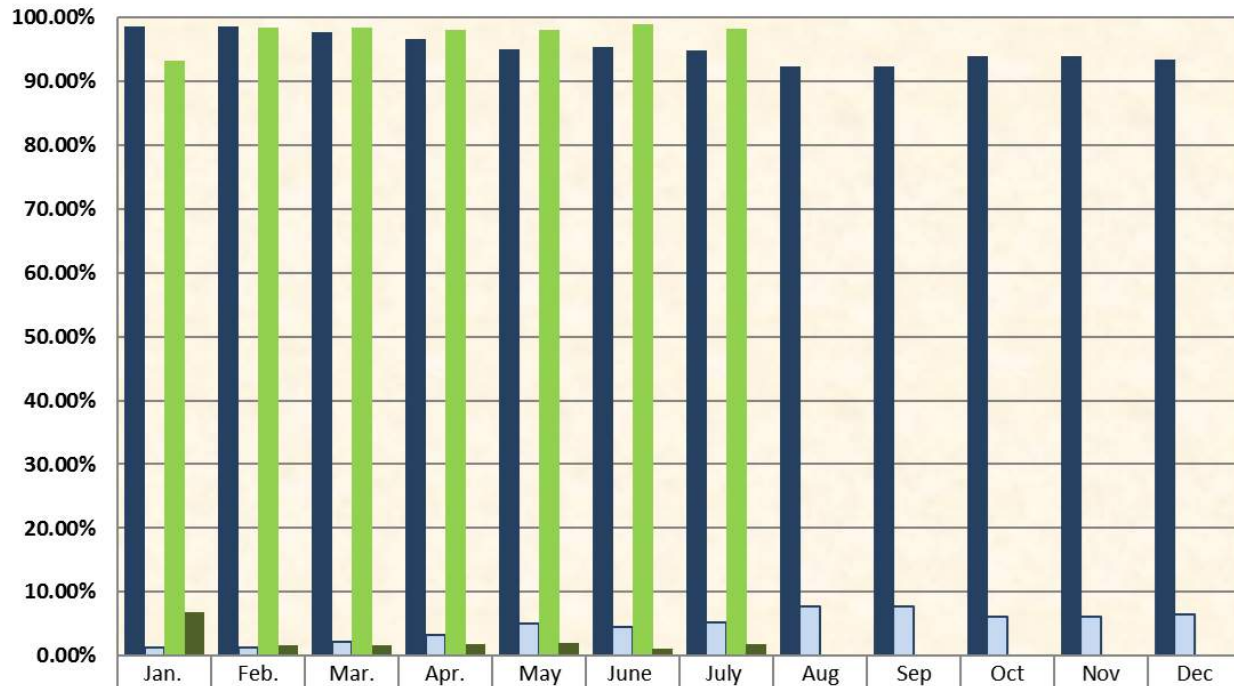
*Target 80% On-Time Performance

Note: OTP is measured at scheduled timepoints effective (1/16/22), which represents 6.68% of the total system bus stops.

PERFORMANCE MEASURES



% Trips Operated 2021-2022

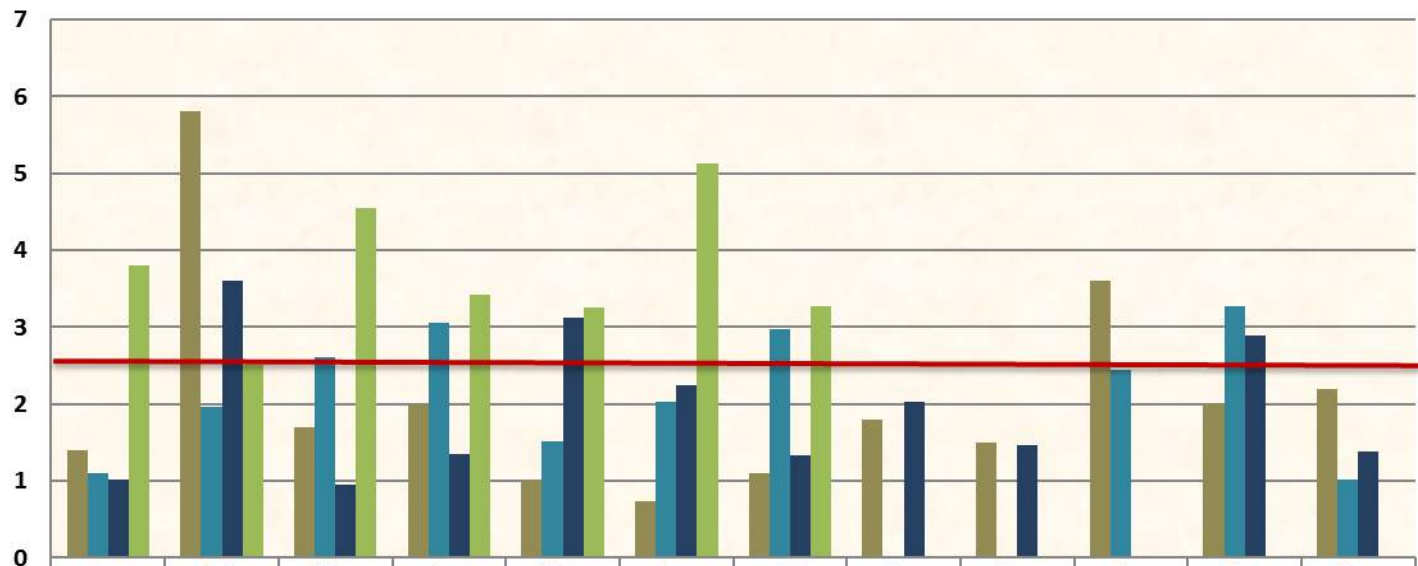


■ 2021 % Operated Trips	98.67%	98.64%	97.76%	96.67%	94.93%	95.44%	94.84%	92.26%	92.30%	93.87%	93.97%	93.46%
■ 2021 % Missed Trips	1.33%	1.36%	2.24%	3.33%	5.07%	4.56%	5.16%	7.74%	7.70%	6.13%	6.03%	6.54%
■ 2022 % Operated Trips	93.17%	98.40%	98.36%	98.12%	98.00%	98.87%	98.21%					
■ 2022 % Missed Trips	6.83%	1.60%	1.64%	1.88%	2.00%	1.13%	1.79%					

PERFORMANCE MEASURES



Preventable Accidents per 100,000 Miles 2019-2022



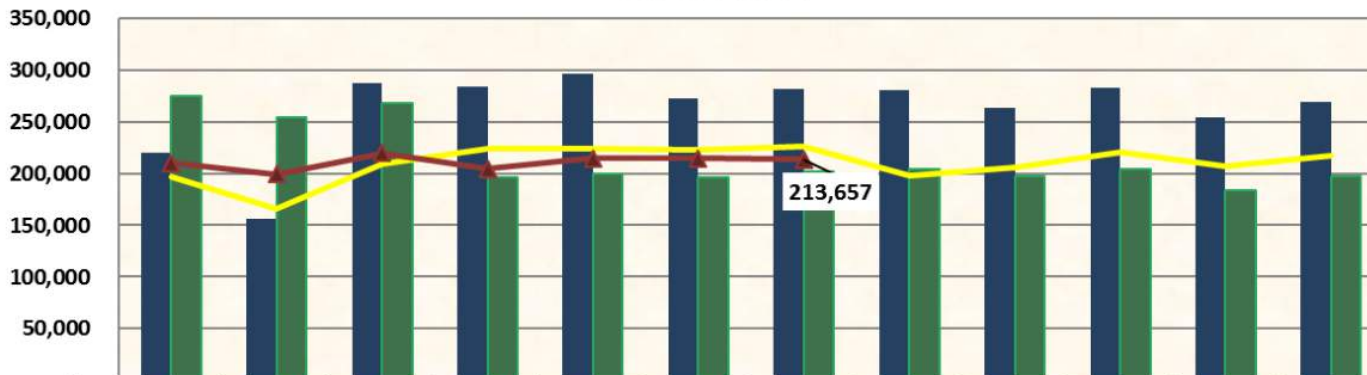
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019 Preventable Accidents	1.4	5.8	1.7	2.0	1.0	0.73	1.1	1.8	1.5	3.6	2.0	2.2
2020 Preventable Accidents	1.1	2.0	2.6	3.1	1.5	2.0	3.0	0	0	2.4	3.3	1.0
2021 Preventable Accidents	1.0	3.6	1.0	1.3	3.1	2.2	1.3	2.0	1.5	0	2.9	1.4
2022 Preventable Accidents	3.8	2.5	4.6	3.4	3.3	5.1	3.3					

*Target Below 2.5 Preventable Accidents Per 100,000 Miles

PERFORMANCE MEASURES



Mileage 2019-2022

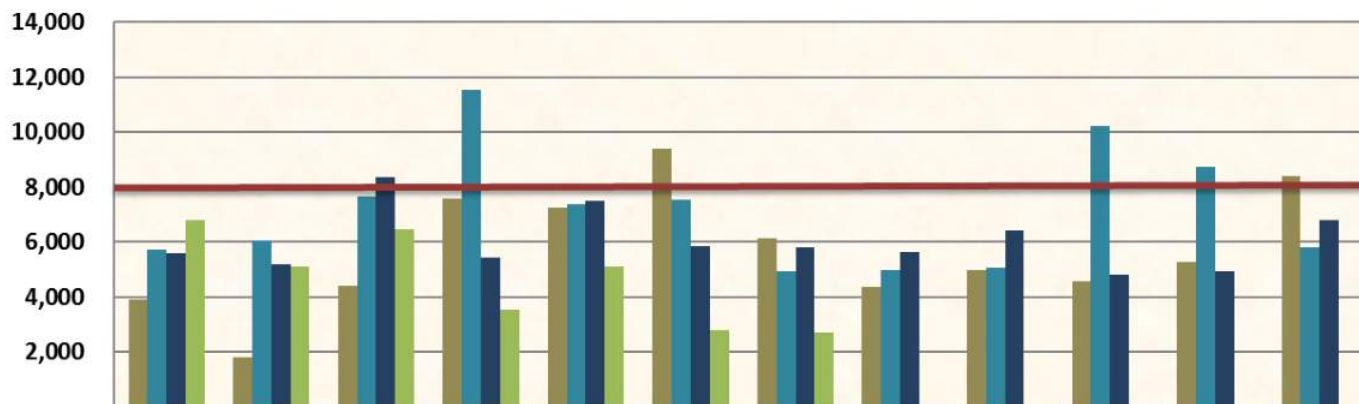


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019 Mileage	219,625	155,859	286,945	284,305	296,706	273,021	281,985	280,497	263,457	282,376	253,816	269,140
2020 Mileage	274,635	254,535	267,862	196,291	199,138	196,474	202,135	203,556	196,900	204,348	183,389	197,791
2021 Mileage	196,689	166,402	208,837	223,524	224,525	222,671	226,398	197,796	205,971	221,033	207,057	217,340
2022 Mileage	210,226	199,168	219,688	204,484	214,917	214,793	213,657					

PERFORMANCE MEASURES



Mean Miles Between Road Calls 2019-2022



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
■ 2019 Mean Miles Between Road Calls	3,922	1,792	4,415	7,583	7,237	9,415	6,130	4,383	4,971	4,554	5,288	8,411
■ 2020 Mean Miles Between Road Calls	5,722	6,060	7,653	11,547	7,375	7,557	4,930	4,965	5,049	10,217	8,731	5,817
■ 2021 Mean Miles Between Road Calls	5,620	5,200	8,353	5,452	7,484	5,860	5,805	5,651	6,437	4,805	4,930	6,792
■ 2022 Mean Miles Between Road Calls	6,781	5,107	6,461	3,526	5,117	2,790	2,705					

PLANNING

Plank-Nicholson Bus Rapid Transit

- North Transit Center-100% design (end of August)
 - ITB for Construction-September
 - NTP: January 2023
 - Construction: 1 year
- Buses
 - 9 35' Electric Buses
 - August Board approval for purchase

Comprehensive Operational Analysis

- Draft Final Routes Scenario (Planning Committee)
- Terminal (2222 Florida) – relocation opportunities

Lynx

- KPIs are included for July 2022

PROCUREMENT

Implemented Improvements

- Original Equipment Manufacturer Vendors and single source vendor file documentation requirements have been established and are being fully implemented
- Emergency Procurement process has been documented in an addendum to the Procurement Manual to ensure compliance with state law
- Procurement Training for Procurement staff is ongoing. All CATS employees involved in the creation of purchase requisitions are being trained as it relates to defined needs
- Professional Contract Closeout has begun and will be an ongoing effort. Standardized letters are being utilized for contract issuance and closeout
- DBE Participation has been documented as defined in the August Board Memo - Procurement

Upcoming Improvement Efforts

- Support in Monthly Meetings with Departments and Teams
- Continued Integration with Grants Management and Finance

CEO NOTES

- The CEO did execute three contracts in July.
- Collective Bargaining Agreement Update
- We have made great progress over the last month:
 - CATS 2021 Annual Audit is complete
 - CATS NTD is in the process of being finalized
 - CATS Interim CEO attended the Annual COMTO Conference
 - CATS presented at the SWTA Summer U Conference in Rogers, AK. Theo Richards presented on Community Partnerships.

FINANCIAL

Capital Area Transit System Statement of Operating Budget vs. Actual For the Period Ended July, 2022

	Current Month				Year to Date				Approved Budget
	Budget	Actual	Variance	% Var	Budget	Actual	Variance	% Var	
Operating Revenues									
Passenger Paid Fares	69,931	77,447	7,516	10.75%	489,517	526,884	37,367	7.63%	839,172
Special Transit Fares (Contract)	6,195	2,601	(3,594)	-58.01%	43,363	29,457	(13,906)	-32.07%	74,337
ADA/Paratransit Revenue	6,209	8,342	2,133	34.30%	43,460	56,239	12,780	29.41%	74,502
Advertising Revenue	43,750	60,462	16,712	38.20%	306,250	353,918	47,668	15.56%	525,000
Interest Income	382	4,622	4,240	1110.05%	2,674	27,969	25,295	945.97%	4,584
Other Agency Revenue	20,000	37,464	17,464	87.32%	140,001	80,434	(59,567)	-42.55%	240,002
Total CATS Generated	146,466	190,937	44,471	30.36%	1,025,265	1,074,902	49,637	4.84%	1,757,597
Non Federal Revenue									
Hotel/Motel Tax	87,086	87,086	0	0.00%	609,602	609,602	0	0.00%	1,045,032
Parish Transportation Fund	45,833	45,833	(0)	0.00%	320,833	320,833	(0)	0.00%	550,000
Property Tax Revenue	1,583,333	1,552,533	(30,800)	-1.95%	11,083,333	10,990,932	(92,401)	-0.83%	19,000,000
Total Non Federal	1,716,253	1,685,452	(30,800)	-1.79%	12,013,769	11,921,367	(92,401)	-0.77%	20,595,032
Federal Operating Subsidies									
FTA - Formula Grants/PM	358,333	384,606	26,272	7.33%	2,508,333	2,251,837	(256,496)	-10.23%	4,300,000
FTA - Capital Projects (Project Admin)	41,667	132,944	91,278	219.07%	291,667	389,644	97,978	33.59%	500,000
FTA - Planning	57,583	23,702	(33,882)	-58.84%	403,083	247,297	(155,786)	-38.65%	691,000
FTA - ARP	101,691	582,847	481,156	473.15%	711,840	4,079,928	3,368,088	473.15%	1,220,297
Total Federal Operating	559,275	1,124,099	564,824	100.99%	3,914,923	6,968,707	3,053,783	78.00%	6,711,297
TOTAL SOURCES OF REVENUE	2,421,994	3,000,488	578,494	23.89%	16,953,957	19,964,976	3,011,019	17.76%	29,063,926
Operating Expenses									
Labor	953,653	990,355	(36,702)	-3.85%	6,675,574	7,280,795	(605,221)	-9.07%	11,443,841
Fringe Benefits	532,758	578,242	(45,484)	-8.54%	3,729,309	3,379,542	349,767	9.38%	6,393,101
Casualty and Liability	146,625	310,270	(163,645)	-111.61%	1,026,375	1,181,268	(154,893)	-15.09%	1,759,500
Services	240,086	313,469	(73,384)	-30.57%	1,680,601	1,818,876	(138,275)	-8.23%	2,881,030
Purchased Transportation	163,971	269,606	(105,635)	-64.42%	1,147,798	1,266,075	(118,277)	-10.30%	1,967,653
Materials & Supplies	262,500	505,248	(242,748)	-92.48%	1,837,500	2,652,126	(814,626)	-44.33%	3,150,000
Utilities	17,158	25,012	(7,853)	-45.77%	120,108	136,293	(16,184)	-13.47%	205,900
Miscellaneous Expenses	96,860	68,959	27,901	28.81%	678,022	719,206	(41,184)	-6.07%	1,162,323
Leases and Rentals	8,382	7,865	517	6.17%	58,671	55,170	3,500	5.97%	100,578
Total Operating Expenses	2,421,994	3,069,027	(647,033)	-26.71%	16,953,957	18,489,349	(1,535,392)	-9.06%	29,063,926
Net SURPLUS/(DEFICIT) Before Depreciation	0	(68,539)	(68,539)	0.00%	0	1,475,627	1,475,627	0.00%	
Depreciation	229,151	229,151	0	0.00%	1,604,057	1,604,057	0	0.00%	
NET Operating SURPLUS/(DEFICIT)	(229,151)	(297,689)	(68,539)	29.91%	(1,604,057)	(128,429)	1,475,627	-91.99%	

FINANCIAL

**Capital Area Transit System
Balance Sheet
July, 2022**

7/31/2022 7/31/2021

ASSETS

Current Assets:		
Cash and Cash Equivalents	10,049,856	8,613,783
Accounts Receivable	232,783	397,389
Property Tax Receivable	18,642,133	19,105,113
Due from Governments	5,282,196	7,111,418
Inventory	1,492,111	702,787
Prepaid Expenses and Other Assets	346,857	77,179
Total Current Assets:	36,045,936	36,007,668
Restricted Assets:		
Cash and Cash Equivalents	3,311,039	3,304,671
Total Restricted Assets:	3,311,039	3,304,671
Net Pension Asset, Long-Term	1,164,137	676,430
Equipment, Net	19,014,014	20,643,390
Total Assets	59,535,126	60,632,160

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable and Accrued Expenses	850,132	442,760
Accrued Payroll and Tax Liabilities	739,930	854,938
Accrued Compensated Absences	757,284	850,652
Claims Payable and Related Liabilities	889,303	906,118
Capital Lease Payable	294,956	280,748
Deferred Revenue (Grants/Prop Tax)	12,253,259	8,771,962
Total Current Liabilities	15,784,864	12,107,177
Long-Term Liabilities		
Capital Lease Payable, Less Current Portion	962,006	1,585,098
Estimated Liabilities	722,260	690,136
Total Long-Term Liabilities	1,684,266	2,275,234
Total Liabilities	17,469,129	14,382,412
Net Assets:		
Investments in Capital Assets, Net of Related Liabilities	17,757,052	18,777,544
Restricted Cash and Cash Equivalents	3,311,039	3,304,671
Unrestricted	20,997,905	24,167,532
Total Net Assets:	42,065,996	46,249,748
Total Liabilities And Net Assets	59,535,126	60,632,160



Date: August 8, 2022
F&E Meeting: August 11, 2022
Board Meeting: August 16, 2022

BOARD MEMORANDUM

FOR INFORMATION ONLY

TO: Capital Area Transit System Finance & Executive Committee
THROUGH: Interim CEO, Dwana Williams
FROM: Accounting, Michael Falgout
SUBJECT: July 2022 - Monthly Financial Summary

EXECUTIVE SUMMARY:

Presentation of summary financials for the month of July 2022.

BALANCE SHEET SUMMARY:

The month-over-month change in Total Cash & Cash Equivalents (includes Restricted Cash) was a decrease of \$2,871,413. The Total Cash & Cash Equivalents (includes Restricted Cash) balance was \$13,360,895 as of July 31, 2022.

Month-over-Month Change in Cash	
Total Cash & Cash Equivalents - July 2022	\$13,360,895
Total Cash & Cash Equivalents - June 2022	16,232,309
Increase/(Decrease) Cash & Cash Equivalents	(\$2,871,413)
	<u>7/31/2022</u>
Cash Position	
Cash & Cash Equivalents	\$10,049,856
Cash & Cash Equivalents - Restricted	3,311,039
Total Cash & Cash Equivalents	\$13,360,895

	<u>7/31/2022</u>	<u>7/31/2021</u>
ASSETS		
Current Assets	\$36,045,936	\$36,007,668
Restricted Assets	3,311,039	3,304,671
Long-Term Assets	20,178,151	21,319,820
Total Assets	<u>\$59,535,126</u>	<u>\$60,632,160</u>
LIABILITIES AND NET ASSETS		
Total Liabilities	\$17,469,129	\$14,382,412
Net Assets	42,065,996	46,249,748
Total Liabilities and Net Assets	<u>\$59,535,126</u>	<u>\$60,632,160</u>

GRANT DRAW DOWN(S):

There were no grant draw downs for the month of July 2022.

STATEMENT OF OPERATING BUDGET VS ACTUAL SUMMARY:

	<u>Current Month</u>			<u>Year to Date</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenue						
Total CATS Generated	\$146,466	\$190,937	\$44,471	\$1,025,265	\$1,074,902	\$49,637
Total Non-Federal	1,716,253	1,685,452	(30,800)	12,013,769	11,921,367	(92,401)
Total Federal Operating	559,275	1,124,099	564,824	3,914,923	6,968,707	3,053,783
Total Sources of Revenue	<u>\$2,421,994</u>	<u>\$3,000,488</u>	<u>\$578,494</u>	<u>\$16,953,957</u>	<u>\$19,964,976</u>	<u>\$3,011,019</u>
Total Operating Expenses	<u>\$2,421,994</u>	<u>\$3,069,027</u>	<u>(\$647,033)</u>	<u>\$16,953,957</u>	<u>\$18,489,349</u>	<u>(\$1,535,392)</u>
Net SURPLUS/(DEFICIT) Before Depr.	<u>\$0</u>	<u>(\$68,539)</u>	<u>(\$68,539)</u>	<u>\$0</u>	<u>\$1,475,627</u>	<u>\$1,475,627</u>

BREAKDOWN OF MONTHLY OPERATING EXPENSES:

<u>Expense</u>		<u>% of Total</u>
Labor	\$990,355	32.3%
Fringe Benefits	578,242	18.8%
Casualty and Liability	310,270	10.1%
Services	313,469	10.2%
Purchased Transportation	269,606	8.8%
Materials & Supplies	505,248	16.5%
Utilities	25,012	0.8%
Miscellaneous Expenses	68,959	2.2%
Leases and Rentals	7,865	0.3%
Total Operating Exp.	<u>\$3,069,027</u>	<u>100.0%</u>

Expense Category	Percentage
LABOR	32.3%
FRINGE BENEFITS	18.8%
CASUALTY AND LIABILITY	10.1%
SERVICES	10.2%
PURCHASED TRANSPORTATION	8.8%
MATERIALS & SUPPLIES	16.5%
UTILITIES	0.8%
MISCELLANEOUS EXPENSES	2.2%
LEASES AND RENTALS	0.3%



Date: August 4, 2022 Date: August 3, 2022
F&E: August 11, 2022
Board Meeting: August 16, 2022

BOARD MEMORANDUM

FOR INFORMATION ONLY

TO: Capital Area Transit System Finance & Executive Committee
THROUGH: Interim CEO, Dwana Williams
FROM: Grants Manager, Karla M. Hatch
SUBJECT: Grants Update

EXECUTIVE SUMMARY: All grants listed reflect the awards that are currently available for drawdown requests.

PENDING GRANTS: The following grant applications are still under review in TrAMS.

- Section 5339 - \$360K in federal funds to replace the HVAC system at the maintenance facility.
- Low-No - \$3.87M in federal funds to purchase 7 Electric Buses
- Section 5307 - \$2.05M in federal funds to help fund the North Baton Rouge Transit Terminal.
- Section 5307 - \$6.2M 2021 Annual Appropriation for operating & capital projects.

CATS Funding Summary Balance by Financial Purpose Code (FPC)

Grant Number/Type	FPC-00 Capital (\$000)	FPC-02 Planning (\$000)	FPC-04 Operations (\$000)	FPC-06 Proj Admin (\$000)	TOTAL (\$000)
LA-2016-026/Section 5307	\$ 250				\$ 250
LA-2019-002/Section 5339	\$ 298				\$ 298
LA-2019-004/Section 5339	\$ 239				\$ 239
LA-2019-003/Low-No	\$ 500				\$ 500
LA-2019-007/Section 5307	\$ 417	\$ 11			\$ 428
LA-2019-010/CMAQ Flex Funds	\$ 1,202				\$ 1,202
LA-2019-030/Section 5307	\$ 2,230	\$ 212	\$ 9		\$ 2,451
LA-2021-003/Section 5339	\$ 202				\$ 202
LA-2021-008/AIM (Competitive)			\$ 106	\$ 5	\$ 111
LA-2021-017/Section 5307	\$ 856	\$ 1,000	\$ 3,328		\$ 5,184
LA-2022-007/America Rescue Plan Act (ARP)	\$ 3,462		\$ 5,761		\$ 9,223
LA-2022-012/Low-No	\$ 2,376			\$ 124	\$ 2,500
LA-2022-008/Research Demonstration Grant			\$ 300		\$ 300
TOTAL	\$ 12,032	\$ 1,223	\$ 9,504	\$ 129	\$ 22,888

CATS Funding Summary Balance by Project

Project/Item	FPC-00 Capital (\$000)	FPC-02 Planning (\$000)	FPC-04 Operations (\$000)	FPC-06 Proj Admin (\$000)	TOTAL (\$000)
Buses	\$ 6,088				\$ 6,088
Operating			\$ 6,725		\$ 6,725
Planning, Project Admin/Mgmt		\$ 1,223	\$ 406	\$ 129	\$ 1,758
Preventative Maintenance			\$ 2,364		\$ 2,364
Security	\$ 522				\$ 522
Shelters	\$ 599				\$ 599
Signage			\$ 9		\$ 9
Software	\$ 4,200				\$ 4,200
Support Equipment (Generators, Chargers, etc.)	\$ 312				\$ 312
Support Vehicles	\$ 311				\$ 311
TOTAL	\$ 12,032	\$ 1,223	\$ 9,504	\$ 129	\$ 22,888



Date: August 8, 2022

F&E Meeting: August 13, 2022

Board Meeting: August 18, 2022

BOARD MEMORANDUM

FOR INFORMATION ONLY

TO: Capital Area Transit System Finance & Executive Committee
THROUGH: Interim CEO, Dwana Williams
FROM: Procurement Manager, Thomas Cating
SUBJECT: Procurement Update

EXECUTIVE SUMMARY: Procurement Update.

Implemented Improvements in Procurement: CATS Management has promoted a plan to making changes and improvements. The following are the results of that plan.

- Audit Findings
 - OEM Vendors
 - Staff meet established procedures for proper file documentation
 - Procurement Files contain detail memo justification of sole source procurements that are ongoing.
 - Master OEM list will be maintained
 - Add an addendum to the Procurement Manual outlining this process
 - Procurement Manager will Quarterly Review Maintenance Purchase Files
 - MUNIS will be system of record
 - Emergency Procurement
 - Two addendums to procurement Manual
 - Detail steps required under State law
 - Develop MOU/CEA with City consistent with the CATS Emergency Preparedness and Recovery Plan

- Procurement Training has been provided to CATS employees based on their roles in the CATS procurement process. Additional training is being provided as issues are identified.
 - ?Can we identify training?
- Professional Contracts have been reviewed for potential closeout.
 - 13 Contracts have been closed.
 - Original value of those contracts was \$657,750.
 - Professional Services Contracts will continue to be reviewed and as warranted presented to the CEO for closeout consideration.
 - Continuation of contracts will be addressed 2 months prior to the term or as directed by the CEO.
 - A monthly report regarding Professional Contracts is being maintained.
- DBE participation from 10/01/2020 to 03/31//2022 has been documented by obtaining DBE participation from On-Call vendors during this time frame.
 - Identified FTA
 - DBE subcontractors via On-Call have received contracts valued at \$234,438
 - Payments of \$139,216 during this time frame.
 - Non-On-Call awards for this time frame were \$388,337
 - Payments of \$135,252 during this time frame.

Identifying DBEs and helping vendors self-identify utilizing CATS new ERP.

- Standardized contracts and letters are being utilized for Contracts.
 - One point for invoice submittal
 - Monthly Invoice Submission Requirements
- Contract documents are generated and distributed by Procurement with the support of CATS Management.

Upcoming Improvement Efforts in Procurement: Procurement is providing support in the following areas.

- Schedule Monthly Meetings with Departments and Teams
- Continued Integration with Grants Management and Finance



Date: August 3, 2022
F&E: August 11, 2022
Board Meeting: August 16, 2022

BOARD MEMORANDUM

FOR INFORMATION ONLY

TO: Capital Area Transit System Board of Commissioners
THROUGH: Interim CEO, Dwana Williams
FROM: Dr. Lashauna Shelton, HR Specialist – Recruitment and Onboarding
SUBJECT: Recruitment Update

EXECUTIVE SUMMARY: Recruiting drives and events will be scheduled and attended throughout 2022 to get and remain ahead of the current shortage the agency is experiencing.

RECRUITMENT EFFORTS: The following recruitment efforts/initiatives are in place for the third and fourth quarters of 2022:

- CATS will host a job fair at our Operations location on Thursday, August 11. The event will be held between 8:30 am and 12:00 pm. All applicants interested in bus operator, mechanic, utility technician, and customer care representative will have the opportunity to complete their applications and sit for an interview on site with a supervisor or manager from each respective department.
- CATS will host a fall job fair in late October/early November 2022.
- Through our Communications Department, CATS will continue to utilize our social media platforms to post current, promotional and continuous job openings.
- CATS will continue to network with area schools, technical colleges, community and business service agencies, and job placement agencies. Some of our current local network includes Southern University System, Louisiana State University, Southeastern Louisiana University, BRCC Automotive Technology Dept, Louisiana Workforce Commission, Baton Rouge Area Chamber (BR Works), EmployBR, FOAM, and CAPARC.

CURRENT OPEN ADMINISTRATIVE POSITIONS:

CATS most recent administrative staffing needs have been filled by the following:

- Deanna Wallace – Director of Communications, May 2022
- Uchello Rollins – Human Resource Specialist, June 2022
- Detian Chen – Finance Manager, June 2022
- Ravena Budwine – Risk and Safety Manager, July 2022



CATS July Finance & Executive Committee Meeting

Thursday, August 11, 2022

10:30 am

MINUTES

CALL TO ORDER

The CATS Finance & Executive Meeting was called to order at 10:30 am by Vice-President Linda Perkins

1. ROLL CALL

Attendee Name	Title	Status
Dr. Peter Breaux	Member	Absent
Carolyn Coleman	Member	Absent
Kahli Cohran	President	Present
Melissa DeGeneres	Member at Large	Absent
Patrick Downs	Member	Present
Johnathan Hill	Member	Absent
Linda Perkins	Vice-President	Present
Antoinette Pierre	Secretary	Absent

Quorum was not established for this meeting.

2. President’s Announcement

The board will be circulated sample RFP for a CEO Search. No additional commitment was provided for the makeup of the evaluation committee. It stands as is.

3. Executive and Financial Reports

Operations – James Payton

Operators - 109 total operators, 100 active, 9 inactive.

Currently a Cadet class of 5 is in progress. Next class is scheduled for Aug. 29th

Culture of Accountability Training- for the month of July was Personal productivity.

Other ongoing training is conflict resolution and Smith System training

Top Performers on low performing routes for the 2nd quarter Brandon Smith, Shontell Chenevert, Cynthia Cummings, Gloria Banks, Henry Devold, Lori Cage

Planning and Program Development – Cheri Soileau

Plank-Nicholson Bus Rapid Transit

North Transit Center-100% design (end of August)

ITB for Construction-September

NTP: January 2023

Construction: 1 year

Buses

9 35' Electric Buses

August Board approval for purchase

Comprehensive Operational Analysis

Draft Final Routes Scenario (Planning Committee)

Terminal (2222 Florida) – relocation opportunities

Lynx-KPIs are included for July 2022

Procurement – Keith Cunningham

Original Equipment Manufacturer Vendors and single source vendor file documentation requirements have been established and are being fully implemented

Emergency Procurement process has been documented in an addendum to the

Procurement Manual to ensure compliance with state law

Procurement Training for Procurement staff is ongoing. All CATS employees involved in the creation of purchase requisitions are to be trained as it relates to defined needs

Professional Contract Closeout has begun and will be an ongoing effort. Standardized letters are being utilized for contract issuance and closeout

DBE Participation has been documented as defined in the August Board Memo - Procurement

CEO – Dwana Williams

Three contracts were executed for the month of July. Collective Bargaining agreement is being finalized for review. 2021 Audit is complete and NTD is in the process of being finalized. The interim CEO attended the Annual COMTO Conference and Theo Richards presented at the SWTA Summer U training.

Finance Report – Michael Falgout

Michael Falgout presented the July financials and noted that the total current assets as of July 31, 2022, are current assets \$36,045,936. The total assets are \$59,535,126. The total current liabilities are \$15,478,864 and the total liabilities are \$17,496,129. The total net assets are \$42,065,996. The total liabilities and net assets are \$59,535,126.

The total operating expenses for the month of July are \$3,069,027

The total CATS-generated operating revenues for the month as of July 31, 2022, are \$190,937. The total non-federal subsidies for the month are \$1,685,452 and the total federal subsidies are \$1,124,099

The total operating revenues as of July 31, 2022, are \$3,000,488

The net operations balance for the month as of July 31, 2022, is a deficit of (\$297,689).

4. ACTION ITEM

No action was taking due to lack of quorum being established.

5. Adjournment

M/S/C (Perkins, Cohran)



CATS August Planning Committee Meeting

Thursday, August 11, 2022

9:00 AM

MINUTES

CALL TO ORDER

The Planning Committee Meeting was called to order at 9:00 AM

1. ROLL CALL

Attendee Name	Title	Status
Dr. Peter Breaux	Member	Absent
Carolyn Coleman	Member	Absent
Kahli Cohran	President	Absent (joined virtually)
Melissa DeGeneres	Member	Absent
Patrick Downs	Member (Committee Chair)	Present
Johnathan Hill	Member	Absent
Linda Perkins	Vice President	Absent
Antoinette Pierre	Secretary	Absent

2. COA Update – Brandon Songy provided an overview of projected major route changes. Many routes will connect to the medical district, in response to feedback received early on in the COA development process. Mr. Downs and the staff conducted an exercise to determine the steps and timeline required to implement any new routes. The staff will be developing a Gantt chart to demonstrate the phased implementation of route changes. Each route change will take approximately 5 months to implement, including public involvement and metro council approval.
3. Committee received an update on Lynx, which is in its 3rd month of operation. Fees will be implemented on September 1; ridership increased from June to July, with 2800 riders in July, with an average trip of 2.3 miles and a wait time of less than 10 minutes. Paul Cobler from The Advocate plans to run a story on Lynx later this fall once the school traffic has been factored into the program. The staff plans to contact Southern and LSU about providing some economic impact data on the Lynx program.
4. The committee received an update on the north transit center, which will go out for construction bid in September 2022 with groundbreaking anticipated in January 2023. The board should expect to approve a construction contract of approx. \$4million late this fall.
5. The meeting was adjourned at 10:20 AM.



CATS Technical Policies and Practices Committee Meeting

Thursday, August 4, 2022

4:30 am

MINUTES

CALL TO ORDER

The Technical Policies and Practices Committee Meeting was called to order at 4:30 am by Committee Chairman Dr. Breaux

1. ROLL CALL

Attendee Name	Title	Status
Dr. Peter Breaux	Member	Present
Carolyn Coleman	Member	Absent
Kahli Cohran	President	Present
Melissa DeGeneres	Member at Large	Present
Patrick Downs	Member	Absent
Johnathan Hill	Member	Present
Linda Perkins	Vice-President	Absent
Antoinette Pierre	Secretary	Present

2. Introduction

Dr. Breaux welcomed everyone gathered for the August Technical Policies and Practices Committee Meeting.

3. Discussion of Vehicular Contingency Policies and Procedures

The staff presented various policies and procedures concerning vehicular contingency. There was ample discussion regarding the status of the current policies, including to date of creation, accuracy of information, etc. The committee suggested staff conduct the following actions: Update policies, provide timeline for update and re-engage internal policy committee.

4. Discussion of 2021 Audit Report

The staff presented the 2021 audit report findings with the management responses. It was recommended that the management responses and reporting be taken up in the Audit Committee meeting. Any policies changes noted can then be reviewed at the Technical Policies and Practices Committee. In addition, the following staff recommended action items. Written response to P&N Report to Management - Who is responsible for each issue & Timeline for fixing issue - Follow Up Report re: Audit Compliance at October Board Meeting, Quarterly Report re: Audit Compliance at Board Meetings

5. Other

The committee expressed concern about CATS telling its narrative and being prepared to share defend the agency. The staff ensured the committee CATS is working to correct our narrative and noted examples of various examples of those.

The meeting is adjourned.



CATS July Community Relations Committee Meeting

Wednesday, August 10, 2022

10:30 am

MINUTES

CALL TO ORDER

The Community Relations Committee Meeting was called to order at 10:30 am by Committee Chairwoman Perkins

1. ROLL CALL

Attendee Name	Title	Status
Dr. Peter Breaux	Member	Absent
Carolyn Coleman	Member	Absent
Kahli Cohran	President	Present
Melissa DeGeneres	Member at Large	Absent
Patrick Downs	Member	Absent
Johnathan Hill	Member	Present
Linda Perkins	Vice-President	Present
Antoinette Pierre	Secretary	Absent
Parry 'Matt' Thomas	Treasurer	Absent

2. Introduction

Mrs. Perkins welcomed everyone gathered for the August Community Relations Committee Meeting.

3. MV Transportation Report – Representative Leslie Barnes

Ms. Barnes noted there were 4772 trips scheduled for the month of July 2022 verse 4861 in 2021. There were two complaints for the month of July. There were four road calls. The on-time performance was 82% for 2022 versus 86% for 2021. In addition, the subscription service was at 66% and demand was 48.20 for July. Lastly, the passenger per hour was 1.69.

4. Certifications – Karen Denman

Ms. Denman noted 48 applications were mailed out and 14 customers were certified for July.

5. Customer Service / Complaints – Angella Wynn/Syliva Franklin

Ms. Franklin noted for the month of July there were 33 contacts, 13 were valid. Ms. Franklin also noted the route performance for each route is located inside of the packets.

Ms. Franklin noted the call center was offered 18,697 and answered 18,270. In addition, the monthly average for productivity was 97.72%.

6. CATS Communications update – Deanna Wallace
Ms. Wallace noted UMO launch day is August 15th at the terminal. Touchdown TRAX and information coming soon. Our July social media engagement per impressions continues to improve. In July CATS had 6 positive, 9 negative and 3 neutral media hits.
7. Lynx by CATS – Brandon Songy
Brandon noted CATS has exceeded over 2835 rides with Lynx. Free service will be extended through the month of August. Brandon provided additional on the KPI regarding the service.
8. Comprehensive Operational Analysis - Cheri Soileau and Public Engagement “SmartCATS”
Ms. Soileau noted COA is wrapping up and suggested route modifications will be presented at the upcoming planning meeting.

The meeting is adjourned.

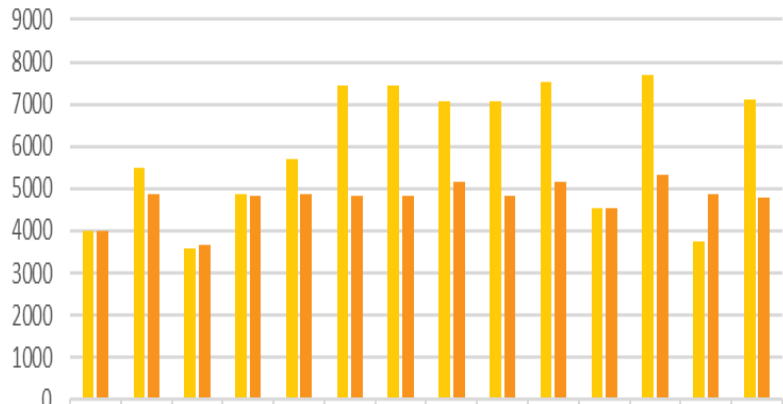


MV Performance Report

July 2022

SCHEDULED VS COMPLETED TRIPS

Sum of SCHEDULED Sum of COMPLETED



Values

- Sum of SCHEDULED
- Sum of COMPLETED

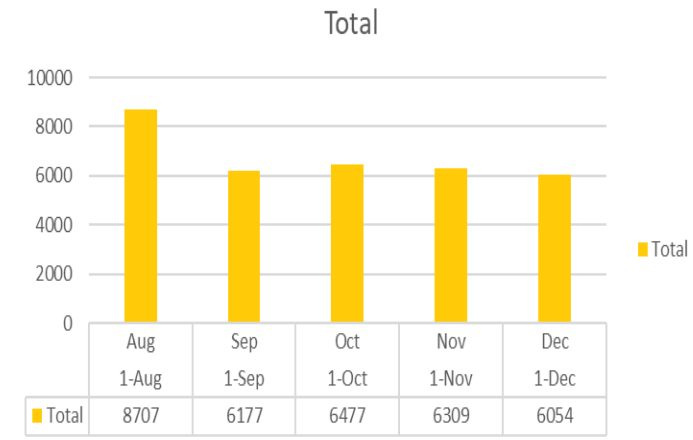
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
	Jan		Feb		Mar		Apr		May		Jun		Jul	
Sum of SCHEDULED	3975	5502	3569	4861	5702	7425	7425	7060	7060	7516	4537	7684	3759	7104
Sum of COMPLETED	3975	4861	3659	4827	4861	4822	4827	5146	4822	5146	4537	5319	4861	4772

Month Years

+ -

2022 VS 2021

Sum of Completed

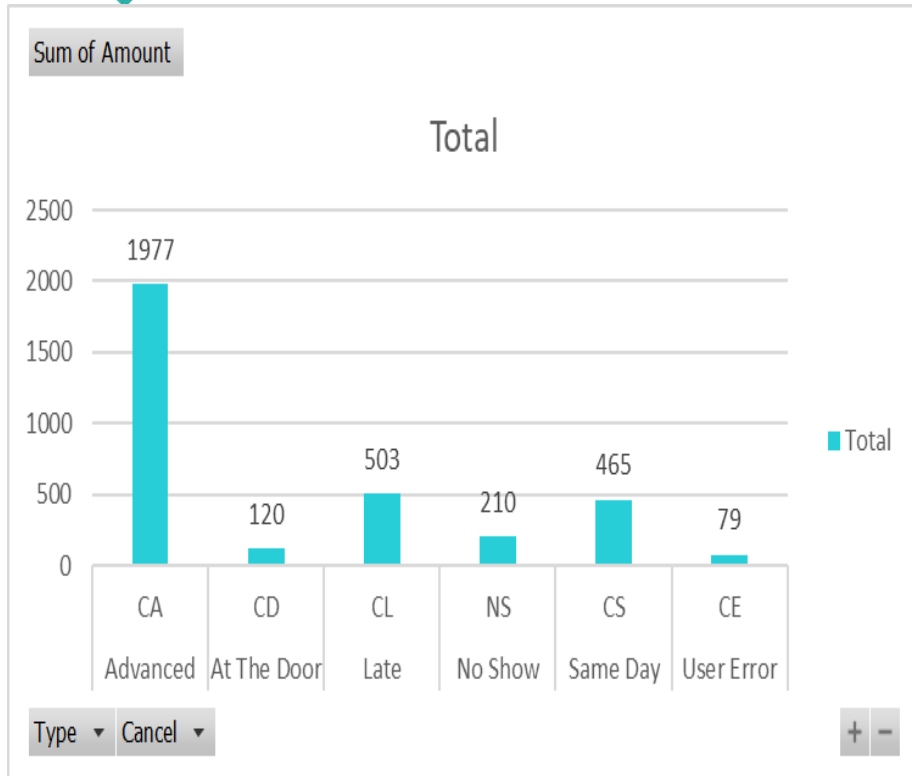


Month Months

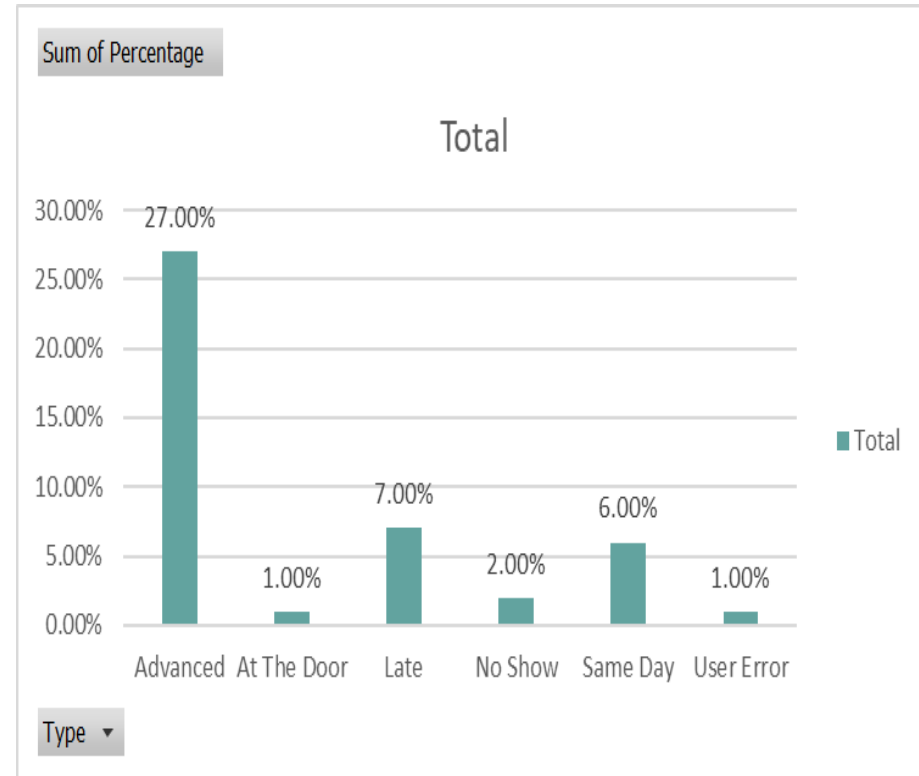
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12 MONTH ROLLING

June 2022 CANCELLATION RATE

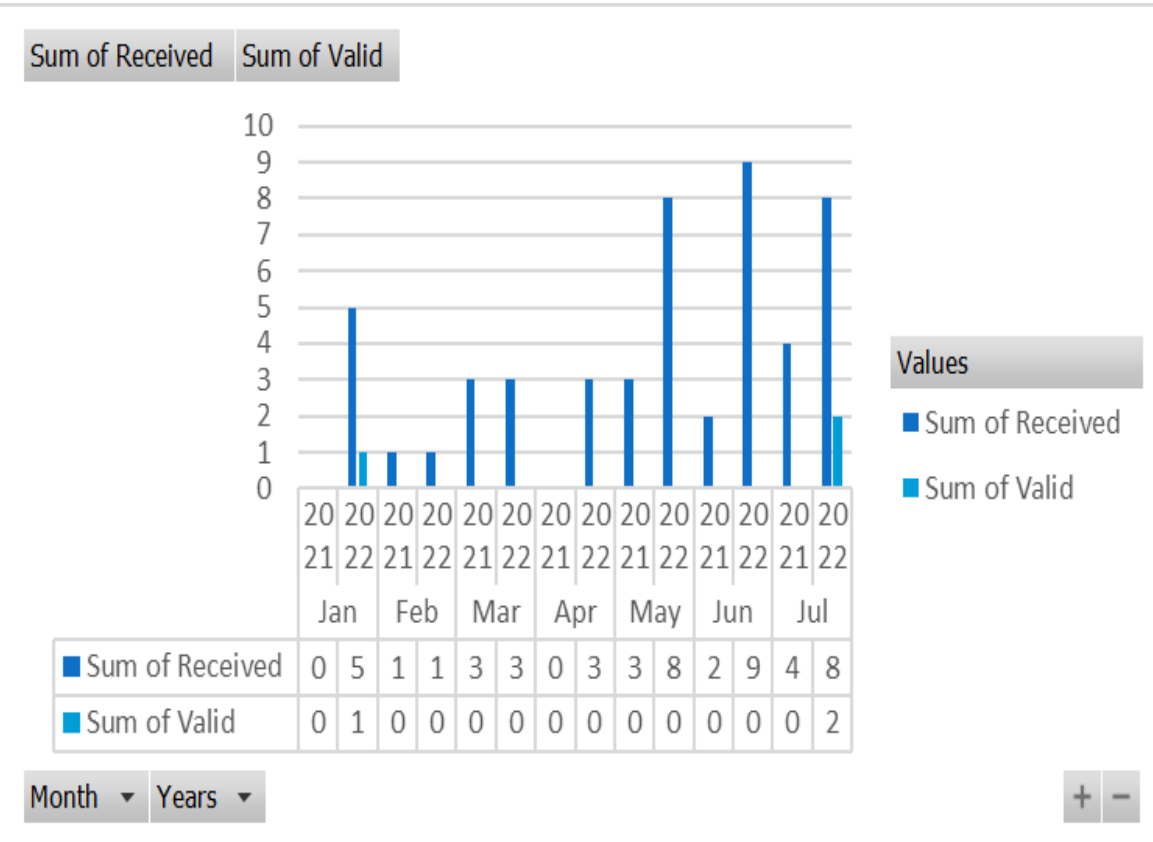


June 2022 Cancellations Count

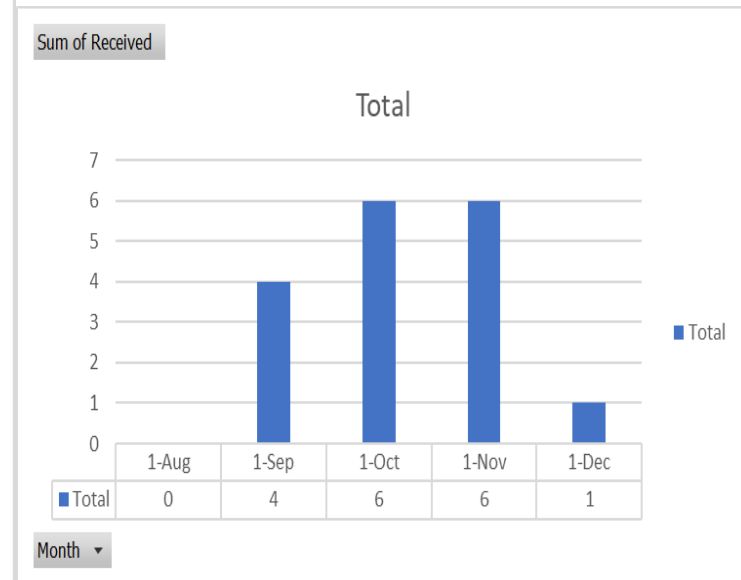


June 2022 Cancellation Rate of Scheduled Trips

COMPLAINTS



2022 VS 2021

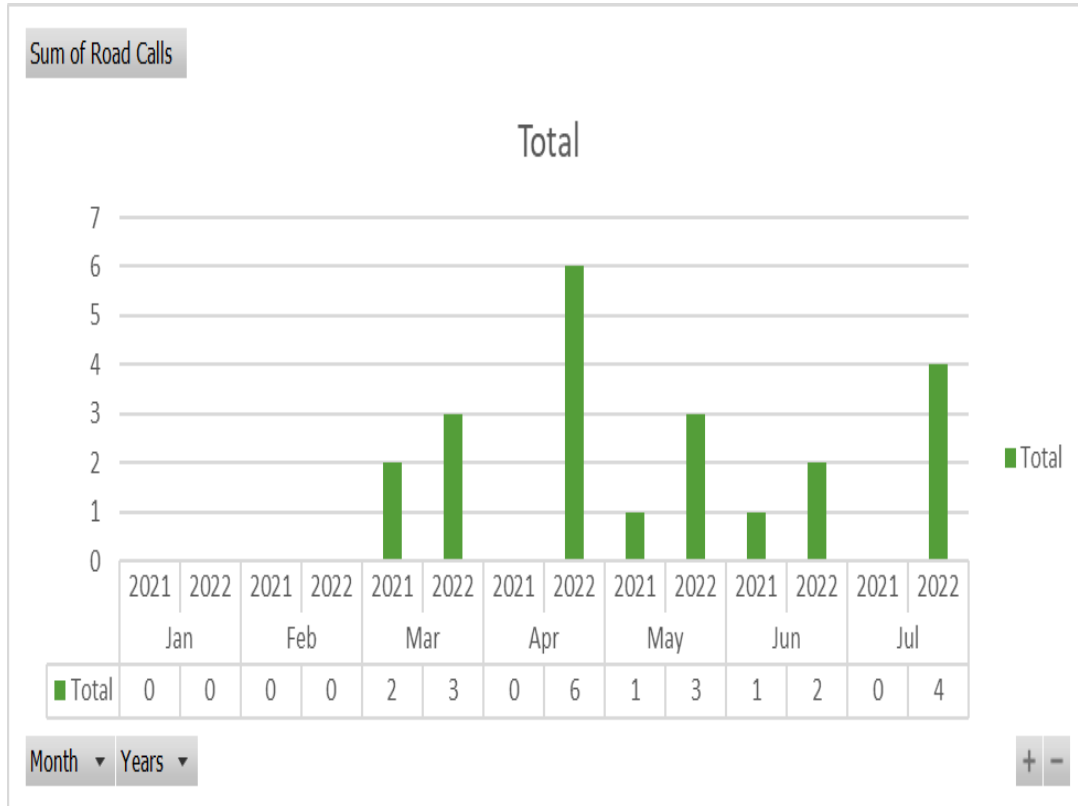


12 MONTH ROLLING

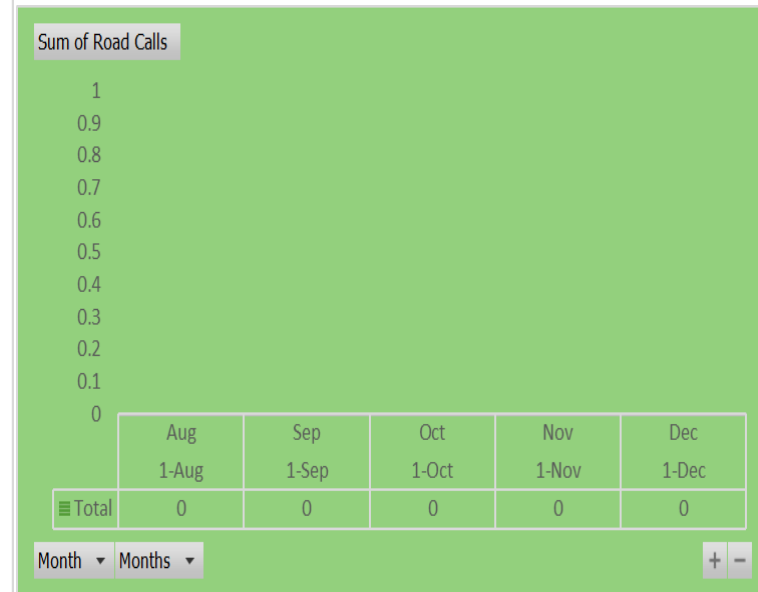
COMPLAINT TYPE

Complaint	Total	Valid	Chargeable	Findings	Resolve
Late Pick up	5	Yes	No	Late due to circumstances beyond reasonable control ie...Vehicle shortage/breakdown, weather and/or manpower	Working towards more vehicles for service and aggressive recruiting
Driver cut an adverse vehicle off	1	Yes	Yes	Footage pulled and driver was seen making a left hand turn cutting adverse vehicle off	Operator was given a written warning and 2 Safety points
No one came to transport passenger	1	No	No	Driver arrived on time. Phone call was made to pax and a voice mail was left. Pax was NS	Apologized to pax for inconvenience and provided supporting documentation for NS compliance
Vehicle did not have a working lift and pax had a difficult time getting up the steps	1	Yes	Yes	Vehicle did not have a working lift. Due to no other vehicles with working lifts in the vicinity Dispatch made a decision to transport Ms. Antoine on time and have the Operator assist her onto the vehicle vs sending a lift vehicle and pax being late for her appointment	Coached Dispatch on ensuring that a lift vehicle is sent to all pax who request/need them.

ROAD CALLS

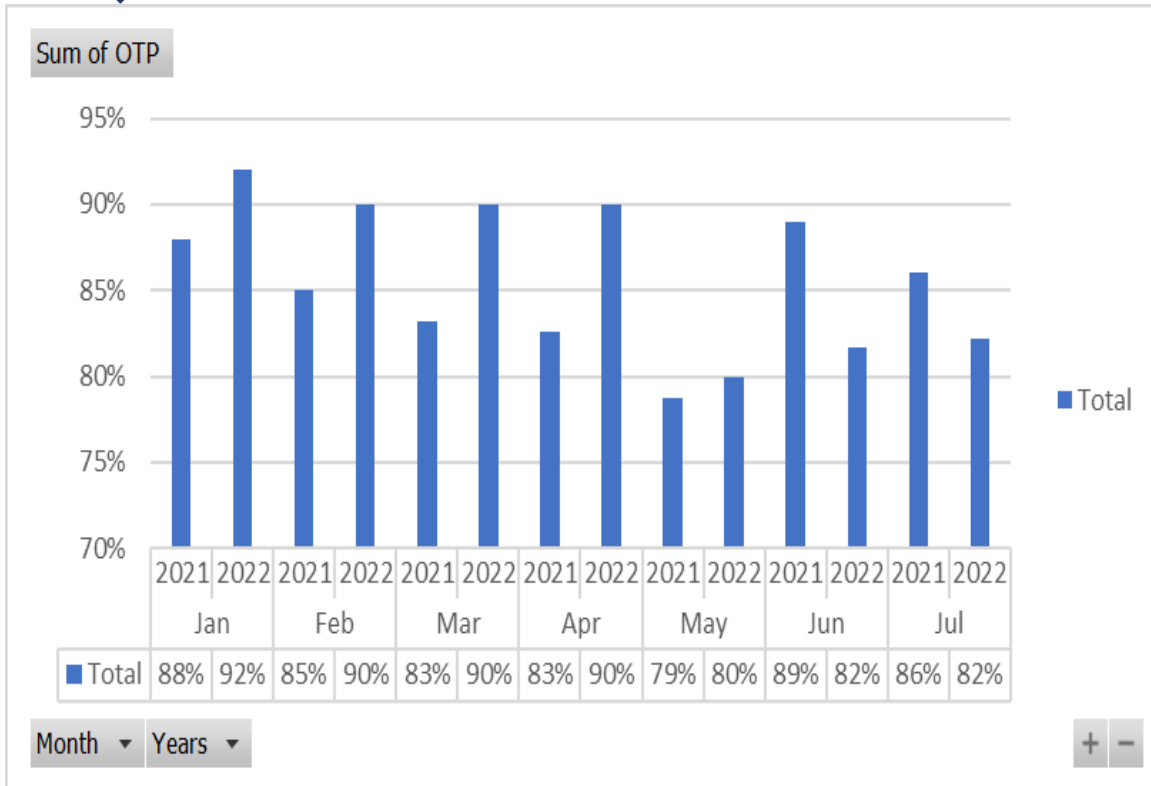


2022 VS 2021

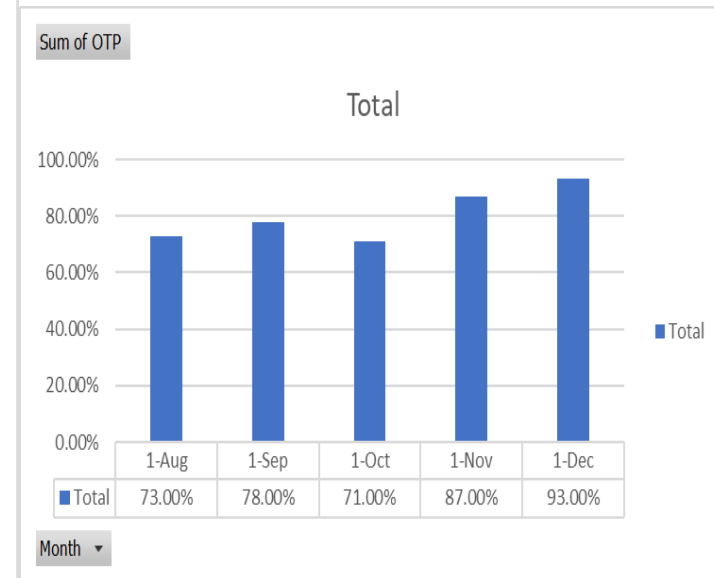


12 Month rolling

ON TIME PERFORMANCE

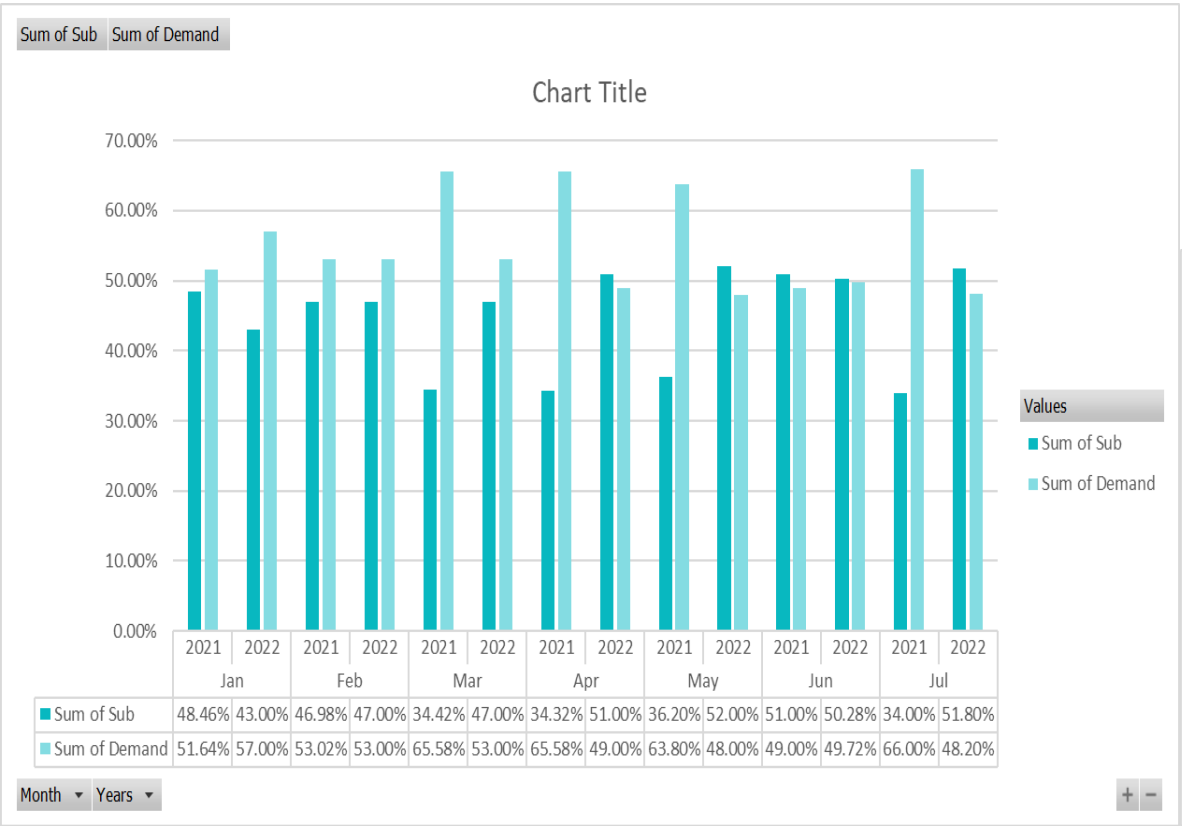


2022 VS 2021

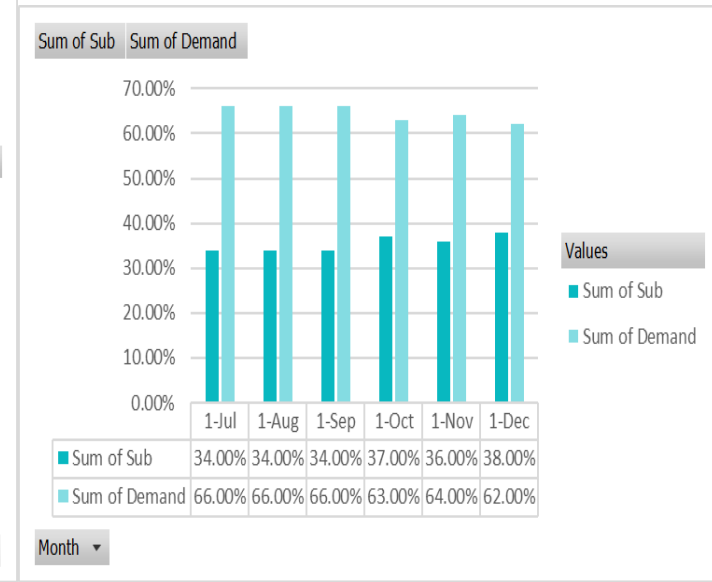


12 MONTH ROLLING

SUBSCRIPTION VS DEMAND

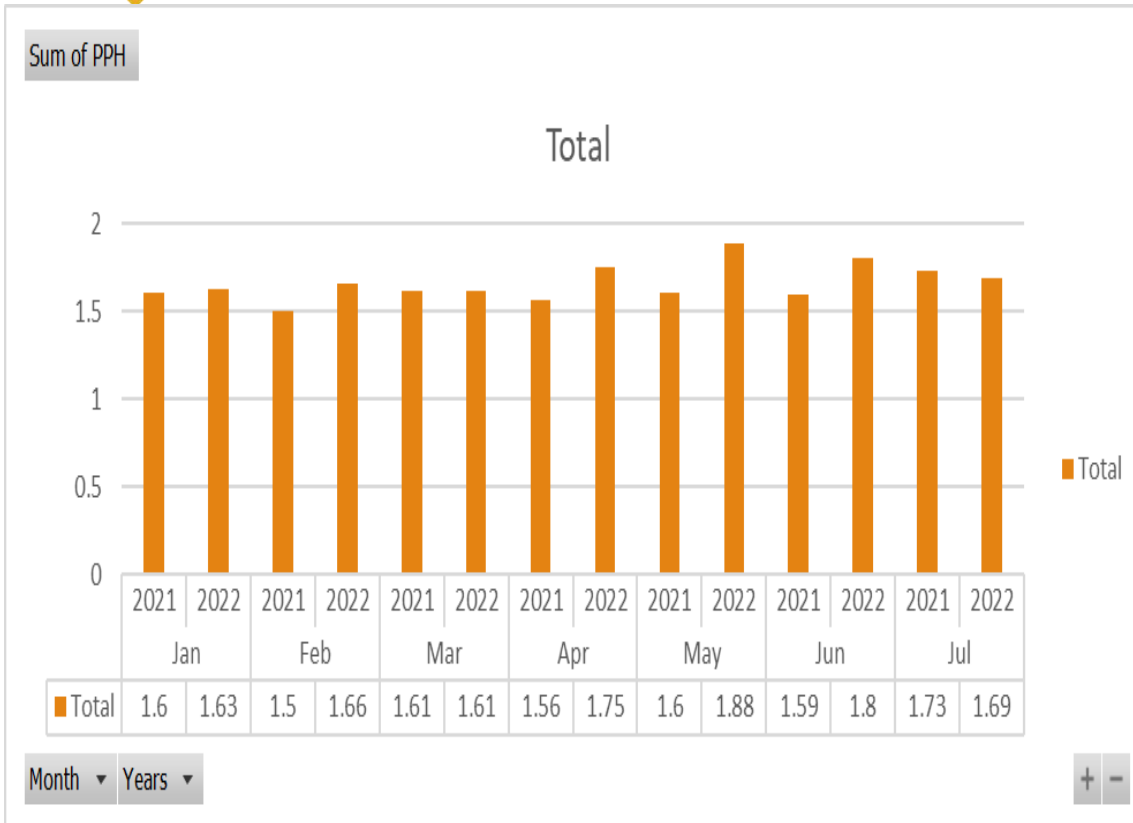


2022 VS 2021

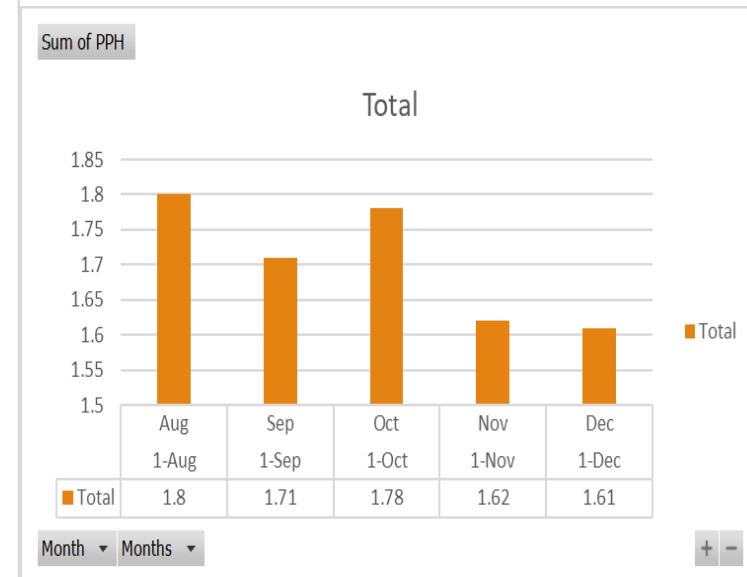


12 MONTH ROLLING

PPH GOAL- 1.5



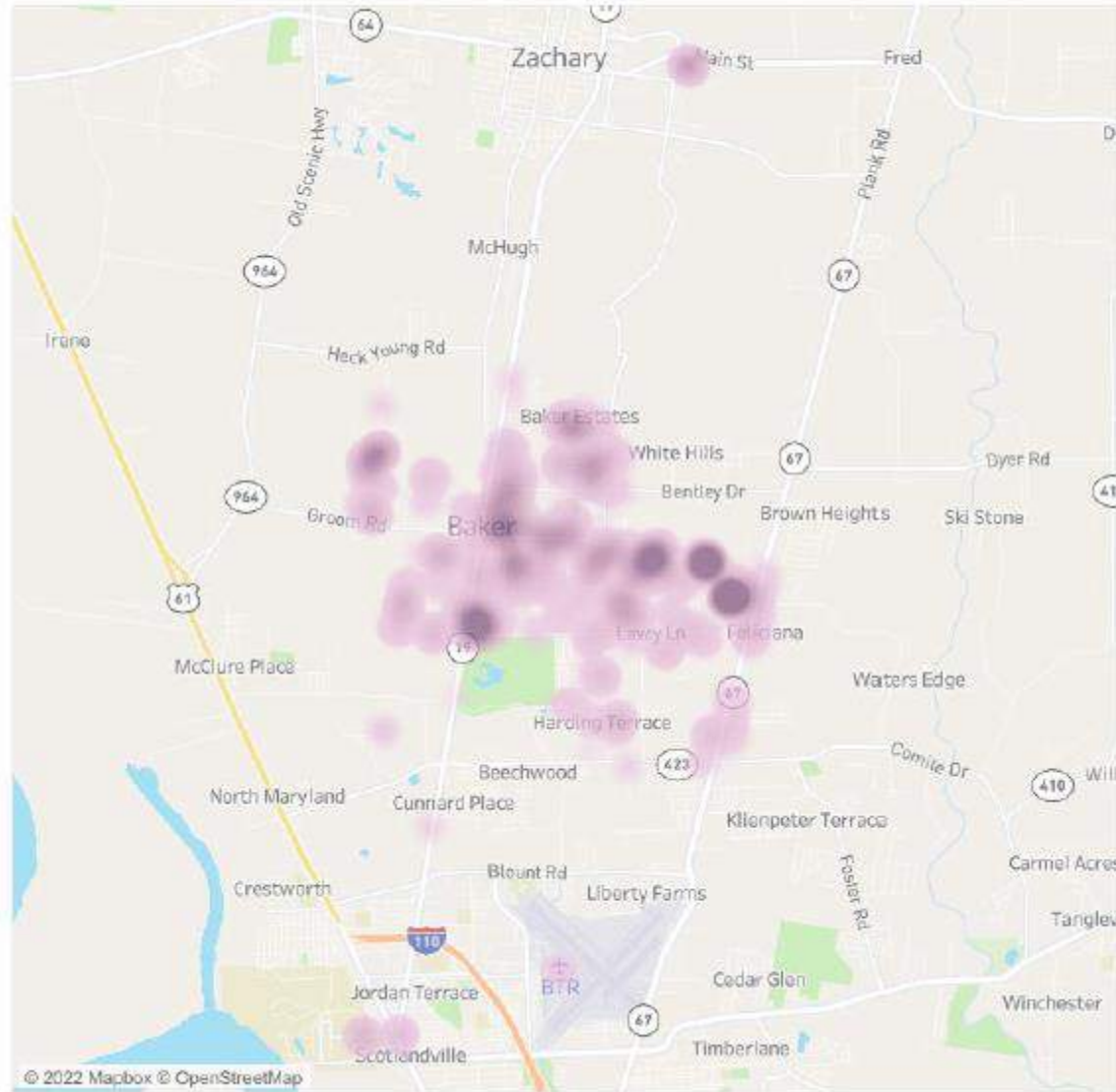
2022 vs 2021



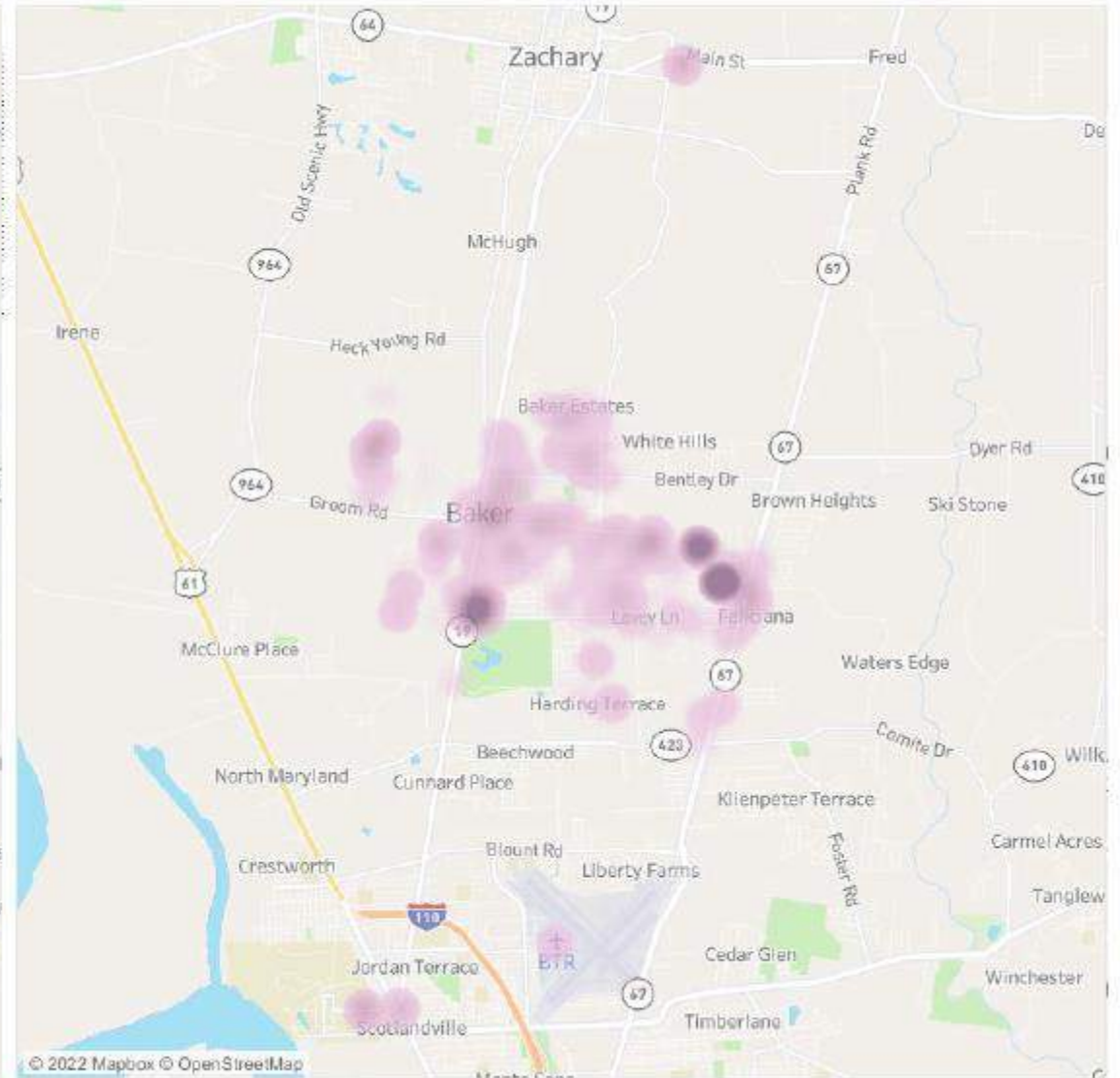
12 MONTH ROLLING

Lynx Ridership-June 2022

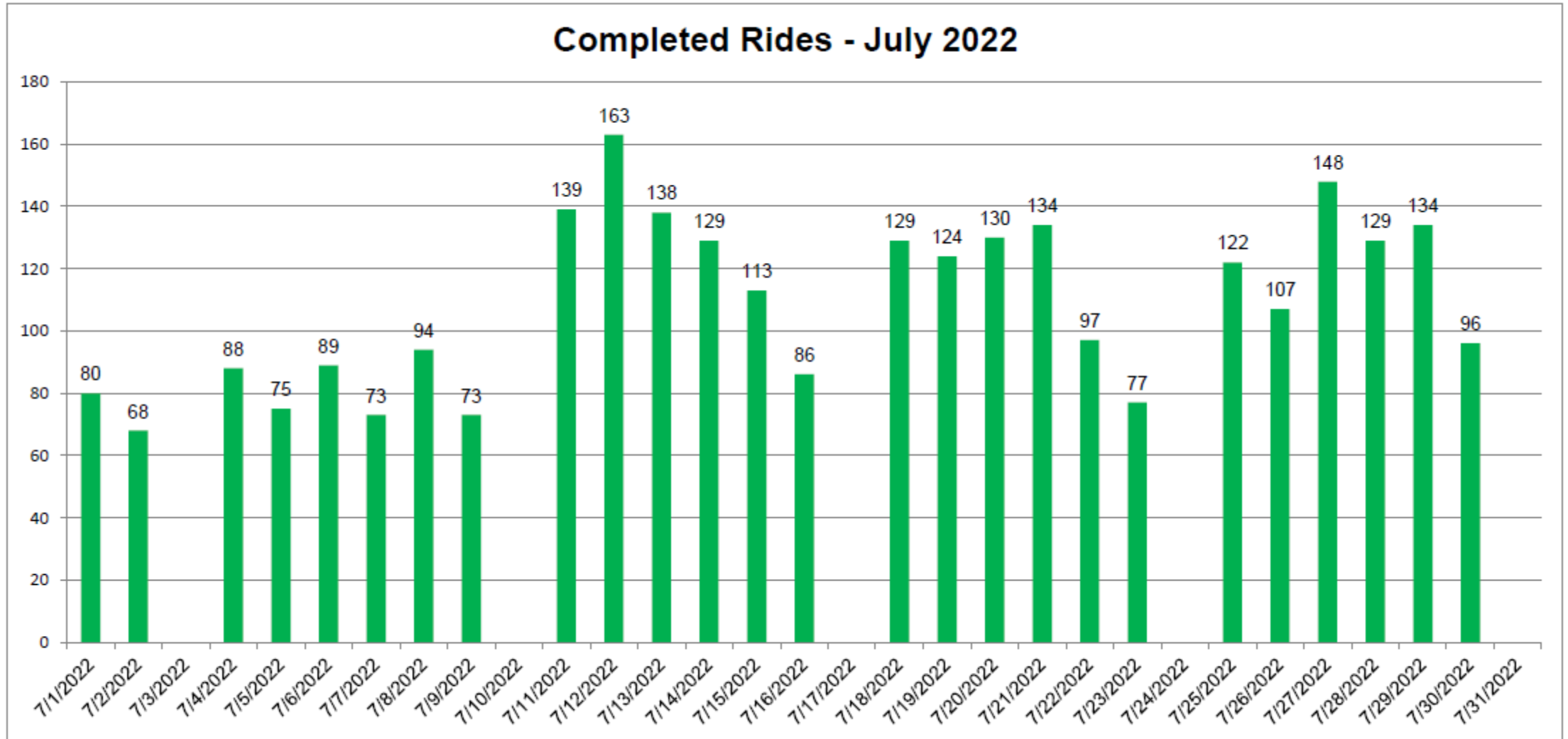
Origin Density



Destination Density



Lynx Ridership-July 2022



Lynx Ridership-July 2022

Service Operation			
Week	Met Demand (percent of requests)	Completed Trips	Utilization
July 1 - July 2	97%	148	2
July 4 - July 9	96%	492	2
July 11 - July 16	96%	768	3
July 18 - July 23	96%	691	2
July 25 - July 30	96%	736	2

Rider Experience					
Week	Average Wait Time (minutes)	Average Ride Duration (minutes)	Average Ride Distance (miles)	Average Pickup Walking Distance (feet)	Aggregation (Percent of rides shared)
July 1 - July 2	8	7	3	308	24%
July 4 - July 9	8	6	2	290	21%
July 11 - July 16	6	6	2	282	27%
July 18 - July 23	10	7	2	276	23%
July 25 - July 30	8	7	2	278	24%

Rider Growth				
Week	Accounts Created	Active Riders (New)	Active Riders (Returning)	Rides Completed per Rider
July 1 - July 2	18	10	49	3
July 4 - July 9	58	23	80	5
July 11 - July 16	88	40	106	5
July 18 - July 23	63	29	123	5
July 25 - July 30	59	32	120	5



Date: August 1, 2022
F&E: August 11, 2022
Board Meeting: August 16, 2022

BOARD MEMORANDUM

ACTION ITEM

TO: Capital Area Transit System Finance & Executive Committee
THROUGH: Interim CEO, Dwana Williams
FROM: Director of Maintenance Training/Special Project, James Godwin
SUBJECT: Purchase nine (9) Gillig low-floor E/V with eleven (11) Charge Point 200KW Charger

Project/Contract: Nine (9) 35' Electric buses and eleven (11) chargers
Project/Contract Date(s): August, 2022 through August, 2027
Renewal options (Yes/No): No: CATS has the option to purchase up to ten (10) E/V and charging stations within the five-year contract.
If yes, what year/option:
Project/Contract Amount: Not to exceed \$9,418,732
Budgeted project (Yes/No): Yes
Grant(s) Funded (Yes/No): Yes
If yes, note the grant number: STP (Flex grant from FHWA), 2020, 2022, 2024 No Emissions/Low Emissions (NoLo) grants
Policy-Related Action: (Yes/No): No

RECOMMENDATION:

Staff is requesting approval to purchase nine (9) electric vehicles and ten (11) charging stations from Gillig, for the BRT Plank-Nicholson BRT Project.

The 9 buses will be delivered in 2024. Revenue service for Plank-Nicholson BRT is expected to begin December 2024/January 2025.

EXECUTIVE SUMMARY:

An Invitation to Bid (ITB) for nine (9) 35' electric vehicles and ten charging stations was released in June 2022. Gillig submitted the lowest bid of the two that were received. Staff has reviewed the bid package to ensure that all ITB solicitation requirements were met and is requesting the approval to purchase nine (9) 35' electric buses and ten (11) charging stations.

The contract will be a five (5) year contract with an option to purchase up to ten (10) electric vehicles and charging stations within the contract.

Ten of the charging stations will be located at 2250 Florida Boulevard and one will be located at the North Transit Center.

STRATEGIC PLAN/GOALS:

Strategic Priority 1-Mobility and Ridership; Strategic Priority 3- Capital Investment

FISCAL IMPACT: The STP grant is an 80/20 split and the NoLo grants are 85/15 split

BACKGROUND:

The agreement with the City-Parish and the Federal Transit Administration (FTA) requires CATS to operate 15 minute headways during the peak period (6am-9am and 3pm-6pm) Monday through Friday. To sustain that level of service, seven (7) vehicles are required with two (2) vehicles as spares. These vehicles will have a specific wrap and identifying features for this service.

DISCUSSION:

CLIMATE IMPACT:

These vehicles will reduce the greenhouse emissions in the help of eliminating air pollution as they are not power by fossil fuels, but by sustainable resources. They have zero tailpipe emissions, including nitrogen oxide and particulate matter.

BUSINESS DIVERSITY REQUIREMENTS

The DBE Participation Goal for this contract was 11% (percent).



FINANCIAL REPORTS

DECEMBER 31, 2021

CAPITAL AREA TRANSIT SYSTEM

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Capital Area Transit System
Baton Rouge, Louisiana

Opinion

We have audited the accompanying financial statements of the business-type activity and the aggregate remaining fund information (the fiduciary fund) of the Capital Area Transit System (the System), a component unit of the City of Baton Rouge – Parish of East Baton Rouge, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of another auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and the aggregate remaining fund information (the fiduciary fund) of the Capital Area Transit System, as of December 31, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the pension trust fund of the System, which represent 100 percent of the aggregate remaining fund information as of December 31, 2021 and 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the pension trust fund of the System, is based solely on the report of the other auditor.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in total pension liability and related ratios, the schedule of contributions, and the schedule of investment returns be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.



We and another auditor have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The schedule of expenditures of federal awards, is as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head is required by Louisiana Revised Statute (LRS) 24:513A, is also presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of Capital Area Transit System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads 'Postlethwaite & Netterville'.

June 30, 2022
Baton Rouge, Louisiana

CAPITAL AREA TRANSIT SYSTEM
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

As financial management of the Capital Area Transit System (the System) we offer readers of these financial statements an overview and analysis of the System's financial activities. This document focuses on the current year's activities of the business-type activity, resulting changes, and currently known facts in comparison with the previous two years of financial information.

Financial Highlights

The System's net position was \$42,194,430, as of December 31, 2021, representing a decrease of approximately \$815,000, or 2%, from that of December 31, 2020. The decrease resulted from increases in in expenses (primarily contractual services and liability costs), as well as a decline in the System's federal operating subsidy. In 2020, the System received approximately \$17,650,000 under the CARES Act to respond to and recover from the COVID-19 pandemic. The net position at December 31, 2020 was \$43,009,298 (as restated) which was an increase of approximately \$9,543,000, or approximately 29%, from December 31, 2019.

During 2021, the tax collector notified the System that it, in error, had received excess property tax revenues as part of the 2020 property tax assessment. As a result, the System owed approximately \$594,000 to the tax collector as a refund of the overpayments received. The accounts payable and accrued expenses and ad valorem tax revenue were restated at December 31, 2020 to correct for this overpayment.

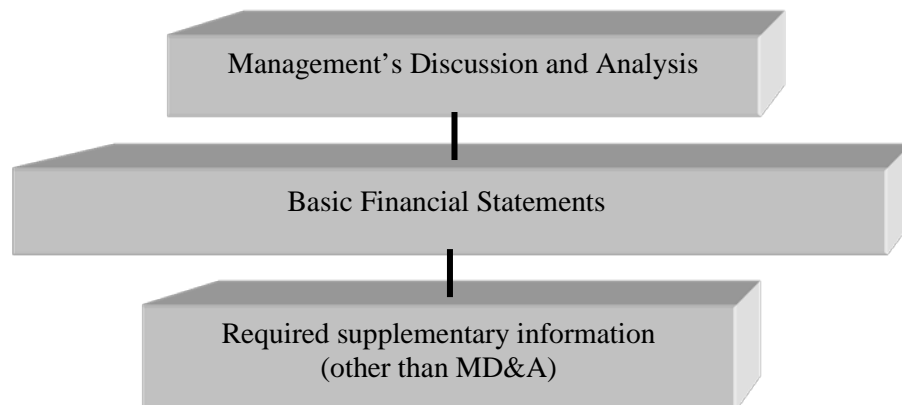
A substantial portion of the net position is invested in capital assets representing approximately 44% and 40% of total net position for the years ended December 31, 2021 and 2020, respectively.

Federal operating subsidy revenue was \$6,080,896, \$17,651,475, and \$7,678,196 for 2021, 2020 and 2019, respectively.

Gain (loss) before capital contributions was \$(3,599,682), \$8,576,444 (as restated) and (\$1,344,109) for 2021, 2020 and 2019, respectively.

Overview of the Financial Statements

This financial report consists of three parts: management's discussion and analysis (this section), the basic financial statements (including the notes to the financial statements) and required supplementary information.



CAPITAL AREA TRANSIT SYSTEM
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

The financial statements provide both long-term and short-term information about the System's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements required by Governmental Accounting Standards Board (GASB). The System maintains two different funds: a proprietary fund (a business-type activity) and a fiduciary fund.

The System is a political subdivision of the State of Louisiana which is independently governed by a Board of Commissioners authorized by state statute. For financial statement purposes, the System is determined to be a component unit of the City of Baton Rouge - Parish of East Baton Rouge (City-Parish) under criteria established by GASB Codification Section 2100.

Proprietary Fund. The System has one type of proprietary fund, an enterprise fund, which is used to report the same functions presented as business-type activities; for the System, the fund accounts for all transit activity.

The System's proprietary fund financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the statement of revenues, expenses, and changes in net position.

The statement of net position reports the System's net position. Net position, which is the difference between the System's assets, deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the System's financial health or position. The net position is classified into three categories: net investment in capital assets, restricted, and unrestricted. The System's restricted net position consists of its net pension asset.

Fiduciary Fund. The System has one type of fiduciary fund, a pension trust fund. The fiduciary fund assets are not available to finance transit operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

Basic Financial Statements

The basic financial statements present information for the System as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the statements of net position; the statements of revenues, expenses, and changes in net position; and the statements of cash flows.

The statements of net position present the current and long-term portions of assets and liabilities separately. The difference between total assets, deferred outflows, total liabilities, and deferred inflows is net position and may provide a useful indicator of whether the financial position of the System is improving or deteriorating.

The statements of revenues, expenses, and changes in net position present information showing how the System's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The statements of cash flows present information showing how the System's cash changed because of current year operations. The statements of cash flows are prepared using the direct method and include the reconciliation of operating loss to net cash used in operating activities (indirect method).

CAPITAL AREA TRANSIT SYSTEM
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

Financial Analysis of the System

The table below summarizes the System's net position as of December 31, 2021, 2020 and 2019:

Condensed Statements of Net Position		as of December 31, 2021, 2020 and 2019		
		(restated)		
		2021	2020	2019
Assets				
Current and other assets	\$ 27,525,074	\$ 29,789,116	\$ 19,512,034	
Capital assets	20,077,162	19,567,834	22,127,639	
Net pension asset	4,436,649	4,169,876	2,536,264	
Total assets	52,038,885	53,526,826	44,175,937	
Deferred outflows - pension related	1,164,137	676,430	496,897	
Liabilities				
Current liabilities	2,617,999	2,383,194	2,763,224	
Non-current liabilities				
Due within one year	2,269,678	2,365,654	2,411,488	
Due in more than one year	3,373,518	4,194,222	4,565,598	
Total liabilities	8,261,195	8,943,070	9,740,310	
Deferred inflows - pension related	2,747,397	2,250,888	1,466,624	
Net position				
Net investment in capital assets	18,492,064	17,373,852	19,338,656	
Restricted for pension asset	4,436,649	4,169,876	2,536,264	
Unrestricted	19,265,717	21,465,570	11,590,980	
Total net position	\$ 42,194,430	\$ 43,009,298	\$ 33,465,900	

The System's total net position increased from \$33,465,900 at December 31, 2019 to \$43,009,298 (as restated) at December 31, 2020 and decreased to \$42,194,430 at December 31, 2021.

The fluctuations in net position between 2019/2020 was primarily a result of the increased federal operating subsidy received through the CARES Act in 2020 as a result of the COVID-19 pandemic. The fluctuation in net position between 2020/2021 is primarily a result of the decreased federal operating subsidy received through the CARES Act in 2020. Additionally, the System's primary revenue is a 10.6 millage ad valorem tax passed on April 21, 2012 (renewed for 10 years in 2021). Approximately 44%, 40% and 58% of the System's net position as of December 31, 2021, 2020 and 2019, respectively, reflects investment in capital assets less any outstanding debt (lease payable) used to acquire those assets (primarily transportation vehicles). The System uses these assets to provide services to the public, consequently these assets are not available for future spending. Although the System's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CAPITAL AREA TRANSIT SYSTEM
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

The table below summarizes the changes in net position as of December 31, 2021, 2020 and 2019:

Condensed Statements of Changes in Net Position
for the years ended December 31, 2021, 2020 and 2019

	(restated)		
	2021	2020	2019
<u>OPERATING REVENUE</u>			
Charges for services	\$ 641,546	\$ 497,405	\$ 1,940,527
Advertising revenue	565,288	490,874	461,633
Total operating revenue	1,206,834	988,279	2,402,160
<u>DIRECT OPERATING EXPENSES</u>			
Operating expenses	29,462,131	27,927,853	29,834,833
Depreciation	3,128,340	3,109,705	2,973,663
Total direct operating expenses	32,590,471	31,037,558	32,808,496
<u>LOSS FROM OPERATIONS</u>	(31,383,637)	(30,049,279)	(30,406,336)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest and other expenses	(47,389)	(61,273)	(107,709)
Interest and other income	311,533	275,042	426,414
Hotel/motel tax	1,182,167	1,045,028	1,361,266
Ad valorem tax revenue	19,636,853	19,124,036	18,836,541
Government operating grants:			
Federal operating subsidy	6,080,896	17,651,475	7,678,196
Planning and technical study grants	69,895	41,415	317,519
Transfers from Primary Government	550,000	550,000	550,000
	27,783,955	38,625,723	29,062,227
<u>GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS</u>	(3,599,682)	8,576,444	(1,344,109)
<u>CAPITAL CONTRIBUTIONS</u>	2,784,814	966,954	2,833,442
<u>INCOME (LOSS) AFTER CAPITAL CONTRIBUTIONS</u>	(814,868)	9,543,398	1,489,333
<u>NET POSITION, BEGINNING OF YEAR</u>	43,009,298	33,465,900	31,976,567
<u>NET POSITION, END OF YEAR</u>	\$ 42,194,430	\$ 43,009,298	\$ 33,465,900

The System's operating revenues increased approximately \$219,000 or 22% between 2020 and 2021. This was attributable to some recovery from the COVID-19 pandemic which resulted in a reduction in ridership and fares not being charged for a significant portion of 2020. Operating revenues between 2019 and 2020 decreased approximately \$1,414,000 or 59%. As noted above, this was attributable to the COVID-19 pandemic.

CAPITAL AREA TRANSIT SYSTEM
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 AND 2020

Direct operating expenses increased approximately \$1,553,000, or approximately 5%, from \$31,037,558 to \$32,590,471 between 2020 and 2021. Key factors attributable to this increase include additional workers comp claims expense and professional services fees associated with the tax renewal, and contract negotiations. Direct operating expenses decreased approximately \$1,771,000 or approximately 5%, from \$32,808,496 to \$31,037,558 between 2019 and 2020. This is primarily attributable to less transportation costs related to the COVID-19 pandemic and lower pension costs as a result of changes in actuarial assumptions related to the net pension asset.

Non-operating grant revenue decreased by approximately \$11.5 million, or 65%, from \$17,692,890 to \$6,150,791 between 2020 and 2021. This is primarily due to the decrease federal operating subsidy received through the CARES Act in 2020 because of the COVID-19 pandemic. Non-operating grant revenue increased by approximately \$9.7 million, or 121%, from \$7,995,715 to \$17,692,890 between 2019 and 2020. As noted above, this is primarily due to the increased federal operating subsidy received through the CARES Act in 2020.

Capital Asset and Debt Administration

The System's capital assets, net of accumulated depreciation, totaled \$20,077,162, \$19,567,834 and \$22,127,639 as of December 31, 2021, 2020 and 2019, respectively. Capital assets include structures, bus shelters, buses and equipment. Capital asset additions were approximately \$3,638,000, or 18% of the book value of all capital assets in 2021 and \$549,900 or approximately 5.5% of the book value of all capital assets in 2020. Additions in 2021 primarily resulted from the purchase of three buses and ten vehicles as well as some property and software costs associated with a new enterprise resource system. Additions in 2020 were primarily related to the purchase of four buses and five vehicles.

At the end of the calendar year 2021, the System had a capital lease payable outstanding of \$1,585,098, compared to \$2,193,982 as of December 31, 2020. This decrease reflects principal payments on the lease payable that were made according to the repayment schedule. No new debt was issued during 2021. Long-term debt also includes the System's self-insurance claims payable of \$3,300,815, \$3,515,242, and \$3,436,991 at December 31, 2021, 2020 and 2019, respectively. Claims payable fluctuate as a result of timing of the reporting of claims and the number and dollar amount of claims outstanding.

Financial Outlook

On April 21, 2012, the voters of the municipalities of Baton Rouge and Baker approved a 10.6 mill ad valorem tax. This tax was renewed in 2021 for 10 years. Estimated net taxes to be collected for 2022 are \$19 million. Taxes to be collected will be net of the collection fee of 4.5% and required contributions to state pension plans. This dedicated revenue source provides budgetary stability to the System and serves as a primary source of revenues to support operations and provide the local matching funds as required under the Federal grant terms. Without the approval of the voters this would have a significant impact on the System and the services it provides.

Contacting the System's Management

This financial report is designed to provide the community, the Metropolitan Council of the City- Parish, and other interested parties with a general overview of the System's finances and to demonstrate the System's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the System at (225) 389-8920.

BASIC FINANCIAL STATEMENTS

CAPITAL AREA TRANSIT SYSTEM
BATON ROUGE, LOUISIANA

STATEMENTS OF NET POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>(Restated)</u> <u>2020</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 5,959,267	\$ 10,019,768
Accounts receivable, net	236,995	316,182
Ad valorem tax receivable, net	18,049,039	18,684,894
Due from other governments	2,393,417	99,865
Prepaid expenses	179,984	131,898
Inventory	706,372	536,509
Total current assets	<u>27,525,074</u>	<u>29,789,116</u>
<u>NON-CURRENT ASSETS</u>		
Capital assets, net of accumulated depreciation	20,077,162	19,567,834
Net pension asset	4,436,649	4,169,876
Total non-current assets	<u>24,513,811</u>	<u>23,737,710</u>
Total assets	<u>52,038,885</u>	<u>53,526,826</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES - Pension related</u>	 <u>1,164,137</u>	 <u>676,430</u>
 Total assets and deferred outflows of resources	 <u>\$ 53,203,022</u>	 <u>\$ 54,203,256</u>

The accompanying notes are an integral part of these financial statements.

	2021	(Restated) 2020
	<u>2021</u>	<u>(Restated) 2020</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 2,617,999	\$ 2,383,194
Accrued compensated absences	757,283	850,652
Claims payable and related liabilities	889,303	906,118
Capital lease payable	623,092	608,884
Total current liabilities	<u>4,887,677</u>	<u>4,748,848</u>
<u>NON-CURRENT LIABILITIES</u>		
Claims payable and related liabilities, less current portion	2,411,512	2,609,124
Capital lease payable, less current portion	962,006	1,585,098
Total non-current liabilities	<u>3,373,518</u>	<u>4,194,222</u>
Total liabilities	<u>8,261,195</u>	<u>8,943,070</u>
<u>DEFERRED INFLOWS OF RESOURCES - Pension related</u>	<u>2,747,397</u>	<u>2,250,888</u>
<u>NET POSITION</u>		
Net investment in capital assets	18,492,064	17,373,852
Restricted for pension obligations	4,436,649	4,169,876
Unrestricted	19,265,717	21,465,570
Total net position	<u>42,194,430</u>	<u>43,009,298</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 53,203,022</u>	<u>\$ 54,203,256</u>

CAPITAL AREA TRANSIT SYSTEM
BATON ROUGE, LOUISIANA

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>(Restated)</u> <u>2020</u>
<u>OPERATING REVENUE</u>		
Charges for services	\$ 641,546	\$ 497,405
Advertising revenue	565,288	490,874
Total operating revenue	<u>1,206,834</u>	<u>988,279</u>
<u>DIRECT OPERATING EXPENSES</u>		
Personnel services and fringe benefits	16,782,664	17,095,059
Retirement contributions to other plans	570,097	568,145
Supplies, fuel and other bus related expenses	5,728,113	5,308,790
Contractual services and liability costs	6,358,837	4,801,485
Depreciation	3,128,340	3,109,705
Miscellaneous	22,420	154,374
Total direct operating expenses	<u>32,590,471</u>	<u>31,037,558</u>
<u>LOSS FROM OPERATIONS</u>	(31,383,637)	(30,049,279)
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest expense	(47,389)	(61,273)
Interest income	7,761	55,480
Other revenue	303,772	219,562
Hotel/motel tax	1,182,167	1,045,028
Ad valorem tax revenue	19,636,853	19,124,036
Government operating grants:		
Federal operating subsidy	6,080,896	17,651,475
Planning and technical study grants	69,895	41,415
Operating transfers from primary government	550,000	550,000
Total non-operating revenues (expenses)	<u>27,783,955</u>	<u>38,625,723</u>
<u>GAIN (LOSS) BEFORE CAPITAL CONTRIBUTIONS</u>	(3,599,682)	8,576,444
<u>CAPITAL CONTRIBUTIONS</u>	<u>2,784,814</u>	<u>966,954</u>
<u>INCOME (LOSS) AFTER CAPITAL CONTRIBUTIONS</u>	(814,868)	9,543,398
<u>NET POSITION, BEGINNING OF YEAR</u>	<u>43,009,298</u>	<u>33,465,900</u>
<u>NET POSITION, END OF YEAR</u>	<u>\$ 42,194,430</u>	<u>\$ 43,009,298</u>

The accompanying notes are an integral part of these financial statements.

CAPITAL AREA TRANSIT SYSTEM
BATON ROUGE, LOUISIANA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from customers	\$ 720,733	\$ 337,552
Receipts from other sources	565,288	490,874
Payments to suppliers and others	(12,306,941)	(11,316,451)
Payments for employees and payroll taxing agencies	(17,134,004)	(18,024,400)
Net cash used in operating activities	(28,154,924)	(28,512,425)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Operating subsidies received from other governments	3,857,239	18,205,388
Ad valorem taxes	19,702,611	18,265,639
Hotel/motel tax	1,182,167	1,045,028
Other revenue	303,772	219,562
Operating transfers from primary government	550,000	550,000
Net cash provided by non-capital financing activities	25,595,789	38,285,617
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Capital contributions received	2,784,814	966,954
Payments on capital leases	(608,884)	(595,001)
Acquisition of capital assets	(3,637,668)	(549,748)
Interest paid on capital debt	(47,389)	(61,273)
Net cash used in capital and related financing activities	(1,509,127)	(239,068)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest received	7,761	55,480
Net cash provided by investing activities	7,761	55,480
<u>NET CHANGE IN CASH AND CASH EQUIVALENTS</u>	(4,060,501)	9,589,604
<u>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</u>	10,019,768	430,164
<u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	\$ 5,959,267	\$ 10,019,768

The accompanying notes are an integral part of these financial statements.

CAPITAL AREA TRANSIT SYSTEM
BATON ROUGE, LOUISIANA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
<u>RECONCILIATION OF NET OPERATING LOSS TO NET</u>		
<u>CASH USED IN OPERATING ACTIVITIES</u>		
Loss from operations	\$ (31,383,637)	\$ (30,049,279)
Adjustments to reconcile net operating loss to net cash used in operating activities		
Depreciation	3,128,340	3,109,705
Bad debt expense	-	1,150
Retirement contributions to other plans	570,097	568,145
Change in accounts receivable	79,187	(159,853)
Change in prepaid expenses	(48,086)	(34,343)
Change in inventory	(169,863)	(122,501)
Change in net pension asset	(266,773)	(1,633,612)
Change in deferred outflows	(487,707)	(179,533)
Change in deferred inflows	496,509	784,264
Change in accounts payable and accrued expenses	141,436	(874,819)
Change in provision for claims liability	(214,427)	78,251
Net cash used in operating activities	\$ (28,154,924)	\$ (28,512,425)

The accompanying notes are an integral part of these financial statements.

CAPITAL AREA TRANSIT SYSTEM
BATON ROUGE, LOUISIANA

STATEMENTS OF FIDUCIARY NET POSITION
PENSION TRUST FUND
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,311,187	\$ 650,917
Contributions receivable	6,723	58,374
Investments:		
Equities	17,125,476	15,712,806
Fixed income	2,013,849	930,658
Annuities	988,635	1,084,023
Total assets	<u>21,445,870</u>	<u>18,436,778</u>

LIABILITIES

Total liabilities	<u>-</u>	<u>-</u>
Net position	<u>\$ 21,445,870</u>	<u>\$ 18,436,778</u>

The accompanying notes are an integral part of these financial statements.

CAPITAL AREA TRANSIT SYSTEM
BATON ROUGE, LOUISIANA

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
DECEMBER 31, 2021 AND 2020

	2021	2020
<u>ADDITIONS</u>		
Contributions:		
Employer contributions	\$ 725,960	\$ 726,785
Employee contributions	600,797	639,979
Total contributions	1,326,757	1,366,764
Investment income:		
Interest and dividend income	229,388	209,829
Class action settlements	(1,020)	3,603
Net change in fair value	2,655,331	2,101,092
	2,883,699	2,314,524
Less: investment expense	(212,409)	(170,700)
Net investment income	2,671,290	2,143,824
Total additions	3,998,047	3,510,588
<u>DEDUCTIONS</u>		
Benefits paid to participants, including refunds of member contributions	814,849	830,563
Administrative expenses	174,106	141,898
Total deductions	988,955	972,461
CHANGE IN NET POSITION	3,009,092	2,538,127
NET POSITION, BEGINNING OF YEAR	18,436,778	15,898,651
NET POSITION, END OF YEAR	\$ 21,445,870	\$ 18,436,778

The accompanying notes are an integral part of these financial statements.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies

Capital Area Transit System is a corporation that was created by East Baton Rouge Parish (the Parish) to provide bus transportation services. In 2004, the Louisiana State Legislature enacted House Bill 1682, Act 581, to recognize the System as a political subdivision and provide that all its assets are public property.

Financial Reporting Entity

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting. GASB Codification Section 2100, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criteria are as follows:

1. Legal status of the potential component unit
2. Financial accountability:
 - a) The primary government appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.
 - b) The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.
 - c) The primary government is financially accountable for a legally separate organization if the primary government's holding of a majority equity interest in that organization does not meet the definition of an investment.
3. Misleading to exclude: Paragraph 111 of Section 2100 covers other potential component units for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

Based on the previous criteria, the System is considered a discretely presented component unit of the financial reporting entity of the City of Baton Rouge - Parish of East Baton Rouge. The accompanying financial statements reflect the activity of the System.

Based on the previous criteria, the System's management has included the Capital Area Transit System Employees' Pension Trust Fund as a blended component unit within the financial statements of the System. The Capital Area Transit System Employees' Pension Trust Fund (the Plan) exists for the benefit of current and former System employees who are members of the Plan. The Plan is governed by an equal number of Employer Trustees and Union Trustees. Currently, the Plan is governed by a four-member board composed of two members representing the Employer Trustees and two members elected as Union Trustees. The Plan is funded by the investment of the contributions from the System and member employees who are obligated to make contributions to the Plan. The Plan issued a separate audit reports for the years ended December 31, 2021 and 2020 which can be obtained at the following address: Mr. John Cutrone, Comptroller, Capital Area Transit System, 350 N. Donmoor Ave., Baton Rouge, LA 70806.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation and Accounting

The System's basic financial statements consist of the Proprietary Fund and the Pension Trust Fund, and the related notes to the financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Government Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*.

The Proprietary Fund and the Pension Trust Fund financial statements are reported using the economic resource measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Property taxes are recognized when a legally enforceable claim arises. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accounts of the System are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Funds are maintained consistent with legal and managerial requirements. Funds can be classified into two categories: enterprise and fiduciary. The System has no governmental funds. A further explanation of the funds and their reporting classifications follows:

Proprietary Fund

Enterprise Fund - Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or changes in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses of proprietary funds include the costs of services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund

The Pension Trust Fund is used to account for the accumulation of contributions for a defined benefit, single employer pension plan providing retirement benefits to qualified employees.

The Pension Trust Fund's financial statements are prepared on the accrual basis of accounting. Contributions from the System and its employees are recognized as revenue in the period in which employees provide service to the System. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

Cash and Investments

Cash and cash equivalents can include demand deposit account balances, certificates of deposit and U.S. government securities with maturities of 90 days or less from the date purchased.

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Annuities are reported at contract/reporting value based on a discounted cash flow valuation. The corporate equity mutual funds are valued using net asset value per share.

Inventories

Inventories, principally repair parts and supplies, are stated at cost, which approximates market. Cost is determined by the average cost method.

Capital Assets

Capital Assets are recorded at historical cost. The System maintains a \$5,000 threshold for capitalizing assets. Depreciation is charged to expense over the estimated useful lives of the assets and is determined using the straight-line method. Expenditures for maintenance and repairs which do not materially extend the useful life of the asset are charged to expense as incurred. Useful lives for equipment used in computing depreciation range from 3 years to 15 years. Useful lives for facilities and structures used in computing depreciation range from 5 years to 10 years.

Federal Grants and Dedicated Taxes

Federal grants are made available to the System for the acquisition of public transit facilities, buses, and other transit equipment. Unrestricted operating grants and grants restricted as to purpose, but not contingent on the actual expenditures of funds, are recognized at that point in time when the right to the funds becomes irrevocable. Where the allowable expenditure of funds is the prime factor for determining the eligibility for the grant proceeds, the revenue is recognized at the time when the allowable expenditure is incurred.

In addition to federal grants, the System is the recipient of monies established under LRS 47:302.29(B) and LRS 47:322.1, which set aside the Louisiana state sales tax on hotel occupancy. These monies are provided to the East Baton Rouge Parish Community Improvement Fund (Improvement Fund). The System's share of these funds shall not be used to displace, replace, or supplant funds previously appropriated or otherwise used for urban mass transit purposes. The monies in the Improvement Fund are appropriated annually by the Louisiana State Legislature. In addition, the System also receives monies from the East Baton Rouge Enhancement Fund (Enhancement Fund), which has similar restrictions and was created by the Louisiana State Legislature.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

Compensated Absences

Administrative employees earn paid time off in varying amounts according to continuing years of service as follows:

<u>Years of Service</u>	<u>Equivalent Days</u>	<u>Accrual Rate Per Pay Period</u>
0 - 1	20.00	6.15
1 - 5	22.00	6.77
5 - 12	25.00	7.69
12 - 20	30.00	9.23
20+	35.00	10.77

Administrative employees are not limited to a maximum number of hours for accrual of leave time.

With the new collective bargaining agreement, effective June 2018, union employees began to earn paid time off in varying amounts according to continuing years of service as follows:

<u>Years of Service</u>	<u>Days</u>	<u>Equivalent Hours</u>
0 - 1	5.00	40.00
1 - 5	10.00	80.00
5 - 12	15.00	120.00
12 - 20	20.00	160.00
20+	25.00	200.00

Any unused paid time off not taken by December 31st is not carried over. The balance at year end for union employees must be paid to the employee by April 1st of the following calendar year and is included in the compensated absence liability.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Capital Area Transit System Employees' Pension Trust Fund and additions to/deductions from the fund's fiduciary net position have been determined on the same basis as they are reported by the Pension Trust Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position reflects the System's net pension asset.

When expenses are incurred for purposes for what both restricted and unrestricted amounts are available, the System uses restricted amounts first, followed by unrestricted amounts.

Deferred Outflows/Inflows of Resources

The Statement of Financial Position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Receivables

Uncollectible amounts due for customer receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the inability to collect the particular receivable. Management has determined that all amounts are collectible at December 31, 2021 and 2020.

2. Ad Valorem Taxes

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

2. Ad Valorem Taxes (continued)

On November 13, 2021, a 10.6 mill ad valorem tax renewal which expires in 2031 was passed by the citizens of the City of Baton Rouge and the City of Baker.

The 2021 property tax calendar is as follows:

Levy date:	September 21, 2021
Millage rates adopted:	September 21, 2021
Tax bills mailed:	November 24, 2021
Due date:	December 31, 2021
Lien date:	January 1, 2022

State law requires the sheriff of each parish to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the entire tax roll less an estimate for uncollectible taxes is recorded as taxes receivable in the current calendar year. Uncollectible taxes are those taxes which based on past experience will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll.

Property taxes are recognized in the year of the levy net of uncollectible amounts.

Ad valorem tax receivable is recorded net of estimated uncollectible amounts and collection fees. The allowance for uncollectible accounts was \$182,314 and \$203,736 at December 31, 2021 and 2020, respectively. Collection fees were \$859,070 and \$916,811 for 2021 and 2020, respectively.

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, a percentage of local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years.

The System is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP"). For the years ending December 31, 2021 and 2020, CATS participated in the ITEP and RTAP.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

2. Ad Valorem Taxes (continued)

Under the ITEP, as authorized by Article 7, Section 21(F) of the Louisiana Constitution and Executive Order Number JBE 2016-73, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5-year term and are renewable for an additional 5-year term upon approval by the State Board. In the case of the local government, these abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent.

Taxes abated under ITEP for the years ended December 31, 2021 and 2020 were approximately \$164,000 and \$205,000, respectively. There were no significant abatements under the RTAP program for the years ended December 31, 2021 and 2020.

3. Cash, Cash Equivalents, and Investments

At December 31, 2021 and 2020, the System's cash bank balances consist of deposits in financial institutions as follows:

	Proprietary Enterprise Fund	Fiduciary Pension Trust Fund	Total
December 31, 2021			
Cash on hand in banks	\$ 6,541,651	\$ -	\$ 6,541,651
Money market accounts	-	1,311,187	1,311,187
Total cash and cash equivalents	<u>\$ 6,541,651</u>	<u>\$ 1,311,187</u>	<u>\$ 7,852,838</u>
December 31, 2020			
Cash on hand and in banks	\$ 10,356,395	\$ -	\$ 10,356,395
Money market accounts	-	650,917	650,917
Total cash and cash equivalents	<u>\$ 10,356,395</u>	<u>\$ 650,917</u>	<u>\$ 11,007,312</u>

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in the event of financial institution failure, the System's deposits may not be returned. To guard against this risk, under state law, deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. The System had no custodial credit risk as of December 31, 2021 or 2020.

Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and school districts.

The System is authorized by LRS 39:1211-1245 and 33:2955 to invest temporarily idle monies in various risk-averse instruments including U.S. Government direct and agency obligations, certificates of deposit of qualified financial institutions, certain debt mutual funds, the Louisiana Asset Management Pool (LAMP) and other investments. The proprietary fund of the System had no investments as of December 31, 2021 and 2020.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

3. Cash, Cash Equivalents, and Investments (continued)

Investments held by the Pension Trust Fund are invested in marketable equity, fixed income and/or real estate securities in accordance with Pension Board's policy and state law.

Investments

As of December 31, 2021 and 2020, assets classified as investments existed only in the Pension Trust Fund (the Trust). As of December 31, 2021 and 2020, the maturities of the Pension Trust Fund's investments in debt securities were as follows:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
December 31, 2021					
U.S. treasury and agency bonds	\$ 1,232,967	\$ 131,269	\$ 810,728	\$ 290,970	\$ -
Corporate bonds	780,882	-	377,580	403,302	-
Total	<u>\$ 2,013,849</u>	<u>\$ 131,269</u>	<u>\$ 1,188,308</u>	<u>\$ 694,272</u>	<u>\$ -</u>
	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
December 31, 2020					
U.S. treasury and agency bonds	\$ 539,037	\$ 87,946	\$ 376,327	\$ 74,764	\$ -
Corporate bonds	391,621	-	204,813	186,808	-
Total	<u>\$ 930,658</u>	<u>\$ 87,946</u>	<u>\$ 581,140</u>	<u>\$ 261,572</u>	<u>\$ -</u>

Interest Rate Risk. In accordance with its investment policy, the Pension Trust Fund manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to less than ten years with a maximum maturity of 30 years for any single security.

Credit Risk. The investment policy of the Pension Trust Fund limits investments in commercial paper and corporate bonds to ratings of A-1 and BBB or higher as rated by the nationally recognized statistical rating organizations (NRSROs). As of December 31, 2021 and 2020, the Pension Trust Fund held no commercial paper investments. The Pension Trust Fund's investments in domestic corporate bonds as of December 31, 2021 and 2020 varied between ratings of A and AAA, consistent with the investment policy. The Pension Trust Fund's investments in U.S. Agencies all carry the explicit guarantee of the U.S. government.

Concentration of Credit Risk. The Pension Trust Fund's investment policy does not allow for an investment in any one issuer that is in excess of 15% of the fund's total investments, and no more than 30% of total investments in any one industry. There are no investments in any one issuer that represent 5% or more of total investments.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

3. Cash, Cash Equivalents, and Investments (continued)

Investments (continued)

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Pension Trust Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent, but not in the Pension Trust Fund's name. At December 31, 2021 and 2020, all of the Pension Trust Fund's investments were held by an agent in the name of the Pension Trust Fund.

Fair Value of Investments

The System's investments measured and reported at fair value are classified according to the following hierarchy:

- Level 1 Investments reflect prices quoted in active markets.
- Level 2 Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. The following table sets forth by level, within the fair value hierarchy, the System's assets at fair value as of December 31, 2021:

	December 31,	Fair Value Measurements Using:		
		2021	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Inputs (Level 2)
Investments by fair value level				
Debt securities				
U.S. Treasury and agency bonds	\$ 1,232,967	\$ 1,232,967	\$ -	\$ -
Corporate bonds	780,882	780,882	-	-
Equity securities				
Corporate stocks	17,125,476	17,125,476	-	-
Alternative investments				
Annuities	988,635	-	-	988,635
Total investments by fair value level	20,127,960	\$ 19,139,325	\$ -	\$ 988,635
Investments measured at NAV:				
Corporate equity mutual fund	-			
Total investments at fair value	\$ 20,127,960			

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

3. Cash, Cash Equivalents, and Investments (continued)

The following table sets forth by level, within the fair value hierarchy, the System's assets at fair value as of December 31, 2020:

	December 31, 2020	Fair Value Measurements Using:		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
U.S. Treasury and agency bonds	\$ 539,037	\$ 539,037	\$ -	\$ -
Corporate bonds	391,621	391,621	-	-
Equity securities				
Corporate stocks	13,693,515	13,693,515	-	-
Alternative investments				
Annuities	1,084,023	-	-	1,084,023
Total investments by fair value level	<u>15,708,196</u>	<u>\$ 14,624,173</u>	<u>\$ -</u>	<u>\$1,084,023</u>
Investments measured at NAV:				
Corporate equity mutual fund	<u>2,019,291</u>			
Total investments at fair value	<u>\$ 17,727,487</u>			

The redemption terms for investments measured at net asset value (NAV) per share as of December 31, 2020 are as follows:

- Redemption frequency Daily
- Redemption notice period 2 – 15 Days

4. Due from Other Governments and Accounts Receivable

Amounts due from other governments were \$2,393,417 and \$99,865 at December 31, 2021 and 2020, respectively. These amounts represent balances due from the Federal Transit Administration.

Accounts receivable primarily represent balances due from advertising. The balances were \$236,995 and \$316,182 at December 31, 2021 and 2020.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

5. Capital Assets

A summary of changes in capital assets follows:

	December 31, 2021			
	Beginning of Year	Additions	Deletions/ Transfers	End of Year
Construction in progress	\$ 124,831	\$ 235,000	\$ (124,831)	\$ 235,000
Equipment				
(primarily transportation vehicles)	40,235,479	3,527,499	-	43,762,978
Accumulated depreciation	(20,792,476)	(3,128,340)	-	(23,920,816)
Total	\$ 19,567,834	\$ 634,159	\$ (124,831)	\$ 20,077,162

	December 31, 2020			
	Beginning of Year	Additions	Deletions/ Transfers	End of Year
Construction in progress	\$ 534,630	\$ 124,831	\$ (534,630)	\$ 124,831
Equipment				
(primarily transportation vehicles)	39,275,780	959,699	-	40,235,479
Accumulated depreciation	(17,682,771)	(3,109,705)	-	(20,792,476)
Total	\$ 22,127,639	\$ (2,025,175)	\$ (534,630)	\$ 19,567,834

Depreciation expense for the years ended December 31, 2021 and 2020, totaled \$3,128,340 and \$3,109,705, respectively. The City-Parish owns the terminal, administrative office building, and related land which are used by the System for its operations. The City-Parish provides these facilities and land to the System at no charge through an operating agreement.

6. Accounts Payable and Accrued Expenses

The accounts payable and accrued expenses at December 31, 2021 and 2020, were as follows:

	2021	2020
Vendors	\$ 1,728,388	\$ 1,912,959
Accrued salaries and benefits	889,611	470,235
Total	\$ 2,617,999	\$ 2,383,194

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

7. Pension Plan

Plan Description

The Capital Area Transit System Employees' Pension Trust Fund is a single-employer defined benefit pension plan that provides pensions for all employees covered by the Collective Bargaining Agreement.

Membership - Any individual employed by Capital Area Transit System (CATS), for whom contributions to the Plan are required to be made in accordance with the terms of the Collective Bargaining Agreement, and other clerical and administrative employees of CATS who agree to make the required contributions to the Plan effective February 1, 1973, or within ninety days of the commencement of their employment with CATS, if later; or any employee of the Union.

As of December 31, 2021 and 2020, pension plan membership consisted of the following:

	2021	2020
Inactive plan members or beneficiaries currently receiving benefits	81	78
Inactive plan members entitled to but not yet receiving benefits	151	148
Active plan members	157	193
Total	389	419

Benefits Provided - A participating employee is eligible to receive a normal retirement benefit on the first of the month after which he has attained age sixty-two and completed ten years of service. On January 1, 2019, the Plan was amended to change the normal retirement eligibility criteria to the first of the month after which the employee has attained age sixty-two and completed seven years of service. The monthly retirement benefit payable to an employee is equal to 1.2% of the member's average final compensation for each year of creditable service through January 31, 1991; and 1.4% of the member's average final compensation for each year of creditable service thereafter. The annual retirement benefit may not exceed the lesser of \$75,000 or 100% of the average final compensation.

A participating employee is eligible to receive an early retirement benefit on the first of the month after which he has attained age fifty-five and completed fifteen years of service, five of which are completed after February 1, 1973. The monthly early retirement benefit payable to an employee is 1.2% of the member's average final compensation for each year of creditable service through January 31, 1991; and 1.4% of the member's average final compensation for each year of creditable service thereafter, reduced by one-half of one percent for each calendar month by which the early retirement date precedes the normal retirement date.

In the event an employee's employment is terminated for any reason other than retirement, he is entitled to a refund of his employee contributions plus interest at two percent per annum. Once an employee who was hired on or after October 24, 2001 terminates and withdraws his employee contributions, he forfeits any right to the accrued benefit derived from employer contributions.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

7. Pension Plan (continued)

Plan Description (continued)

The normal form of benefit is a Three Year Certain and Continuous annuity. In the event a retiree dies before receiving thirty-six monthly payments from the Fund, the beneficiary will be entitled to the balance of the thirty-six payments. In lieu of receiving the normal form of benefit, a married employee is given the opportunity to elect or to decline to have his benefit paid in the form of a Joint and Survivor annuity. In no event, under this form of benefit, will the annuity payable to the survivor be less than one-half of, or greater than the amount of the annuity payable during the joint lives of the employee and his spouse. Such Joint and Survivor annuity must be the actuarial equivalent of a Three Year Certain and Continuous annuity payable to the employee. Unless a married employee elects otherwise in writing, their normal or early retirement benefit will be paid in the form of a Joint and 50% Survivor annuity.

A participating employee who becomes totally and permanently disabled after the completion of ten years of service, as determined and reported by the Board of Trustees, is entitled to a monthly disability benefit. The monthly disability pension payable to an employee is his accrued benefit. The benefit is payable no earlier than the first day of the sixth month following the month in which total and permanent disability began and will continue during total disability for life.

In the event of the death of an active employee prior to retirement eligibility, his surviving spouse is due a monthly benefit equal to 50% of the employee's vested accrued benefit as of the date of death. If there is no surviving spouse, the benefit will be payable to the surviving dependent children under the age of eighteen, or age twenty-two if the child is a full-time student of an accredited college, university, or vocational-technical institution.

If an employee dies, having elected the Joint and Survivor benefit, while eligible to retire but not yet actually retired, then the surviving spouse will receive a benefit in accordance with the option in effect as of the date of death.

In the event that a member dies and has no surviving spouse or child eligible for monthly benefits, a refund of employee contributions plus interest at two percent per annum will be due to their estate or named beneficiary.

Contributions - According to the Plan Document, all contributions required to fund the Plan, on a sound actuarial basis, will be made by the Employer and each Participating Employee as determined under the Collective Bargaining Agreement. All benefits will be provided from the Plan, and will be attributable to employer and employee contributions. Contributions are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2021 and 2020 were 8% for the System and 8% for covered employees, respectively. The employer contributions for the years ended December 31, 2021, 2020 and 2019 were \$725,960, \$726,785, and \$719,883, respectively.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

7. Pension Plan (continued)

Deferred Retirement Option Program

In lieu of terminating employment and accepting a retirement allowance, any participant of this plan who has been eligible for retirement, including early retirement, for at least one year, may elect to participate in the Deferred Retirement Option Plan (DROP). The election to participate in the DROP may be made only once, for a period not to exceed three years. Upon commencement of participation in the plan, membership in the Plan continues and the member's status changes to inactive. During participation in the DROP, neither employer nor employee contributions are payable. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP account. This fund does not earn interest while a person is participating in the DROP. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the Plan has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits that were being paid into the DROP account will begin to be paid to the retiree. If a participant dies during participation in the plan, a lump sum equal to his account balance in the DROP account is paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the period specified for participation, payments into the DROP account cease and the person resumes active contributing membership in the plan. All amounts which remain credited to the individual's subaccount after termination of participation in the DROP will be credited with interest at the end of each plan year at a rate equal to the realized return of the retirement plan's trust portfolio for that plan year as certified by the retirement plan actuary in his actuarial report, less an amount to be calculated at the same rate of payment that applies to the management of the fund's investment portfolio.

Upon termination of employment, the monthly benefits which were being paid into the participant's subaccount begin to be paid to the retiree and he shall receive a supplemental benefit based on his additional service rendered since termination of participation in the DROP. The supplemental benefit shall be calculated based only on the years of additional service since DROP participation and a final average compensation calculated by joining the service rendered immediately prior to participating in the DROP with that after DROP participation to find the highest five consecutive years of compensation.

In no event shall the supplemental benefit exceed an amount which, when combined with the original benefit, equals 100% of the average compensation figure used to calculate the supplemental benefit.

The System has no participants in DROP as of December 31, 2021 and 2020.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

7. Pension Plan (continued)

Investments

Investment Policy - The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan's Board by a majority vote of its members. It is the policy of the Plan's Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2021 and 2020:

December 31, 2021	
Asset Class	Target Allocation
Cash and Cash Equivalents	5%
U.S. Core Fixed Income	28%
U.S. High Yield Fixed Income	2%
U.S. Large Cap Equities	36%
U.S. Small/Mid Cap Equities	10%
International Developed Equities	15%
Diversified Hedge Funds	4%
Total	100%

December 31, 2020	
Asset Class	Target Allocation
Domestic Large Cap Growth Equity	15%
Domestic Large Cap Value Equity	15%
Domestic Small to Mid Cap Growth Equity	8%
International Equity	15%
Domestic Investment Grade Fixed Income	25%
Convertible Bonds	10%
Cash and Cash Equivalents	10%
Real estate investment trusts	2%
Total	100%

Rate of Return - For the year ended December 31, 2021 and 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.4% and 12.5% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

7. Pension Plan (continued)

Net Pension Asset and Pension Expense

The components of the Net Pension Asset of the Plan as of December 31, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Total pension liability	\$ (17,009,221)	\$ (14,266,902)
Plan fiduciary net position	<u>21,445,870</u>	<u>18,436,778</u>
Net pension asset	<u>\$ 4,436,649</u>	<u>\$ 4,169,876</u>
Plan fiduciary net position as a total percentage of the total pension liability	-126.08%	-129.23%

For the years ended December 31, 2021 and 2020, the Pension (income) expense for the System is \$427,833 and (\$259,764), respectively.

The following table presents the changes in net pension liability measured as of the years ended December 31st:

	<u>2021</u>	<u>2020</u>
Total pension liability:		
Service Cost	\$ 830,888	\$ 763,995
Interest	845,889	788,722
Changes in benefit terms	424,629	-
Differences between expected and actual experience	116,793	(459,611)
Changes in assumptions	1,308,427	641,972
Benefit payments	(443,239)	(569,144)
Refunds of member contributions	(347,071)	(209,670)
Other	<u>6,003</u>	<u>(51,749)</u>
Net change in total pension liability	2,742,319	904,515
Total pension liability - beginning	<u>14,266,902</u>	<u>13,362,387</u>
Total pension liability - ending	<u>\$ 17,009,221</u>	<u>\$ 14,266,902</u>
Plan fiduciary net position:		
Contributions - employer	\$ 600,797	\$ 639,979
Contributions - employee	695,418	726,785
Net investment income	2,671,290	2,143,824
Benefit payments	(443,239)	(569,144)
Refunds of member contributions	(347,071)	(209,670)
Administrative expenses	(174,106)	(141,898)
Other	<u>6,003</u>	<u>(51,749)</u>
Net change in fiduciary net position	3,009,092	2,538,127
Plan fiduciary net position - beginning	<u>18,436,778</u>	<u>15,898,651</u>
Plan fiduciary net position - ending	<u>\$ 21,445,870</u>	<u>\$ 18,436,778</u>
Net pension asset	<u>\$ 4,436,649</u>	<u>\$ 4,169,876</u>

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

7. Pension Plan (continued)

Actuarial Methods and Assumptions

The Total Pension Liability is based on the Individual Entry Age Normal actuarial cost method as described in Statement No. 67 of the Governmental Accounting Standards Board (GASB). Calculations made as of December 31, 2021 and 2020 were based on December 31, 2021 and 2020 data, respectfully. The 2021 actuarial assumptions utilized are based on the assumptions used in the December 31, 2021 actuarial funding valuation which were based on the results of an actuarial experience study performed in 2020, unless otherwise specified. The 2020 year actuarial assumptions utilized were based on the assumptions used in the December 31, 2020 actuarial funding valuation which (with the exception of mortality) were based on the results of an actuarial experience study covering the period January 1, 2015 through December 31, 2019, unless otherwise specified.

The total pension liability was determined by an actuarial valuation as of December 31, 2021 and 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
Actuarial cost method	The Individual Entry Age Normal		The Individual Entry Age Normal	
Asset valuation method	The actuarial value of assets has been set equal to the market value of the assets		The actuarial value of assets has been set equal to the market value of the assets	
Inflation	2.10%		2.10%	
Projected salary increases, including inflation and merit increases	<u>Years of Service</u>	<u>Salary Growth Rate</u>	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1 - 2	14.50%	1 - 2	14.50%
	3 - 10	5.75%	3 - 10	5.75%
	11 and over	4.25%	11 and over	4.25%
Investment rate of return (discount rate)	5.10% net of pension plan investment expense, including inflation		5.75% net of pension plan investment expense, including inflation	

Mortality Rates - In the case of mortality, since the System's size is so small, no credible experience could be established for mortality. For the years ended December 31, 2021 and 2020, in the absence of such experience, mortality rates for active employees were based on the Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 115% for males and females, each with full generational projection using the appropriate MP2020 scale for active members and disabled annuitants.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

7. Pension Plan (continued)

Actuarial Methods and Assumptions (continued)

In order to determine future expected returns, standard deviation of returns, and correlations between asset classes, forecast information from the Plan's investment consultant and other national investment consultants were gathered. From these forecasts, an average estimated real rate of return for key asset classes was compiled along with average expected standard deviations and correlations. The target asset allocations of the Plan's investment consultant were combined with the consultant average expected returns, standard deviations, and correlations in order to produce an expected geometric rate of return for the portfolio over a long-term period (i.e., 30 years). For the 2021 valuation, it was determined that a reasonable range for the assumed rate of return was 5.07% to 6.12%, with a net portfolio adjusted nominal expected rate of return of 5.61%. For the 2020 valuation, it was determined that a reasonable range for the assumed rate of return was 5.56% to 6.93% with a net portfolio adjusted nominal expected rate of return of 6.23%. For the 2021 and 2020 valuations, the Board elected to use the rate of 5.10% and 5.75%, respectively, which lies within the reasonable range. The average assumed long-term inflation rate was 2.10% for the 2021 and 2020 valuations. This was added to the real rates of return to determine expected long-term nominal rates of return for each asset class.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2021 and 2020 are summarized in the following tables:

December 31, 2021	
Asset Class	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	-0.22%
U.S. Core Fixed Income	0.97%
U.S. High Yield Fixed Income	3.20%
U.S. Large Cap Equities	5.78%
U.S. Small/Mid Cap Equities	6.13%
International Developed Equities	6.44%
Diversified Hedge Funds	2.63%

December 31, 2020	
Asset Class	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	-0.27%
U.S. Core Fixed Income	0.97%
U.S. Investment Grade Corporate Fixed Income	1.57%
U.S. Large Cap Equities	5.78%
U.S. Small/Mid Cap Equities	6.13%
International Developed Equities	6.44%
Real Estate Investment Trusts	8.64%

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

7. Pension Plan (continued)

Actuarial Methods and Assumptions (continued)

Discount Rate - The discount rate used to measure the total pension liability was 5.10% and 5.75% at December 31, 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that CATS contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in the Discount Rate – The following presents the Net Pension Liability (Asset) of CATS calculated using the discount rate as of December 31, 2021 and 2020, as well as what the System's Net Pension Liability (Asset) would be if it were calculated using a discount rate that one percentage point lower or one percentage point higher than the year-end rate (assuming all other assumptions remain unchanged):

December 31, 2021			
	1% Decrease 4.10%	Current Discount Rate 5.10%	1% Increase 6.10%
Net pension asset	\$ 2,076,788	\$ 4,436,649	\$ 6,386,400
December 31, 2020			
	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Net pension asset	\$ 2,291,722	\$ 4,169,876	\$ 5,729,240

Expected Remaining Service Lives – The effects of certain other changes in the Net Pension Liability are required to be included in pension expense over the current and future periods. The effects of the Total Pension Liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees), determined as of the beginning of the measurement period. The effect on the Net Pension Liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

7. Pension Plan (continued)

Actuarial Methods and Assumptions (continued)

The Expected Remaining Service Lives (ERSL) for the current year are:

<u>Beginning of Year</u>	<u>ERSL (in Years)</u>
2021	3
2020	3

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Deferred outflows of resources		
Difference between expected and actual experience	\$ 77,862	\$ 89,496
Changes in assumptions	1,086,275	586,934
Difference between projected and actual earnings	-	-
Total	<u>\$ 1,164,137</u>	<u>\$ 676,430</u>
Deferred inflows of resources		
Difference between expected and actual experience	\$ (153,204)	\$ (306,407)
Changes in assumptions	-	-
Difference between projected and actual earnings	<u>(2,594,193)</u>	<u>(1,944,481)</u>
Total	<u>\$ (2,747,397)</u>	<u>\$ (2,250,888)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ (159,636)
2023	(539,289)
2024	(564,015)
2025	<u>(320,320)</u>
Total	<u>\$ (1,583,260)</u>

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

8. Deferred Compensation Plan

The System offers its employees participation in the Louisiana Public Employees' Deferred Compensation Plan (Compensation Plan), created by Louisiana Revised Statutes and in accordance with Section 457 of the Internal Revenue Code. The Compensation Plan is available to all full-time employees and permits them to defer a portion of their salary until future years. The assets of the Compensation Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants, holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. The System contributions are based on 8% of eligible wages. For the years ended December 31, 2021 and 2020, the contributions to the plan were \$59,653 and \$49,847, respectively.

9. Commitments and Contingencies

Grant Commitments

For the year ended December 31, 2021, grant agreements under which the System received federal financial assistance required the System to match 15% to 25% of dollars received. For the year ended December 31, 2020, the nature of the federal financial assistance received by the System did not require similar matching requirements. In future years, the System will have to provide additional local funds to meet the matching requirements of grants which are expected to be similar in nature to those which existed as of December 31, 2021.

Lease Commitment

During 2019, the System terminated a month-to-month lease on office space and effective November 1, 2019 entered into a lease for new office space. The current lease is for approximately \$7,703 per month for 36 months.

Tire Purchase Contract

The System exercised the second one-year extension of its contract for the purchase of bus tires. The effective dates of the contract renewal are September 1, 2021 through August 31, 2022. The vendor has agreed to provide tires at a fixed cost per tire plus a rate per mile. The System estimates the costs to be \$200,000 over the term of the contract extension. Tire cost expense was approximately \$99,000 and \$97,500 for the years ended December 31, 2021 and 2020, respectively.

Grant Disallowances

The System participates in federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

10. Self-Insurance and Legal Claims

The System is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions injuries to employees; and natural disasters. The System manages the its workers comp and general liability portions of its exposure to losses through a self-insurance program.

At December 31, 2021 and 2020, accrued claims liabilities of \$3,300,815 and \$3,515,242, respectively, were included in the Proprietary Fund's statements of net position, as follows:

	<u>2021</u>	<u>2020</u>
Current portion	\$ 889,303	\$ 906,118
Long-term portion	2,411,512	2,609,124
Total	<u>\$ 3,300,815</u>	<u>\$ 3,515,242</u>

The accruals, which are based upon the advice of counsel, are, in the opinion of management, sufficient to provide for all probable claims liabilities that are able to be estimated at December 31, 2021 and 2020. In addition, the claims will not be paid until appropriated by the System.

Changes in claims liability during the years ended December 31, 2021 and 2020, were as follows:

	<u>2021</u>	<u>2020</u>
Beginning of year liability	\$ 3,515,242	\$ 3,436,991
Current year claims and changes in estimates	1,472,536	1,978,717
Claim payments	<u>(1,686,963)</u>	<u>(1,900,466)</u>
End of year liability	<u>\$ 3,300,815</u>	<u>\$ 3,515,242</u>

Effective September 2020, the System purchased an insurance policy through September 2021 which covers auto physical damage up to \$2,500,000, subject to a \$50,000 deductible per vehicle per occurrence. The policy was subsequently renewed through January 2022.

11. Capital Lease Obligations

The System is the lessee of 10 transit buses under a lease agreement with a financial institution. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the inception date which was June 1, 2017. Lease terms include 14 semiannual payments of \$328,137 with interest at 2.31%. At December 31, 2021, book value of leased equipment, net of depreciation, was \$2,533,609.

Changes in the capital lease liability during the years ended December 31, 2021 and 2020, were as follows:

	<u>2021</u>	<u>2020</u>
Beginning of year liability	\$ 2,193,982	\$ 2,788,983
Lease proceeds	-	-
Principal payments	<u>(608,884)</u>	<u>(595,001)</u>
End of year liability	<u>\$ 1,585,098</u>	<u>\$ 2,193,982</u>

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

11. Capital Lease Obligations (continued)

Minimum future lease payments under these capital leases as of December 31, 2021 are:

Year Ended	Amount
<u>December 31, 2021</u>	
2022	\$ 656,274
2023	656,274
2024	<u>328,136</u>
Total minimum lease payments	1,640,684
Less: amount representing interest	<u>(55,586)</u>
Present value of minimum lease payments	<u>\$ 1,585,098</u>

12. Effect of Deferred Amounts on Net Position

The unrestricted net position amounts of \$19,265,717 and \$21,465,570 for the years ended December 31, 2021 and 2020, respectively, include the effects of deferring the recognition of pension expense from the differences between expected and actual experience, changes in assumptions and projected and actual earnings of the System's single employer defined benefit plan. The \$1,164,137 and \$676,430 balances of the deferred outflows of resources and the \$153,204 and \$306,407 balances of the deferred inflows of resources as of December 31, 2021 and 2020, respectively will be recognized as increases or decreases to pension expense over the remaining average service life of the participants in the pension plan for the differences in expected and actual experience and changes in assumptions. The \$2,594,193 and \$1,944,481 balances of the deferred inflows of resources as of December 31, 2021 and 2020, respectively will be recognized as increases or decreases to pension expense over the remaining five-year period applicable to the differences between project and actual earnings of the pension plan.

13. Concentrations

Substantially all non-management employees are covered under a collective bargaining agreement.

14. Current Accounting Standards Scheduled to be Implemented

GASB Statement 87, Leases: This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for all leases including those previously reported as operating leases. All leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The System will include the requirements of this standard, as applicable, in its December 31, 2022 financial statements. All of the System's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the System are unknown at this time.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

15. Prior Year Restatement

During 2021, the tax collector notified the System that it, in error, had received excess property tax revenues as part of the 2020 property tax assessment. As a result, the System owed approximately \$594,000 to the tax collector as a refund of the overpayments received. The accounts payable and accrued expenses and ad valorem tax revenue were restated at December 31, 2020 as follows:

Total accounts payable and accrued expenses, December 31, 2020, as previously reported	\$ 1,788,865
Accrual of liability for refunds due tax collector	594,329
Total accounts payable and accrued expenses, December 31, 2020, restated	<u>\$ 2,383,194</u>
Total ad valorem revenue, December 31, 2020, as previously reported	\$ 19,718,365
Accrual of liability for refunds due tax collector	<u>(594,329)</u>
Total ad valorem revenue, December 31, 2020, restated	<u>\$ 19,124,036</u>

The previously stated net position as of December 31, 2020 was \$43,603,627 and the previously stated changes in net position was \$10,137,727 for the year ended December 31, 2020. After the above restatement to accrue the refund due, the restated net position as of December 31, 2020 is \$43,009,298 and the restated changes in net position is \$9,543,398 for the year ended December 31, 2020.

16. Related-Party Transactions

Plan investments include unites of funds managed by Raymond James. Raymond James is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

17. Subsequent Event

The Plan was amended effective January 1, 2022 to change the normal retirement eligibility criteria to the first of the month after which the employee has attained age sixty-two and completed five years of service, or 30 years of service regardless of age.

REQUIRED SUPPLEMENTARY INFORMATION

CAPITAL AREA TRANSIT SYSTEM
BATON ROUGE, LOUISIANA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>TOTAL PENSION LIABILITY</u>							
Service cost	\$ 830,888	\$ 763,995	\$ 709,832	\$ 705,207	\$ 694,880	\$ 609,044	\$ 577,109
Interest	845,889	788,722	733,100	712,051	685,993	661,807	684,863
Changes in benefit terms	424,629	-	101,812	-	-	-	-
Differences between expected and actual experience	116,793	(459,611)	268,488	(215,003)	(177,108)	(141,782)	(332,043)
Changes of assumptions	1,308,427	641,972	476,858	-	-	-	414,840
Benefit payments	(443,239)	(569,144)	(576,499)	(615,135)	(534,895)	(545,869)	(507,571)
Refunds of member contributions	(347,071)	(209,670)	(254,732)	(237,181)	(174,467)	(375,062)	(348,156)
Other	6,003	(51,749)	(28,665)	-	-	9,620	1,348
Net change in total pension liability	<u>\$ 2,742,319</u>	<u>\$ 904,515</u>	<u>\$ 1,430,194</u>	<u>\$ 349,939</u>	<u>\$ 494,403</u>	<u>\$ 217,758</u>	<u>\$ 490,390</u>
<u>TOTAL PENSION LIABILITY - BEGINNING</u>	<u>14,266,902</u>	<u>13,362,387</u>	<u>11,932,193</u>	<u>11,582,254</u>	<u>11,087,851</u>	<u>10,870,093</u>	<u>10,379,703</u>
<u>TOTAL PENSION LIABILITY - ENDING (a)</u>	<u><u>\$ 17,009,221</u></u>	<u><u>\$ 14,266,902</u></u>	<u><u>\$ 13,362,387</u></u>	<u><u>\$ 11,932,193</u></u>	<u><u>\$ 11,582,254</u></u>	<u><u>\$ 11,087,851</u></u>	<u><u>\$ 10,870,093</u></u>
<u>PLAN FIDUCIARY NET POSITION</u>							
Contributions - member	\$ 600,797	\$ 639,979	\$ 636,414	\$ 604,736	\$ 607,307	\$ 589,279	\$ 553,162
Contributions - employer	695,418	726,785	719,883	720,360	684,668	669,552	657,058
Net investment income (loss)	2,671,290	2,143,824	3,014,272	(803,684)	1,933,099	562,303	(238,834)
Benefit payments	(443,239)	(569,144)	(576,499)	(615,135)	(534,895)	(545,869)	(507,571)
Refunds of member contributions	(347,071)	(209,670)	(254,732)	(237,181)	(174,467)	(375,062)	(348,156)
Administrative expenses	(174,106)	(141,898)	(150,386)	(148,401)	(124,891)	(114,605)	(102,373)
Other	6,003	(51,749)	(28,665)	-	-	9,620	1,348
Net change in plan fiduciary net position	<u>\$ 3,009,092</u>	<u>\$ 2,538,127</u>	<u>\$ 3,360,287</u>	<u>\$ (479,305)</u>	<u>\$ 2,390,821</u>	<u>\$ 795,218</u>	<u>\$ 14,634</u>
<u>PLAN FIDUCIARY NET POSITION - BEGINNING</u>	<u>18,436,778</u>	<u>15,898,651</u>	<u>12,538,364</u>	<u>13,017,669</u>	<u>10,626,848</u>	<u>9,831,630</u>	<u>9,816,996</u>
<u>PLAN FIDUCIARY NET POSITION - ENDING (b)</u>	<u><u>\$ 21,445,870</u></u>	<u><u>\$ 18,436,778</u></u>	<u><u>\$ 15,898,651</u></u>	<u><u>\$ 12,538,364</u></u>	<u><u>\$ 13,017,669</u></u>	<u><u>\$ 10,626,848</u></u>	<u><u>\$ 9,831,630</u></u>
<u>NET PENSION (ASSET) LIABILITY - ENDING (a - b)</u>	<u>\$ (4,436,649)</u>	<u>\$ (4,169,876)</u>	<u>\$ (2,536,264)</u>	<u>\$ (606,171)</u>	<u>\$ (1,435,415)</u>	<u>\$ 461,003</u>	<u>\$ 1,038,463</u>
<u>PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (ASSET)</u>	126.08%	129.23%	118.98%	105.08%	112.39%	95.84%	90.45%
<u>COVERED PAYROLL</u>	\$ 9,084,813	\$ 8,998,538	\$ 9,004,500	\$ 8,558,350	\$ 8,369,400	\$ 8,213,225	\$ 6,442,800
<u>NET PENSION (ASSET) LIABILITY AS A PERCENTAGE OF COVERED PAYROLL</u>	-48.84%	-46.34%	-28.17%	-7.08%	-17.15%	5.61%	16.12%

CAPITAL AREA TRANSIT SYSTEM
BATON ROUGE, LOUISIANA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS

Notes to Schedule:

Changes of assumptions:

Investment Rate

2015 - rate changed from 6.50% to 6.00%.
2019 - rate changed from 6.00% to 5.75%.
2021 - rate changed from 5.75% to 5.10%.

Inflation

2017 - decrease from 3.00% to 2.50%
2019 - increase from 2.00% to 2.10%

Salary Increases

2015 - rate changed from flat 5.50% to scale based on years of service:

1 year of service - 17.00%	2 years of service - 10.00%
3 - 10 years of service - 5.25%	11 years and over - 3.75%

2020:

1 - 2 years of service - 14.50%	11 years and over - 4.25%
3 - 10 years of service - 5.75%	

Mortality Table

2014 - For disabled annuitants RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females.

2015 - For disabled annuitants RP-2000 Disabled Lives Mortality Table set back two years for males and one year for females.

2016 - For disabled annuitants RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females.

2020 - Pub-2010 Public Retirement Plans for General Employees multiplied by 115% for males and females with full generational projection using the appropriate MP-2020 scale.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CAPITAL AREA TRANSIT SYSTEM
BATON ROUGE, LOUISIANA
SCHEDULE OF CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ (155,600)	\$ (13,627)	\$ 191,669	\$ 18,909	\$ 240,490	\$ 373,275	\$ 330,993	\$ 324,152
Contributions in relation to the actuarially determined contribution	<u>695,418</u>	<u>726,785</u>	<u>719,883</u>	<u>720,360</u>	<u>684,668</u>	<u>669,552</u>	<u>657,058</u>	<u>515,424</u>
Contribution deficiency (excess)	<u>\$ (851,018)</u>	<u>\$ (740,412)</u>	<u>\$ (528,214)</u>	<u>\$ (701,451)</u>	<u>\$ (444,178)</u>	<u>\$ (296,277)</u>	<u>\$ (326,065)</u>	<u>\$ (191,272)</u>
Covered payroll	\$ 8,692,725	\$ 9,084,813	\$ 8,998,538	\$ 9,004,500	\$ 8,558,350	\$ 8,369,400	\$ 8,213,255	\$ 6,442,800
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CAPITAL AREA TRANSIT SYSTEM
BATON ROUGE, LOUISIANA

SCHEDULE OF INVESTMENT RETURNS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return (loss), net of investment expense	13.40%	12.49%	21.20%	-5.98%	16.35%	5.49%	-2.41%	5.67%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER INFORMATION

CAPITAL AREA TRANSIT SYSTEM
BATON ROUGE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021

Chief Executive Officer

William Deville

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 190,819
Benefits - insurance	4,920
	<u>\$ 195,739</u>

INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Capital Area Transit System
Baton Rouge, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activity and the aggregate remaining fund information (the fiduciary fund) of the Capital Area Transit System (the "System"), a component unit of the City of Baton Rouge - Parish of East Baton Rouge, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated June 30, 2022. Our report includes a reference to other auditors who audited the financial statements of the fiduciary fund, as described in our report on the System's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, and 2020-003 that we consider to be significant deficiencies.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-004.

The System's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the System's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The System's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads 'Postlethwaite & Netterville' in a cursive script.

Baton Rouge, Louisiana
June 30, 2022

INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

To the Board of Commissioners
Capital Area Transit System
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Capital Area Transit System's (the "System") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the System's major federal programs for the year ended December 31, 2021. The System's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Federal Transit Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the System complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Federal Transit Cluster for the year ended December 31, 2021.

Basis for Qualified Opinion on the Federal Transit Cluster

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the System's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Federal Transit Cluster

As described in the accompanying schedule of findings and questioned costs, the System did not comply with requirements regarding Assistance Listing No. 20.507 Transit Formula Grants as described in finding number 2021-006 for Procurement.

Compliance with such requirements is necessary, in our opinion, for the System to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the System's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the System's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the System's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the System's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the System's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the System's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The System's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-006 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2021-005 and 2021-007 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the System's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The System's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads 'Postlethwaite & Netterville'.

Baton Rouge, Louisiana
June 30, 2022

CAPITAL AREA TRANSIT SYSTEM
BATON ROUGE, LA

SCHEDULE OF EXPENDITURES OF GRANT AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Federal Grantor/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Project Number</u>	<u>Expenditures (Repayments)</u>	<u>Passed through to Sub-recipients</u>
Federal Transportation Administration				
<i>Federal Transit Cluster:</i>				
<u>Federal Transit - Formula Grants:</u>				
2013 Formula Grant	20.507	LA-90-X404	\$ 52,894	\$ -
2015 (Section 5307) Formula Grant	20.507	LA-90-X437	400,000	-
2015 STP Funds for Shelter Project	20.507	LA-95-X010	1,893	-
2016 (Section 5307) Formula Grant	20.507	LA-2016-026	120,000	-
2017 CMAQ Funding	20.507	LA-2017-028	1,424,745	-
2018 (Section 5307) Formula Grant	20.507	LA-2019-007	69,895	-
2019 (Section 5307) Formula Grant	20.507	LA-2019-030	11,943	-
2020 (Section 5307) Formula Grant	20.507	LA-2021-017	2,393,417	-
COVID-19 2021 (Section 5307) CRRSAA Operating Grant	20.507	LA-2021-009	3,687,479	-
Total Federal Transit - Formula Grants			8,162,266	-
<u>Bus and Bus Facilities Formula Program:</u>				
2019 Section 5339 Formula Apportionment	20.526	LA-2019-029	96,135	-
2020 Section 5339 Formula Apportionment	20.526	LA-2021-003	538,371	-
Total Bus and Bus Facilities Formula Program			634,506	-
<i>Total Federal Transit Cluster</i>			8,796,772	-
<u>Public Transportation Innovation</u>				
2020 Accelerating Innovative Mobility (AIM)	20.530	LA-2021-008	138,833	-
Total Public Transportation Innovation			138,833	-
Total Federal Expenditures			\$ 8,935,605	\$ -

See Notes to Schedule of Expenditures of Federal Awards.

CAPITAL AREA TRANSIT SYSTEM
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Capital Area Transit System and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – DE MINIMIS COST RATE

During the year ended December 31, 2021, the Capital Area Transit System did not elect to use the 10% de minimis cost rate as covered in §200.414 of the Uniform Guidance.

NOTE C – AMOUNTS PASSED THROUGH TO SUBRECIPIENTS

During the year ended December 31, 2021, the Capital Area Transit System did not pass through any federal funding to subrecipients.

NOTE D – RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

The following is a reconciliation of the Schedule of Expenditures of Federal Awards (SEFA) to the basic financial statements:

Federal operating subsidy	\$ 6,080,896
Planning and technical study grants	69,895
Capital contributions	<u>2,784,814</u>
Total expenditures of federal awards	<u>\$ 8,935,605</u>

CAPITAL AREA TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to the financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	Yes
Type of auditor's report issued on compliance for major programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?	Yes

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
Federal Transit Cluster:	
20.507	Transit Formula Grants
20.526	Section 5339 Formula Apportionment

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

CAPITAL AREA TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

B. Financial Statements Findings

2021-001 Recordkeeping Associated with Employee Leave

Criteria: To ensure the accuracy of the compensated absences liability and to verify that employees are allowed to take leave only for time earned, procedures and controls should be implemented to ensure that leave time is tracked and reviewed each pay period.

Condition: *This is a partially repeated finding from 2018, 2019, and 2020.* Accurate and complete reporting is not maintained to document the accrued leave.

Cause: The reporting of accrued leave is not being maintained and updated in a timely manner.

Effect: The liability associated with this benefit is not being accurately reflected in the financial reports of the System.

Recommendation: We recommend that for financial reporting purposes those amounts should be updated and journal entries recorded monthly.

*View of
Responsible Official:*

The agency will update the payroll and reporting process and procedures, to include annual year end updates; performed by the payroll processor and the accounting manager.

CAPITAL AREA TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

B. Financial Statements Findings (continued)

2021-002 Documentation of Approved Pay Rates in Payroll File

Criteria: Establishment of a payroll file enables accounting personnel to pay the employee without accessing employee confidential information which is maintained in a personnel file. Accounting and Finance personnel can keep payroll records in a secure location. Proper internal controls to ensure proper payment to employees would require that payroll files be updated with proper documentation to support wage rates paid to personnel.

Condition: *This is a repeat finding from 2018, 2019, and 2020.* During our testing of internal controls over payroll, we noted for 10 out of 40 individuals selected for testing, no documentation existed for the approval of the current rate of pay. We were able to verify the pay rates appeared appropriate through other audit procedures such as review of the positions and comparison of pay rates to prior year records.

Cause: Turnover in key personnel in the human resources and finance departments resulted in the lack of documentation in payroll files.

Effect: The System is unable to demonstrate that wages paid to all of its employees is appropriately approved.

Recommendation: We recommend that the System adopt written policies and procedures to ensure that documentation of approved pay rates is maintained.

*View of
Responsible Official:*

CATS will adopt new written policies and procedures to ensure the documentation proof of payrates are maintained. The new system of record will have the ability to maintain and track all pay updates/changes.

CAPITAL AREA TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

B. Financial Statements Findings (continued)

2021-003 Maintenance of Pension Plan Census Data

Criteria: The Capital Area Transit System Employees' Pension Trust Fund (the Plan) exists for the benefit of current and former System employees who are members of the Plan. The System funds the plan based on actuarially determined amounts and recognizes a net pension liability or asset based on the actuarially determined liability of the benefits less the net position of the Plan. At the end of the calendar year 2021, a net pension asset was recorded by the System. To ensure the accuracy of the net pension asset and related deferrals associated with the pension benefits, procedures and controls should be established and implemented to ensure that census data for pension plan participants is tracked and reviewed on a regular basis and includes a reconciliation of internal data with that maintained by the pension plan actuary in the valuation of these future benefits.

Condition: *This is a repeat finding from 2018, 2019, and 2020. While performing procedures over census data information, we noted that an accurate and complete census data file of active participants is not maintained by the System. The System is relying on the census data maintained by a third-party administrator in order to ensure the accuracy of the net pension asset and related deferrals associated with pension benefits.*

In addition, supporting documentation was not available to verify the eligibility of 2 of 25 active employees tested.

Cause: The System has relied on the plan actuary to maintain this information by providing them with new participants and notifying them of terminations. There is no reconciliation by the System of the active file maintained by the plan actuary to ensure completeness of the data used in the valuation of these future pension benefits.

Effect: Without ensuring the file used by the plan actuary is accurate, the valuation performed by the plan actuary may be misstated and the amount of the net pension liability or asset recognized by the System incorrect.

Recommendation: We recommend that the System adopt written procedures and develop appropriate internal controls to ensure that census data for pension plan participants is tracked and reviewed on a regular basis including reconciling with the pension plan actuary.

View of Responsible Official: *Adopting new written procedures with appropriate controls. Working directly with the pension plan actuary to reconcile on a monthly basis.*

CAPITAL AREA TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

B. Financial Statements Findings (continued)

2021-004 Violation of State Bid Law

Criteria: Louisiana Revised Statute 38:2212 requires that, when suspending bid law in response to a declared emergency, that the emergency be certified by the public entity at a public meeting. Bid law may then be waived provided that notice was given to the public by publishing in the official journal within 10 days of declaring the public emergency. Louisiana Revised Statute 38:321 provides for public entity's to piggyback on other public entities' contracts provided, among other requirements, that written consent of the political subdivision which bid the contract is obtained.

Condition: During our review of key disbursements in 2021 it was noted that, in the aftermath of Hurricane Ida, that emergency fuel was purchased from a vendor used by the City-Parish of East Baton Rouge. No evidence was noted that the System took the necessary steps to certify the emergency and provide notice in the official journal that bid law was being waived. Additionally, no evidence was noted that written consent of the City-Parish was obtained to purchase fuel under the contract bid and awarded by the City-Parish.

Cause: The System has not established the proper procedures to ensure compliance with State bid law in the event of an emergency and the suspension of bid law.

Effect: Without certifying and providing public notice of the suspension of bid law and without obtaining written consent to piggyback on the City-Parish contract, the System is in violation of State bid law.

Recommendation: We recommend that the System adopt policies and procedures to ensure that future emergency purchases are addressed in accordance with State bid law.

*View of
Responsible Official:*

The Agency will adopt policies and procedures to ensure that future emergency purchases are addressed in accordance with State bid Law. Will continue to maintain training for procurement staff.

CAPITAL AREA TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

C. Findings and Questioned Costs for Federal Awards

U.S. Department of Transportation

FEDERAL TRANSIT CLUSTER

20.507 Federal Transit Formula Grant (applies to all grants)

20.526 Section 5339 Formula Apportionment

2021-005 Preparation of Schedule of Expenditures of Federal Awards and Reconciliation of Grant Revenue

Criteria: The Uniform Guidance Subpart F Section 200.510 requires the preparation of a Schedule of Expenditures of Federal Awards (SEFA) that includes an accurate reporting of federal awards expended based on the terms and conditions of the grants along with the amount of funds disbursed to subrecipients. In order for the SEFA to be prepared accurately and properly report the amounts expended for federal awards, a system of controls should be in existence that includes the timely preparation and review of the amounts reported on the SEFA. Review of the amounts reported should include a reconciliation of the expenditures under the grants to the grant revenue. Additionally, the reconciliation should take into account grant revenue that is due from the awarding agency for expenditures incurred during the fiscal year.

Condition: *This is a repeat finding from 2019 and 2020.* The SEFA provided for audit did not contain the correct amounts of federal expenditures supported by the accounting system. Additionally, the grant revenue did not include all amounts due from the awarding agency for expenditures incurred during the fiscal year.

Questioned Costs: Not applicable.

Cause: The System currently maintains its internal records on a cash basis throughout the year and year-end reconciliations of federal expenditures to federal grant awards available and remitted are not performed timely enough in order to prepare an accurate and complete reporting of federal awards expended.

Effect: An inaccurate SEFA may result in incomplete reporting of federal expenditures and non-compliance with federal regulations with respect to required major program audits and coverage requirements. Grant revenue may not reflect the total revenue within the proper period.

Recommendation: We recommend the System review its policies and procedures for identifying, recording and tracking federal expenses and implement tools within the accounting system to properly identify in order to prepare an accurate SEFA. The policies and procedures should include capturing all grant revenue for eligible expenses incurred during the fiscal year.

CAPITAL AREA TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

C. Findings and Questioned Costs for Federal Awards

U.S. Department of Transportation

FEDERAL TRANSIT CLUSTER

20.507 Federal Transit Formula Grant (applies to all grants)

20.526 Section 5339 Formula Apportionment

2021-005 Preparation of Schedule of Expenditures of Federal Awards and Reconciliation of Grant Revenue (continued)

*View of
Responsible Official:*

The Agency will adopt written policies and procedures to allow for the timely draw down and reconciliation of federal expenditures in accordance with the recommendation of the Federal Transit Administration.

CAPITAL AREA TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

C. Findings and Questioned Costs for Federal Awards (continued)

U.S. Department of Transportation

FEDERAL TRANSIT CLUSTER

20.507 Federal Transit Formula Grant (applies to all grants)

20.526 Section 5339 Formula Apportionment

2021-006 Procurement

Criteria: The Uniform Guidance procurement regulations were fully effective as of December 26, 2017. The regulations (§200.320) require, among other things, that procurement for purchases of goods and services follow certain procedures related to obtaining and awarding of contracts based on sealed bid, competitive-, and non-competitive proposals. Additionally, §200.318(d) provides that written policies and procedures must document the avoidance of the acquisition of unnecessary or duplicative items.

Condition: *This is a repeat finding from 2019 and 2020.* During our testing of purchases under the procurement regulations, for 4 out of 16 items selected for testing, the System was unable to provide supporting documentation that these items were procured in accordance with the standards in §200.320. The universe (population) from which the items were selected was all vendor payments in 2021 over \$10,000. This was 16 items totaling approximately \$11,897,000. A portion of these costs are funded through local revenue sources. Additionally, while the System does maintain written policies and procedures related to procurement standards, documentation addressing the acquisition of unnecessary or duplicative items was not present.

Questioned Costs: \$1,350,319.

Cause: A material weakness exists in the internal controls over procurement. The System does not have adequate controls in place to ensure that appropriate supporting documentation is maintained for purchases made under the procurement standards in order to support the obtaining and awarding of contracts based on sealed bid, competitive, and non-competitive proposals. Additionally, written policies and procedures over procurement were not reviewed to ensure all requirements under these regulations were addressed.

Effect: The System may not be receiving the overall lowest cost for services and supplies procured by the agency.

Recommendation: We recommend the System implement internal controls to ensure that supporting documentation is maintained for the procurement of goods and services in accordance with §200.320. Additionally, we recommend that the System enhance its written policies and procedures to ensure that documentation is included regarding the avoidance of the acquisition of unnecessary or duplicative items.

CAPITAL AREA TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

C. Findings and Questioned Costs for Federal Awards (continued)

U.S. Department of Transportation

FEDERAL TRANSIT CLUSTER

20.507 Federal Transit Formula Grant (applies to all grants)

20.526 Section 5339 Formula Apportionment

2021-006 Procurement (continued)

*View of
Responsible Official:*

We will create internal procedures that will assist in the developing a complete file inclusive of the required justification for the procurement of goods and services. Further the Agency will develop an inventor system maintained through procurement and operations to avoid unnecessary or duplicative purchases.

CAPITAL AREA TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

C. Findings and Questioned Costs for Federal Awards (continued)

U.S. Department of Transportation

FEDERAL TRANSIT CLUSTER

20.507 Federal Transit Formula Grant (applies to all grants)

20.526 Section 5339 Formula Apportionment

**2021-007 Activities Allowed or Unallowed
Allowable Costs/Cost Principles**

Criteria: Establishment of a payroll file enables accounting personnel to pay the employee without accessing employee confidential information which is maintained in a personnel file. Accounting and Finance personnel can keep payroll records in a secure location. Proper internal controls to ensure proper payment to employees would require that payroll files be updated with proper documentation to support wage rates paid to personnel.

Condition: During our testing of internal controls over payroll, we noted for 10 out of 40 individuals selected for testing, no documentation existed for the approval of the current rate of pay. We were able to verify the pay rates appeared appropriate through other audit procedures such as review of the positions and comparison of pay rates to prior year records. The population was all payroll. This is not a statistically valid sample.

*Questioned
Costs:* None.

Cause: Turnover in key personnel in the human resources and finance departments resulted in the lack of documentation in payroll files.

Effect: The System is unable to demonstrate that wages paid to all of its employees is appropriately approved.

Recommendation: We recommend that the System adopt written policies and procedures to ensure that documentation of approved pay rates is maintained.

*View of
Responsible Official:*

CATS will adopt new written policies and procedures to ensure the documentation proof of payrates are maintained. The new system of record will have the ability to maintain and track all pay updates/changes.

CAPITAL AREA TRANSIT SYSTEM
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

B. Financial Statements Findings

2020-001 Recordkeeping Associated with Employee Leave

Criteria: To ensure the accuracy of the compensated absences liability and to verify that employees are allowed to take leave only for time earned, procedures and controls should be implemented to ensure that leave time is tracked and reviewed each pay period.

Condition: *This is a repeat finding from the prior year. We noted 16 out of 268 total employees were allowed to take more than their accrued leave time available resulting in 326 hours of time taken but not yet earned or approximately \$8,000. Additionally, accurate and complete reporting is not maintained to document the accrued leave.*

Cause: The leave time, as calculated and recorded in the payroll system, does not match the pay structure for the System's operators. This requires that accrued vacation be manually updated in the accounting system. Additionally, management employees are not reviewing leave time accrued prior to approving requests for leave.

Effect: Employees are allowed to take more than their allotted leave time available and if the employee is terminated or leaves the System the ability to collect on overpaid wages is unlikely. In addition, the liability associated with this benefit is not being accurately reflected in the financial reports of the System.

Recommendation: We recommend that the System adopt written procedures and develop appropriate internal controls to ensure that employees are only allowed to take leave for time earned and that accurate and complete reports are maintained to reflect the compensated absence liability. In addition, for financial reporting purposes those amounts should be updated and journal entries recorded monthly.

*View of
Responsible Official:*

Due to the collective bargain agreement, bus operators earn vacation hours based upon their bus route. If a route is more than 8 hours per day, this caused the variance as we initially only accrued 8 hours. We have begun to monitor the routes and employees associated with them and reduced the prior year's errors by 65%. We will continue to monitor this as we are in the process of initiating procedures in our new payroll system.

Current status:* *Not resolved. See repeat finding 2021-001.

CAPITAL AREA TRANSIT SYSTEM
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

B. Financial Statements Findings (continued)

2020-002 Documentation of Approved Pay Rates in Payroll File

Criteria: Establishment of a payroll file enables accounting personnel to pay the employee without accessing employee confidential information which is maintained in a personnel file. Accounting and Finance personnel can keep payroll records in a secure location. Proper internal controls to ensure proper payment to employees would require that payroll files be updated with proper documentation to support wage rates paid to personnel.

Condition: *This is a repeat finding from the prior year.* During our testing of internal controls over payroll, we noted for 13 out of 40 individuals selected for testing, pay rates did not agree to the supporting documentation in their personal file of the current rate of pay or no documentation existed for the approval of the current rate of pay. We were able to verify the pay rates appeared appropriate through other audit procedures such as comparison of hire date and pay rates of other employees with similar positions.

Cause: Turnover in key personnel in the human resources and finance departments resulted in the lack of documentation in payroll files.

Effect: The System is unable to demonstrate that wages being paid to all of its employees is appropriately approved and in accordance with all union contracted terms.

Recommendation: We recommend that the System adopt written policies and procedures to ensure that documentation of approved pay rates is maintained.

*View of
Responsible Official:*

This policy has been discussed with our current staff and brought to the attention of the current Human Resources Director. The department is working on policies and procedures to ensure that all items are checked off on the procedural change and no changes will be made without proper documentation.

Current status:* *Not resolved. See repeat finding 2021-002.

CAPITAL AREA TRANSIT SYSTEM
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

B. Financial Statements Findings (continued)

2020-003 Unremitted Contributions for Special Pay Dates

Criteria: According to the Plan Document, all contributions required to fund the defined-benefit pension plan, on a sound actuarial basis, will be made by the employer and each participating employee as determined under the collective bargaining agreement. Contributions are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2020 were 8% for CATS and 7% for covered employees.

Condition: There was a special payroll date (4/20/2020) during the year ended December 31, 2020 where contributions were not remitted to the defined-benefit pension plan. Employer and employee contributions for that date was \$2,022 and \$1,601, respectively.

Cause: The lack of established written policies and procedures and lack of proper training of personnel resulted in the contributions not being remitted to the defined-benefit pension plan timely.

Effect: While the defined-benefit pension plan is fully funded, the System is not in compliance with its fiduciary responsibility or contractual terms to remit contributions to fund the future retirement benefits of its employees.

Recommendation: We recommend that the CATS' human resources department adopt written procedures to ensure that all contributions are remitted to the defined-benefit pension plan on a timely basis, and that these written procedures be reviewed with the CATS' human resource department on annual basis. In addition, a reconciliation by finance personnel of covered payroll and required contributions to disbursements made to the defined-benefit pension plan should occur on a monthly basis.

*View of
Responsible Official:*

A new Human Resources Director was hired and began to review the current policies and procedures. We began to meet with the administrator of the pension plan to work through some of the past issues and share ideas going forward. We will implement a new policy going forward and make sure that all employees involved are properly trained.

Current status:* *Resolved.

CAPITAL AREA TRANSIT SYSTEM
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

C. Findings and Questioned Costs for Federal Awards

2020-004 Maintenance of Pension Plan Census Data

Criteria: The Capital Area Transit System Employees' Pension Trust Fund (the Plan) exists for the benefit of current and former System employees who are members of the Plan. The System funds the plan based on actuarially determined amounts and recognizes a net pension liability or asset based on the actuarially determined liability of the benefits less the net position of the Plan. At the end of the calendar year 2020, a net pension asset was recorded by the System. To ensure the accuracy of the net pension asset and related deferrals associated with the pension benefits, procedures and controls should be established and implemented to ensure that census data for pension plan participants is tracked and reviewed on a regular basis and includes a reconciliation of internal data with that maintained by the pension plan actuary in the valuation of these future benefits.

Condition: *This is partially repeated from the prior year.* While performing procedures over census data information, we noted that an accurate and complete census data file of active participants is not maintained by the System. From the 193 active participants listed in the plan actuary census file, 26 were not listed on the census data file provided by the System. For 14 out of the 26, these were appropriately included in the census data file used by the actuary. For 12 out of the 26, these represent individuals who were terminated during the calendar year and for which notification to the Plan was not made by the System. These individuals were not fully vested in the Plan. As such, the valuation assumptions were more conservative (assuming they would receive a lifetime benefit) and may result in a refund to the non-vested participant which is not deemed material to the financial statements.

In addition, the file maintained by the System did not contain all relevant information used by the Plan, including birthdate, marital status, hire date and/or termination date to aid in the actuarial valuation.

Cause: The System has relied on the plan actuary to maintain this information by providing them with new participants and notifying them of terminations. There is no reconciliation by the System of the active file maintained by the plan actuary to ensure completeness of the data used in the valuation of these future pension benefits.

Effect: Without ensuring the file used by the plan actuary is accurate, the valuation performed by the plan actuary may be misstated and the amount of the net pension liability or asset recognized by the System incorrect.

Recommendation: We recommend that the System adopt written procedures and develop appropriate internal controls to ensure that census data for pension plan participants is tracked and reviewed on a regular basis including reconciling with the pension plan actuary.

View of Responsible Official: *Our new policies and procedures will adopt appropriate internal controls for timely review and reconciliation of the data files.*

Current status:* *Not resolved. See repeat finding 2021-003.

CAPITAL AREA TRANSIT SYSTEM
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

C. Findings and Questioned Costs for Federal Awards (continued)

U.S. Department of Transportation

FEDERAL TRANSIT CLUSTER

20.526 Rolling Stock Grants (applies to all grants)

20.507 Federal Transit Formula Grant (applies to all grants)

2020-005 Preparation of Schedule of Expenditures of Federal Awards and Reconciliation of Grant Revenue

Criteria: The Uniform Guidance Subpart F Section 200.510 requires the preparation of a Schedule of Expenditures of Federal Awards (SEFA) that includes an accurate reporting of federal awards expended based on the terms and conditions of the grants along with the amount of funds disbursed to subrecipients. In order for the SEFA to be prepared accurately and properly report the amounts expended for federal awards, a system of controls should be in existence that includes the timely preparation and review of the amounts reported on the SEFA. Review of the amounts reported should include a reconciliation of the expenditures under the grants to the grant revenue.

Condition: The SEFA provided for audit did not contain the correct amounts of federal expenditures supported by the accounting system.

*Questioned
Costs:* Not applicable.

Cause: The System currently maintains its internal records on a cash basis throughout the year and year-end reconciliations of federal expenditures to federal grant awards available and remitted are not performed timely enough in order to prepare an accurate and complete reporting of federal awards expended.

Effect: An inaccurate SEFA may result in incomplete reporting of federal expenditures and non-compliance with federal regulations with respect to required major program audits and coverage requirements.

Recommendation: We recommend the System review its policies and procedures for identifying, recording and tracking federal expenses and implement tools within the accounting system to properly identify in order to prepare an accurate SEFA.

*View of
Responsible Official:*

We are currently writing new procedures for our staff along with a review process by our Accounting Manager. We will educate staff so they understand the information fully and so they can also provide all proper information when requested. We will combine and create a new filing system so that no information is overlooked when it is available.

***Current status:* Not resolved. See repeat finding 2021-005.**

CAPITAL AREA TRANSIT SYSTEM
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

C. Findings and Questioned Costs for Federal Awards (continued)

U.S. Department of Transportation

FEDERAL TRANSIT CLUSTER

20.526 Rolling Stock Grants (applies to all grants)

20.507 Federal Transit Formula Grant (applies to all grants)

2020-006 Procurement

Criteria: The Uniform Guidance procurement regulations were fully effective as of December 26, 2017. The regulations (§200.320) require, among other things, that procurement for purchases of goods and services follow certain procedures related to obtaining and awarding of contracts based on sealed bid, competitive-, and non-competitive proposals. Additionally, §200.318(d) provides that written policies and procedures must document the avoidance of the acquisition of unnecessary or duplicative items.

Condition: During our testing of purchases under the procurement regulations, for 13 out of 28 items selected for testing, the System was unable to provide supporting documentation that these items were procured in accordance with the standards in §200.320. The universe (population) from which the items were selected was all vendor payments in 2020 over \$10,000. This was 157 items totaling approximately \$16,396,000. Additionally, while the System does maintain written policies and procedures related to procurement standards, documentation addressing the acquisition of unnecessary or duplicative items was not present.

*Questioned
Costs:* Unknown.

Cause: A material weakness exists in the internal controls over procurement. The System does not have adequate controls in place to ensure that appropriate supporting documentation is maintained for purchases made under the procurement standards in order to support the obtaining and awarding of contracts based on sealed bid, competitive, and non-competitive proposals. Additionally, written policies and procedures over procurement were not reviewed to ensure all requirements under these regulations were addressed.

Effect: The System may not be receiving the overall lowest cost for services and supplies procured by the agency.

Recommendation: We recommend the System implement internal controls to ensure that supporting documentation is maintained for the procurement of goods and services in accordance with §200.320. Additionally, we recommend that the System enhance its written policies and procedures to ensure that documentation is included regarding the avoidance of the acquisition of unnecessary or duplicative items.

CAPITAL AREA TRANSIT SYSTEM
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

C. Findings and Questioned Costs for Federal Awards (continued)

U.S. Department of Transportation

FEDERAL TRANSIT CLUSTER

20.526 Rolling Stock Grants (applies to all grants)

20.507 Federal Transit Formula Grant (applies to all grants)

2020-006 Procurement (continued)

*View of
Responsible Official:*

Our procurement manager has addressed these issues with the current staff and is in the process of preparing new procurement policies and procedures. He has also registered the procurement department for continued educational classes.

Current status: Not resolved. See repeat finding 2021-006.

2250 Florida Boulevard
Baton Rouge, LA 70802
PHONE: 225.389.8920



CONTACT

Dwana Williams
Interim Chief Executive
Officer
dwilliams@brcats.com

June 28, 2022

Finding 2021-001 **Record Keeping Associated with Employee Leave**

Condition: This is a repeat finding from 2018, 2019, and 2020. Accurate and complete reporting is not maintained to document the accrued leave.

Recommendation: We recommend that for financial reporting purposes those amounts should be updated and journal entries recorded monthly

View Of Responsible Official: The Agency had significant turnover in its Accounting and Human Resource department since 2020. The proper procedures and processes were not implemented.

The Agency will update the payroll and reporting process and procedures, to include monthly journal entries and annual year end updates; performed by the payroll processor and the accounting manager.

HR Director
Accounting Manager
Timeline - 90 days

Finding 2021 -002

Documentation of Approved Pay Rates in Payroll File

Condition: This is a repeat finding from 2018, 2019, and 2020. During our testing of internal controls over payroll, we noted for 10 out of 40 individuals selected for testing, no documentation existed for the approval of the current rate of pay. We were able to verify the pay rates appeared appropriate through other audit procedures such as review of the positions and comparison of pay rates to prior year records.

Recommendation: We recommend that the System adopt written policies and procedures to ensure that documentation of approved pay rates is maintained.

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PHONE: 225.389.8920



CONTACT

View Of Responsible Official: The Agency experienced significant turnover in its Accounting and Human Resources department since 2020. The proper procedures and processes were not implemented.

CATS will adopt new written policies and procedures to ensure the documentation proof of payrates are maintained. The new system of record will have the ability to maintain and track all pay updates/changes.

HR Director
Accounting Manager

Timeline - 90 days

Finding 2021-003

Maintenance of Pension Plan Census Data

Condition: This is a repeat finding from 2018, 2019, and 2020. While performing procedures over census data information, we noted that an accurate and complete census data file of active participants is not maintained by the System. The System is relying on the census data maintained by a third-party administrator in order to ensure the accuracy of the net pension asset and related deferrals associated with pension benefits. In addition, supporting documentation was not available to verify the eligibility of 2 of 25 active employees tested.

Recommendation: We recommend that the System adopt written procedures and develop appropriate internal controls to ensure that census data for pension plan participants is tracked and reviewed on a regular basis including reconciling with the pension plan actuary.

View Of Responsible Official: The Agency had significant turnover in its Accounting and Human Resources department since 2020. The proper procedures and processes were not implemented.

The Agency will adopt new written procedures with appropriate controls. working directly with the pension plan actuary to reconcile on a monthly basis.

HR Director

2250 Florida Boulevard
Baton Rouge, LA 70802
PHONE: 225.389.8920



CONTACT

Accounting Manager

Timeline 90 Days

Finding 2021-004

Violation of State Bid Law

Condition: During our review of key disbursements in 2021 it was noted that, in the aftermath of Hurricane Ida, that emergency fuel was purchased from a vendor used by the City-Parish of East Baton Rouge. No evidence was noted that the System took the necessary steps to certify the emergency and provide notice in the official journal that bid law was being waived. Additionally, no evidence was noted that written consent of the City-Parish was obtained to purchase fuel under the contract bid and awarded by the City-Parish.

Recommendation: We recommend that the System adopt policies and procedures to ensure that future emergency purchases are addressed in accordance with State bid law.

View Of Responsible Official: - The Agency will adopt policies and procedures to ensure that future emergency purchases are addressed in accordance with State bid Law. Further we will continue to maintain training for procurement staff.

Finding 2021-005

Preparation of Schedule of Expenditures of Federal Awards and Reconciliation of Grant Revenue

Condition: This is a repeat finding from 2019 and 2020. The SEFA provided for audit did not contain the correct amounts of federal expenditures supported by the accounting system. Additionally, the grant revenue did not include all amounts due from the awarding agency for expenditures incurred during the fiscal year.

Recommendation: We recommend the System review its policies and procedures for identifying, recording and tracking federal expenses and implement tools within the accounting system to properly identify in order to

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PHONE: 225.389.8920



CONTACT

prepare an accurate SEFA. The policies and procedures should include capturing all grant revenue for eligible expenses incurred during the fiscal year.

View of Responsible Official:

The Agency experienced significant turnover in its Accounting Department since 2020. The proper procedures and processes were not implemented.

The Agency will adopt written policies and procedures to allow for the timely draw down and reconciliation of federal expenditures in accordance with the recommendation of the Federal Transit Administration.

Grants Manager

Timeline - 90 days

Finding 2021-006

Procurement

Condition: This is a repeat finding from 2019 and 2020. During our testing of purchases under the procurement regulations, for 4 out of 16 items selected for testing, the System was unable to provide supporting documentation that these items were procured in accordance with the standards in §200.320. The universe (population) from which the items were selected was all vendor payments in 2021 over \$10,000. This was 16 items totaling approximately \$11,897,000. Additionally, while the System does maintain written policies and procedures related to procurement standards, documentation addressing the acquisition of unnecessary or duplicative items was not present.

Recommendation: We recommend the System implement internal controls to ensure that supporting documentation is maintained for the procurement of goods and services in accordance with §200.320. Additionally, we recommend that the System enhance its written policies and procedures to ensure that documentation is included regarding the avoidance of the acquisition of unnecessary or duplicative items.

View of Responsible Official: The Agency adopted policies but failed to update internal controls related to how documentation was developed and maintained in the procurement data base.

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PHONE: 225.389.8920



CONTACT

We will create internal procedures that will assist in the developing a complete file inclusive of the required justification for the procurement of goods and services. Further the Agency will develop an inventor system maintained through procurement and operations to avoid unnecessary or duplicative purchases.

Procurement Manager

Timeline - 90 days

Finding 2021-007

Documentation of Approved Pay Rates in Payroll File

Condition: This is a repeat finding from 2018, 2019, and 2020. During our testing of internal controls over payroll, we noted for 10 out of 40 individuals selected for testing, no documentation existed for the approval of the current rate of pay. We were able to verify the pay rates appeared appropriate through other audit procedures such as review of the positions and comparison of pay rates to prior year records.

Recommendation: We recommend that the System adopt written policies and procedures to ensure that documentation of approved pay rates is maintained.

View Of Responsible Official: The Agency experienced significant turnover in its Accounting and Human Resources department since 2020. The proper procedures and processes were not implemented.

CATS will adopt new written policies and procedures to ensure the documentation proof of payrates are maintained. The new system of record will have the ability to maintain and track all pay updates/changes.

HR Director
Accounting Manager

Timeline - 90 days

CAPITAL AREA TRANSIT SYSTEM

REPORT TO MANAGEMENT

DECEMBER 31, 2021



8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809
225-922-4600 Phone – 225-922-4611 Fax – pn CPA.com

A Professional Accounting Corporation

June 30, 2022

The Commissioners and Management
Capital Area Transit System
Baton Rouge, Louisiana

In planning and performing our audit of the financial statements of the Capital Area Transit System (the “System”) for the year ended December 31, 2021, we considered the System's internal controls and compliance with laws and regulations having a material effect on financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure or on compliance.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of the following matters that are opportunities for strengthening internal controls, enhancing operating efficiencies or other matters for consideration by management. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated June 30, 2022 on the financial statements of the System.



A. Fixed Asset Reporting

Condition:

Generally accepted accounting principles provide that fixed asset purchases are to be identified and capitalized. During our testing, we noted the System reported several vehicle purchases in expenses rather than classified as fixed assets. While corrected through the audit, this could result in an overstatement of expenses and an understatement of assets.

Recommendation:

We recommend that the System establish appropriate internal controls to identify and appropriately classify fixed asset purchases.

Management's Response:

CATS will establish appropriate internal controls to identify and classify fixed assets purchases.

B. Review of System and Organization Controls (SOC) Reports

Condition:

System and Organization Controls reports address service organization controls relevant to a user entity's (the System's) internal control over financial reporting. These reports are issued by various service organizations used by the System. These reports also contain key controls that the System should have in place in order to rely on the completeness and accuracy of the output of the data provided by the service organization. During our review of the key information technology systems used by the System it was noted that the appropriate SOC-1 reports are not being obtained and reviewed by the appropriate personnel.

Recommendation:

We recommend that the System adopt policies and procedures to ensure that appropriate SOC reports are obtained and reviewed on an annual basis. In addition, the System should document their review of key user access controls and what procedures are in place within the System to address those controls.

Management's Response:

CATS is adopting a new system of record which will be configured to include the appropriate SOC reports, as well as identify the appropriate users, access, and authorization.



C. Reconciliation of Accounts Payable and Accrued Expenses

Condition:

In order to ensure accurate financial reporting, accounts payable and accrued expenses should be reconciled on a monthly basis. During our testing of the accounts payable and accrued expenses, it was noted that certain balances were not properly accrued and other balances were improperly accrued.

Recommendation:

We recommend that the System adopt policies and procedures to ensure that accounts payable and accrued expenses are reconciled on a monthly basis.

Management's Response:

We will adopt policies and procedures to ensure the accounts payable and accrued expenses are reconciled on a monthly basis.

D. Review of Bus Liability Schedule

Condition:

In order to ensure accurate financial reporting, the bus liability schedule should be reviewed and reconciled on a quarterly basis. During our testing of the bus liability schedule, it was noted that there were errors in the formulas for the schedule and changes were made to the schedule altering the beginning balances.

Recommendation:

We recommend that the System adopt policies and procedures to ensure that the bus liability schedule is reconciled on a quarterly basis and reviewed for completeness and accuracy.

Management's Response:

We will adopt policies and procedures to ensure the bus liability schedule is reconciled on a quarterly basis.



We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience. We would also welcome any opportunity to perform any additional study of these matters or to assist you in implementing the recommendations. We would also like to thank the System staff for their cooperation with us during the performance of the audit.

This letter is intended solely for the information and use of the System, management of the System and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Postlethwaite & Netterville

CAPITAL AREA TRANSIT SYSTEM
REPORT ON STATEWIDE AGREED-UPON PROCEDURES
ON COMPLIANCE AND CONTROL AREAS
DECEMBER 31, 2021

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To Board of Commissioners of
Capital Area Transit System (the Entity)
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*" or for step 25 "*we performed the procedure and discussed the results with management*". If not, then a description of the exception ensues.

A - Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

The Entity has written policies for Purchasing; however, the policy does not specifically address attribute (2) how vendors are added to the vendor list, attribute (4) controls to ensure compliance with the Public Bid Law, or attribute (5) documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving

No exceptions noted.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Entity has written policies for Receipts; however, the policy does not specifically address preparing deposits and managements actions to determine the completeness of all collections.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The Entity has written policies for Contracting; however, the policies do not contain attribute (2) standard terms and conditions, (3) legal review, (4) approval process, or attribute (5) the monitoring process.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

The Entity has written policies for Contracting; however, the policies do not contain attribute (4) required approvers of statements.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The Entity has written policies for Ethics; however, the policy does not specifically address the actions to be taken if an ethics violation takes place according to attribute (2) above.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Entity has written policies for Debt Service; however, the policy does not specifically address attribute (2) EMMA reporting requirements, attribute (3) debt reserve requirements, or attribute (4) debt service requirements.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions noted.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Entity does not have a written policy for Sexual Harassment.

B - Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exception noted.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable. The Entity does not maintain a General Fund.

C - Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of 10 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for 1 month each during 2021, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Of the 5 bank reconciliations obtained, none had a reviewers' initials or any other documentation evidencing the review.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Of the 5 bank accounts selected, 1 bank reconciliation had reconciling items that have been outstanding for more than 12 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

D - Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included a total of 1 deposit site. No exceptions were noted as a result of performing this procedure.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 1 collection location. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) Employees responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

The Entity did not provide documentation the employees who have access to cash are bonded and/or covered under the Entity's insurance policy.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected two deposit dates for the account into which cash deposits are made from the 5 accounts selected in procedure #3. We obtained supporting documentation for each of the 2 deposits and performed the procedures below.

- a) Observe that receipts are sequentially pre-numbered.

The Entity does not maintain sequentially pre-numbered receipts.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

The Entity does not maintain sequentially pre-numbered receipts, system reports, or other related collection documentation. As such, we were unable to perform the procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

For the two deposit dates selected, the deposits were made more than one day after collection.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

E - Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 location and performed the procedures below.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions noted.



10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- a) Observe whether the disbursement matched the related original itemized invoice, and that supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions noted.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

F - Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

From the listing provided, we randomly selected 1 card used in the fiscal period. We randomly selected one monthly statement and performed the procedures noted below.

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing, by someone other than the authorized card holder.

For the credit card tested, the monthly statement provided did not contain evidence of review by someone other than the card holder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

We randomly selected 10 transactions for the card selected in procedure #12 and performed the specified procedures. For 1 of the 10 transactions, there was not an original itemized receipt that identified what was purchased. The transaction was for the online purchase of supplies for approximately \$18. No compensating controls were noted to address missing receipts. For 6 of the 10 transactions, there was no written documentation of the business purpose.

G - Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Of the 5 reimbursements selected for our procedures, 2 used a per diem. No exceptions noted.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

For 3 of the 5 reimbursements selected for our procedures, there was no supporting documentation detailing the business purpose and other support required by written policy.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

For 2 of the 5 reimbursements selected for our procedures, there was no evidence that the reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

H - Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

For the 5 contracts selected for our procedures support was not provided for 2 of the contracts that they were bid in accordance with Louisiana Public Bid Law. No exceptions were noted for the remaining 3 contracts.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

I - Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. For 2 of the 5 employees selected for our procedures, the pay rate did not agree to the support in the personnel file or there was no support provided.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials.

- a) Observe all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.).

No exceptions noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

For the payperiod selected, 3 individuals took leave time. No exceptions noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

For 2 of the 5 employees selected for our procedures, the pay rate did not agree to the support in the personnel file or there was no support provided.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. For 1 of the 2 employees selected for our procedures, documentation was not provided for the termination payment paid. For the other individual for whom documentation was provided, no exceptions were noted.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

J - Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

For 1 of the 5 employees/officials selected for our procedures, documentation that the required ethics training was completed could not be obtained.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

The Entity did not have any changes to the ethics policy.

K - Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each bond/note issued.

Not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable.

L - Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management of the Entity represented that there were no misappropriations of public funds or assets during the fiscal period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The notice was not posted on the Entity's premises or website.

M - Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

N - Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

For 5 of the 5 employees/officials selected for our procedures, documentation that the required sexual harassment training was completed could not be obtained.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exception noted.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

74 servants/employees or 20%

- b) Number of sexual harassment complaints received by the agency;

None

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

None



- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Not applicable

- e) Amount of time it took to resolve each complaint.

Not Applicable

Corrective Action

27. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

See attached response.

We were engaged by the Entity to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 30, 2022

A.1. B.

The Agency will adopt appropriate procedures to ensure that appropriate documentation is provided and maintained in the system of record.

A.1.D. Receipts/Collections

The Agency will adopt complete written policies for receipts inclusive of reconciliation procedures.

A.1.F. Contracting

The Agency will adopt complete written procurement procedures to include legal review and approval process.

A.1.G. Credit Cards

The Agency will adopt new procedures that identify the and require signatures from the approver.

A.1.I. Ethics

The Agency will adopt complete policies that identify the actions taken as a result of a violation.

A.1.J Debt Service

The Agency will adopt complete written policies to detail how debt service is addressed.

A.1.L Sexual Harassment

The Agency will adopt a Sexual harassment policy.

C.3. Bank Reconciliations

b. The Agency will adopt procedures that include appropriate management/board member review.

c. The Agency will adopt procedures that require consistent reconciliation processes.

D.6.

The Agency will provide documentation reflecting bond and or insurance coverage for Agency employees who have access to cash.

D.7.D

The Agency will adopt procedures that require deposits be made within the acceptable time frame.

F.12.a Credit Cards

The Agency will adopt procedures that require second level review.

F.13.

The Agency will adopt procedures that document what was purchased and the business purpose of the purchase.

F.13

The Agency will adopt procedures to ensure all receipts note what was purchased and are turned in to the Accounting Department.

G.14.c

The Agency will adopt procedures that require supporting documentation to justify business purpose. Additionally, the Agency will continue training with staff to ensure that the policies are followed.

G.14.d.

The Agency will adopt procedures that require review and approval by a third party.

H.15a.

CATS will create internal policies and procedures to ensure contracts are bid in accordance with Bid Law

I.16.

CATS will adopt policies and procedures to ensure the documentation proof of payrates are maintained

I.17.d.

CATS will adopt policies and procedures to ensure the documentation proof of payrates are maintained

I.18.

CATS will adopt policies and procedures to ensure proper documentation of termination payments have been received

J.20.a.

CATS will adopt policies and procedures to ensure to ensure ethics training is completed and documentation is maintained

K. N/A

L.24.

CATS will post the notice required by R.S. 24:523.1 on the premises and website

M.25b.

CATS will adopt policies and procedures to ensure it has tested/verified its backups can be restored

N.26

CATS will adopt policies and procedures to ensure to ensure sexual harassment training is completed and documentation is maintained

**CAPITAL AREA TRANSIT SYSTEM
AND
LOCAL UNION 1546 OF THE
AMALGAMATED TRANSIT UNION**

LABOR AGREEMENT

JUNE 7, 2021 - DECEMBER 31, 2024

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AGREEMENT

This Agreement made and entered into by and between the Capital Area Transit System, its successors or assigns, hereinafter called the "Agency", and Local Union 1546 of the Amalgamated Transit Union, hereinafter called the "Union".

WITNESSETH

That the parties hereto contract and agree as follows:

I. CERTAIN GENERAL PROVISIONS

Article 1 Recognition, Management, Employee Cooperation

Section 1. The Agency recognizes the right of its employees to bargain collectively through representatives of their own choice and recognizes the Union as the exclusive bargaining representative of all of its employees covered by this Agreement. Jurisdiction of the Union and the appropriate collective bargaining unit (hereinafter the "CBU") is defined as embracing all operators, maintenance employees (as further described in Article 29, Section 1 herein) and one (1) customer service representative "grandfathered" into the CBU by this agreement (as further described in Article 24, Section 5.) This agreement does not include employees within the above mentioned departments that function in supervisory or administrative positions, including, but not limited to, managers, shop foreman, shop leadermen, shift supervisors, dispatchers, analysts, and street supervisors. Collective bargaining is defined as embracing rates of pay, wages, hours, and working condition of employment.

Any new position(s) created that may come within the scope of the bargaining unit will be negotiated between the Agency and the Union at least thirty (30) days before the start of the new classifications. The wage rate and other conditions of employment will also be negotiated.

Section 2. Where the term "employee" is used in this Agreement, it shall mean an employee coming within the scope of this Agreement.

Section 3. The Agency will continue to exercise the exclusive right to set its policies; to manage its business in the light of experience, good business judgment, and changing conditions; to determine the qualifications for its employees, and to select its managerial and supervisory forces; to determine the number of employees it will retain in its service at any time, and to make rules and regulations governing the operation of its business and the conduct of its employees, subject to the terms of this Agreement.

However, for the purpose of preserving work and job opportunities for the employees covered by this Agreement, the employer agrees that no work or services of the kind, nature, or type covered by or performed by the collective bargaining unit will be subcontracted, transferred, leased, assigned or conveyed in whole or in part to any other vendor, person, corporation, or non-unit employee when there is a loss of bargaining unit jobs as a direct result of such action, except that this provision shall not apply to action which is reasonably necessary to satisfy FTA privatization requirements. The Agency shall provide written notification to the

Union as soon as possible of any alleged requirement describing fully the applicable requirement and in what respect the contract is in violation thereof. The Agency and Union shall meet as soon as possible to discuss the allegedly required violation of this section and what action, if any, may be necessary. No action shall be taken by the Agency until the Agency and Union have met to discuss the alleged requirement in violation of this section.

Section 4. Employees shall work at all times to the best interest of the Agency; they shall perform efficient service in their work; they shall operate and handle the Agency's vehicles carefully and with the utmost regard to the safety of the passengers, the general public, and the equipment they use; they shall operate and handle the Agency's vehicles at all times in full compliance with the rules of the Agency, city and parish ordinances, state, and Federal laws; and they shall give the riding public courteous and respectful treatment at all times, so that the Agency's service may improve and grow. No employee shall accept employment with another employer that would interfere with his employment with the Agency nor accept employment competitive to the Agency.

Section 5. The Union Representative shall be allowed to address new employees while they are in orientation.

Section 6. Any Union request for Agency information will made in writing to the Director of Human Resources or his/her designee, including but not limited to, Union dues deductions, Union membership activity, etc.

Article 2 Negotiations

Section 1. It is mutually agreed that all business pertaining to this Agreement shall be transacted between the properly accredited officers or agents of the Agency and the regularly elected Officers of the Union or duly accredited committee thereof. It is mutually agreed that Officers of the Union or duly accredited committee thereof shall be composed of employees engaged in the employment of the Agency Nothing contained herein shall bar an international representative of the Amalgamated Transit Union from representing the Union.

Section 2. The Union agrees to furnish the Agency with an up-to-date list of all of its officers and committee members, and to notify the Agency immediately of any and all changes thereto. The Agency shall notify the Union of all its supervisory employees and shall furnish the Union an up-to-date list of all supervisory employees and their respective titles with the Agency.

Article 3 Probationary Period

Section 1. The grave responsibilities imposed upon the Agency as a passenger carrier necessitate the employment of persons who are fit to perform the services for which they are employed. To that end, all new employees coming within the scope of this Agreement shall be on probation for a period of ninety (90) calendar days from the first (1st) day of employment as set forth in Section 2 of this Article 3.

Such probationary period shall constitute a trial period during which the Agency shall judge the ability, reliability, competency, fitness and other qualifications of new employees to do the work for which they are employed. The Agency may discharge them for any cause at any time and its right to do so shall not be questioned. After the ninety (90) calendar day probation period, the new employee shall be eligible for insurance benefits on the first (1st) day of the month following the completion of the probationary period.

Section 2. The date of employment of a bargaining unit member shall be the hour and day he/she first reports to an assigned station ready for duty upon completion of their training period.

Article 4 Discipline

Section 1. The right to discipline belongs to and remains with the Agency. No employee shall be disciplined except for just cause. If the discipline is not sustained, the employee's record shall be cleared and the employee shall be paid for any uncompensated lost wages.

The Agency will notify an employee of the charge and disciplinary action to be taken within 20 working days for minor infractions and 20 working days for major infractions after the offense has been brought to the attention of the supervisory staff. Employees covered by this agreement shall have the right to be heard in accordance with the grievance procedure as described in Article 5.

Discipline, which involves suspension or discharge, shall begin with the next scheduled workday of the employee following receipt of the Agency's notice to discipline. This provision does not apply to situations that result in an immediate investigatory suspension (e.g., removal from service based on fitness for duty or insubordination).

Complaints, telephone calls, or statements from the public assigned to an employee's personnel file shall be communicated to the employee and any statement from the employee shall be attached to such complaints, telephone calls or statements.

Section 2. Saturdays, Sundays, holidays, and excused time off shall not be included in the time limit.

Section 3. The Agency will not deny the request of any bargaining unit member for representation at an investigatory interview, which the employee reasonably believes might result in disciplinary action. It is understood that employee's demand for representation may not unreasonably delay an investigatory interview. The unit member may request one local Union officer to serve as his/her representative in the interview and one local Union officer to serve as strictly an observer. In the event Union representation is not readily available, the interview will cease until Union representation can be made available, or the Agency shall proceed with the discipline, or the issue will be dropped.

Copies of all discipline will be delivered, mailed, faxed and/or emailed to the charged employee and Local Union 1546, unless the employee requests, in writing, that the matter be treated as confidential.

The employee, with twenty-four (24) hour notice, will be provided copies of all discipline and commendations that are placed in the employee's personnel file.

The Agency, with twenty-four (24) hour notice, shall permit an employee, or the employee's Union representative with the employee's written permission, to review the employee's personnel file, which will be scheduled during regular weekday business office hours. Copies will be provided to the Union as necessary in the course of grievance handling.

Recording devices installed in the Agency's vehicles and facilities will only be subject for review ten (10) minutes before and ten (10) minutes after any alleged incidents/accidents against any represented employee. Any purpose of finding outside the ten (10) minutes will not be used by the Agency for misconduct or issuing discipline as a result of targeted surveillance or fishing.

Section 4. When traditional suspension are employed, the employee(s) may elect to utilize earned vacation to protect earning levels to the extent possible, however, such voluntary election will preclude the employee from filing a grievance pursuant to Article 5 of this agreement as it relates to the violation finding and disciplinary action taken

Section 5. Major Infractions of the Agency's rules may subject the employee to suspension or discharge. However, mitigating circumstances, and other relevant facts will be considered in determining to apply progressive discipline such as coaching, counseling and/or written warnings instead of suspension or discharge when appropriate. Major rule infractions include the following:

- The use of intoxicants or the odor of intoxicants, the use or possession of narcotics or drugs and failure to submit to a chemical test immediately
- Insubordination
- Failure to comply with rules established pursuant to the Americans with Disabilities Act (ADA)
- Falsification of reports such as sick and accident reports and employment applications
- Verbal threats or physical harm to a member of the public or to a CATS employee who is carrying out his/her duties
- Unauthorized use of electronic devices
- Gross misconduct. The parties understand that actions such as theft, sabotage, bullying, violence, sexual harassment, possession of firearms, and arson constitute gross misconduct.
- Railroad crossing violations

- Theft of passenger fares
- Running five (5) minutes or more ahead of schedule not due to improper scheduled running time
- Intentionally operating off route without authorization
- Running a red traffic signal (when found valid after videoreview)
- Leaving bus in gear at improper times
- Failure to properly use safety equipment (i.e., seatbelts, on-vehicle emergency equipment, safety vests)
- Passing up passengers (when found valid after videoreview)
- Failure to perform pre-departure inspection/safety check
- Willful manipulation or destruction of Agency equipment, i.e., camera, fare box, AVL tablet, etc.
- Unauthorized use of company vehicle
- Unsafe vehicle operation, violation of posted speed limits, illegal turns, failure to obey traffic signals or signs while operating any CATS vehicle.

Section 6. The major infractions in Section 4 above will subject employees to the following discipline for repeated violations of the same type:

- First Violation in a floating nine (9) month period: Counseling/training.
- Second Violation in a floating nine (9) month period: Counseling and written warning.
- Third Violation in a floating nine (9) month period or a second violation within nine (9) months of receiving a written warning: One (1) day suspension.
- Fourth Violation in a floating nine (9) month period or another violation within nine (9) months of receiving a one (1) day suspension: Subject to discipline up to and including termination.

However, the Agency retains the responsibility and right in severe situations to subject employees with a major infraction of a serious nature to disciplinary action up to and including termination.

In all instances, the employee must be personally contacted as soon as possible by the person citing the major infraction. In dealing with the above discipline schedule, the Agency may, if he/she so desires, lessen the discipline.

Section 7. A system of extended counseling and/or coaching to correct behavior and progressive discipline will apply for other infractions of CATS' rules, which are referred to as "minor rule" violations in this Section. Minor rule infractions include the following:

- Exchange of work assignments, shifts, or days off without prior approval
- Unauthorized posting, removal, or distribution of notices or literature on CATS property
- Failure to comply with established dress code or reporting for duty without proper uniform
- Smoking in prohibited places including, but not limited to, any CATS vehicle and CATS property
- Failure to have CATS employee identification, CDL driver's license, and medical card in possession while on duty as required
- Negligence (failure to exercise reasonable care and/or failure to observe prescribed policies, procedures, notices, work methods or systems)
- Willful interference with work and/or service operation

The minor infractions in this Section 5 will subject employees to the following discipline for repeated violations of the same type:

- Step 1 - Under this system the first (1st) violation of a rule not covered by Section 4 will result in a verbal counseling that will not be recorded on the employee's personnel record.
- Step 2 -The second (2nd) violation of a minor rule, within a nine (9) month floating period, will result in counseling and a written warning. His/her record will be thoroughly reviewed in an attempt to avoid further discipline.
- Step 3 -The third (3rd) violation of a minor rule of a minor rule in a floating nine (9) month period will result in a one (1) day suspension.
- Step 4 - The fourth (4th) violation of a minor rule in a floating nine (9) month period will result in a three (3) day suspension.
- Step 5 - The fifth (5th) violation in a floating nine (9) month period or another violation within six (6) months of receiving the discipline for Step 4 shall subject an employee to disciplinary action with discipline up to and including termination.

Any violation that includes more than one violation shall be treated as a singular violation for purposes of discipline.

In case of reinstatement following dismissal for cause, the employee's record will be resumed as it stood at the time of dismissal. A person re-employed will begin with a clear record.

Discipline assessed under this Section will be subject to the hearing and appeals procedures of Section 5.

Section 8. Employee attendance at work must be acceptable. Failure to maintain an acceptable attendance record will subject the employee to suspension or discharge.

Certain absences indicated as follows will be excluded from the application of this rule: 1) jury duty; 2) military leave; 3) court appearances under subpoena; 4) medical appointments upon at least forty-eight (48) hours' notice and subsequent proof of such visits; 5) bereavement leave; 6) day of admission of an immediate family member to a hospital; 7) removal from service by the Agency 's doctor; 8) occupational injury or illness; 9) hurricane, fire or flood if the employee is personally affected; 10) absences authorized by the Department Director, which he/she deems as having sufficient merit and 11) absences covered under the Family Care and Medical Leave Act.

DEFINITIONS

(a) Instance of Absence - An absence period of one (1) or more consecutive days or a portion of a day greater than one (1) hour.

(b) Excessive Absenteeism - Two (2) or more instances of absence within a floating nine (9) month period.

Progressive Discipline Schedule -

- a) a second (2nd) absence shall result in counseling of the employee;
- b) a third (3rd) absence shall subject the employee to a suspension of up to three (3) days;
- c) a fourth (4th) absence shall subject the employee to discipline up to and including termination.

An employee who is charged with a missed assignment will be charged with a missed assignment and not an absence for that day.

(c) Counting of Instances - Once an instance of absence has occurred; any period of nine (9) months without an absence will remove one (1) instance of absence from the employee's count.

Absences from work due to occupational illness or injury, reduction in force, suspensions, personal leave of absence, off with permission, or other excused absences will be deducted in calculating the nine (9) month period.

Section 9. Employees must report for their assignments at the scheduled time or they will be charged with a "missed assignment" unless they notify the Department Director of their inability to report on time due to an emergency not less than sixty (60) minutes prior to their scheduled report time. When an employee is prevented from reporting on time due to an emergency, and presents acceptable proof of said emergency, the Department Director will waive the charge of a missed assignment on the employee's record.

(a) Rules for Bus Operators:

- A. Regular bus operators: Failure of any regular bus operator to report at his/her designated report time shall be charged with a "missed assignment" and shall lose his or her assigned duty and shall be placed at the bottom of the extra board list for that day.
- B. Extra board bus operators: Failure of any extra board operator to report to the dispatcher at his/her designated report time shall be charge with a "missed assignment". Extra board operators having a missed assignment shall go to the bottom of the extra boardlist for that day.

Discipline for a missed assignment shall be assessed in the following manner:

- A. 1st Instance - Caution
- B. 2nd Instance - Counsel with training and assessment
- C. 3rd Instance -Two-Days' Suspension
- D. 4th Instance - Three-Days' Suspension
- E. 5th Instance - Subject to discipline up to and including termination.

Any period of nine (9) months between missed assignments will automatically remove one (1) instance of missed assignments from the employee's record, however, during the aforementioned period, employees will not be allowed credit for absences from work occasioned by illness or injury, reduction in force or personal leave of absence.

The aforementioned schedule is not a license to missed assignments and in no way condones missed assignments. Operators who miss assignments and are given a subsequent report time will be subject to the same provisions on the new report time. Failure to report within eight (8) hours in person following the new report time will result in an additional charge of Absent Without Permission (AWOP).

Section 10. Any employee who fails to report to work for any reason, and is absent from his/her regular duties for a period longer than 1/2 their scheduled shift without reporting his/her reason

for not being able to report to work, either in person, by telephone, or through the efforts of a second party, shall be considered absent without Permission (AWOP) and subject to discipline, unless the employee can furnish written proof of reasons for being unable to comply with this provision.

Section 11. Employees absent without permission (AWOP) will be subject to the following discipline:

- A. First Occasion - One (1) Day Suspension
- B. Second Occasion within 12 months - Two (2) Day Suspension
- C. Third Occasion within 12 months - Subject to discipline up to and including termination.

Section 12. Operators must operate CATS vehicles in a safe manner and take all steps to avoid accidents. The following steps will be followed for three (3) preventable accidents within a floating eighteen (18) month period:

- First Preventable Accident - Written Warning and will require training consisting of Defensive Driving Class. The operator will be guaranteed their paid work time.
- Second Preventable Accident - Three (3) Day Suspension and will require one-on-one training. The operator will be paid eight (8) hours.
- Third Preventable Accident - Will be subject to the provisions of Section 1 of this article.

Any severe preventable accident will subject the employee to the provisions of Section 1 of this article.

For the purpose of discipline, an accident clears eighteen (18) months from the date of the event.

Entries on an employee's record for preventable accidents of eighteen (18) months standing or more will not be considered in disciplinary or discharge cases.

The following events that do not result in personal injury or extensive property damage and are reasonably beyond the control of the operator will be recorded and evaluated separately from other accidents and collisions under the terms of this Article:

- Flat tires
- Mirror damage or incidents caused by overgrown and windblown trees
- Sideswipes-other vehicle passing CATS vehicle (including left side mirrors)
- Other vehicle hit CATS vehicle (including drifting back or backing)
- Other vehicle involved with bus standing in zone
- Other vehicle involved with bus standing in zone (sideswipe)
-

Article 5 Grievances and Grievance Procedure

Section 1. A grievance is defined to be:

- A. Any controversy between the Agency and the Union as to any matter involving the interpretation or application of the terms of employment as herein set forth.

- B. Any controversy between the Agency and the Union as to whether or not any employee suspended or discharged was so disciplined for cause.

Section 2. It is mutually agreed that any grievance shall be settled according to the grievance and arbitration procedures herein contained.

Section 3. Initiation of Disciplinary Action:

- A. Within five (5) days of receipt of the written charges, not to include the day of receipt, the employee or Union can, in writing, request an informal hearing with the Agency, which shall be conducted at a mutually agreeable date and time within ten (10) days of receipt of the written request by the Agency, not to include the day of receipt. The employee has the right to be represented at their informal hearing by the Union if the employee requested. If the employee does not request representation, (s)he is required to sign a waiver.
- B. At the informal hearing, the Agency shall have the burden of proving all charges. The employee or Union shall have the right to question all witnesses and introduce evidence to rebut the charges. The Agency will make a good faith effort to produce witnesses as long as their appearance does not impact service to our customers. If so requested, an employee will be entitled to representation by a Union representative who is an officer of the local Union to assist him/her in the defense of the charges. The unit member may request one local Union officer to serve as his/her representative in the interview and one local Union officer to serve as strictly an observer. No one outside the Agency may appear at the informal hearing unless called as a witness.
- C. Within five (5) days of this informal hearing, not including the day the informal hearing is concluded, the Agency will provide notice of the Final Decision wherein it shall affirm, modify, or rescind the disciplinary action. If the Final Decision is to affirm or modify, the Agency shall express written reasons in support of the decision. The Final Decision will be given to the party requesting the informal hearing by hand-delivered letter, email, or certified mail. If certified mail is used, the postmark will be used to determine the meeting of the time limit.

Section 4. In the event an employee or the Union is dissatisfied with the outcome of the Section 3 process concerning disciplinary action or is aggrieved for any reason, the following procedures shall be observed:

- Within five (5) days of receipt of the Agency's Final Decision on a disciplinary action, not to include the day of receipt, or within five (5) days after the action or incident giving rise to a grievance, not to include the day of the action or incident, the employee or Union may file a grievance in writing with their respective departmental management member, setting forth in detail the substance of the grievance.

The Agency will respond in writing to the grievance within five (5) days of its receipt, not to include the day of receipt.

- Should the Agency's written response be unsatisfactory to the Union, the Union may within thirty (30) days from the date of receipt of the Agency's written response demand that the issue be submitted to arbitration in compliance with Article 6 hereinafter, not to include the day of receipt.

Section 5. The parties are encouraged to meet and discuss freely all grievances with a view of settling all controversies without resorting to arbitration. Nothing in this Agreement shall prevent the proper representatives of either party from discussing any and all matters pertaining to grievances prior to their reduction to written form.

Section 6. The time limits set forth in this Article shall exclude Saturdays, Sundays, legal holidays, and excused time off. Furthermore, the time limits contained in this Article shall be binding on all parties and either party failing to comply with the time limits set forth herein shall automatically forfeit its case, unless an extension of such time limits has been agreed to, in writing, by the parties. Concerning disciplinary actions, if the employee or Union does not meet the time limitations, the disciplinary action shall be imposed, while if the Agency does not meet the time limitations, the proposed disciplinary action will be rescinded and the alleged misconduct cannot be revived for further disciplinary action.

Article 6 Arbitration and Arbitration Procedure

Section 1. In the event either the Union or the Agency shall have demanded that a grievance be submitted to arbitration as herein above provided, the following procedure shall be observed:

At any time after the written demand for arbitration is made, the aggrieved party may in writing make a written request to the American Arbitration Association (AAA) for a list of seven (7) prospective arbitrators.

Section 2. Upon receipt of the list of prospective arbitrators from the AAA, either party shall be entitled to send written notice to the other requiring that the other reply in writing within five (5) days as to when it would be available to meet in person or by telephone with the requesting party to strike names and select the arbitrator from the AAA list. If the party upon whom the request was made does not respond in writing within the five (5) day period, or does not list a time at which it can meet within the following ten (10) day period, or does not appear at an agreed upon meeting time, then the other party shall be deemed to have prevailed in the grievance.

Section 3. At the meeting, the parties shall determine by lot who shall strike first, and each shall then alternately strike one name from the list until only one name remains, which person shall be the arbitrator.

Section 4. If a party is unable or unwilling to participate in an arbitration hearing or fails to be present at such a hearing at a time within ninety (90) days from the selection of the arbitrator, at which time the other party and the arbitrator have stated their willingness to attend, then the first party shall forfeit its case. Such forfeiture shall not apply, however, unless the arbitrator and the other party are willing and able to participate in a hearing to begin at any time (including weekends) in three separate weeks during the ninety-day period.

Section 5. If the arbitrator dies, resigns, or for any other reason is unable to act and it shall become necessary to appoint a successor arbitrator, such successor shall be selected in the same manner as the original arbitrator was selected. Any such successor arbitrator shall act with the same power and authority as though originally appointed.

Section 6. The parties and the arbitrator shall meet in the City of Baton Rouge, Louisiana, at such time as may be mutually agreed upon between the parties involved and shall thereafter continue to meet on every day that is practical for them to meet until all of the evidence and arguments have

been received and heard. The arbitrator shall establish his or her own rules of procedure not inconsistent with the terms of this Agreement, and all arbitration proceedings hereunder shall be conducted in the City of Baton Rouge, Louisiana. The arbitrator shall have no power to alter, amend, or change the terms of this Agreement.

Section 7. The decision of the arbitrator shall become final and binding on the parties to this Agreement when delivered to them in writing.

Section 8. The fees and expenses of the arbitrator, as well as other joint expenses that are incidental to the arbitration, shall be borne equally by the parties. However, the cost of transcribing a record of the proceedings, if desired, shall be borne by the party requesting it. No other party shall receive a copy of the transcribed record unless that party agrees to pay one-half (1/2) of the total cost of the recording and transcribing of the record.

Section 9. An award to an employee who is found to have been wrongfully suspended or discharged shall never exceed the employee's loss of earnings, which shall be determined by deducting any wages or compensation received by the employee from another employer or from self-employment during the period he was out of service due to his/her suspension or discharge from what (s)he would have earned had (s)he not been suspended or discharged.

Section 10. The hearing conducted by the arbitrator shall be open, within reasonable and manageable numbers, to the parties, their representatives, to local Union 1546 members, and to persons affiliated with the Agency. Either party shall be entitled to separation of witnesses upon request to the arbitrator at the beginning of the hearing. Except for an arbitrator-authorized court reporter, no audio or video recordings shall be made of the proceedings by any party, representative, or attendee. No cell phones or other recording devices will be permitted in the arbitration proceedings by any attendee.

Section 11. The time limits set forth in this Article shall exclude Saturdays, Sundays, and holidays. Further, the time limits contained in this Article shall be binding on all parties and either party failing to comply with the time limits set forth herein shall automatically forfeit its case, unless an extension of such time limits has been agreed to, in writing, by the parties.

Article 7 Deduction of Union Membership Dues

Section 1. The Agency agrees to deduct, on a designated regular payday of each month, from the pay of the Union members, the regular Union monthly membership dues and to remit the same to the Union's treasurer, provided such members authorize and request the Agency, in writing, to make such deductions. The Union shall provide the Agency with a copy of the member's written application authorizing the withdrawal of the union dues. Whenever the Union indicates that the amount of membership dues has been changed, a letter by the treasurer shall be given to the Agency certifying that the change in membership dues has been brought about in accordance with the constitution and by-laws of the Union, and that such change has been approved by the International Office of the Amalgamated Transit Union. In addition, the Agency shall deduct the necessary assessment from each Union member's paycheck upon request by the Union's treasurer. However, the Agency shall not be obligated to honor more than two (2) requests per year.

Section 2. The Agency shall not be held responsible for the Union membership dues of any employee who, in writing, cancels or withdraws his/her written authorization to the Agency.

Employees must provide the designated "withdrawal form" as provided by the Union Financial Secretary/Treasurer with signature from the designated Union Financial Secretary/Treasurer

Section 3. The Agency shall not interfere with the internal order of discipline of the Union

nor shall it be required to assist it in any way in carrying out the rules and regulations that the Union imposes upon its members.

Section 4. The Agency agrees to make deductions from the paychecks of employees who authorize, in writing, a deduction for the Union ATU (COPE) program.

Article 8 Leaves of Absence

Section 1. Upon written application to the employee's respective departmental Director, one (1) leave of absence without pay for non-illness related matters, and for reasons satisfactory to the Agency, may be granted for a period not to exceed thirty (30) days, provided the service of the employee will not be required during such period and there are employees available capable of doing his/her work. No further leaves of absence other than the one (1) thirty (30) day leave of absence will be granted. Leaves of absence due to illness will be considered within the provisions of Article 8, Section 8. No leave of absence will be granted to an employee for the purpose of accepting other employment. Applicants for leaves of absence will be notified of a decision by management within a reasonable length of time, which decision shall be entered on a non-discriminatory basis.

Section 2. The officers of the Union shall be granted time off to process grievances, attend disciplinary hearings, and conduct other Union business upon request by the Union President. The officers' time off will be without pay and without loss of seniority and other rights and shall be with reasonable notice to the Agency of a minimum of five (5) business days in writing to the respective employees' department head. Only the Union President will be granted leave with a minimum of thirty-six (36) hours written notice to his/her department head. Both parties agree that unforeseen circumstances, such as natural disasters or emergencies, as requested or declared by Federal, State, or Local officials, may cause the Agency to rescind permission for time off. In the event Union officers should attend out of town seminars, conventions, conferences, etc., the Agency shall be responsible for one-half (1/2) of the scheduled workday not to exceed ten (10) full days.

Section 3. The officers and members of the Union committee shall be granted short leaves of absence, without pay, for the purpose of negotiating a new labor agreement, when they so request, without loss of seniority or other rights, provided such leaves of absence are limited to the time when labor negotiations are being held.

Section 4. In case of extended leaves of absence of full-time officers of the Union, such leaves up to three (3) years shall be granted by the Agency, without pay and without loss of seniority, upon receipt of written request from the secretary of the Union.

Section 5. When an employee is granted a leave of absence, (s)he will continue to accrue all types of seniority during the effective period thereof.

Section 6. Failure to report for work upon the expiration of a leave of absence without being excused by the Agency shall constitute a cause for dismissal from employment.

Section 7. An employee who, because of illness or disability, is physically unable to report for work may be granted one (1) leave of absence, provided (s)he promptly notifies the Agency of the necessity therefor; provided further that (s)he supplies the Agency with a certification from a medical doctor of the necessity for the leave of absence and the continuation thereof when the same is requested by the Agency. The length of such leave of absence shall not exceed the length of time set forth by the medical doctor less the FMLA leave, vacation, and sick leave available to the employee. Furthermore, under no circumstances shall the leave of

absence exceed a total of one (1) year. However, an additional and reasonable amount of time not to exceed two (2) weeks may be provided by the Agency if required for paperwork required to return to work. Only one and no further leaves of absence will be granted for illness or disability.

The Agency will attempt to assign employees who are unable to report for the regularly assigned work to other assignments for the duration of the disability, provided in its judgment such work is available.

Notwithstanding anything to the contrary in the Agreement, all employees are entitled to all rights granted to them by the Family and Medical Leave Act ("FMLA").

Section 8. The time spent on Union business by the respective officers will be credited towards the forty (40) hour work week in calculating for overtime.

Article 9 Physical Examinations

Section 1. The Agency may require any of its employees to submit to a physical examination by a physician selected by the Agency and the cost of such examination shall be paid by the Agency. The examination must reveal the physical and mental fitness of the employees to perform his/her duties. Copies of this examination shall be given to the employee involved.

Should the employee disagree with the results of the examination (s)he shall notify the Agency within five (5) days of receipt of the results of the examination by the employee and proceed to have an examination performed by a physician of his/her selection. The cost of this examination shall be borne by the employee.

Should the employee's physician disagree with the Agency's physician as to the results of the examination, the two physicians shall select a third impartial physician who shall perform an examination. The results of a majority of the three (3) physicians shall be final and binding. The cost of the third examination shall be shared equally by the Agency and the Union.

Employees removed from service because of an alleged disability when in fact no such disability existed shall be made whole by the Agency for all time lost as a result of such removal from service.

The provisions of this section shall not affect the rights and responsibilities of either party under the workers' compensation law.

It is the responsibility of the employee to maintain a current physical examination and must report immediately to the Agency if his or her physical examination is expired, revoked, or suspended. Operating the Agency's vehicles without a physical examination on the operator's person constitutes grounds for dismissal.

Article 10 Accident Reports and Accident Prevention

Section 1. The Union agrees to encourage and promote the advancement of skill and efficiency among its members so that they will perform efficient service in their work and so that they will operate their vehicles carefully with the utmost regard for the safety and convenience of their passengers. The Union also recognizes that accident prevention work is necessarily incidental to the operation of the Agency's transportation system and that safety programs, safety meetings, and general accident prevention work is essential and mutually beneficial both to the Agency and to its employees. The Union, therefore, agrees that it will encourage its members to cooperate with the Agency in safety programs, the wearing of safety equipment and vests as prescribed by Agency policies, general accident prevention work, and will urge them to attend any and all safety meetings held and conducted by or for the Agency and to take an active part and to show interest in accident prevention work.

Section 2. Each accident, or unusual incident, however slight, whether occurring in or near a bus or other Agency vehicles, and all disturbances, or ejections, shall be reported promptly by the employee in charge of the vehicle to the Agency representative. Failure to report an accident shall be grounds for dismissal. The employee shall make a full and complete written report of the accident or incident on forms provided by the Agency on the day of such accident, or incident, if possible, and if not, the report must be made prior to 11:00 A.M. the day following the accident or incident. The Agency agrees that when necessary, the employee may have the assistance of a supervisor or manager in completing accident reports. The Union agrees that the employee will cooperate fully in the reporting and investigation of accidents or incidents.

Section 3. In the case where an employee performing his/her duty as required by the Agency is arrested for a work-related activity, the Agency shall post bond for his or her release, provided that the employee shall cooperate with the arresting officer.

Section 4. The Agency shall pay any employee for time spent attending Agency authorized safety meetings, a minimum of two (2) hours for each safety meeting regardless of its actual duration. When the Agency schedules a safety meeting, the meeting will be mandatory for all employees.

Article 11 Court Attendance

Section 1. When an employee, at the insistence of the Agency, is required to look up evidence or to act as a witness in court on behalf of the Agency, (s)he shall be paid for the full workday assigned to the employee for the particular day in question, provided that if the employee so affected is an operator and such operator is not required to spend full run time in court or looking up evidence, (s)he may be used on a tripper or special run during his/her regular run time not spent in court or in search of evidence. If the employee so affected is a shop employee and is not required to spend his/her full day's work in court or looking up evidence, (s)he may be called in to work the rest of his/her assigned work day not spent in

court or in search of evidence.

Section 2. In the event the Agency calls a conference between any employee or employees and the management during working hours, such an employee shall be paid for any regular time lost from employment.

Section 3. In the event any employee is summoned by a Court of Law to appear in court for a matter where attendance is not required by the Agency, the Agency shall grant the employee time off without discipline, and without pay unless the employee has vacation available, if the employee provides the Agency written documentation of the court summons at least seven (7) days prior to the court appearance. However, if the summons is received by the employee in the seven (7) day period prior to the court appearance, the employee shall notify the Agency by the end of the next business day.

Article 12 Jury Duty

Section 1. Any employee of the Agency required to appear in court for jury duty will be paid by the Agency the difference between such an amount as they may be paid or legally entitled to receive for such appearance, and the amount they would have received had they performed their regular work for the Agency on any such day. No employee will be required to come to work while on jury duty. Proof of payment by the court for jury duty must be presented upon return.

Article 13 Free Transportation

Section 1. Employees covered by this Agreement shall be furnished free transportation for their own use over all the lines of the Agency, and unless given free passes, the production of their badges to the operators will entitle them to such free transportation.

Article 14 Vacation

Section 1. All full-time employees covered by this Agreement shall be entitled to vacation as follows:

- A. All employees covered by the Agreement who have been in continuous service of the Agency for a period of one year shall be granted five (5) days of vacation with pay.
- B. All employees with two (2) years but less than five (5) years of continuous service shall be granted ten (10) days of vacation with pay.
- C. All employees with five (5) years but less than twelve (12) years of continuous service shall be granted fifteen (15) days of vacation with pay.
- D. All employees with twelve (12) years but less than twenty (20) years of continuous service shall be granted twenty (20) days of vacation with pay.
- E. All employees with twenty (20) years or more of continuous service shall be granted twenty-five (25) days of vacation with pay.

Section 2. The pay for vacation periods shall be determined as follows:

- A. Operators with regular runs shall receive an amount per day for vacation equal to the scheduled hours of the run held by them for the two (2) weeks preceding their vacation period times their rate. Extra Board Operators shall be entitled to vacation pay at straight time for eight (8) hours per day.
- B. Maintenance employees shall receive vacation pay at straight time for eight (8) hours per day.
- C. Customer Service employees covered by this Agreement as designated in Article 24, Section 5 of this Agreement shall receive vacation pay at straight time for eight (8) hours per day.

Section 3. Vacation periods shall be selected in accordance with seniority, providing however they are arranged so as not to impair the regularity and efficiency of service. The Agency reserves the right to restrict the number of employees that will be allowed to take their vacations during any period. In the event of an emergency the Agency may temporarily postpone all vacations.

Section 4. Vacation shall be taken in five (5) day increments, if sufficient accrued time off is available to the employee; however, up to five (5) days may be taken in day-to-day increments.

Vacation shall be picked in December each year in advance according to seniority. Once the vacation has been picked, an employee may change his/her vacation if the Agency has the manpower.

Section 5. Vacation pay shall be paid in regular weekly periods and on regular pay days.

Section 6. If an employee ceases to be employed by the Agency, (s)he shall be paid for earned vacation based on the years of service with the Agency as of January 1 of the year during which his/her employment terminates, plus pro-rata vacation credit accrued for that unused portion of the calendar year elapsed prior to termination.

Section 7. No vacation shall be carried over. Employees shall be paid for that unused vacation time by April 1st of the following calendar year.

Section 8. If an employee has previously approved time off of a minimum of five (5) days consecutively and Management has denied the employee the time off due to business reasons, the Agency will reimburse any direct costs that the employee incurred with verifiable receipts.

Article 15 Commercial Driver's License

Section 1. The Agency will reimburse operators and shop employees the cost of commercial driver's licenses (CDL) that may be required by city or state law to operate the vehicles owned by the Agency, by the presentation of an official receipt issued by the Department of Public Safety. It is the operator's responsibility to maintain his or her CDL in a valid state and to report immediately to the Agency when his or her license is either revoked, suspended, or expired. All mechanics and utility persons will be required to have and maintain a CDL. All new employees must obtain a CDL during their ninety (90) working-day probationary period. Operating the Agency's vehicle without a valid CDL on an operator's person constitutes grounds for dismissal. The Agency shall cooperate with employees who are attempting to secure hardship licenses by attesting to the requirements of an operator.

Section 2. Any employee that is trained by the Agency in their pursuit of obtaining a Commercial Driver's License who leaves the Agency prior to their first (1st) year service anniversary will have the cost of training deducted from their final paycheck, not to exceed \$500.00, provided the remainder of the check amounts to minimum wage.

Article 16 Seniority - Reduction in Personnel

Section 1. Operators shall be entitled to the runs which they desire in accordance with the length of time the various operators have been in continuous service as an operator of the Agency. The preference of runs shall always belong to the oldest operator in continuous service, except where such operators are physically incapable of holding such runs. In such event the Agency will take up the case with the Union committee, and after a mutually satisfactory understanding has been reached, the operator next in line will be given an opportunity to select the run in question.

Section 2. It is agreed and understood that operators and shop employees of the Agency shall hold their seniority in the event the Agency is sold, transferred, or otherwise disposed of. Under no circumstances will operators or shop employees from another Agency or unit that may be added or annexed by the present or future owners of the Agency be employed or transferred to this Agency with seniority. Such operators or shop employees may only be employed as new employees and take their place at the bottom of the seniority list.

Section 3. It is agreed that where an operator is laid off after the effective date of this Agreement, due to a reduction in force, the last operator or shop employee hired will be the first laid off, up the seniority list. In the event of a layoff in the Maintenance Department due to a reduction in force, the lowest person in seniority in each division would be laid off first,

with the exception of those persons in the mechanic classifications. The Agency reserves the right to protect its level of mechanic ability. If the lowest person in seniority is one of three persons in a top mechanic position, the Agency would then lay off the next lowest person in seniority.

EXAMPLE: If a utility person has been employed with the Agency for ten (10) years and a mechanic of one (1) year, in the event of a lay-off, the utility person would be laid off first because they cannot function as a mechanic. If and when former operators or shop employees laid off due to reduction in service are re-employed, they shall be offered re-employment in accordance with their previous seniority with the Agency as an operator or shop employee, provided they have satisfactorily completed six (6) months or more of employment by the Agency and have obtained seniority in accordance with the provisions of Article 3, and further provided they meet the normal qualifications and requirements for the job of operator or shop employee.

Section 4. When an operator or shop employee is laid off due to reduction in service, as outlined above, (s)he shall retain for a period, not to exceed twenty-four (24) months, the seniority which (s)he had at the time (s)he was laid off. Notice to return to work shall be given him/her by registered mail, with return receipt requested, addressed to said former employee at his/her last known address, and with information copy at the same time by regular mail to the Union. If such former employee is not offered permanent employment with the Agency during the twenty-four (24) month period following his/her layoff, his/her seniority with the Agency shall end, and the Agency shall be released of any obligation to again offer him/her re-employment. When laid off, no pension accumulation shall accrue and group insurance shall cease during this period. Article 14, Section 1 shall apply during any period of layoff.

Section 5. If said former operator or shop employee fails to accept such offer of re-employment within fifteen (15) days after the mailing of such notice, he/she shall lose all seniority rights, and the Agency shall be released of any obligation to again offer him/her employment.

When such former operator or shop employee accepts such offer of re-employment within the fifteen (15) day period specified above, he/she shall be allowed a reasonable time within which to report for duty, not to exceed thirty (30) days from the mailing of such notice to the Agency.

Section 6. In the event of a reduction in personnel, the president of the Union shall be the last employee covered by this Agreement to be laid off.

Article 17 Holidays and Holiday Pay

Section 1. Employees shall receive holiday pay for the following holidays: New Year's Day, Martin Luther King Day, Mardi Gras, Good Friday, Memorial Day, Juneteenth, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, and Christmas Day. Each employee will be eligible for eight (8) hours of paid holiday pay for each day listed.

Section 2. The Agency has the right to designate the day on which a holiday is observed if the holiday falls on a Saturday or Sunday during this Agreement.

Section 3. Any employee scheduled to work on a designated holiday, and who fails to work as scheduled without an excused absence from the Agency shall not be entitled to receive holiday pay. Employees must have worked within 30 days of the holiday to be entitled to the same.

Section 4. To be eligible for any kind of holiday pay when not working on the holiday, the employee must work his/her last scheduled workday prior to the holiday and the first scheduled workday following the holiday. It is understood that employees who are excused by the Agency prior to the scheduled workday shall be eligible for holiday pay.

Article 18 Garnishment Proceedings

Section 1. Garnishment proceedings shall not be a cause of discipline or discharge of any employee of the Agency.

Article 19 Sick and Bereavement Leave

Section 1. All full-time employees covered by this Agreement shall be entitled to sick leave as follows:

- A. All full-time employees shall accrue one-half (1/2) day of sick leave for each month of active service; six (6) days (48 hours) earned in a year.
- B. There shall be a limit of six (6) days (48 hours) on the amount of sick leave that can be carried over each year with a maximum accumulation of twenty (20) days (160 hours).
- C. Sick leave to be carried over will be measured (determined) as of the end of each calendar year end (December 31).

Section 2. Operators with regular runs shall receive an amount per day for sick pay equal to the scheduled hours of the run held by them. Extra Board Operators shall be entitled to sick pay at straight time for eight (8) hours per day. Maintenance employees shall receive sick pay at straight time for eight (8) hours per day. Customer Service employees covered by the Agreement as designated in Article 24, Section 5 of the Agreement shall receive sick pay at straight time for eight (8) hours per day.

Section 3. It is the intent of this Article to protect employees from loss of earnings due to sickness; therefore, all absences in excess of one (1) day must include a doctor's note showing the date of visit, days off due to illness, and a doctor's statement that the employee is able to return to full duty. This note must be submitted to the Agency on or before the employee's intended date of return to work.

Section 4. It is the employee's responsibility to inform his/her supervisor of his/her

condition while out sick. On short illnesses, daily contact is considered reasonable. On longer illnesses requiring surgery, hospital treatment, extended care, etc., the employee or a relative should update the Agency at least weekly as to the employee's condition.

Section 5. Under no circumstances will an employee be allowed to carry a negative sick leave balance.

Section 6. If an Operator, Maintenance employee or Customer Service employee covered by this Agreement ceases to be employed by the Agency for any reason, he/she will be paid for earned sick leave that he/she accumulated while he/she was employed, up to 160 hours.

Section 7. Employees who do not use more than two (2) days (16 hours) sick leave in any one calendar year shall receive two hundred fifty dollars (\$250.00) per year as a Sick Leave Bonus. Payment will be paid to such employees by April 1st of the following calendar year.

Section 8. In the event of a death of a member of the immediate family of any employee covered by this Agreement, the employee affected shall be granted up to three (3) consecutive workdays (24 hours) off with pay for the purpose of attending the funeral or similar ceremony. One of these days must be the day of the funeral or similar ceremony. It is the intent of this Article to protect the employee from loss of earnings during his/her bereavement period and not to reward him/her with additional compensation.

Therefore, an employee's bereavement benefit will be calculated using his/her base hourly rate of pay times the hours taken, up to 24 hours. Members of the immediate family within the meaning of this section shall only include spouse, children, mother, father, sister, brother, mother-in-law, father-in-law, grandmother, and grandfather on the employee's side. All employees shall complete at least six (6) months of service to be eligible to receive the bereavement benefit.

II. PROVISIONS RELATING TO OPERATIONS EMPLOYEES

Article 20 Seniority

Section 1. The seniority of all operators as presently established, shall be deemed to be correctly established as of the effective date of this Agreement.

Section 2. The seniority of all operators employed after the effective date of this Agreement shall commence from the date and time they have satisfactorily completed the road test. If multiple operators complete the road test simultaneously, seniority will be based on each operator's application date, and if the date is the same, seniority will be determined by the alphabetical order of each operator's last name.

Section 3. Any bargaining unit member, who accepts an administrative position is covered by this Agreement, shall retain but not accumulate seniority during the first ninety (90) days

in such position, and will suffer no loss of seniority if he/she notifies the Agency and the Union of his/her intent to return to the bargaining unit within the ninety (90) day period. If proper notification is given, and the Agency agrees to the employee request, both parties agree to allow the employee to remain in the administration for an additional period of thirty (30) days to allow the Agency to find a replacement. Any bargaining unit member who requests to return after the ninety (90) day period, and the Agency approves the request, shall retain his/her Agency seniority in his/her respective classifications as it relates to vacations and pay rates, but shall go to the bottom of the seniority roster for the picking/choosing of run(s)/schedule(s).

Section 4. Any bargaining unit member that accepted an administrative position within 180 days before the effective date of this Agreement, and with Agency approval, will be able to return to the collective bargaining unit within 180 days from his/her start date in Administration without loss of seniority.

Section 5. Upon request, the Union shall be provided an up-to-date copy of the seniority list for bargaining unit employees.

Article 21 Runs, Days Off, Working Hours

Section 1. Whenever practical all runs shall be eight (8) hours or more in length.

Section 2. The days off shall be consecutive wherever possible. However, in the case of runs that do not operate on Sunday, the runs will be off each Sunday and one (1) other day.

Section 3. It is agreed that there shall be no three (3) part split run scheduled.

Section 4. Although the scheduling of runs is recognized to be entirely a function of management, it is not the intention or purpose of the Agency during the life of this Agreement to materially change the average length of the runs as they are now scheduled. In order to effectuate this statement of intention, the Agency guarantees a minimum average run pay time for all regular runs (run time on all regular runs added together and divided by the number of regular runs) of not less than eight (8) hours.

Section 5. It is agreed that the Agency shall not schedule split runs having a total split time in excess of thirteen (13) hours. (Total time for beginning of first scheduled time out to the end of the last scheduled time in.)

Section 6. The Agency agrees that a minimum of thirty percent (30%) of the total scheduled runs (not including relief runs) shall be straight runs. A straight run shall be defined as a run which has no interruption of pay time from the time the operator on such run starts the run until (s)he completes it. The Agency also agrees to add additional straight runs beyond the thirty percent (30%) minimum to the extent such are economically feasible.

Section 7. As required by the Federal Transit Administration, all operators shall announce the approach of all major intersections and each stop, except when a functioning automated voice annunciation system is in use on the bus.

Article 22

Run Selection and Assignments

Section 1. The Agency will prepare and post in the operator's break room a list of operators in order of seniority, together with a run selection schedule, five (5) days before the expiration of each sign up of the year, which shall be made in February, June, and September as conditions permit, annually. If business needs require, the Agency may schedule additional run selections annually.

Section 2. Selection of runs shall begin twenty-four (24) hours after being posted and shall be completed within five (5) days after being posted excluding Saturdays and Sundays. At the expiration of each selection period the Agency will make assignments according to the selection made by the operators, and such assignments will remain in force until the next sign-up period. The number of operators that are required to select their runs each day shall consist of the number of runs posted for selection divided by five (5). In the event any operator fails to select his/her run when his/her turn comes or fails to leave his/her choice in writing (three (3) choices) with the dispatcher, then and in that event, Union shall select a run for him/her as similar as possible to the run then being worked by such operator, and the operator involved will work the run so selected by Union until the next regular run selection. Operators shall pick their runs or leave their choices with the dispatcher between 5:00 A.M. and 6:00 P.M. on the days they are assigned to make their selections.

Section 3. At the time of a general or special run-pick, any operator, regardless of seniority, may choose to work the extra board for the next sign-up period, provided, however, that all regular runs so posted must be either picked or assigned to an equal number of operators so as to complete the run-pick for that period.

Section 4. All actively employed operators will be required to participate in any general or special run pick regardless of status.

Section 5. In the event new runs are added before the next regularly scheduled selection period, such runs shall be posted for selection as provided in this section. The term "vacated" shall mean that an operator is absent from his/her run for a period of thirty (30) or more consecutive calendar days for any reason, including but not limited to sickness, accident, suspension, promotion, but excluding paid vacation.

During the "hold down" period, defined as the first thirty (30) days of the regular operator's absence from a route, the run shall be assigned to the most senior operator on the extra board. At the end of the hold down period, the route shall be posted for selection in order of seniority. The "hold down" period is not required if an operator resigns or is terminated.

Section 6. Run pick process:

- A. Runs shall be posted for selection for a period of five (5) days during which time they shall be selected by the operators.
- B. Operators desiring to bid on more than one (1) run may do so by leaving their choices with the dispatcher in writing, indicating their first, second, and third, etc., choices.

- C. At the end of the selection period the Agency shall assign the runs selected in accordance with seniority, and such assignment shall become effective on the third day following the selection period.

During the five (5) days a run is being selected and assigned, it shall be assigned to the extra board in accordance with the other provisions of this Agreement; provided, however, that where there are regular operators working the extra board (operators who have selected a regular run assignment which included certain days on the extra board) such operators shall be placed at the top of the extra board on those days on which they are regularly assigned to the extra board as a result of their selection of a run-pick. Where one (1) or more operators are involved, they shall be placed at the top of the extra board in accordance with their Agency seniority.

- D. Whenever a run becomes vacant, all operators by seniority shall have the right to pick such run.

Section 7. The dispatcher will assign all buses on a rotating basis. In the event the starting or ending time of an assigned run changes more than five (5) minutes before the next regularly scheduled selection period, any operator so affected may if (s)he chooses bump into any run to which his/her seniority entitles him/her. Such privilege of bumping shall be exercised by notifying the dispatcher in writing as to the run (s)he is selecting. This same procedure shall continue until all operators bumped shall have had an opportunity to exercise any bumping privileges to which their seniority entitles them. University contract services, such as may be provided to the LSU and/or Southern campuses on a contract basis, may not come under the definition of a run, as herein above provided. Operators selecting university runs as part of their regular run selection will be placed on the extra board, on a rotating basis, whenever these runs are suspended or discontinued.

Operators who have bid and are working university runs in which service during the fall and summer semesters have been cancelled shall have the following three (3) choices: they may work the extra board during the interim, take their earned vacation time, or take a leave of absence.

Section 8. When regular operators are removed from their runs, they may select any run their seniority will allow. However, such selection can only be made after giving the Agency and the operator on the run they select a twelve (12) hour notice. The operator so replaced may select another run in the same manner.

Section 9. Any operator or operators who have no regular runs on which they can exercise their seniority rights become extra operators under the provisions of Article 23.

Article 23 The Extra Board

Section 1. Operators who have sufficient seniority to select and who are assigned to regularly assigned runs during a run assignment are defined as regular operators. All other operators are defined as extra operators.

Section 2. The extra operator having the greatest seniority shall be placed at the top of the extra board.

Section 3. All extra runs will be assigned in accordance with seniority and by the rotation system.

Section 4. All assignments will begin fifteen (15) minutes prior to the departure time.

Section 5. It is understood that the extra operator first out will not be assigned to a tripper to start or finish up, except in an emergency, if there are full runs open. An absolute emergency will be when no extra or regular operator is available. Extra operators will not be assigned to a tripper, extra or special, when a regular run is open.

Section 6. An extra operator will not be excused after (s)he has been assigned to a run except in case of emergency.

Section 7. All extra board operators shall be guaranteed forty (40) hours per week provided they make all roll calls and satisfactorily execute all assigned work. Once an assignment is completed, that assignment shall pay a guaranteed minimum of eight (8) hours.

Section 8. If an operator has worked a late-night run or special work, the operator will not be allowed to report the following morning, unless the operator has an eight (8) hour down period before reporting.

Section 9. All of the above show-up time will be added to an operator's run sheet for the purpose of rotation on the extra board.

Section 10. If an extra operator has worked a late-night run or special work, and has indicated his/her desire to work the following morning, the dispatcher shall only call the operator after he/she has been off the clock for eight (8) hours. The operator will not be compensated for any missed runs due to the required eight (8) hours of down time.

Section 11. No extra operator shall be required to report more than fifteen (15) minutes before the first regular run is scheduled to go out for the morning roll call.

Section 12. The Agency shall designate the days off that are available to extra board operators following regular run bid. Said extra board operators shall bid day off in accordance with their seniority. Extra board operators shall retain their position on the board following their day off. Whenever an extra board day off vacancy occurs between extra bids, it may be rebid by all extra board operators according to their seniority

Section 13. Operators will be allowed to trade runs, and even then, both must be present, have a run assigned to them that day, and have the approval of the dispatcher.

Section 14. In the event an extra operator and a regular operator shall be off the same day or days, except Sunday, and both have signed the list to work their day or days off, neither shall receive priority as a result of their being an extra or regular operator and all work assigned from such list shall be assigned according to seniority. The extra board must be exhausted before any assignments are made from the seniority list.

Section 15. The extra board shall be made up each day and posted by 2:30 P.M.

Section 16. The extra board shall be staffed by full-time operators representing at least five percent (5%) of the total of full-time operators and shall not be less than seven (7) full-time operators.

Article 24
Pay Rates and Time Allowance

Section 1. There shall be granted to each operator an allowance of fifteen (15) minutes report time for the purpose of preparing equipment for pull-out. Split-run operators shall be granted an additional fifteen (15) minutes preparatory time for reporting at the garage to take out the second part of their run.

Section 2. Any operator training a new operator shall receive Two Dollars (\$2.00) per hour in addition to his/her regular rate of pay for such training service.

Section 3. Operations positions shall be paid the straight time hourly pay as follows:

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<i>OPERATORS</i>						
-						
Greater Than:	But Less than years	Current 2020	2021	2022	2023	2024
0 Years	1	\$15.61	\$17.48	\$17.83	\$18.19	\$18.74
1 Year	2	\$16.23	\$18.18	\$18.54	\$18.91	\$19.48
2 Years	3	\$17.42	\$19.51	\$19.90	\$20.30	\$20.91
3 Years	4	\$17.95	\$20.10	\$20.51	\$20.92	\$21.55
4 Years	5	\$19.24	\$21.55	\$21.98	\$22.42	\$23.09
5 Years	6	\$21.07	\$23.60	\$24.07	\$24.55	\$25.29
6 Years	-	\$21.73	\$24.34	\$24.82	\$25.90	\$27.07

<i>Trainees</i>						
-						
Operator Trainees		\$14.67	\$16.50	\$16.75	\$17.00	\$17.51

<i>Customer Service Representative</i>						
-						
Customer Service Representative		\$14.50	\$16.40	\$16.65	\$17.10	\$17.61

Section 4. Customer Service Representative is generally defined as an employee who has the qualifications to assist customers with information pertaining to CATS services, sales of bus passes, and to assist with customer relations. The employee must be knowledgeable in basic computer skills, have an understanding of the geographical layout of the Greater Baton Rouge Area, and have knowledge in customer service performance. Also, experience in cash handling, customer conflict resolution, and date entry is essential for this position.

Section 5. Customer Service Representative ("CSR"): As of the effective date of this agreement there is one (1) CSR that the parties agree will remain as a CSU position until such time as 1) the specific "grandfathered" individual leaves the Agency's employment for

any reason, 2) the position of CSR, as defined as of the effective date of this agreement, is eliminated or 3) the employee transfers to another CBU or non-CBU position within the Agency or 4) the "grandfathered" employee resigns from the Union. The grandfathered employee is Emily Maten.

Section 6. All operation employees scheduled to work on shifts beginning after 2:00 P.M. and prior to 5:00 A.M. shall receive an additional seventy-five cents (\$.75) per hour over and above their regular hourly wage rate as covered by this Agreement. All shifts beginning after 7:30 P.M. shall receive an additional One Dollar (\$1.00) per hour above their regular hourly wage rate as covered by this Agreement.

Section 7. All operation employees shall be paid one and one-half (1-1/2) times the base rate for all hours worked in excess of forty (40) hours in any one work week. The work week is defined to run from Sunday to Saturday.

Article 25 Part-Time Operators

Section 1. Part-Time Operator

- A. Persons working as part-time operators shall receive the hourly wage of a beginning operator according to Article 24, Section 3.
- B. The Agency shall make its work records available for inspection by a Union representative.
- C. Part-time operators shall be entitled to one-half the normal uniform allowance, to be paid in the same fashion as paid to full-time operators.
- D. The number of part-time operators shall be limited to the greater of twelve (12) or twenty percent (20%) of the total of full-time operators. If at any time this limit should be exceeded, the Agency shall have ninety (90) days from such time to increase the size of the full-time operator work force so as to correct such excess.
- E. Beginning January 1, 2021, part-time operators shall not work more than thirty (30) hours per week, averaged over the last twelve (12) month period.

Section 2. Part-time operators shall be used only when there are no full-time operators, either regular or extra board, available to work at straight time rates.

Section 3. The number of part-time operators shall be limited as per Section 1 (D) above, except when the part-time operator pool exceeds such number as a result of any layoff of full-time operators and such furloughed operators exercising their right to be placed in the part-time operator pool as provided in Section 4 of this Article. No part-time operator will be assigned on a regular basis to a regular run.

Section 4. In the event of a reduction in force, full-time operators, whether or not extra board operators, shall have the right to transfer into the pool of part-time operators. If they do so, their straight-time hourly rate of pay shall remain the same as if they had remained full-time operators.

Section 5. Part-time operators shall accrue seniority only among themselves, and there shall be no limitation whatsoever on the Agency's discretion as to whom it shall select from any source to fill full-time positions. Full-time seniority for all purposes shall begin as of the date of full-time employment.

Section 6. Part-time operators who accept full-time positions shall at that point begin the wage progression.

Section 7. The following articles and only such articles shall be applicable to part-time operators: Article 1, Recognition, Management, Employee Cooperation; Article 2, Negotiations; Article 3, Probationary Period, except that the probationary period for part-time employees shall be one hundred eighty (180) days; Article 4, Discipline; Article 5, Grievances and Grievance Procedure; Article 7, Deduction of Union Membership Dues; Article 9, Physical Examinations; Article 10, Accident Reports and Accident Prevention; Article 11, Court Attendance; Article 12, Jury Duty; Article 13, Free Transportation; Article 15, Commercial Driver's License; Article 18, Garnishment Proceedings; Article 36, Concluding General Provisions; Article 38, Pension Plan (Effective January 27, 2013); Article 39, Review of Work Record; and Article 41, Non-Discrimination.

Section 8. Part-time operators shall abide by all Agency rules.

Article 26 Schedule Changes

Section 1. Five (5) day notice shall be given to the Union whenever schedules are changed that will affect any operator or operators, and three (3) day notice shall be given to the operator or operators.

Section 2. It is agreed that the Agency shall provide adequate and convenient parking for all employees to park their private vehicles.

Section 3. If an operator is assigned to shuttling or hosteling buses, it shall be formalized as an assignment of extra work and shall be placed on the extra board.

Section 4. The Agency will be responsible for the transportation of operators to and from relief points.

Article 27 Uniform Allowances and Air-Cooled Cushions

Section 1. Operators will report to work in the Agency designated uniform, in a neat and orderly appearance and personally well groomed.

Section 2. Bus operators shall receive an annual uniform allowance of \$600.00 per year to be paid semi-annually; \$300.00 per payment during the months of March and September.

Employees are required to purchase uniforms as prescribed by the Agency from any of three vendors chosen by a Uniform Committee, made up of one representative designated by the Agency and one representative designated by the Union, in order to maintain a consistent appearance.

Section 3. The Agency will continue to furnish each bus with an adequate air-cooled seat cushion. Each operator will be issued upon receipt of written request, one replacement of an adequate air-cooled seat cushion.

Section 4. Operators shall receive a shoe allowance in the amount of \$150.00 for the purchase of Agency authorized uniform shoes. Such allowance shall be paid along with the first semi-annual installment of the uniform allowance in March of each year.

Section 5. Uniform and shoe allowances will be repaid by deduction from his/her final paycheck if the employee resigns employment from the Agency within sixty (60) days of receipt of allowance, unless the identified circumstance is beyond the control of the employee.

Article 28 Extra Work

Section 1. The Agency and Union agree to encourage and promote all extra work and recognize that extra work is required by operators to ensure the Agency provides scheduled and special event services to its customers.

Section 2. The assignment of extra work shall first be given to extra board operators, who will be required to perform this work as part of their regular duties.

Section 3. If there are an insufficient number of extra board operators to perform the extra work, the Agency will assign regular operators to perform the extra work. Regular operators will be selected from a list that has been signed by them on a voluntary basis, indicating that they are willing and available to perform this work, such selections being made on availability and seniority basis. Any operator who has volunteered for extra work and cannot be reached at their primary contact phone number on file is not eligible for any compensation for the unassigned extra work. The Agency will provide an audit log when required. Any operator, whose regular run overlaps with the unassigned extra work, will only be eligible for extra compensation if the Agency decides to assign the operator to the unassigned extra work and that compensation will only be for work completed. If there are an insufficient number of volunteer regular operators, the Agency will assign part-time operators to perform the unassigned extra work.

Section 4. If, after following the steps outlined in Section 3, there is extra work available, regular operators will be required to perform this work, in reverse order of seniority.

Section 5. An operator that reports to roll call and refuses work will only be paid for the time between roll call and the offer of work. That operator will be removed from the extra work board and will not be allowed to participate in further roll calls that day unless the Agency requests. Any operator that refuses work because it interferes with his/her regularly scheduled run will be paid for his/her time spent at rollcall.

III. PROVISIONS RELATING TO MAINTENANCE EMPLOYEES

Article 29 Definitions of Classifications

Section 1. Classifications

- A. Mechanic Helper/Body & Painter Helper - generally defined as a trainee for the position of Mechanic I/Body & Painter Class I. This employee will be required to perform any type of work encountered in servicing and repairing any Agency vehicle, with direction and assistance of Class III or II Mechanic/Body & Painter Class III or II. The employee must have a complete set of hand tools. The employee must have at least one year of experience as a Mechanic Helper/Body Shop Helper and pass a written and hands-on evaluation given by Management before being able to bid in a Mechanic I/Body & Painter Class I position. This position requires a CDL prior to the end of a probationary period.

- B. Class I Mechanic - generally defined as an employee who has the qualifications of a Mechanic Helper as well as being able to complete basic mileage inspections on all revenue and service vehicles. The employee must be able to do complete front and rear brake jobs and complete wheelchair lift and air conditioning (A/C) inspections, seeking assistance when needed. The employee must have at least one year of experience as a Mechanic I, or comparable experience, and pass a written and hands-on evaluation given by Management before being able to bid in a higher Mechanic Class position. This position requires a CDL prior to the end of a probationary period.

- C. Class II Mechanic - generally defined as an employee who has the qualifications of a Mechanic I, as well as being able to read all types of schematics, properly service all types of A/C systems, use current computer programs to diagnose problems and find solutions in a standard length of time with no assistance. The employee must have at least one year experience as a Mechanic II, or comparable experience, and pass a written and hands-on evaluation given by Management before being able to bid in a higher Mechanic Class position. This position requires a CDL prior to the end of a probationary period.

- D. Class III Mechanic - generally defined as an employee who has the qualifications of a Mechanic II as well as being able to do complete engine overhauls on all vehicles, transmission overhauls, and wheelchair lift overhauls with no assistance. The employee must have at least one year experience and pass a written and hands-on evaluation given by Management before being able to bid in a Master Mechanic position. This position requires a CDL prior to the end of a probationary period.

- E. Master Mechanic - generally defined as an employee who has mastered the Mechanic III position. The employee shall be disciplined to work independently. The employee shall make recommendations for repairs to all vehicles. The employee shall be able to repair and rebuild components on all parts of the coach. The employee must also be certified in A/C, brakes, and electrical troubleshooting. This position requires a CDL prior to the end of a probationary period.

- F. Utility Personnel - generally defined as an employee who is required to water and fuel all service vehicles, check tires for flats, check transmission fluid, and clean and detail the inside and outside of all vehicles. The employee must be able to do basic service and maintenance on all wash equipment upon basic instructions. The employee must be able to, but not limited to, clean and maintain buildings and grounds when needed. The employee must have at least one year experience as a Utility Personnel before being able to bid in a Mechanic Helper/Body & Painter Helper position when there is a vacancy. This position requires a CDL prior to the end of a probationary period.

- G. Body & Painter Class I - generally defined as an employee who has the qualifications of a Body & Painter Helper as well as being able to mask and tape any vehicle being prepped for painting. The employee must be able to replace broken glass and remove and replace damaged panels, seeking assistance when needed. The employee must have at least one year experience as a Body & Painter I, or comparable experience, and pass a written and hands-on evaluation given by Management before being able to bid in a higher Body & Painter Class position. This position requires a CDL prior to the end of a probationary period.

- H. Body & Painter Class II - generally defined as an employee who has the qualifications of a Body & Painter Class I as well as being able to replace flooring and repair fiberglass and metal panels. The employee must be able to mix hardeners and paint, with not assistance and be able to spray paint with assistance of a Body & Painter Class III. The employee must have at least one year experience as a Body & Painter Class II, or comparable experience, and pass a written and hands-on evaluation given by Management before being able to bid in a higher Body & Painter Class position. This position requires a CDL prior to the end of a probationary period.

- I. Body & Painter Class III - generally defined as an employee who has the qualifications of a Body & Painter Class II as well as being able to paint all types of vehicles. The employee must be able to realign a transit coach to O.E.M. specifications after it has been in a major accident. The employee must be able to operate all types of equipment related to body work and able to fabricate and weld all types of metals. This position requires a CDL prior to the end of a probationary period.

- J. Tire Technician - generally defined as an employee who can use a tire demounting machine and maintain tire records. The employee must be able to match, rotate, and balance all tires. The employee must be able to know where to place a jack and how to properly secure a vehicle before removing tires and also able to lift and use a tire impact gun. A Tire Technician can bid on a Mechanic position based on

recommendation from Management. The employee must have at least one year experience as a Tire Technician and pass a written and hands-on evaluation given by Management before being able to bid in a Mechanic Helper position. This position requires a CDL prior to the end of the probationary period.

K. Vault Puller - generally defined as an employee whose duties are as follows:

- When a bus enters the vault station, the Vault Puller will record the vehicle mileage, probe the fare box, remove the cash box, and empty the cash box into the secured vault.
- Additional duties include, but are not limited to, cleaning the inside and outside of the fare box when needed and making notes of defects inside and outside the bus that need repairing.
- The Vault Puller may also be required to detail the inside of the bus. The Vault Puller must be capable of performing these duties in a timely manner. No CDL is required for this position as Vault Pullers are not allowed to operate a bus on or off the Agency's property.

L. Custodial Personnel - generally defined as an employee who cleans and maintains all Agency property at its main location at 2250 and 2222 Florida Boulevard. This employee will be required to clean restrooms, administrative offices, the shop floor area, and any other areas as needed. At times this employee will be required to strip and wax floors and dump several dumpsters located around the property. This employee may also be required to operate basic lawn and garden equipment and a forklift to maintain the outside building and grounds.

Section 2. The classification as now presently established for each shop employee shall be correctly established as of the effective date of this Agreement. The classifications as now set forth in this Agreement will be used as future criteria for the establishment of classifications for new employees or for the promotion of present employees from a lower to a higher classification.

Section 3. When a vacancy shall exist in any of the Mechanic Class or Paint & Body Class positions it shall be the duty of the Agency to fill such vacancies from the rank of its Mechanic, Paint & Body, and Utility personnel on the basis of seniority provided that persons of sufficient ability and qualifications are available for that purpose. When a vacancy exists in any of the Utility Personnel positions it shall be the duty of the Agency to fill vacancies by hiring from the outside. Employees promoted under the provisions of this Article shall be given up to thirty (30) days to qualify. In the event any employee fails to qualify within this period, that employee shall revert back to the former classification without loss of seniority. Notice of vacancy will be posted for seven (7) days and become effective in three (3) days after the position has been awarded. It is the duty of the Agency to maintain and post a current seniority and pay scale list at all times.

In the event there is no employee qualified for a higher classification under this provision, the Agency will then hire from outside the Agency. New employees must qualify under this provision of Section 1 above. New employees applying for Mechanic and Paint & Body must be certified from an accredited school or have comparable experience, have a complete set of hand tools and must satisfactorily pass a test reasonably designed to demonstrate the necessary

qualifications of the job. Any new employee will exercise seniority rights in accordance with this Agreement.

Section 4. In the event that a shop employee works in a higher classification, he/she shall receive the pay of the higher classification, except for reassignments of duties lasting less than a full shift.

Section 5. A shop employee will be considered for an opening as a bus operator only in the event of a layoff which results in the reduction of work force in the Maintenance Department provided the individual can meet the qualifications and physical requirements of a bus operator.

Section 6. Upon hire, employees will be subject to a written and hands on evaluation exam and to be classified as a Class I mechanic or hire. Any employee who is trained by the Agency in their pursuit of obtaining certifications who leave the Agency prior to completing one full year past the newly acquired certification will have the cost of training not to exceed \$500.00 deducted from their final paycheck.

**Article 30
Wage Rates by Classification - Maintenance Employees**

Section 1. Maintenance wages by classifications shall be:

MAINTENANCE					
-	Current				
Greater Than:	2020	2021	2022	2023	2024
Master Mechanic	\$26.15	\$32.50	\$32.75	\$33.00	\$33.99
Mechanic Class III	\$25.64	\$30.26	\$30.51	\$30.76	\$31.68
Mechanic Class II	\$22.05	\$26.02	\$26.27	\$26.52	\$27.32
Mechanic Class I	\$20.00	\$23.60	\$23.85	\$24.10	\$24.82
Body & Painter Class III	\$24.10	\$28.44	\$28.69	\$28.94	\$29.81
Body & Painter Class II	\$21.03	\$24.82	\$25.07	\$25.32	\$26.08
Body & Painter Class I	\$19.23	\$22.69	\$22.94	\$23.19	\$23.89
Tire Technician	\$18.46	\$21.78	\$22.03	\$22.28	\$22.95
Mechanic Helper / Body & Painter Helper	\$16.92	\$19.97	\$20.22	\$20.47	\$21.08
Utility Personnel	\$15.38	\$18.15	\$18.40	\$18.65	\$19.21
Custodial Personnel	\$13.27	\$15.66	\$15.91	\$16.16	\$16.64
Vault Puller	\$12.82	\$15.13	\$15.38	\$15.63	\$16.10

**Article 31
Assignment of Work**

Section 1. Seniority in classification and qualifications shall prevail in the bidding of work in the shop. Maintenance work schedule pick shall be changed twice each year - once in January and once in June. However, the Agency reserves the right to hold one or more additional schedule picks should conditions warrant.

Section 2. The Agency will prepare and post at the bus garage a list of Maintenance employees in order of seniority by classification, after which Maintenance employees will be permitted to select their work shifts including established days off, in accordance with their classification seniority.

Section 3. Selection of work shifts shall begin seven (7) days after being posted and shall be concluded within seven (7) days after selection begins. At the expiration of each selection period, the Agency will make assignments according to the selection made by the Maintenance employees and such assignments will remain in force until the next sign-up period. The new schedule shall be posted at least seven (7) days prior to the start of such schedule.

Article 32 Tool and Uniform Allowances

Section 1. Only Mechanics and Paint & Body employees covered under this Agreement shall receive a voucher for hand tools in the amount of \$700.00 per year. Each employee is obligated to have at work at all times all hand tools necessary to perform their work. The tool allowance shall be available to Mechanics and Paint & Body employees in January of each year.

The Agency shall provide all Maintenance Personnel covered under this Agreement a voucher in the amount of \$200.00 for the purchase of steel toe work shoes. Maintenance Personnel shall wear OSHA-approved footwear at all times while on duty. The shoe vouchers shall be available to Maintenance Personnel in January of each year.

The cleaning of Maintenance employee uniforms shall be provided by the Agency.

Section 2. A complete set of hand tools is listed as follows:

1. Set of hammers
2. Set of wrenches, metric and standard
3. Set of sockets and ratchets, 1/4", 3/8", 1/2" drive
4. Volt meter
- s. Pick set
6. Set of pliers
7. Set of screwdrivers
8. Toolbox

A new hire employee may only receive a tool and shoe allowance if that employee has been employed by June 1 of the prior year and must maintain employment until June 1 of the year of receiving the tool and shoe allowance. If not, that employee will be subject to full reimbursement of allowances given by the Agency. The reimbursement will be withheld from the employee's final paycheck.

Article 33
Shop Overtime and Shift Differentials

Section 1. All shop employees scheduled to work on shifts beginning after 2:00 P.M. and prior to 5:00 A.M. shall receive an additional seventy-five cents (\$.75) per hour over and above their regular hourly wage rate as covered by this Agreement. All shifts beginning after 7:30 P.M. shall receive an additional One Dollar (\$1.00) per hour above their regular hourly wage rate as covered by this Agreement.

Section 2. All shop employees shall be paid one and one-half (1-1/2) times the base rate for all hours worked in excess of forty (40) hours in any one work week.

Section 3. In the event of a four (4) day, ten (10) hour per day work schedule, employees will be paid one and one-half (1-1/2) times the base rate for all hours in excess of forty (40) hours in any one work week.

Section 4. A monthly overtime list for shop employees will be posted at all times. Any employee who desires overtime must sign this list the first day of each month. The list will be organized by seniority within classification. When overtime becomes available within a classification, the highest ranking employee in that classification has first choice. If that employee declines the overtime that employee will be charged for those hours and will be rotated to the bottom of their classification. Once an employee has worked a total of eight (8) hours, that employee will be rotated to the bottom of their classification.

In the event a job needs to be completed, if it is reasonable to assume that the job can be completed not more than two (2) hours, the employee who is already working that job will be used.

In the event there is no one who desires overtime the Agency reserves the right to select an employee to work the necessary overtime.

Section 5. All shop employees shall be given a thirty (30) minute lunch break. Two (2) paid fifteen (15) minute breaks will be given. This applies to all shifts with the exception of the 4:00 A.M. to 12:00 P.M. shift, which will have only one (1) paid fifteen (15) minute break.

Section 6. The Agency shall provide accurate training for Maintenance Personnel for promotional advancement, including but not limited to computer-based, hands-on training, and video training.

IV. ADDITIONAL GENERAL PROVISIONS

Article 34
Savings Bond - Payroll Deduction

Section 1. Any employee may elect to purchase a United States Savings Bond through payroll deduction. Employees must complete the Agency deduction authorization form in order to obtain a savings bond.

Article 35
Concluding General Provisions

Section 1. This Agreement shall be subject in all respects to all present and future applicable laws, statutes, ordinances, and regulations of the United States of America, State of Louisiana, and the City and/or Parish of East Baton Rouge. In the event that any part of this Agreement is or becomes null and void, the remaining portion shall remain in full force and effect.

Section 2. This Agreement terminates and renders inoperative all verbal and written agreements between the parties existing prior to the effective date of this Agreement.

Section 3. The waiver of any breach or condition of this Agreement by any party shall not constitute a precedent for any subsequent waiver of any breach or condition.

Section 4. Any and all agreements between the Union and Agency during the life of the contract shall be in writing signed by both parties, and all parties concerned shall be notified by posting of a bulletin within seventy-two (72) hours of said agreement.

Article 36 Health and Welfare Program

Section 1. The Agency agrees to pay seventy percent (70%) of the monthly premium for each employee and his/her dependents for employees who elect to be covered by the group major medical insurance program. Employees shall pay thirty percent (30%), to be paid twice each month.

Section 2. The Agency agrees to pay sixty-five percent (65%) of the monthly premium for each employee who elects to be covered by the group life insurance program.

The group life insurance program will provide the following coverage:

- All full-time employees actively at work, \$30,000 life insurance and \$30,000 accidental death insurance.

Section 3. The Agency agrees in the case of an employee who has an alcohol or drug problem not to discharge the employee provided the employee takes advantage of the Alcohol and Drug Abuse Program, prior to the Agency's knowledge of the problem. The employee is required to authorize release of all medical information to the Agency so that the Agency can evaluate their participation in the program. Any employee with this problem who fails to take advantage to the fullest shall be subject to discharge.

Section 4. The Agency and the Union agree to establish a Review Board whose responsibility shall be to review working conditions, absenteeism, tardiness, and other general personnel regulations. The Review Board shall be comprised of two (2) Union committeemen and two (2) Agency representatives. The Review Board will in no way restrict the Agency's right to manage.

Section 5. The Agency and the Union agree to establish a health and welfare board, the trustees of which shall have responsibility over the health and welfare program. The board

shall be comprised of two (2) Agency representatives and two (2) Union members appointed by the Union president. Should the need arise to change the insurance provider, the new carrier shall be chosen by the Agency and the Union.

Section 6. The Agency shall provide, at no expense to employees, a felonious assault insurance policy providing a death benefit in the amount of \$100,000, provided that the Agency or the Union can locate such a policy and that the Agency's obligation shall be to contribute a sum not in excess of \$3.00 per employee per year.

Section 7. In the event the Affordable Care Act or any other law should apply to any program provided pursuant to this Article so as to subject the Agency or covered employees to a tax or penalty, then the Agency shall have the right to substitute any program, which shall not subject the Agency or covered employees to a tax or penalty. Section 5 of this article shall apply to the selection of the substitute program.

Article 37 Pension Plan

Section 1. The parties shall continue the pension plan, established February 1, 1973, and acknowledge that upon the execution of the agreement for the period of January 1, 2004 through December 31, 2005, the contributions of both the Agency and the employees were changed so that for periods beginning with the execution of the agreement the Agency became obligated to contribute each pay period for the benefit of each employee eight percent (8%) of such employee's gross wages in such pay period and each employee became obligated to contribute each pay period seven percent (7%) of his/her gross wages in such pay period.

Section 2. The parties agree to continue a trust and maintain a trust to effectuate the establishment, financing, and maintenance of a pension program for the employees covered by this Agreement and for the duration thereof. The Agency and the Union shall require that their trustees to such trust, to the extent that they do so consistent with their fiduciary obligations, institute a deferred retirement option plan, commonly referred to as the drop plan.

Article 38 Review of Work Record

Section 1. Employees shall be allowed to review their work record every ninety (90) days.

Article 39 Non-Discrimination

Section 1. Nouns used herein referring to the singular or plural shall include the plural or singular, as appropriate, and pronouns used herein shall refer to both males and females.

Article 40 Personal Time

Section 1. All employees covered by this Agreement shall receive two (2) personal days per year for the duration of the Agreement. The personal days will be the employee's

Birthday and one (1) floating holiday. The employee shall use the floating holiday as needed with proper notification to the Agency.

Article 41
Duration of Agreement

Section 1. This Agreement shall be in effect for the term beginning June 7, 2021 to and including December 31, 2024, and from year to year thereafter, except that at the expiration of the said term or of any renewal thereof, either party may terminate that Agreement by giving notice to the other party of its intention to terminate the Agreement or to negotiate changes in its provisions. Said notices shall be in writing and be delivered to the other party no more than ninety (90) and not less than sixty (60) days before the expiration of the Agreement or any renewal thereof. If such notice is given by either party, it shall also contain an offer to meet and confer with the other party for the purpose of negotiating a new Agreement. Any pay increase and/or other financial benefit shall be computed beginning with the first day of the first full pay period after ratification of this Agreement by both parties. Any pay increases and/or other financial benefit shall be computed beginning March 1, 2021 assuming ratification of this Agreement by both parties.

Section 2. If no agreement shall have been reached by the parties within thirty (30) days after such notice (as per Section 1 above), the Federal Mediation and Conciliation Service shall be notified of the existence of a dispute, all as provided in sub-section (d) of Section 8 of the Labor-Management Relations Act of 1947.

Section 3. There shall be no lockout, strike, stoppage, or slowdown of work during the term of this Agreement specified in Section 1 above.

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SIGNATURE PAGE
LABOR AGREEMENT BETWEEN CAPITAL AREA TRANSIT SYSTEM
AND
LOCAL UNION 1546 OF THE AMALGAMATED TRANSIT UNION

June 7, 2021 to December 31, 2024

EXECUTED by Capital Area Transit System this ____ day of _____, 20__, at
Baton Rouge, Louisiana.

CAPITAL AREA TRANSIT SYSTEM

CAPITAL AREA TRANSIT SYSTEM BOARD OF COMMISSIONERS

RATIFIED on the ____ day of _____, 20__, at Baton Rouge, Louisiana.

BY: _____
Dwana Williams
Interim CEO

CERTIFIED BY: _____

Name _____
Its _____

EXECUTED by Local Union 1546, Amalgamated Transit Union this ____ day of
_____, 20__, at Baton Rouge, Louisiana.

LOCAL UNION 1546, AMALGAMATED TRANSIT UNION

RATIFIED by the membership of Local Union 1546, Amalgamated Transit Union, the ____ day
of _____, 20__, at Baton Rouge, Louisiana.

BY: _____

NAME

Its _____

CERTIFIED BY: _____

Name

Its _____



Date: August 3, 2022
F&E Meeting: August 11, 2022
Board Meeting: August 19, 2022

BOARD MEMORANDUM

ACTION ITEM

TO: Capital Area Transit System Finance & Executive Committee
THROUGH: Interim CEO, Dwana Williams
FROM: Cheri Soileau, AICP, Director, Planning & Program Development
SUBJECT: Areas of Persistent Poverty Grant-WSP

Project/Contract: Areas of Persistent Poverty (Empower Baton Rouge)
Project/Contract Date(s): August 20, 2022
Renewal options (Yes/No): No
If yes, what year/option: N/A
Project/Contract Amount: NTE \$645,000
Budgeted project (Yes/No): N/A
Grant(s) Funded (Yes/No): Yes
If yes, note the grant number: Areas of Persistent Poverty Grant-Competitive
Policy-Related Action: (Yes/No): Yes Strategic Priority 1-Mobility and Ridership; Priority 2- Management and Financial Sustainability; and 4-Community Stewardship

RECOMMENDATION: Approval of WSP Task Order 1, NTE \$645,000

EXECUTIVE SUMMARY:

- CATS was recently awarded the Areas of Persistent Poverty Grant at a total amount of \$744,444 (Federal share: \$670,000; Local Share: \$74,444)
- WSP is part of the On-Call Planning Consultants that were selected and approved by the Board in 2019

STRATEGIC PLAN/GOALS:

Strategic Priority 1-Mobility and Ridership; Priority 2- Management and Financial Sustainability; and 4-Community Stewardship

FISCAL IMPACT: Federal Share: 90%; Local Share: 10% (maximum local share \$74,444)

BACKGROUND:

CATS applied for the Areas of Persistent Poverty Grant in September 2021 to take a deep-dive into neighborhoods which meet the Justice40 criteria as set forth by the Biden Administration. The primary focus of this grant is to identify barriers and propose solutions through transit planning and equity-focused public engagement within the 41 census tracts in East Baton Rouge Parish designated as areas of persistent poverty and served by CATS.

Scope of Work:

Phase 1: Existing Conditions for 41 census tracts

- a. Evaluation of existing transportation infrastructure
- b. Perceived barriers to inclusion
- c. Existing neighborhoods
- d. Develop
 - a. Professional, Community and Citizen stakeholder list
- e. Deliverable: Technical Memorandum-existing conditions
- f. Present existing conditions to stakeholders
 - a. Meetings-4 meetings in person in locations throughout the city; 1-virtual.
 - b. Receive and document comments from the community.
 - c. Develop survey to determine needs of AOPP communities.
 - d. Conduct survey and compile results.
- g. Deliverable: Technical Memorandum-outline Public Involvement Activities and Stakeholder input.

Phase 2: Proposed Solutions

- a. Conduct extensive study on potential solutions to alleviate the previously identified and confirmed barriers.
- b. Conduct five public meetings to receive input on potential solutions and begin to rank those most impactful as seen by the community.
 - a. Receive/document comments received from the community via meetings, website, survey and other outreach mechanisms.
 - b. Developed a ranked listing of solutions in a matrix format.

Phase 3: Further Define Ranked Projects

- a. Conduct alternative analysis on highest ranked projects to rank barrier busting projects.
- b. Share ranked projects to the community in five public meetings.

Phase 4: Final Documentation

- a. Develop an outlining methodology for entire project and comments from all inputs and support solutions to include graphics, as appropriate, for ease of communication.
- b. Develop a media packet from document for CATS board and other public officials to have in hand to communicate with constituents the priorities for these citizens.
- c. Deliverable: Final document and media packet executive summary.

DISCUSSION:

CLIMATE IMPACT: N/A

BUSINESS DIVERSITY REQUIREMENTS: WSP will be using a DBE: ABC Consultants for all public outreach events.

CATS Procurement Listing for CATS Board

8/16/2022

Professional Service Contracts (Excluding On-Call & Contracts Approved by the Board)

Service Description	Contr Type	Vendor Name	Amt	Start Date	End Date	Remaining Balance as of 08-04-22	Services/ Product Provided
Advisor to Senior Management for Strategic Guidance Contract	Service Contract	Aires 20 Management Group	\$50,000	8/1/2021	8/31/2022	\$19,500	Advisor to Senior Management for Strategic Guidance Contract
Accounting Support as Required	Service Contract	Insight Business Consulting/Michael Falgout	\$100,000	1/12/2022	11/1/2022	\$14,673	<i>Accounting Manager support due to vacancy in accounting</i>
Court Reporting Services	Service Contract	Baton Rouge Court Reporting	\$43,500	1/1/2021	12/31/2021	\$28,696	<i>Transcription Services for board meeting, negotiation, arbitrations and as required.</i>
Chief Administrative Officer (Interim)	Service Contract	Keystone Consultant Group	\$125,000	3/24/2022	12/31/2022	\$65,750	<i>Assisting in oversight and management of CATS day-to-day management duties; Work with CATS CEO to implement recommendations, goals and objectives as defined in CATS Strategic and Capital Improvement Investment Plans or as otherwise communicated by CATS CEO.</i>
Federal Grants Guidance	Service Contract	Stephanie Pulley	\$50,000	12/1/2021	12/31/2022	\$42,188	<i>Federal Grants Strategic Guidance. Support as needed to Grants Manager</i>
Government Relations Consulting	Service Contract	Southern Strategy Group of LA	\$50,000	1/1/2022	12/31/2022	\$32,500	<i>Services relating to local and state Governmental Regulations and Legislative Affairs Contract</i>

CATS Procurement Listing for CATS Board

8/16/2022

Professional Service Contracts (Excluding On-Call & Contracts Approved by the Board)

Service Description	Contr Type	Vendor Name	Amt	Start Date	End Date	Remaining Balance as of 08-04-22	Services/ Product Provided
<i>Professional Development for CATS Management</i>	Service Contract	Insight Strategies	\$49,500	5/18/2021	2/17/2022	\$12,300	<i>Employee Assessment & Leadership Professional Development Training</i>
<i>Maintenance & Operations Support including Bus Inspection</i>	Service Contract	ESA Management & Engineering Consultant	\$50,000	12/24/2019	12/24/2021	\$34,093	Oversight from plant manufacturing to final delivery, inspection, and Buy America compliance acceptance
<i>Procurement Consultant</i>	Service Contract	Kathy Hernandez	\$50,000	2/1/2022	1/31/2023	\$30,100	<i>Support Procurement in areas including BRT support and Internal Process improvement</i>
<i>Legal Services</i>	Service Contract	Breazeale, Sachse & Wilson, LLP	\$75,000	4/8/2020	12/31/2022	\$75,000	<i>Legal services relating to employment law, labor law, general representation & services</i>
<i>Legal Services as required by CATS</i>	Service Contract	Law Office of Derrick Moore	\$75,000	1/1/0422	12/31/2022	\$75,000	<i>Legal services including but not limited to: fleet liability, procurement law, public transit regulations, settlement, judgements and general services</i>
<i>Board Retreat Facilitator</i>	Service Contract	Frank T Martin Consultat LLC	\$44,500	3/1/2022	12/31/2022	\$6,998	<i>Foster a better understanding between Board and Executive Management</i>
<i>Organizational, Leadership and Staff Development</i>	Service Contract	Bayard Management Group LLC	\$35,000	3/8/2022	12/31/2022	\$29,000	<i>Design and implement programs developing strong leaders & staff.</i>
<i>FY2023 FTA Comprehensive Oversight Review</i>	Service Contract	Pierlott & Assoiates, LLC	\$48,094	8/1/2022	12/31/2022	\$48,094	<i>Comliance Workshop, Assessment and Final Report.</i>

845,594

513,891

CATS Procurement Listing for CATS Board

August 16th 2022

Yellow = Action Item / needs Board Approval now

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Service Description	Contr Type	Vendor Name	Amt	Start Date	End Date	Board Approved	Services/ Product Provided	Notes / Comments
A								
A&E Design Services Transit Amenities & Related Equip PR #934 RFQ 2019- AmenitiesDesign-005	A&E Design Services	Reich Landscape Architecture	Approx Cost \$180,000	6/20/19	6/19/2024	06/15/19	RFQ for Design Services for Transit Amenities and Related Equipment	8/9/19- Executed Contract 4/17/19 – Proposals were received by Procurement, and PEC evaluated proposals and recommend an award at the June 2019 Board meeting for \$180,000. 3/28/19 – RFQ was solicited. Proposals due at 10:00am on 4/17/19. Will include Shelters, Kiosks, Landscapes, etc. Design consultant will also assist CATS with the construction bids in determining the lowest responsive bidder in meeting the technical specifications.
Audit Services CATS & Pension External Audit Services	Service Contract	Postlethwaite & Netterville	Contract Value with increase for CYE 2021 \$83,675. Contract Value with increase for CYE 2020 \$329,300	01/01/19	12/31/22	12/21/21	External Audit Services	1st Option Year Request approved to increase contract by up to \$83,675 for Auditing CYE 2021 work performed during year 2022. Request approval to increase contract by up to \$65,000 for CYE 2020 during year 2021. Request approved to increase contract by \$49,800 for CYE 2020. Options available for future years. Contract executed 06/20. 06/23/20 Board Approved. Additional \$63,000 for CATS CYE 2019 to initial \$32,000 for <u>new 2019 total of \$95,000</u> 7/16/19–Board approved additional \$119,500 for CATS CYE 2018 to initial \$31,500 for <u>new 2018 total of \$151,000</u> . 11/13/18 - Board approved 11/8/18 – F&E Committee approved to move to full Board. RFP opened on 10/30/18. For Calendar Years ending in 2018 through 2020, with 2 one-year renewal options.
Accounting Service Contract Accounting Manager	Service Contract	Insight Business Consulting, LLC/ Michael Falgout	\$100,000 new value \$50,000 old value	05/02/22	11/01/22	04/19/22	Interim Accounting Manager Services	This is a new vendor but the consulting providing this service is Michael J. Falgout whose \$50,000 is about to be run out of funds. Value of the Falgout contract is \$50,000 as well.

CATS Procurement Listing for CATS Board

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C								
Claims Adjuster Bus Fleet Liability & Worker Comp	Service Contract New RFP	Brown Claims Management Group Adjuster Claim Services Bus Liability & W C	Updated Hourly Rates have been applied	Extension from 01/01/22	Extension until 12/31/22		<i>Adjustor Claim Services, Investigations, Fleet Liability and Workers Comp</i> <i>(Original 5 year contract)</i>	As of 06/24/22 extended until 12/31/22. As of 01/12/22, Extended thru 03/31/22. Claims adjustor scope being developed. Will address bus liability separate from Workers Compensation.
			Refer to updated Hourly Rates for renewal period 1/1/21 thru 12/31/21	Extension from 01/01/21	Extension until 12/31/21	Extension Approved 12/15/20		As of 11/30/21, new approach developed to supply these services. Attempt to bid late 2021 was not successful and no award was made. 12/15/20 Board approved extension until 12/31/21. Period Extension thru 12/31/20 allowing time to formulate new RFP. 3/11/2020-Contract signed and mailed to vendor for extension. 9/9/16 – Contract renewal finalized. 8/30/16 – CATS Board approved renewal of contract. 8/11/16.
				03/01/2020	12/31/20	06/23/20		
			Renewal: 3/1/19					
D								
Drug & Alcohol 3rd Third Party Adm D & A Services for Safety Sensitive	Services State Contract	Applya	\$25,000 Estimated for 3 years	01/01/22	12/31/22	NA	FTA mandated Third Partying Administrator services for Drug & Alcohol /substance abuse services for safety sensitive	State Contract is being used going forward. Notice given to IHSN, contract ends
		IHSN 6 th extension	\$25,000 Estimated for 3 years	5/1/20 Extension from 05/01/2020	Extension until 12/31/21 Extension until 12/31/20	6/23/20	Extension allowing rebid 2021. FTA mandated Third Partying Administrator services for Drug & Alcohol /substance abuse services for safety sensitive employees. PO 2019052	12/31/21. Executed agreement via state contract with Applya for CY 2022. Extension Approved. 06/23/20 Board Approved. Period Extension thru 12/31/20 allowing time to formulate new RFP. Estimated cost to be \$25,000 for a 3 year contract. 3/18/19 CATS extended 12-month renewal with IHSN with only a \$0.50 increase on drug tests. Contract originated in 2012.
F								
Financing Bus Finance Lease /Purchase (10 Gillig Buses)	Bus financing for 7 years through 2024	Banc of America Public Capital Corp (Scottsdale, AZ)	Finance 10 Gillig Diesel Buses for 7 years.	04/17	10/24	3/21/17	Capital Bus Lease/Purchase Finance 10 Gillig Buses Pay over 7 year period. Total Cost: \$4,217,800 2 payments of \$328,137 per year = \$656,273 per yr	3/21/17 – Board approved financing of 10 Gillig buses. 3/16/17 - F&E approved item to move to full board for approval. Financing is for 10 Gillig Buses. 2/8/17 – RFP solicited to multiple financial institutions. Proposals due back 3/2/17. Inquiries due here by 2/20/17 with our responses out via Addendum on 2/23/17

CATS Procurement Listing for CATS Board

August 16th 2022

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Fuel Diesel and Gasoline <i>Joint C-P & CATS Contract</i> <i>Extended thru 06/30/22</i> Approved thru 10/31/2021 7th renewal	Materials City Parish	Mansfield Oil (was assigned by FuelTrac) Via City Parish solicitation. Contract for Diesel and Gasoline	\$1,200,000 \$1,200,000 Approx. annual cost \$1,000,000 for period noted Oil Price Info Serv OPIS + \$ 0.039 adm fee + tax = price per gal (ppg)	07/01/22 11/01/21 4/01/21 Initial start date of contract 11/01/14 C-P Metro Council approved award to FuelTrac on 8/13/14	12/31/22 06/30/22 10/31/21 Final renewal PO2020079 Current 2 year contr w/5 one year renewals available thru 2021	06/21/22 1/18/22 04/20/21	City Parish included CATS in 2014 fuel solicitation as a separate entity to participate in the fuel dispensing system.	Mansfield is on state contract thru 12/31/22. CATS will address before yearend for CY 2023. Board approved 04/20/21 for Services thru 10/31/21 Via a City Parish contract. Period 7 months. Renewed- 2/7/20 for 1 year. 3/19/19 – Board approved. Renewal contract sent out. 3/14/19 – F&E Approved. 2/8/19 – City Parish has renewed for one year and notified CATS. 10/3/18 – Received notification that Mansfield Oil was assigned contract by FuelTrac, approved by City Parish. 3/26/18 – Contract was finalized and signed with Fueltrac and the C-P Purchase was copied on all correspondence. 3/20/17 – Board Approved for renewal period of 4/1/18 thru 3/31/19. See CEO Letter Recommending Renewal Contract. 3/21/17 – Board approved renewal of contract. 3/21/17 – Contract needs Board Approval for renewal period of 4/1/17 thru 3/31/18. See CEO Letter Recommending Renewal Contract.
G								
Graphic Design Services	Services	Rockit Science	\$ TBD Maximum 4th Renewal \$160,000 Maximum 3rd Renewal \$160,000 Maximum 2nd Renewal \$160,000 Maximum 1st Renewal \$125,000 Maximum per year	10/1/22 10/1/21 10/1/20 10/1/19 10/1/18	9/30/23 9/30/22 9/30/21 9/30/20 9/30/19	 09/21/21 9/22/20 9/17/19 09/18/18	Assist CATS in creating and executing marketing programs, incl. marketing strategies and designs to increase CATS ridership base, build and maintain a positive brand in the community, and showcase the accomplishments of the Agency.	9/18/18 – Board Approved. 7/27/18 - An RFP solicitation was sent to 52 graphic design firms. CATS received 5 proposals which were evaluated by the Proposal Evaluation Committee (PEC). Highest scoring firm is Rockit Science, with contract award recommendation to be in the amount of \$125,000 for 12 months, with the option for up to four (4) twelve-month renewals.

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H								
HVAC Upgrade 2250 Florida Blvd	Public Works Bid	Metro Mechanical	\$243,750	06/28/21	11/14/21	06/15/21	Upgrade HVAC System at 2250 Florida Blvd	HVAC at 2250 Florida Blvd. HVAC is back in service.
I								
Information Technology ASA Firewall	Materials & Services State Contract	Transformyx	\$75,424	8/21	08/24	06/15/21	Networking and Services for Firewall replacement	Approved for Networking and Services for Firewall Replacement. Hardware and software.
L								
Legal Services Employment Law	Services	The Law Office of Dedrick Moore	Estimated \$75,000	01/01/22	12/31/22	06/21/22	Legal Service General see Board Request	To extend thru end of yr 2022.Amount reduced and approved in Executive Session.
Legal Services Employment Law	Services	Breazeale, Saches & Wilson, LLP	Estimated \$75,000 \$100,000 \$125,000	06/01/22 01/01/22 04/08/20	12/31/22 06/30/22	06/21/22 03/15/22 11/17/20	Legal Services labor & Employment Matters. Contract Increase by \$100,000 Legal Services relating to Employment and Labor Matters. PO2020177	To extend thru end of yr 2022. Amount reduced and approved in Executive Session. For expenses thru 06/30/22 11/17/20 Board Approved Contract increase of \$75,000. Services: Employment Law, including legal services with ongoing dealings with the Amalgamate Transit Union (Local 1546) in negotiating and administering of the collective bargaining agreements with its employee's union, grievance and interest arbitrations, civil rights, ADA, wage and hour, and other employment claim. Other services will be supplies per direction of the CEO.

CATS Procurement Listing for CATS Board

August 16th 2022

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M								
Baker Microtransit	Services	River North Transit LLC (VIA)	Estimated \$910,000	Estimated 03/01/22	Estimated/02/28/23	10/19/21	Demand Response Ridership Program for the City of Baker.	Start date noted is not when service will begin. Vendor has duties to perform before service can start. Options to renew.
O								
Oil Products	Materials ITB	Miguez Fuel	\$156,900	01/01/22	12/31/22	02-15-22	Gear Oil, Motor Oil, Wheel Grease, Antifreeze, Synthetic Transmission fluid & Diesel Exhaust Fluid	<u>Due to price increases, CATS will determine best prices as needed. Bids received. Awarded all oil products to Miguez. Vendors previously holding contracts decided not to extend their contracts for 2022.</u>
		Lard Oil (\$70,045.00)	\$70,045	1/1/2021	12/31/21	12/15/20	Antifreeze, Synthetic Transmission fluid and Diesel Exhaust Fluid	<u>Vendor elected not to extend into 2022. Board Approved for CY 2021.</u>
		Central Oil (\$36,204.00)	\$36,204	1/01/21	12/31/21	12/15/20	Gear Oil, Motor Oil and Wheel Grease	<u>Vendor elected not to extend into 2022. Board Approved for CY 2021.</u>
On-Call Services RFP PR # 2019-On-CallServices-	Consulting	The Goodman Corporation	\$160,000	08/01/20	07/31/21	07/21/20	TO 001 Sub-Area Planning approach for transit options	Completed. Approved up to \$160,000. This task includes technical analysis, public outreach, alternatives, and implementation plan for micro-transit service. Period has ended.
On-Call Services RFP PR # 2019-On-CallServices-	Consulting	Atlas Technical Consultants	\$354,770	08/03/20	12/31/21	07/21/20	TO 001 for Program Management. General Administrative Support, Project Development, Delivery and Planning Services for 5-year Capital Improvement and Investments Plan	Completed. Period of Performance Extended to 12/31/21. Task order 001 issued for \$354,770. This task will provide administrative support for project development & planning for capital improvement plan.
On-Call Services RFP PR # 2019-On-CallServices-	Consulting	Atlas Technical Consultants	6 months \$313,614	07/01/21	12/31/21	07/20/21	TO 002 for Program Management. General Admin. Support, Project Development, Delivery and Planning Services for 5-year Capital Improvement & Investment Plan	Completed. Board Approved \$100,000 in June and \$213,614 in July. Task Order 2 will provide administrative support for project development & planning for capital improvement plan.

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Service Description	Contr Type	Vendor Name	Amt	Start Date	End Date	Board Approved	Services/ Product Provided	Notes / Comments
On-Call Services RFP PR # 2019-On-CallServices-	Consulting	Atlas Technical Consultants	\$473,615 Less than 2 months \$111,385 Combined value \$585,000	02/16/22	12/31/22	1/18/22	TO 003 for Program Management. General Admin. Support, Project Development, Delivery and Planning Services for 5-year Capital Improvement & Investment Plan	Request for additional approval for remainder of 2022. Board agreed on a reduced period and dollar amount. Task Order 3 will provide administrative support for project development & planning for capital improvement plan.
On-Call Services RFP PR # 2019-On-CallServices-	Consulting	HDR Engineering	\$109,572	11/01/21	06/30/22	11/16/21	Feasibility Study Operations, Admin and Maintenance Facility TO 002	Time Extension granted add no additional cost. This will result in the Final Report and necessary presentations relating to the Facility Site Master Plan and Building Concept along with a Cost Estimate.
On-Call Services RFP PR # 2019-On-CallServices	Consulting	HNTB	\$313,445	08/20/20	07/31/21	07/21/20	TO 001 for Development of Transit Operations Plan	Completed. Task order 001 issued for \$313,445. Board Approved up to \$350,000. This task order will provide for the development of a transit operations (bus service) plan. Completed.
On-Call Services RFP PR # 2019-On-CallServices	Consulting	HNTB	\$78,104	10/20/20	07/21/21	10/20/20	TO 002 Rider, Non-Rider Transit Stakeholder Surveys	Completed. 10/20/20 Approved by Board. Task Order 002 issued 10/28/20. Completed

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On-Call Services RFP PR # 2019-On-CallServices	Consulting	HNTB	\$585,969	06/25/21	06/25/22	06/15/21	TO 003 Comprehensive Operational Analysis	Task Order has been awarded. Board Approved a comprehensive operational analysis of CATS bus routes.
P								
Paratransit Services ADA	Services	MV Contract Transp.	NTE \$2,000,000 2nd year option NTE \$2,324,667 1 st year option 3 year contract amount \$6,975,000	05/06/22 05/06/21 5/6/18	05/05/23 05/05/22 5/6/21 (potential 5 year contract thru 2023)	04/19/22 03/16/21 2/20/18	Contracted Para-Transit Service Provider	Requesting Board Approval for 2nd and final one-year renewal effective 05/6/22. 03/16/21-Board Approved Hourly Rate Adjustment for Modified Services in 2020. 11/17/20 Board did not make a motion to provide a temporary Rate Adjustment. 2/20/18 – Board approved award to MV. 1/16/18 – Board deferred until Feb Board meeting. 1/12/18– F&E meeting Based on the Proposal Evaluation Committee results; CATS recommends an award of contract to MV Transportation as CATS paratransit services contractor.
S								
Security Guard Services	Services	Diamond Security Service	Approx. \$250,000 annual cost	01/01/22	12/31/22	11/16/21	24/7 - Security Guard Services at CATS 2250 Florida Blvd. location.	Board Request has been approved for year 1. Rebid Completed 10/2021. Board Request Provided.1-year contract with 4 options to renew for 12-months each.
Software ERP System Software	Services	Tyler Technologies Solutions	New price \$822,803.00 first 5 years (Options for 3 years)	08/01/20	7/31/25 (Potential 8 year contract thru 2028)	12/17/19	ERP Software	Contract executed by CATS. Board Approved on 12/17/19. Awarded to Tyler Technologies Solution. 12/13/19- Received negotiation prices from Tyler, new price is \$822,803.00 for 5-year term w/option to extend for 3 years. 12/6/19 – Emailed letter for Intent to Recommend Award to Tyler Technologies.

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Software ERP Implementation Services	Service	Intueor Consulting	\$65,000	01/10/22	12/31/22	12/18/21	Exercise option year	It is anticipated that all funds will not be utilized due to work being completed in 5 months. Contract has been executed by CATS. 5/5/20-3 Bids were opened and evaluated. 4/7/20- RFP Effort Started.
			\$147,500	08/01/20	12/31/21	6/23/20	ERP Software Implementation Services –	
T								
Tire Lease for Buses (Maintenance) Contract for 3 years thru 8/31/20 w/2 one year renewals thru 8/31/22	Material Supply ITB	Bridgestone Americas Tire Operations, LLC	2 nd option year estimated cost is \$200,000 per year	09/01/21	08/31/22	08/17/21	Tire lease for buses	Board Approved 2 nd of 2 one year options, 08/18/20 Board Approved to exercise 1 st of 2 one year options. Extended thru 8/31/21. Estimated \$204,800 for 1 year. 1/24/2020- Order has been placed. 1/21/2020- Board approved. 1/10/20- Submit Board approval request.
			1 st option year estimated cost is \$204,800 per year	9/01/20	8/31/21	1/21/20		
			\$600,000 (est cost for 3 years)	09/1/17	08/31/20	07/18/17		
Technical Innovation Services	Services	Hitachi	Not To Exceed \$174,300	01/01/22	12/31/22	11/16/21	Multi-channel messaging with passengers. Mobile ticketing options. Includes data collection.. Thru 12/31/25 Year 1 plus (4) 1-year options	Approved Year 2 Board Approved year one. 09/22/20. 80% Funding provided via AIM Grant.
			Not To Exceed \$300,000	01/01/21	12/31/21	09/22/20		
Technical Innovation Services	Services	Delerrrok / Cubic Transport Systems, Inc	Not To Exceed \$215,000	7/01/21	06//30/23 (3) 1 year options	06/15/21	System to improve and grow CATS fixed routes.	Board Approved 06/15/21. Contactless Fare collection system as part of the Covid-19 Mitigation Research Grant.
Tank Repair Services	Services	SEMS, Inc	\$52,450	Upon Approval	Estimate 45 days	06/21/22	Repair Underground Tanks at 2250 Florida Blvd	Award made 06/23/22. Duration estimated at 45 days
V								
Vehicles ADA 12 Passenger Vans (10)	Rolling Stock	Creative Bus Sales	\$1,140,816	07/01/22	07/31/23	06/21/22	(10) 12 passenger Vans For ADA Services	State Contract used for this purchase

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Vehicles Electric Buses (3) (35ft) w/Extended Battery Range and install 3 electric charging stations	Rolling Stock	BYD America 3 Electric Buses and install 3 electric charging stations	Final Order 3 buses no Chargers \$2,296,240 Bid Price for 3 buses and 3 charging stations \$2,381,245 Approx unit cost for one bus and one charging station \$791,748	12/20/2020 3 rd Order 12/20/2019 – 2 nd order 01/16/18	12/31/23 3 rd Order 12/20/20 – 2 nd order 01/16/23 Contract can be used for the next 5 years from the date of award	11/17/20 12/17/2019 Board Approved 1/16/18 PO Issued on 3/7/18. Delivery to be by Feb 22, 2019	Allows for up to 9 buses, 35-foot w/extended battery range and install in-house charging stations. 3 separate orders of 3.	PO Issued 11/18/20 for 3 rd and final order. Approved request for 3 rd order for 3 buses. 3 rd Order Deliver anticipated in 2023. 12/20/19 – 2 nd order for 3 buses-Board Approved and buses ordered. 1/16/18 – Board approved award to BYD for 1 st order of 03 buses. 1/12/18 - F&E meeting – CATS recommended an award of contract for the purchase of 3 electric 35-foot buses to the lowest priced and responsive bid submitted by BYD. F&E voted to move the item to full board for approval. CATS Received bids from BYD, New Flyer and Proterra.
Vehicles Diesel Buses (7) 35ft Delivery 2023 & 2024 <i>8 buses Delivered Nov/Dec 2018</i> <i>*orders as needed – on going until contract expires</i>	Rolling Stock ITB	Gillig, LLC 35 ft diesel	\$3,489,166 final order. 2021 for 7 buses for delivery in 2023 & 2024 3 rd order. Purchase of 8 buses 56 Buses will be ordered over 5 years thru 2020 36 less 8 = 28 Assignments left on the bid	2021	2024 8 buses delivery in Nov/Dec 2018	1/22/21 Board Approved To purchase 12 buses on 12/20/16 week of 7/17/17	Final 7 Buses- Delivery 2023 and 2024	2 POs issued 1/22/21. 1/21/21 Board Approved purchase of 7 buses to be received in 2023 and 2024. No future orders due to contract expiring 02/21. 1/3/19 – Procurement was notified that all 8 buses have been received by CATS Maintenance. 7/21/17 P.O. sent to Gillig – 7/17/17 – Pending P.O. / will be issued this week to Gillig for 8 buses. Waiting on Buy Am info from them before sending P.O. The delivery date is 16 months. 4/11/17 – Awaiting approved PR from CEO to issue PO for 8 buses (on hold). 3/21/17 – Update: P.O. pending since board approval in Dec. 2016.P.O. changed to reflect the purchase of 8 buses instead of 12.
Vehicles 3-Electric Buses - Lease for 2 years	Rolling Stock	BYD America	\$308,880	Estimated 03/01/21	Estimated 09/30/23	12/15/20	24 mo lease for BYD 30 ft buses.	Lease started on 2 buses 10/21.. 3 rd bus lease started after repairs completed. 12/15/2020 Board Approved the lease 30 ft buses to resume services downtown. These buses can be charged with CATS' existing charging stations and are similar in most aspects to our existing Electric Fleet. Grant funds are available to assist in paying these leases.
Vehicle Bus Cameras	Rolling Stock bus added ons	Angel Trax	\$291,972	10/01/21	11/01/21	07/20/21	Upgrading old cameras on buses.	Completed. Replaced aging bus cameras. Cameras upgrades to match the newer units. This will help provide a safer environment for customers and operators. Previously, recorded data is not generated or stored as required.

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Vehicles Electric Buses (6) (30ft) w/Extended Battery Range and install (7) electric charging stations	Rolling Stock	BYD America 6 Electric Buses and install 7 electric charging stations	First Order 6 buses & 7 Chargers \$4,495,242 Bid Price for one bus \$714,207 and for one charging station \$30,000	11/21	11/26	11/16/21	Allows for up to 16 buses and chargers, 30-foot w/extended battery range and install in-house charging stations. Duration is 5 years from date of award. See Notes	Without Federal change in practice, only the first order made in 2021 will be placed with BYD.
Vehicles Electric Buses (9) (35ft) w/Extended Battery Range and install (11) electric charging stations	Rolling Stock	Gillig 9 Electric Buses and install 11 electric charging stations	\$9,428,732	08/22	08/27		Buses to be utilized for BRT.	Arrival planned for 2024.