



The Metropolitan Planning Organization for the Greater Kalamazoo Area

5220 Lovers Lane, Suite 110
Portage, MI 49002
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info@KATSmpo.org

TO: Policy Committee Members
FROM: Steve Stepek, AICP, Executive Director
DATE: June 22, 2022
SUBJECT: POLICY COMMITTEE MEETING
WEDNESDAY, JUNE 29, 2022 - 9:00 A.M.
ROBERT MORRIS PARK PAVILION
8415 E H AVE, KALAMAZOO

The Kalamazoo Area Transportation Study Policy Committee will be meeting on Wednesday, June 29, 2022 at 9:00 a.m. at Robert Morris Park Pavilion. The following materials are included in the meeting packet:

1. Agenda for the June 29, 2022 Meeting
2. Informational Memorandum
3. Treasurer's Report
4. Southcentral Michigan Planning Council Report
5. Draft Minutes of the May 25, 2022 Meeting
6. Draft Financial Management Policies
7. Member Dues Increase
8. Contributed Services Fiscal YTD May 2022

**KALAMAZOO AREA TRANSPORTATION STUDY
POLICY COMMITTEE MEETING**

June 29, 2022 at 9:00 a.m.

AGENDA

Public Comments are limited to four minutes in length.

1. CALL TO ORDER
2. INTRODUCTIONS
3. ROLL CALL
4. CHANGES OR ADDITIONS TO THE AGENDA
(Any item listed under the Consent Agenda may be moved to the Regular Agenda upon request of any member of the public, any Policy Committee Member, or any staff member).
5. APPROVAL OF THE AGENDA **(ACTION)**
6. PUBLIC COMMENTS
(Non-agenda items only. Comments on agenda items should be made during discussion of those items.)
7. CONSENT AGENDA **(ENCLOSURES) (ACTION)**
 - a. ACCEPTANCE OF THE TREASURER'S REPORT
 - b. ACCEPTANCE OF THE SOUTHCENTRAL MICHIGAN PLANNING COUNCIL REPORT
 - c. APPROVAL OF THE MINUTES FROM THE MAY 25, 2022 MEETING
8. EXECUTIVE DIRECTOR ANNUAL REVIEW DISCUSSION **(ACTION)**
9. DRAFT FINANCIAL MANAGEMENT POLICIES **(ENCLOSURE)**
10. PROPOSED MEMBER DUES INCREASE **(ENCLOSURE)**
11. CONTRIBUTED SERVICES FISCAL YEAR-TO-DATE THROUGH MAY 2022 **(ENCLOSURE)**
12. PUBLIC TRANSPORTATION UPDATES
13. EXECUTIVE DIRECTOR'S REPORT
14. NEW BUSINESS
15. PUBLIC COMMENTS
16. MEMBER COMMENTS
17. ADJOURNMENT

Next Meeting: Wednesday, July 27, 2022, 9:00 am

Information Memo

TO: Kalamazoo Area Transportation Study Policy Committee
FROM: Steve Stepek, AICP, Executive Director
DATE: June 22, 2022
SUBJECT: Information on the Policy Committee Agenda for the June 29, 2022 Meeting

Here is information on the Policy Committee agenda items.

8. Executive Director Annual Review Discussion

The Finance and Personnel Subcommittee will report on the Executive Director's annual review.

9. Draft Financial Management Policies

KATS received several recommendations and new Government Accounting Standards Board requirements from our auditing team last fiscal year. After Finance & Personnel Committee review, we've included the proposed changes for your review. They include:

- Clarification on the general purchasing provisions
- Updates to the credit card use policy
- A new Lease Policy (GASB requirement)
- A new Subscription Based Information Technology Policy (GASB requirement)

Please let KATS know if you have any comments or questions.

10. Proposed Member Dues Increase

Due to an increase in our approved Audit Contract, KATS needs to increase our annual dues. After review at the Finance & Personnel Committee, the proposal is attached. This is the first proposed dues increase since the current structure was adopted in 2014.

11. Contributed Services Year-to-Date Through May 2022

A summary of the contributed services is included for your review.

14. Executive Directors Report

- Please continue sending your contributed service timesheets to KATS.
- KATS staff is out in the field collecting PASER and non-motorized inventory data.
- The new Census urbanized boundaries will be released this summer. KATS staff is preparing for updating the National Functional Classification system.
- KATS staff is working to submit the finalized TIP to MDOT via the JobNet system.
- KATS is working with local agencies on applying for a Safe Streets for All grant to complete a Comprehensive Safety Action Plan for the MPO area. This is the first step to allow local agencies to apply for the new Safe Streets for All grant program.

KALAMAZOO AREA TRANSPORTATION STUDY

Policy Committee Meeting June 29, 2022

TREASURER'S REPORT

Beginning Balance of Checking as of May 1, 2022	\$208,750.20
Receipts	3,905.56
Checks	-27,558.43
Withdrawals/Debits	-22,440.52
Ending Balance of Checking as of May 31, 2022	<u>\$162,656.81</u>

If there are any questions regarding this report, please contact me.

Robert D. Britigan III, CPM®
Treasurer, Kalamazoo Area Transportation Study
rbritigan@midlink.com
269-384-1100 x 120

BUDGET COMPARISON - FYTD May 31, 2022 ACTUAL VERSUS BUDGET

	Amended FY2022 UPWP	Actual FYTD 5/31/22 66.7%	Over(Under) Budget	YTD % of Budget
<u>PERSONNEL COST</u>				
Annual Salaries	339,054.20	188,532.62	(150,521.58)	55.61%
Total Fringe Expense	173,622.27	104,116.66	(69,505.61)	59.97%
<u>DIRECT COST</u>	76,854.21	23,951.88	(52,902.33)	31.17%
<u>INDIRECT COST</u>				
Services and Equipment	49,760.23	29,361.82	(20,398.41)	59.01%
Operating Costs	47,000.00	14,790.05	(32,209.95)	31.47%
Total Indirect Costs	96,760.23	44,151.87	(52,608.36)	45.63%

If there are any questions regarding this report, please contact me.

Elizabeth Rumick
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TO: KATS Policy Committee
FROM: Steven Stepek, KATS Executive Director
DATE: June 22, 2022
SUBJECT: Southcentral Michigan Planning Council Report

During the month of May 2022, KATS staff worked on the Michigan Department of Transportation (MDOT) Planning Activities for the Southcentral Michigan Planning Council (SMPC). Work was concentrated in the following activities:

- Participated in the MDOT May Rural Task Force (RTF) monthly meeting
- Submitted the April Rural Task Force monthly report to MDOT Planning
- Forwarded copies of the 2021 Road Condition Reports to the Transportation Asset Management Council
- Continued to update programming for the 2021 – 2026 Rural Task Force program as project data sheets were submitted by road and transit agencies
- Continued to work on scheduling Federal Aid and Non-Federal Aid PASER ratings for those agencies with whom it has not yet been done
- Coordinated with MDOT to arrange for the use of a vehicle for PASER rating in lieu of having their personnel drive and participate as part of the rating team

Anticipated future activities include:

- Updating and entering project data in JobNet for the 2021 - 2023 and 2023 - 2026 Transportation Improvement Programs as project data sheets are submitted or as otherwise needed
- Continuing scheduling and performing of federal aid PASER rating to complete approximately one half of the system and non-federal aid rating as requested by participating agencies
- Working with Region 3 agencies on approving and programming of projects and activities using recently authorized federal Highway Infrastructure Program (HIP) and HIP COVID Relief funding
- Disseminating information as it becomes available and scheduling meetings as necessary to allow member agencies to utilize any applicable resources that may become available as a result of the adoption of the federal Infrastructure Investment and Jobs Act

KALAMAZOO AREA TRANSPORTATION STUDY POLICY COMMITTEE

DRAFT Minutes of the May 25, 2022 Meeting

CALL TO ORDER

The May 25, 2022 Policy Committee Meeting was called to order at 9:01 a.m. at Kalamazoo Metro, by Chairperson Randy Thompson.

INTRODUCTIONS

Introductions were made by all present.

ROLL CALL

Meeting attendance was recorded on the sign-in sheet.

MEMBERS PARTICIPATING

Rob Britigan, Treasurer	City of Parchment
Marsha Drouin	Richland Township
Dusty Farmer	Oshtemo Township
Jeff Franklin	Michigan Department of Transportation, Planning
Tim Frisbie	Village of Vicksburg
Robert Henderson	Van Buren Public Transit
Jeff Heppler	Village of Augusta
Martin Janssen	Central/Kalamazoo County Transportation Authority
Joanna Johnson	Road Commission of Kalamazoo County
Greg Kinney	Van Buren County Road Commission
Judy Lemon	City of Galesburg
Tracy Locey	Brady Township
Sherine Miller	Kalamazoo Township
Chris Praedel	City of Kalamazoo
Brian Sanada	Michigan Department of Transportation, TSC
Jeff Sorensen	Cooper Township
Paul Sotherland	KATS Citizens Advisory Committee
Randy Thompson, Chair	Comstock Township
Jerry VanderRoest	Charleston Township

MEMBERS ABSENT

John Gisler	Kalamazoo County
Lisa Imus	Village of Lawton
Nick Loeks	Texas Township
Terry Urban	City of Portage

OTHERS PARTICIPATING

Sean McBride	Metro Central/Kalamazoo County Transportation Authority
Megan Mickelson	Kalamazoo Area Transportation Study
Ryan Minkus	Road Commission of Kalamazoo County

Fred Nagler
Elizabeth Rumick
Kathy Schultz
Jon Start
Steve Stepek

Kalamazoo Area Transportation Study
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Metro
Citizen
Kalamazoo Area Transportation Study

CHANGES OR ADDITIONS TO THE AGENDA

Chair Thompson requested removal of Item 12- Executive Director Annual Review Discussion since paperwork is not available today.

APPROVAL OF THE AGENDA

Sorensen moved, and it was duly seconded by Janssen, **“to approve the agenda of the May 25, 2022 Policy Committee Meeting with the removal of Item 12.”** MOTION CARRIED.

PUBLIC COMMENTS

No public comments were made.

CONSENT AGENDA

- ACCEPTANCE OF THE TREASURER’S REPORT
- ACCEPTANCE OF THE TECHNICAL COMMITTEE REPORTS (APRIL 14, 2022 and MAY 12, 2022)
- ACCEPTANCE OF THE SOUTHCENTRAL MICHIGAN PLANNING COUNCIL REPORT
- APPROVAL OF THE MINUTES FROM THE APRIL 20, 2022 MEETING

Johnson moved, and it was duly seconded by Janssen, **“to accept and approve the items on the Consent Agenda.”** MOTION CARRIED.

TRANSPORTATION IMPROVEMENT PROGRAM AMENDMENTS

Stepek provided information regarding the Transportation Improvement Program (TIP) Amendments included in the packet. Two of the three projects are transit jobs related to their Bipartisan Infrastructure Bill funding. The third project is a Michigan Department of Transportation safety project for pavement markings.

Johnson moved, and it was duly seconded by Janssen, **“to approve the Transportation Improvement Program Amendments.”** MOTION CARRIED.

FISCAL YEAR 2023-2026 TRANSPORTATION IMPROVEMENT PROGRAM

A link to the document on the Kalamazoo Area Transportation Study (KATS) website was provided. Stepek explained this has been on the agenda for several months in draft form. After comments, some changes were made to the opening maps. Kalamazoo Area Transportation Study (KATS) staff thanks those that submitted feedback on the document and those involved in development of it. The Transportation Improvement Program (TIP) represents over \$264 million dollars of transportation investment in the region. A resolution for adopting the TIP is included as Appendix D. A resolution stating that KATS has followed the Metropolitan Transportation Process is included as Appendix E. KATS Staff and Technical Committee recommend the approval of the TIP. Britigan asked if the illustrative list projects are ranked. Stepek responded they are; the live map is available on the website.

Johnson moved, and it was duly seconded by Sorensen, ***“to approve the Fiscal Year 2023-2026 Transportation Improvement Program.”*** MOTION CARRIED.

AIR QUALITY OZONE CONFORMITY REPORT

Stepek reported Kalamazoo Area Transportation Study (KATS) is a Limited Orphan Maintenance Area (LOMA) for air quality and ozone conformity. To complete the Transportation Planning Process, KATS must review projects for conformity with our Interagency Work Group. This group is made up of federal, state, and local partners across Van Buren, Kalamazoo, and Calhoun counties. This document summarizes that process. KATS Staff and the Technical Committee recommend approval of the Conformity Report.

Johnson moved, and it was duly seconded by Janssen, ***“to approve the Air Quality Ozone Conformity Report.”*** MOTION CARRIED.

OFFICE SPACE LEASE RENEWAL BEGINNING JULY 1, 2023

Stepek explained Kalamazoo Area Transportation Study (KATS) Staff is proposing a 5-year renewal to our office space lease after our current lease ends on June 30, 2023. Lessor Hinman’s proposed rate decreases are included in the meeting packet. KATS Staff recommends approval of the proposed rates and authorizing the Chair to sign the lease agreement once prepared. Britigan asked the square footage of the space. Stepek later responded it is 1,974 square feet.

Sorensen moved, and it was duly seconded by Miller, ***“to approve the Office Space Lease Beginning July 1, 2023.”*** MOTION CARRIED.

EXECUTIVE DIRECTOR ANNUAL REVIEW DISCUSSION

This agenda item was removed. As a member of the Finance and Personnel Subcommittee, Sorensen briefly commented the review went well.

CONTRIBUTED SERVICES FISCAL YEAR-TO-DATE THROUGH APRIL 2022

Stepek explained a summary of the fiscal year to date contributed services is included in the packet for your review.

PUBLIC TRANSPORTATION UPDATES

Although unable to attend the meeting, Aardema submitted a written update on Central County Transportation Authority (CCTA)/Kalamazoo County Transportation Authority (KCTA). Janssen present at the meeting, further elaborated.

Metro's Comprehensive Operational Analysis continues. Janssen explained Schultz displayed four Metro maps around room detailing current and potential future bus routes based on results of Metro's Comprehensive Operational Analysis. There are some fixed-route bus changes planned, with most designed to make the overall system more accessible to the entire region. Janssen stressed the significant effort and level of detail that has gone into the operational analysis. Metro's public input sessions held on May 18, 2022 were well attended. It is anticipated to take two years to implement any system changes. CCTA/KCTA boards had a productive meeting with the Analysis consultant last week. Public input continues. The public survey is available here: [community survey 121721.pdf \(kmetro.com\)](https://www.kmetro.com/communitiesurvey/121721). Metro is exploring Micro transit

options which would allow riders to use Uber or Lyft to hail a vehicle to transport them to a connection point of the fixed route bus system or their destination. Bus fuel costs have soared so high that they exceed the amount allowed to be approved by Metro's Executive Director Sean McBride. CCTA/KCTA met with Metro Connect's contractor Apple Bus regarding integration of their operation with a new owner. Based on recent surveys, Metro Connect systems have a very high 93 percent satisfaction rate. Other Metro Connect performance standards are highly rated. Sunday service on the fixed-route bus system is back for the first time since March of 2020. Metro is gradually filling open positions. Ridership is still down and not up to pre-COVID levels. An extension of the contract to provide Western Michigan University bus service will be presented to the board for approval next month. McBride added Metro purchases about 12,000 gallons of gas every 18 days. The price has gone from \$27,000 to over \$52,000, or nearly doubled. McBride echoed Metro's Comprehensive Operational Analysis plans to make every bus route as productive and effective as possible, in the best interest of riders long-term. Johnson asked if bus route plans can be or are being compared to non-motorized routes overlapping on the Geographic Information System (GIS). McBride responded yes they are. Many levels of detail are being studied. Thompson gave kudos to Metro staff including Schultz that met with Comstock Township Administrative Staff yesterday regarding bus route analysis.

EXECUTIVE DIRECTOR'S REPORT

In addition to what is included in the Executive Director's Informational Memo in the meeting materials, Stepek reported KATS Staff created an App for non-motorized data collection. The App will be used while riding bikes during the summer to collect data. Let Stepek know if you are interested in any educational opportunities during meetings, or topics for meeting discussions.

NEW BUSINESS

No new business was brought forth.

PUBLIC COMMENTS

No public comments were made.

MEMBER COMMENTS

Johnson reported the Road Commission of Kalamazoo County (RCKC) continues to face staffing challenges. RCKC's last informational meeting for extensive construction projects is tonight May 25, 2022 at 6:00 p.m. at the Schoolcraft Township Hall. Johnson thanked Thompson as the sole attendant at RCKC's May 11, 2022 Comstock Township Hall meeting on the Sprinkle Road Mill/HMA project from East Main Street to G Avenue. If you missed an informational meeting, they can be viewed on the website kalamazoocountyroads.com on the Projects menu. The Transportation Asset Management Council annual report has been issued. PASER data was collected on 90 percent of federal aid roads last year. For the first time in many years, there was a slight uptick in roads in good condition. Thank you to all teams who worked on this. Frisbie asked for clarification on PASER. Johnson responded PASER stands for Pavement Surface Evaluation and Rating (PASER). The PASER scale is a 1 – 10 rating system for road pavement condition with 1 being failed quality and 10 being excellent.

Sorensen reminded and invited attendees to the Kalamazoo County Chapter of the Michigan Township Association annual golf outing planned for June 17, 2022 at the Crestview Golf Club in Kalamazoo.

Janssen added additional information on Metro's Comprehensive Operational Analysis (COA) is available on the kmetro.com website.

Sanada announced the Michigan Department of Transportation has many non-motorized maps in boxes of 150. If interested, contact Sanada.

VanderRoest gave kudos to the Road Commission of Kalamazoo County for work on the grant for rubber asphalt.

Heppler reported the Village of Augusta Augusta Drive project is complete. Heppler is appreciative of partnership to get it done. Local road chip seal projects are planned. The Washington Street project is expected to start in June or July. The Village is looking forward to the 2024 approximate \$1 million dollar Washington Street bridge project. Federal partners are planning an event in August at the Village of Augusta federally owned park. The Village of Augusta continues to look at completing the nonmotorized trailway from Galesburg to Ft. Custer.

Praedel thanked the Michigan Department of Transportation (MDOT) for the 75 planned intersection safety improvements throughout the City of Kalamazoo. Kalamazoo is one of the 13 international cities selected to participate in the Bloomberg Center for Public Innovation program. The program support will be used for training and ideas to innovate snow removal in pedestrian areas. Praedel thanked those that assisted with the downtown street conversion project. After over 50 years, Kalamazoo Avenue was approved for a 2-way conversion. Construction is expected to begin in 2024. Michigan Avenue is expected to be converted in 2025.

Thompson reported Comstock Township is working with an architect to draw plans for the new township office. The office may not be ready until next year.

ADJOURNMENT

There being no further business, Chairperson Thompson adjourned the meeting at 9:31 a.m.

The next meeting of the Kalamazoo Area Transportation Study Policy Committee will be held on Wednesday, June 29, 2022 at 9:00 a.m.

Financial Management Policies



Approved by the Kalamazoo Area Transportation Study Policy Committee on: October 31, 2018

Kalamazoo Area Transportation Study
KATS | 5220 LOVERS LANE, SUITE 110, PORTAGE, MI 49002

Financial Management Policies

This document describes the financial management practices of the Kalamazoo Area Transportation Study (KATS), which are based on applicable federal and state laws and regulations and actions taken by KATS Policy Committee.

Preparation of this document is financed in part through grants from and in cooperation with the Michigan Department of Transportation with the assistance of the U.S. Department of Transportation's Federal Highway Administration, Federal Transit Administration, and other federal and state funding agencies as well as local membership contributions.

KATS documents and information are available in a variety of formats. Contact KATS to discuss your format needs.

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Purchasing Policy

Purpose

The purpose of this policy is to establish requirements for purchasing by the Kalamazoo Area Transportation Study employees; to specify when competitive bidding will be necessary in contracts with the Metropolitan Planning Organization, and to identify the procedures for competitive bidding when required; to regulate the sale of the Kalamazoo Area Transportation Study's property and assets.

Purchasing Agent

The Executive Director is the purchasing agent of the Kalamazoo Area Transportation Study and shall adopt any necessary rules respecting requisitions and purchase orders. The Executive Director may designate any other Kalamazoo Area Transportation Study employee to act as purchasing agent under the Executive Director's direction.

Purchases of Less than \$2,000

Purchases (including leases) of goods, assets, or services involving an expenditure by the Kalamazoo Area Transportation Study of less than two thousand dollars (\$2,000), shall follow the rules established by the Executive Director. Such purchases may be made on the open market unless the Executive Director determines that competitive bidding for such purchases would be advantageous to KATS. Purchases of less than \$2,000 may be paid and concluded by the Executive Director without prior Policy Committee approval. Such purchases (and all accounting transactions) ~~are reviewed by shall be reported to~~ the KATS Policy Committee Treasurer ~~for review and~~ included inclusion in the KATS Treasurer Report.

Purchases of \$2,000 or more

General Provisions

~~Purchases exceeding two thousand dollars (\$2,000) outside of what is approved in the Unified Planning Work Program (UPWP). Where any purchase involves an expenditure by the Kalamazoo Area Transportation Study of two thousand dollars (\$2,000) or more, payment for purchases must be approved by Kalamazoo Area Transportation Study (KATS) Policy Committee. If the approved budget allows the expense, no additional approval is required.~~ Such purchases (and all accounting transactions) are reviewed by shall be reported to the KATS Policy Committee Treasurer ~~for review and~~ included inclusion in the KATS Treasurer Report.

Purchases of \$2,000 but less than \$25,000

Where a purchase involves an expenditure of \$2,000 but less than \$25,000, the Executive Director will present information to the Policy Committee on prices in the open market or informal quotes obtained, unless it has been determined by the Executive Director that competitive bidding for such purchases would be advantageous to the Kalamazoo Area Transportation Study.

The approval of a purchase or contract by the Policy Committee shall authorize the Executive Director to approve payment for the goods and services.

Purchases of \$25,000 or more

Where a purchase involves an expenditure of twenty-five thousand dollars (\$25,000) or more by the Kalamazoo Area Transportation Study, competitive bidding shall be required. As a sub-grantee of the Michigan Department of Transportation, the Kalamazoo Area Transportation Study will follow the competitive bidding procedure set forth by the State of Michigan.

The approval of a purchase or contract by the Policy Committee shall authorize the Executive Director to approve payment for the goods and services.

Other Provisions

The approval of a contract to provide ongoing goods or services by the KATS Policy Committee shall serve as continuing authorization for the payment of future invoices exceeding the \$2,000 limit. A list of approved contracts and vendors will be updated and maintained by the Executive Director (or Designee) along with date of Policy Committee approval.

The approval of the Unified Planning Work Program (UPWP) by the Policy Committee shall authorize the Executive Director to approve payment for single purchases and transactions as identified in the UPWP up to an amount of 2% over the approved cost. For any purchase that exceeds the budgeted cost by an amount exceeding 2%, Policy Committee approval will be required. A summary of these transactions shall be prepared and presented as a separate document for Policy Committee review at the time of the approval of the UPWP.

Credit Card Use Policy

Credit cards are issued to ~~select~~ staff based on their function within KATS to facilitate efficient purchase of goods and services. These cards are issued for work related purchases only. Like all other purchases, credit card bills are reviewed and approved by the Executive Director. Each credit card transaction shall comply with the limits and procedures identified in the KATS Purchasing Policy.

A listing of KATS staff issued credit cards identifying credit limit and primary use is maintained by the Executive Director. Individuals issued credit cards are required to sign an agreement indicating that the cardholder agrees to the following terms:

- Credit cards may be used only by the staff of the Kalamazoo Area Transportation Study for the purchase of goods or services for the official business of KATS.
- Is responsible for its protection and custody and shall notify the Executive Director immediately if the card is lost or stolen.
- Shall return the credit card upon termination of his or her employment or service with KATS.
- ~~Submit all the receipts to the finance office. Should no credit card receipt be available the card holder will submit a written description of goods or services purchased, date, and amount of transaction.~~ Receipts for all purchases made on the card must be submitted to the finance office.

Automated Clearing House (ACH) Arrangements and Electronic Transfer of Funds

The following policy shall govern the use of electronic transactions and ACH arrangements for KATS.

Definitions

"Automated clearing house" or "ACH" means a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the Federal Reserve System.

An "ACH arrangement" means the agreement between the originators of the ACH transaction and the receiver of an ACH transaction.

An "ACH transaction" means an electronic payment, debit, or credit transfer processed through an automated clearinghouse.

An "ACH policy" means the procedures and internal controls as determined under this written policy adopted by the KATS Policy Committee.

Authority to Enter into ACH Arrangements and Electronic Transfer of Public Funds

The Kalamazoo Area Transportation Study shall not be a party to an ACH arrangement unless the KATS Policy Committee has adopted a resolution to authorize electronic transactions and the Executive Director has presented a written ACH Policy to the KATS Policy Committee.

Responsibility for ACH Agreements

The Executive Director (or Designee) is responsible for maintaining a list of approved ACH Arrangements and Electronic Transfers for the Kalamazoo Area Transportation Study. This responsibility will also include accounting, reporting, and generally overseeing compliance with this policy.

Internal Accounting Controls to Monitor Use of ACH Transactions

The following system of internal accounting controls will be used to monitor the use of ACH transactions made by the Kalamazoo Area Transportation Study. Additional controls will be developed for Policy Committee approval as needed.

Payroll

The Kalamazoo Area Transportation Study Payroll ACH Transactions are handled by an outside vendor.

Steps to be performed by the KATS Executive Director (or Designee):

1. Review the payroll report for accuracy and reasonableness
2. Enter the payroll transactions in the KATS accounting system
3. Confirm the total payroll amounts entered in the accounting system matches that on the bank statement as part of the monthly bank reconciliation
4. File with financial records

5. Provide a copy of the payroll report to the KATS Treasurer for review and inclusion in the KATS Monthly Treasurer Report

Michigan Contract & Payment Express

The Kalamazoo Area Transportation Study receives payments from the State of Michigan for invoices pertaining to Project Authorizations for Federal and State Funds for the Unified Planning Work Program.

Steps to be performed by the KATS Executive Director (or Designee):

1. Log onto the State of Michigan Sigma Vendor Self-Service Portal
2. Print the information pertaining to the deposit
3. Mark the invoice as paid in the accounting system
4. File with the KATS Deposit Records until the end of the month
5. At the end of the month, attached to the Monthly Deposit Detail
6. File with financial records
7. Provide a copy of the deposit report from the Sigma Vendor Self-Service Portal ~~to the KATS Treasurer for review and for~~ inclusion in the KATS Monthly Treasurer Report ~~and KATS Treasurer review.~~

Healthcare Reimbursement Account and Flexible Spending Accounts

The Kalamazoo Area Transportation Study staff receive reimbursements for eligible expenses via direct deposit. These funds are restricted and reimbursement is authorized by an outside vendor as set forth in the approved contract.

Payment of reimbursements shall be reviewed for reasonableness and reconciled on a quarterly basis by the KATS Executive Director (or Designee) to ensure reimbursement from the proper fund, to monitor fund balances, and to maintain a record in the event an employee leaves KATS employ.

Fixed Asset Capitalization Policy

The Kalamazoo Area Transportation Study (KATS) will regard fixed assets as capitalized when all of the following criteria are met:

1. Assets purchased or built have useful lives of one year or more.
2. The cost of the asset (including installation) is \$5,000 or more. Multiple assets (purchased in connection with a single project) whose cost is less than \$5,000 but in the aggregate total of \$5,000 or more.
3. The cost of improving the asset is \$5,000 or more and prolongs the life of the asset.

KATS will regard the purchase of software programs as fixed assets subject to the above capitalization policy and will amortize them over an estimated useful life of 5 years. Costs associated with software maintenance and customer support are considered expenditures and will not be capitalized.

Other Considerations:

1. "Repair" is an expenditure that keeps the property in ordinary and efficient operating condition. The cost of the repair does not add to the value or prolong the life of the asset. All repair expenditures are charged to the appropriate department and fund.
2. "Improvements" are expenditures for additions, alterations or renovations that appreciably prolong the life of the asset, materially increase its value or adapt it to a different use. Improvements of that nature are capitalized.

Depreciation Method—Straight Line over the following useful lives:

Office Equipment	5 years
Computer Equipment	5 years

Lease Policy

As required, beginning with the fiscal year ending September 30, 2022 Kalamazoo Area Transportation Study (KATS) adopted *Governmental Accounting Standards Statement No. 87 Leases*, (GASB 87). Prior to issuance of GASB 87, KATS properly accounted for leases as operating leases. In accordance with GASB 87 KATS will capitalize all leases except those defined as short-term. Short-term leases have a maximum possible term of 12 months, and will be expensed as paid.

KATS will recognize a lease liability measured at the present value of payments expected to be made during the lease term. Lease payments are indexed at our financial institutions incremental borrowing rate which is remeasured and updated as needed. The lease liability is reduced by the amount of the principal reduction as payments are made. Corresponding interest expense on the liability is also recognized as payments are made. Leases are amortized in a systematic and rational manner over the term of the lease. They are reported in the financial statements commensurate with GASB 87.

Subscription Based Information Technology Arrangements

Kalamazoo Area Transportation Study (KATS) adopted *Governmental Accounting Standards Statement No. 96 Subscription Based Information Technology Arrangements (SBITA)*, (GASB 96) during the fiscal year ending September 30, 2022. This statement mirrors GASB 87 explained above but applies to SBITAs instead of leases. GASB 96 requires recognition of the right-to-use information technology subscription intangible asset and a corresponding subscription liability. GASB 96 provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term of 12 months or less. GASB 96 states short-term SBITAs should be recognized as expenses when paid. KATS currently enters into only short-term SBITAs and therefore continues to expense related payments. KATS will continue to monitor SBITAs to determine if capitalization under GASB 96 applies.

Conflict of Interest Policy

Purpose

The purpose of this policy is to ensure that the business of KATS will be conducted in such a way that no KATS Committee Member or employee will gain a personal or financial advantage from his or her work with KATS and so that the public trust in officials and employees will be preserved. It is also the intent of this policy to ensure that all decisions made by the Policy Committee are based on the best interest of the transportation system and the community at large.

Definitions

For the purposes of this policy, the following definitions shall apply:

1. **Conflict of interest** means any of the following:
 - a) A direct or indirect personal interest of a KATS Committee Member or employee, his or her spouse, household member, child, stepchild, parent, grandparent, grandchild, sibling, aunt or uncle, brother or sister in law, business associate, employer or employee, civil union partner, in the outcome of a cause, proceeding, application or any other matter pending before the officer or before the public body in which he or she holds office or is employed;
 - b) A direct or indirect financial interest of a KATS Committee Member or employee, his or her spouse, household member, child, stepchild, parent, grandparent, grandchild, sibling, aunt or uncle, brother or sister in law, business associate, employer or employee, civil union partner, in the outcome of a cause, proceeding, application or any other matter pending before the officer or before the public body in which he or she holds office or is employed;
 - c) A situation where a KATS Committee Member or employee has publicly displayed a prejudgment of the merits of a particular proceeding before the board. This shall not apply to a member's particular political views or general opinion on a given issue; and
 - d) A situation where a KATS Committee Member or employee has not disclosed ex parte communications with a party in a proceeding before the board.
2. **Emergency** means an imminent threat or peril to the public health, safety or welfare.
3. **Official act or action** means any legislative, administrative or judicial act performed by any elected or appointed officer or employee while acting on behalf of KATS.
4. **Public body** means any committee or subcommittee of KATS.

5. **Public interest** means an interest of the community as a whole, conferred generally upon all residents residing within the Metropolitan Planning Area.
6. **Committee Member** means a person elected or appointed to serve on the KATS Policy or Technical Committee.

Disqualification

1. A KATS Committee Member or employee shall not participate in any official action if he or she has a conflict of interest in the matter under consideration.
2. A KATS Committee Member or employee shall not personally, or through any member of his or her household, business associate, employer or employee, represent, appear for, or negotiate in a private capacity on behalf of any person or organization in a cause, proceeding, application or other matter pending before the KATS Policy Committee.
3. In the case of a Committee Member who is an appointee, the public body which appointed that Committee Member shall have the authority to order that member to recuse him or herself from the matter.
4. Committee Members or employees shall not accept gifts or other offerings for personal gain by virtue of their public office or employment that are not available to the public in general.
5. Committee Members or employees shall not use resources not available to the general public, including but not limited to staff time, equipment, supplies, or facilities for private gain or personal purposes.

Disclosure

A KATS Committee Member who has reason to believe that he or she has or may have a conflict of interest but believes that he or she is able to act fairly, objectively and in the public interest in spite of the conflict of interest shall, prior to participating in any official action on the matter, disclose to the Committee at a public meeting regarding the matter under consideration, the nature of the potential conflict of interest and why he or she believes that he or she is able to act in the matter fairly, objectively and in the public interest. However, the person or public body which appointed that KATS Committee Member retains the authority to order that officer to recuse him or herself from the matter, subject to applicable law.

An employee who has reason to believe that he or she has or may have a conflict of interest but believes that he or she is able to act fairly, objectively and in the public interest in spite of the conflict of interest shall, disclose the matter to the Executive Director the nature of the potential conflict of interest and why he or she believes that he or she is able to act in the matter fairly, objectively and in the public interest. The Executive Director will determine if it is necessary for the employee to recuse him or herself. This information and the decision of the Executive Director will be disclosed to the Policy Committee prior to any official action on the matter.

Recusal of a KATS Committee Member

1. A Committee Member shall recuse him or herself from any matter in which he or she has a conflict of interest, pursuant to the following:
 - a) Any person may request that a Member recuse him or herself due to a conflict of interest. Such request shall not constitute a requirement that the Member recuse him or herself;
 - b) A Committee Member who has recused him or herself from a proceeding shall not participate in the discussion or action regarding the matter for which he or she has been recused;
 - c) If a previously unknown conflict is discovered, the Committee may take evidence pertaining to the conflict and, if appropriate, adjourn to a short deliberative session to address the conflict; and

- d) The Committee may adjourn the proceedings to a time certain if, after a recusal, it may not be possible to take action through the concurrence of a majority of the board. The board may then resume the proceeding with sufficient members present.
- e) The public body which appointed the Committee Member shall have the authority to order that officer to recuse him or herself from the matter, subject to applicable law.

Enforcement; Progressive Consequences for Failure to Follow the Conflict of Interest Procedures

In cases where the conflict of interest procedures in Section 4 and 5 have not been followed, the Committee/Executive Director may take progressive action to discipline an offending Committee Member or employee.

Committee Members

Committee Members who act in a manner contrary to this policy shall be subject to the following actions, as deemed appropriate by the KATS Policy Committee:

1. The Committee Chairperson shall meet informally, in private, with the Committee Member or employee to discuss the possible conflict of interest violation.
2. The Committee may meet to discuss the conduct of the Committee Member. Executive session may be used for such discussion. The Committee Member may request that this meeting occur in public. If appropriate, the Committee may admonish the offending Member in private.
3. If the Committee decides that further action is warranted, the Member may be verbally reprimanded at an open meeting and reflect this action in the minutes of the meeting. The Committee Member shall be given the opportunity to respond to the admonishment.
4. Upon majority vote, the Committee may inform Committee Member's appropriate officials or governing board of the misconduct and/or request that a new member is appointed.

Employees

Employees who act in a manner contrary to this policy shall be subject to the following disciplinary actions, as deemed appropriate by the KATS Executive Director:

1. Verbal Reprimand
2. Written Reprimand
3. Suspension
4. Termination

Exception

The recusal provisions of Section 5 shall not apply if the Committee determines that an emergency exists and that actions of the public body otherwise could not take place. In such cases, a Committee Member who has reason to believe he or she has a conflict of interest shall disclose such conflict as provided in Section 4.

Fraud Risk Management Policy

General Policies

The Kalamazoo Area Transportation Study ("KATS") is committed to ensuring that the opportunity for fraud, embezzlement, theft or corruption ("fraud") is reduced to the lowest possible risk. Systems and procedures for the prevention and detection of fraud have been designed and implemented to ensure a culture and environment that promotes honesty and ethical behavior.

As an important part of this commitment, this policy will serve to advise and guide KATS and its committees, employees and volunteers on KATS' approach to these serious issues. All individuals connected with KATS are expected to be fair and honest, and to provide KATS any help, information and support necessary to appropriately handle fraud problems.

To combat fraud, it is essential that there are clear and written policies and procedures and that these documents are reviewed regularly to address changes in the business and working environment.

The Policy Committee is responsible for ensuring that suitable levels of internal checks and balances are included in work procedures, particularly financial procedures.

KATS expects all employees, suppliers and contractors to be honest and fair in their dealings with KATS; Policy Committee and employees are expected to lead by example in these matters. Dishonest or illegal activity will not be tolerated.

Employees play a vital role in dealing with fraud. KATS encourages employees to report any suspected fraud. All information will be dealt with fairly and confidentially, and KATS will comply with applicable laws to protect the identity of the person(s) providing the information.

The response to any report of fraud will be effective and organized. KATS will deal firmly and quickly with anyone who is responsible for fraud.

The KATS Policy Committee in consultation with counsel will decide on the type and course of the investigation. This will include referring matters to the police if criminal activity is suspected. KATS Executive Director in consultation with the KATS Policy Committee will prosecute and/or carry out disciplinary action up to and including termination of employment.

The investigative process should not be misused and, therefore, any abuse, such as raising unfounded or malicious allegations, will be addressed as a separate disciplinary matter.

The key to a successful Fraud Risk Management Policy is training and awareness. It is expected that employees will read, understand and comply with the policies and procedures that apply to them. Disregard for these policies and procedures may lead to formal disciplinary action, up to and including termination of employment.

KATS will provide training for employees and Policy Committee members who are involved in and/or manage internal control systems (particularly all financial procedures) to ensure that their responsibilities are regularly reviewed and reinforced.

The following rules will help guide the conduct expected of all committee members, employees, volunteers and others:

Rules

1. A public official or employee will not divulge to any unauthorized person any confidential information acquired in the course of employment in advance of the time prescribed for its authorized release to the public.
2. A public official or employee shall not represent his or her personal opinion as that of his or her board or commission.
3. A public official or employee shall use personnel, resources, property and funds under his or her official care and control solely in accordance with prescribed constitutional, statutory and regulatory procedures, and not for personal gain or benefit.
4. A public official or employee shall not, directly or indirectly, solicit or accept any gift or loan of money, goods, services or other thing of value for the benefit of any person or organization other than KATS that tends to influence the manner in which the public official or employee or any other public official or employee performs his or her official duties.
5. A public official or employee shall not engage in a business transaction in which he or she may profit from his or her official position or authority or benefit financially from confidential information he or she has obtained or may obtain by reason of such position or authority.
6. A public official or employee shall not engage in or accept employment or render services for any private or public interest when that employment or service is incompatible or in conflict with the discharge of his or her official duties or when that employment may tend to impair his or her independence of judgment or action in the performance of his or her official duties.
7. A public official or employee shall not participate in the negotiation, award, or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuing of permits or certificates or other regulation or supervision relating to any business entity in which he or she has, directly or indirectly a financial or personal interest.
8. KATS and its employees shall take all precautions required under law to protect the identity and social security numbers of persons or entities who provide such information.

MEMBERSHIP DUES

Number	Municipality/ Agency	Actual	Proposed
		FY22 and Prior	FY 23-25 6.93%
1	City of Kalamazoo	\$ 1,500.00	\$ 1,800.00
2	City of Portage	\$ 1,500.00	\$ 1,800.00
3	Road Commission of Kalamazoo County	\$ 1,500.00	\$ 1,800.00
4	Van Buren County Road Commission	\$ 1,500.00	\$ 1,800.00
5	Kalamazoo County	\$ 100.00	\$ 120.00
6	Western Michigan University	\$ 100.00	\$ 120.00
7	Comstock Township	\$ 100.00	\$ 120.00
8	Kalamazoo (Charter) Township	\$ 100.00	\$ 120.00
9	Oshtemo Township	\$ 100.00	\$ 120.00
10	Texas Township	\$ 100.00	\$ 120.00
11	City of Galesburg	\$ 50.00	\$ 60.00
12	City of Parchment	\$ 50.00	\$ 60.00
13	Village of Augusta	\$ 50.00	\$ 60.00
14	Village of Climax	\$ 50.00	\$ 60.00
15	Village of Lawton	\$ 50.00	\$ 60.00
16	Village of Mattawan	\$ 50.00	\$ 60.00
17	Village of Paw Paw	\$ 50.00	\$ 60.00
18	Village of Richland	\$ 50.00	\$ 60.00
19	Village of Schoolcraft	\$ 50.00	\$ 60.00
20	Village of Vicksburg	\$ 50.00	\$ 60.00
21	Van Buren County	\$ 50.00	\$ 60.00
22	Alamo Township	\$ 25.00	\$ 30.00
23	Almena Township	\$ 25.00	\$ 30.00
24	Antwerp Township	\$ 25.00	\$ 30.00
25	Brady Township	\$ 25.00	\$ 30.00
26	Charleston Township	\$ 25.00	\$ 30.00
27	Climax Township	\$ 25.00	\$ 30.00
28	Cooper (Charter) Township	\$ 25.00	\$ 30.00
29	Pavilion Township	\$ 25.00	\$ 30.00
30	Paw Paw Township	\$ 25.00	\$ 30.00
31	Prairie Ronde Township	\$ 25.00	\$ 30.00
32	Richland Township	\$ 25.00	\$ 30.00
33	Ross Township	\$ 25.00	\$ 30.00
34	Schoolcraft Township	\$ 25.00	\$ 30.00
35	Wakeshma Township	\$ 25.00	\$ 30.00
36	Kalamazoo County Transportation Authority/ Metro Transit	\$ 800.00	\$ 960.00
	Central County Transportation Authority/ Kalamazoo Metro Transit	\$ 800.00	\$ 960.00
37	Van Buren County Public Transit	\$ 100.00	\$ 120.00
		\$ 9,200.00	\$ 11,040.00

	Proposed Audit Cost	\$ 10,800.00
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Third Party Contribution

Including Traffic Count and Consultant Invoices

KATS FYTD May 2022 (33.33% of Fiscal Year Remaining)

Agency	Agreement	FYTD 5/31/22	Remaining
City of Kalamazoo	\$22,000.00	9,800.32	55.5%
City of Portage	\$22,000.00	16,668.27	24.2%
Road Commission of Kalamazoo County	\$22,000.00	17,776.25	19.2%
Van Buren County Road Commission	\$10,000.00	9,748.34	2.5%
Kalamazoo County	\$6,000.00	16,078.32	-168.0%
Western Michigan University	\$6,000.00	-	100.0%
Comstock Township	\$2,000.00	1,451.75	27.4%
Kalamazoo Township	\$2,000.00	-	100.0%
Oshtemo Township	\$2,000.00	2,993.01	-49.7%
Texas Township	\$2,000.00	3,131.76	-56.6%
City of Galesburg	\$1,200.00	-	100.0%
City of Parchment	\$1,200.00	-	100.0%
Village of Augusta	\$1,200.00	-	100.0%
Village of Climax	\$1,200.00	-	100.0%
Village of Lawton	\$1,200.00	-	100.0%
Village of Mattawan	\$1,200.00	-	100.0%
Village of Paw Paw	\$1,200.00	-	100.0%
Village of Richland	\$1,200.00	-	100.0%
Village of Schoolcraft	\$1,200.00	172.88	85.6%
Village of Vicksburg	\$1,200.00	314.00	73.8%
Van Buren County	\$500.00	-	100.0%
Almena Township	\$100.00	-	100.0%
Antwerp Township	\$100.00	-	100.0%
Brady Township	\$100.00	545.38	-445.4%
Charleston Township	\$100.00	376.76	-276.8%
Cooper Township	\$100.00	1,378.51	-1278.5%
Pavilion Township	\$100.00	882.26	-782.3%
Paw Paw Township	\$100.00	-	100.0%
Prairie Ronde Township	\$100.00	705.13	-605.1%
Richland Township	\$100.00	1,778.51	-1678.5%
Ross Township	\$100.00	1,388.26	-1288.3%
Schoolcraft Township	\$100.00	1,268.39	-1168.4%
Wakeshma Township	\$100.00	43.75	56.3%
Metro/CCTA	\$20,660.00	6,375.59	69.1%
Van Buren County Public Transit	\$2,295.00	8,207.46	-257.6%
Alamo Township	no agreement	605.25	0.0%
Climax Township	no agreement	535.50	0.0%
Totals	\$132,655.00	102,225.65	22.9%