



Duluth Transit Authority

2402 W. Michigan Street, Duluth, MN 55806
(218) 722-7283 Fax: (218) 722-4428

MINUTES

Special Board of Directors Meeting
Tuesday, July 27, 2021
DTA Administration Offices / Board Room
4:00 PM

NOTICE: The DTA Board of Directors will be holding its Board Meeting by other electronic means pursuant to Minnesota Statutes Section 13D.021 in response to the COVID-19 emergency. Board members will be participating through video conference. Due to the COVID-19 emergency and the closure of City facilities, public comment will not be taken in person. However, members of the public can monitor the meeting and provide public comment on agenda items through WebEx Events. All persons interested may monitor and participate in the public hearing by clicking on the following link: <https://us02web.zoom.us/j/89177075969?pwd=TGZCbKkKaitDMXpSei9ndFYxY29qQT09> or by dialing (312) 626-6799, Meeting ID: 891 7707 5969; Passcode: 516735. The public is also encouraged to submit written comment to lpaczynski@duluthtransit.com. Please include "DTA Special Board of Directors Mtg. July 27, 2021 Agenda" in the subject line and include your name, address, and the agenda item you are commenting about. Please note that all public comment is considered Public Data.

CALL TO ORDER

President Bransky called the meeting to order at 4:00 p.m. and introduced Jarl (Jerry) Carlson, At Large, who replaced Director Smerdon on the DTA Board of Directors. Director Carlson was recently sworn in by the Duluth City Council at its July 19, 2021 meeting. Director Carlson's term expires June 30, 2024.

Directors Present: Aaron Bransky, President; Rondi Watson, Vice President; Henry Banks, Secretary/Treasurer; Michael Casey; Edmund Gleeson; Julie Zaruba Fountaine; Jarl Carlson; Krystal Brandstatter; Tom Szukis

Directors Excused:

Directors Absent:

DTA Staff Present: Rod Fournier, Interim General Manager; Mark Horlocker, Director of Operations & Training; Chris Belden, Director of Planning & Grants; Aleda Johnson, Director of Information Technology; Dave Clark, Director of Marketing; Nancy Brown, Procurement Manager; Lisa Paczynski, Administrative Asst.; Mike Ahlin, Director of Safety & Security; Jason Arnold, Director of Human Resources

Others Present:

PUBLIC COMMENT PERIOD

No public comment.

ACTION ITEMS (60 min.)

- Resolution 365 - Appointment of DTA General Manager
President Bransky explained the interview and selection process that occurred to hire the best qualified candidate for the DTA General Manager position. It is desirable for the DTA General Manager to be an employee of ATE of Duluth and report directly to the DTA Board of Directors. President Bransky, Directors Szukis and Banks were chosen to sit on the Selection Committee, and they interviewed (virtually) three applicants last week. Although all applicants had relevant transit experience, the Selection Committee determined that Rod Fournier is the most qualified applicant to perform the duties required of the General Manager and highly recommend that he be hired for this position effective August 1, 2021. Mr. Fournier accepted this offer of employment at a starting salary of \$140,000, and will continue to receive the same fringe benefits while serving as the Assistant General Manager. After some discussion, a **motion** was made by Director Gleeson and **seconded** by Vice President Watson to approve Resolution 365 requesting ATE of Duluth to offer Rod Fournier a contract of employment to serve as the DTA General Manager with the salary and fringe benefit package as discussed. Resolution passed unanimously.

Roll Call Vote:

Yes: Aaron Bransky, Rondi Watson, Henry Banks, Michael Casey, Edmund Gleeson, Julie Zaruba Fountaine, Krystal Brandstatter, Tom Szukis, Jarl Carlson

No: None

Abstain: None

OLD BUSINESS (20 min.)

- ATE Withdrawal Liability Update (A. Bransky)
President Bransky noted the legal advice received was excellent. Of all the choices presented to the DTA with respect to withdrawal liability, there is one thing pretty clear; if the current ATE Management of Duluth employees remain employees of that entity, liability withdrawal is not triggered even if ownership of that entity changes.
- ATE of Duluth Ownership & Operation Structure Update (A. Bransky)
The sale of First Transit has been completed and they are now owned by EQT Infrastructure, a private equity firm and infrastructure investor. Next, the DTA Board of Directors must determine the owner of ATE Management of Duluth. Once this has been determined, the operation structure can be established. DTA staff have contacted Hanft Fride law firm to research the advantages and disadvantages of DTA owning ATE Management of Duluth or contracting with a management firm. In addition, General Manager Fournier reported he is waiting for a response from the Public Employees Retirement Association ("PERA") about what it means to be a public employee and the liabilities associated with being a public employee. In response to Secretary/Treasurer Banks, creating an employee-owned transit company would bring the DTA closer to the withdrawal liability risk. Manager Fournier is not aware of any employee-owned public transit agencies. Hopefully, more information can be shared at next month's Board of Directors meeting.

ANNOUNCEMENTS (5 min.)

- Next Board of Directors Meeting - August 25, 2021

ADJOURNMENT

There being no further business, a **motion** was made by Director Casey and **seconded** by Director Gleeson to adjourn; motion carries. The meeting adjourned at 4:41 p.m.

Respectfully submitted,

Lisa Paczynski
Recorder

Aaron Brandy - Board President

Signed/Title

8-25-2021

Date

