



## Board of Director's Meeting Agenda

**Meeting Date/Time:** November 17, 2022, 6:30-9:00pm

**Members:** Kathleen Mozak (Chair), Mike Allemang (Treasurer), Jesse Miller (Secretary), Chris Allen, Simi Barr, Rich Chang, Ryan Hunter, Eric Mahler, Susan Pollay, Kyra Sims

**Location:** Ann Arbor District Library  
 Virtual attendance available [via Zoom](#)  
 Passcode: 983308

Agenda Item	Info Type	Details	Page #
<b>1. OPENING ITEMS</b>			
1.1 Approve Agenda	D	Mozak	
1.2 Public Comment	O		
1.3 General Announcements	O		
<b>2. CONSENT AGENDA</b>			
2.1 Board Meeting Minutes October 20, 2022	D	Mozak	2
2.2 Board Retreat Minutes October 25, 2022	D		7
2.3 Committee Meeting Summaries	D		10
<b>3. POLICY MONITORING &amp; DEVELOPMENT</b>			
3.1 Annual Plan of Work	O	Mozak	16
3.2 Policy 2.9 Updates (Verbal)	O	Mozak	
3.3 Task Force Updates	O		
3.3.1 Ownership Linkage (Verbal)	O	Chang	
3.3.2 Monitoring	O	Allemang	19
3.4 Monitoring 2.6 Cash & Investments	M	Reed	21
3.5 CEO Compensation	D	Mozak	34
<b>4. STRATEGY &amp; OPERATIONAL UPDATES</b>			
4.1 Q4 Service Report	O	Yang	36
4.2 Q4 Financial Report	O	Reed	44
4.3 CEO Report	O	Carpenter	48
<b>5. EMERGENT ITEMS</b>			
<b>6. CLOSING ITEMS</b>			
6.1 Topics for Next Meetings 1.0 Ends 2.1 Treatment of the Traveling Public		Thursday, December 15, 2022	
6.2 Public Comment	O		
6.3 Adjournment			

Monitoring, D = Decision Preparation, O = Other



## Board of Director's Meeting Minutes

**Meeting Date/Time:** October 20, 2022, 6:30-9:00pm

**Members:** Kathleen Mozak (Chair), Mike Allemang (Treasurer), Jesse Miller (Secretary), Simi Barr, Rich Chang, Ryan Hunter, Eric Mahler, Susan Pollay

**Location:** Ann Arbor District Library  
Virtual attendance available via Zoom

Chairperson Mozak called the meeting to order at 6:30 pm

### Agenda Item

#### 1. OPENING ITEMS

##### 1.1 Approve Agenda

Mr. Hunter moved to approve the agenda, seconded by Mr. Chang.

All in favor of the accepted agenda:

Mr. Mike Allemang: Yes (Attending virtually)  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Mr. Ryan Hunter: Yes  
Mr. Jesse Miller: Yes  
Mr. Eric Mahler: Yes  
Ms. Susan Pollay: Yes  
Chairperson Kathleen Mozak: Yes

The vote passed unanimously.

##### 1.2 Public Comment

Robert Pawlowski congratulated Ms. Mozak on her appointment as Chair and thanked Mr. Mahler on his years of service. He commented that he is seeing more information across the state regarding the implementation of zero emissions buses and is pleased to see it is now a local discussion and plan.

##### 1.3 General Announcements

Ms. Mozak shared with the Board that the upcoming formation of the Audit Task Force will need volunteers. She also shared the news that Chris Allen had been appointed as a board member by the City of Ann Arbor. His first attendance at a meeting would be at the October 25<sup>th</sup> Board Retreat.

## **2. CONSENT AGENDA**

### **2.1 Board Meeting Minutes September 28, 2022**

### **2.2 Committee Meeting Summaries**

### **2.3 Bank Signature Authorizations**

Mr. Miller motioned to approve the Consent Agenda, seconded by Mr. Hunter.

All in favor of accepting the Consent Agenda items:

Mr. Mike Allemang: Yes (Attending virtually)

Mr. Simi Barr: Yes

Mr. Rich Chang: Yes

Mr. Ryan Hunter: Yes

Mr. Jesse Miller: Yes

Mr. Eric Mahler: Yes

Ms. Susan Pollay: Yes

Chairperson Kathleen Mozak: Yes

The Consent Agenda was accepted as presented.

## **3. POLICY MONITORING & DEVELOPMENT**

*\*\* Agenda Items 3.1 and 3.2 were switched in ordering – 3.2 was presented first \*\**

### **3.1 Board Education: Policy Development**

Policy Governance Coach, Rose Mercier, provided the board with an overview of her work in supporting the Monitoring Task Force as they look for methods to improve board policy monitoring. She shared that she had observed several board meetings and provided educational observations in the board packet.

Board members discussed the ongoing work of policy governance and potential methods of more systematically reviewing and monitoring policies.

### **3.2 Ownership Linkage Task Force Update**

Mr. Chang shared a [presentation on the background of Ownership Linkage](#) (Pg 100) reintroducing Ownership Linkage board work. His presentation outlined the methods and means of linking of the Board to community owners and stakeholder. He also provided information on the formation of a Task Force and the goals for work to be done.

After his presentation, the Board discussed the ways in which Ownership Linkage was in alignment with the work of policy governance and the role of the Board. The creation and implementation of the Task Force is planned to begin after the first of the year. Board members thanked him for reestablishing work that had been initiated in prior years.

### **3.3 Approval of New Survey Tool**

Mr. Allemang communicated to the Board that the Monitoring Task Force had successfully tested a new monitoring survey tool and were presenting to the Board for their approval. The Task Force felt the revised survey tool removed the ambiguity of the previous form.

After a discussion, it was noted that the only suggested amendment would be to add the wording “defensible rationale” in the monitoring wording.

Mr. Hunter motioned to approve the new survey tool (with suggested amendment), seconded by Mr. Chang.

All in favor of accepting the new survey tool:

Mr. Mike Allemang: Yes (Attending virtually)  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Mr. Ryan Hunter: Yes  
Mr. Jesse Miller: Yes  
Mr. Eric Mahler: Yes  
Ms. Susan Pollay: Yes  
Chairperson Kathleen Mozak: Yes

The motion passed unanimously for the implementation of the new survey tool for monitoring report surveys.

### **3.4 2.8 Emergency Succession**

Mr. Carpenter presented the Board with the monitoring report and noted it was a straightforward policy – no further discussion was made.

Mr. Miller put forth a motion to accept the report as A - in compliance. Ms. Pollay seconded the motion.

All in favor of accepting the report as A – in compliance:

Mr. Mike Allemang: Yes (Attending virtually)  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Mr. Ryan Hunter: Yes  
Mr. Jesse Miller: Yes  
Mr. Eric Mahler: Yes  
Ms. Susan Pollay: Yes  
Chairperson Kathleen Mozak: Yes

The motion passed unanimously to accept the report as A – in compliance.

*\*\* Mr. Allemang left meeting\*\**

### **3.5 2.11 Construction**

Mr. Carpenter presented the Board with the monitoring report, specifically noting several policy interpretations complexities that had arisen. Primarily regarding board approvals for grant application submissions when grant opportunities had short turnaround submissions which didn't allow for board approval. This was highlighted within the report with further explanation.

Board discussion focused on possible policy revision to address the complexities Mr. Carpenter had discussed. Ms. Mozak noted that the Board should first vote on the compliance of the monitoring report before opening the discussion on possible policy revision.

Mr. Miller put forth a motion to accept the report as B – in compliance, except for items noted (2.11.1, 2.11.1.2 and 2.11.1.2). Mr. Chang seconded the motion.

All in favor of accepting the report as A – in compliance:

Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Mr. Ryan Hunter: Yes  
Mr. Jesse Miller: Yes  
Mr. Eric Mahler: Yes  
Ms. Susan Pollay: Yes  
Chairperson Kathleen Mozak: Yes

The motion passed unanimously to accept the report as B - in compliance, except for items noted (2.11.1, 2.11.1.2 and 2.11.1.2).

Board agreed to discuss a policy wording revision further at the November meeting.

#### **4. STRATEGY & OPERATIONAL UPDATES**

##### **4.1 Triennial Review Debrief**

Ms. Reed shared report highlights from the Triennial Review and referenced the debrief provided in the board packet. There were six deficiencies noted at the end of the review that require corrective action, none of which were repeat findings from prior reviews. She also shared that the deficiencies were average for the industry, and several were related to new information or regulations that had been introduced by the FTA.

##### **4.2 CEO Report**

Mr. Carpenter provided an overview of the CEO report and thanked Ms. Reed and staff for their work with the Triennial Review. He announced that a new HR Manager, Monica Boote, would be joining the organization in mid-November. He noted that the Propulsion Study – to be discussed at the October 25<sup>th</sup> Board Retreat – had been added to the website and opportunities for public engagement were forthcoming.

The Board had a follow up discussion regarding the exchange of buttons and retro-fitting of pull cords. Mr. Carpenter will be following up on the timeline for that work.

#### **5. EMERGENT ITEMS**

No emergent items were noted.

#### **6. CLOSING ITEMS**

##### **6.1 Reminder: Board Retreat**

Ann Arbor District Library 12:30-4:30pm

##### **6.2 Topics for Next Meetings**

2.6 Cash & Investments  
Q4 Service Report  
Q4 Financial Report  
Board Education – Federal Advocacy w/ Ward McCarragher

### **6.3 Public Comment**

Mr. Pawlowski praised Ms. Reed and staff for their work on the Triennial Review. He made note that transit signal priority technology needs to be a prioritized investment for future projects. He mentioned specific areas around the region that need focused on.

### **6.4 Adjournment**

Ms. Pollay motioned to adjourn, seconded by Mr. Barr.

Meeting adjourned at 8:44 pm.

Respectfully Submitted by Deborah Holt

DRAFT

## Board of Director's Retreat Minutes

**Meeting Date/Time:** October 25, 2022, 12:30 – 4:30pm

**Members:** Kathleen Mozak (Chair), Mike Allemang (Treasurer), Jesse Miller (Secretary), Chris Allen, Simi Barr, Rich Chang, Ryan Hunter, Eric Mahler, Susan Pollay, Kyra Sims

**Location:** Ann Arbor District Library  
Virtual attendance available via Zoom

Chairperson Mozak called the meeting to order at 12:46pm (delay due to technical difficulties)

### Agenda Item

#### 1. OPENING ITEMS

##### 1.1 Approve Agenda

Ms. Sims moved to approve the agenda, seconded by Mr. Barr.

All in favor of the accepted agenda:

Mr. Mike Allemang: Yes (Attending virtually)  
Mr. Chris Allen: Yes  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Mr. Ryan Hunter: Yes  
Mr. Jesse Miller: Yes  
Mr. Eric Mahler: Yes  
Ms. Susan Pollay: Yes  
Ms. Kyra Sims  
Chairperson Kathleen Mozak: Yes

The vote passed unanimously.

##### 1.2 Public Comment

Robert Pawlowski shared that he is interested in learning more about the Propulsion Study beyond the retreat and public engagement opportunities in November. He encouraged the CEO and staff to continue to find ways to involve the public in the discussion.

Jim Mogensen shared the changes he has noted in the past two decades of attending AAATA meetings. He expressed concerns over the Policy Governance board model as it relates to how the Board will make decisions on major initiatives.

### **1.3 General Announcements**

Ms. Mozak welcomed Mr. Chris Allen to the Board – the retreat is his first meeting of attendance since being appointed by the City of Ann Arbor.

## **2. PROPULSION: MOVING US FORWARD**

### **2.1 Intro and Process Overview**

Mr. Carpenter provided a brief overview ([pg.16](#)) of the two topics of discussion for the Board Retreat: Propulsion and Legislative Agenda.

### **2.2 Summary of Background Report**

Mr. Carpenter introduced David Verbich from Stantec Consulting to present the Alternative Bus Propulsion Study ([pg. 40](#)). The presentation included the ZEB (Zero-emission buses) project overview, context/background, benefits/cost, risk and challenges, technological overview, financial evaluation, conclusion, and next steps for consideration.

### **2.3 Observations from CEO**

Mr. Carpenter shared with the board considerations when making high risk decisions related to implementing new technology. He noted that if the board feels they don't have enough information to make an informed decision by 2023, the timeline can be moved to 2024.

### **2.4 Q/A for Board Members & Discussion**

Mr. Verbich and several Stantec staff members fielded board questions in response to the presentation and the review of the [Alternative Propulsion Bus Study Report](#). The board concluded that the alternative propulsion conversation would continue to be thoroughly explored in the upcoming months.

### **2.5 Wrap Up and Next Steps**

Mr. Carpenter thanked Mr. Verbich and the Stantec staff who participated. He shared that there would be upcoming opportunities for public presentations and additional engagement.

## **3. LEGISLATIVE AGENDA: FOCUSED ON OUTCOMES**

### **3.1 Advocacy: Why, What, and How**

Mr. Carpenter shared that the board had expressed a strong desire to improve and build local relationships and focus on advocacy. He introduced Mr. Doug Tisdale (APTA Chair, Denver RTA board member and former Cherry Hills, CO Mayor).

Mr. Tisdale provided the board with a verbal presentation based on a local advocacy program he created. He works with business members, boards, and elected officials and provided insight for strategically building and maintaining relationships.

### **3.2 Advocating at the Local Level & Q/A**

Board members engaged in discussion with Mr. Tisdale about various points he had made during his presentation. Conversations centered around best practices with engaging and developing relationships with public stakeholders.

### **3.3 Exercise: Board Member Suggestions (Goals & Tactics)**

Mr. Carpenter had board members individually create a list of 3 areas of advocacy that the board should be focusing on. Members were then given an opportunity to share and discuss in a guided discussion.

### **3.4 Wrap up and Next Steps**

Mr. Carpenter reiterated discussion topics that had been explored during the retreat and shared that he felt the board had provided excellent insight into the direction they want to take the organization.

## **4. EMERGENT ITEMS**

No emergent items noted.

## **5. CLOSING ITEMS**

### **5.1 Public Comment**

Mr. Mogensen shared his thoughts on the various legal and moral owners for the organization that encompass a vast area. He encouraged continuing to listen to public input as it provides valuable information from riders in the community.

Mr. Pawlowski shared his thoughts on the propulsion study and the need to be leaders in climate change solutions yet understanding that a reduced carbon footprint is more than just zero-emission buses. He encouraged strong public engagement regarding the propulsion study.

### **5.2 Adjournment**

Mr. Miller motioned to adjourn, seconded by Ms. Pollay.

Meeting adjourned at 4:28 pm.

Respectfully Submitted by Deborah Holt

## Governance Committee Meeting Notes

**Meeting Date/Time:** October 27, 2022 - 9:00-10:30am

**Members:** Kathleen Mozak (Chair), Mike Allemang, Jesse Miller

**Staff:** Matt Carpenter, Dina Reed, Forest Yang, Rosa-Maria Njuki, Deb Holt

**Location:** REMOTE – Via Zoom

Ms. Mozak called the meeting to order at 9:00 am

Agenda Item
<b>1. OPENING ITEMS</b>
<p><b>1.1 Agenda (Additions, Approval)</b></p> <p>No new items noted, agenda was accepted by committee.</p> <p><b>1.2 Communications</b></p> <p>Ms. Mozak shared that Mr. Miller has accepted the role as Service Committee Chair.</p>
<b>2. POLICY MONITORING &amp; DEVELOPMENT</b>
<p><b>2.1 Policy Development</b></p> <p>The committee discussed their role in policy development in order to be forward thinking with the board’s yearly work planning. They reviewed a revised board meeting agenda outline and discussed modifications that might better reflect specific areas of focus. The committee determined they will continue the discussion at the November Governance meeting.</p> <p><b>2.2 Task Force Coordination</b></p> <p>Mr. Allemang shared that at the next Task Force meeting, monitoring grading would be a topic of discussion.</p> <p><b>2.3 Committee Agendas</b></p> <p>No changes noted for the Service or Finance Committee agendas. The committee decided that an agenda item “Environmental Expectations” would be moved from the board meeting agenda and added for a topic of discussion for annual work planning. They also added “Annual Work Planning” to the board meeting agenda.</p>

### **3. BOARD DEVELOPMENT**

#### **3.1 Annual Work Plan**

The committee reviewed a draft outline of an annual work plan. Topics will be introduced at the November board meeting for the entire board to discuss with a plan for more review through the end of the year.

#### **3.2 Board Member Recruitment & Training**

The committee discussed recent changes with new additions to the board and that there should be an on-going plan of action for recruitment and training when future openings occur.

#### **3.3 Chair's Thoughts on Committee Assignments**

New board member, Chris Allen, will be assigned to the Finance Committee, Rich Chang's assignment will be moved from the Finance Committee to the Service Committee.

#### **3.4 Board / CEO Relationship**

This agenda item was moved to November Governance Committee meeting.

### **4. STRATEGY & OPERATIONAL UPDATES: CEO**

#### **4.1 Retreat Recap & Thoughts (Propulsion and Advocacy Agenda)**

Committee members discussed the October 25<sup>th</sup> retreat and provided feedback to the CEO. Board conversations will continue regarding advocacy education and the propulsion study.

### **5. CLOSING ITEMS**

#### **5.1 Topics for Next Meeting**

CEO Expense Report  
New board member on-boarding / training  
Recruitment Efforts  
Annual Work Plan  
Board / CEO Relationship  
Board Agenda revision

#### **5.2 Adjournment**

Ms. Mozak thanked the committee and staff and the meeting adjourned at 10:43 am.

Respectfully Submitted by Deborah Holt

## Service Committee Meeting Notes

**Meeting Date/Time:** November 2, 2022, 9:00-11:00am

**Members:** Jesse Miller (Chair), Simi Barr, Ryan Hunter, Susan Pollay

**Staff:** Matt Carpenter, Dina Reed, Forest Yang, Gretchen Johnson, Rosa-Maria Njuki, Deb Holt

**Location:** REMOTE – Via Zoom

Mr. Miller called the meeting to order at 9:01 am

Agenda Item
<p><b>1. OPENING ITEMS</b></p> <p><b>1.1 Agenda (Additions, Approval)</b></p> <p>No new additions or changes to the agenda were made.</p> <p><b>1.2 Communications</b></p> <p>Mr. Miller noted that this is his first meeting as committee Chair. He also asked the committee to feel free to communicate to him if the scheduled dates/times for meetings still worked for all.</p>
<p><b>2. POLICY MONITORING &amp; DEVELOPMENT</b></p> <p><b>2.1 Policy Development: Review of 2.9</b></p> <p>Mr. Carpenter reminded the committee that the policy had been adopted in 2019 and was related to the interests of Board members at that time. The committee reviewed policy 2.9 wording and discussed what the policy is trying to achieve. It was noted that there are other policies that may be similar to other policy wording. They also discussed how the policy overlaps with the planned work of the future Ownership Linkage Task Force. The committee agreed to continue the dialogue at the December meeting.</p>
<p><b>3. STRATEGY &amp; OPERATIONAL UPDATES: CEO</b></p> <p><b>3.1 Q4 Service Report</b></p> <p>Mr. Yang presented the Q4 Service Report with a notation that the Q4 reporting had proved to be challenging as final year data was not all available when the report was due. Highlights from the report were that ridership was continuing to increase, complaints have been stable in trending compared to pre-pandemic numbers and cost per boarding is still trending downward. He fielded questions from the committee pertaining to the analysis of ridership and data recovery trends.</p>

### **3.2 Retreat Follow-Up Discussion**

The board had an opportunity to provide overall feedback after the October 25<sup>th</sup> retreat. Committee members thanked staff for their work organizing the retreat, materials provided, and presentations. They felt the content was applicable and informative for board planning and ongoing work.

## **4. CLOSING ITEMS**

### **4.1 Topics for Next Meeting**

Policy Development: Review of 2.9  
Treatment of the Travelling Public

### **4.2 Adjournment**

Mr. Miller thanked the committee and staff and adjourned the meeting at 10:36 am.

Respectfully Submitted by Deborah Holt

DRAFT

## Finance Committee Meeting Notes

**Meeting Date/Time:** November 8, 2022, 3:00 – 5:00pm

**Members:** Mike Allemang (Chair/Treasurer), Eric Mahler, Kyra Sims

**Staff:** Dina Reed, Ken Anderson, Rosa-Maria Njuki, Deb Holt

**Location:** REMOTE – Via Zoom

Mr. Allemang called the meeting to order at 3:05pm

Agenda Item
<p><b>1. OPENING ITEMS</b></p> <p><b>1.1 Agenda (Additions, Approval)</b></p> <p>No new additions to the agenda.</p> <p><b>1.2 Communications</b></p> <p>Ms. Reed shared with the committee that SEMCOG had awarded TheRide a \$2.1 million grant that will go toward expanded services.</p>
<p><b>2. POLICY MONITORING &amp; DEVELOPMENT</b></p> <p><b>2.1 Monitoring: 2.6 Cash &amp; Investments</b></p> <p>Ms. Reed shared the monitoring report for 2.6 Cash &amp; Investments (Jan-July 2022). Investments remained similar to prior periods with additional investments made based on changes in interest rates. The committee agreed with the results of the board survey – that the monitoring report was A – in compliance.</p>
<p><b>3. STRATEGY AND OPERATIONAL UPDATES</b></p> <p><b>3.1 Q4 Financial Report (Delayed)</b></p> <p>Ms. Reed noted that the Q4 report had been delayed due to the integration of the new UKG payroll system and thanked the committee for their patience. The report provided was preliminary and there may still be small changes before the final report which will be issued with the audit. She provided an overview to the committee and shared that Q4 numbers remained on trend. Operating assistance and federal pandemic relief funds are both below budget. Salaries/wages/benefits are showing as favorable to the budget. Fuel/materials/supplies are close to budget, but not over. The committee discussed various details of the report and she fielded several questions</p>

### **3.2 Retreat Follow-Up Discussion**

The committee provided feedback on the retreat, with all members noting that more time had been needed for the propulsion study as it had been a robust topic to discuss.

## **4. CLOSING ITEMS**

### **4.1 Topics for Next Meetings**

Audit Update

### **4.2 Adjournment**

Mr. Allemang thanked the committee and staff and adjourned the meeting at 3:58 pm.

Respectfully Submitted by Deborah Holt

DRAFT

## Board’s Annual Work Plan

**Meeting: Board of Directors**

**Meeting Date: November 17<sup>th</sup>, 2022**

<b>INFORMATION TYPE:</b>
Decision Preparation
<b>RECOMMENDED ACTION(S):</b>
Begin discussion of a Board plan of work for FY 2023.
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
Board policy 3.4 (Attachment 1).
<b>ISSUE SUMMARY:</b>
To keep a focus on the future, at the beginning of every fiscal year the Board decides what proactive issues it wants to spend time on, and which may lead to development of new policy. Board members have discussed various items in the past, and a few new ideas have been suggested (Attachment 2). In FY2022 the Board decided to discuss propulsion, advocacy, and equity. Additional items are possible, but organization capacity is a concern.
<b>BACKGROUND:</b>
The Board’s annual work plan is an inherent part of Policy Governance. This is a key mechanism for ensuring that the Board is driving its own agenda and not merely reacting to staff or outside issues. Policy 3.4 outlines how the board sets its agenda. Excerpts of the relevant passages are provided in Attachment 1.
<b>IMPACTS OF RECOMMENDED ACTION(S):</b>
<ul style="list-style-type: none"> <li>• Budgetary/Fiscal: NA</li> <li>• Social: NA</li> <li>• Environmental: NA</li> <li>• Governance: The annual work plan is how the Board sets the direction for the organization.</li> </ul>
<b>ATTACHMENTS:</b>
<ol style="list-style-type: none"> <li>1. Excerpt Policy 3.4 – Agenda Planning Policy</li> <li>2. Potential Work Plan &amp; Education Ideas (FY2023)</li> </ol>

## Attachment 1: Board Policy 3.4: Agenda Planning (Excerpt v2.13)

(Emphasis added)

### 3.4 AGENDA PLANNING

*To accomplish its job products with a governance style consistent with Board policies, the Board will follow an annual agenda cycle which:*

- (a) completes a re-exploration of Ends Policies annually,*
- (b) continually improves Board performance through Board education and enriched input and deliberation, and*
- (c) re-examines for relevance the underlying values that support existing policy.*

*3.4.1 The cycle will conclude each year so that administrative planning, strategic planning, and budgeting can be based on accomplishing a one-year segment of the Board's most recent statement of long-term Ends.*

*3.4.2 The cycle will start with the Board's development of its agenda for the next year.*

*A. Consultations with selected groups in the ownership, or other methods of gaining ownership input will be determined and arranged in the first quarter, to be held during the balance of the year.*

*B. Governance education, and education related to Ends determination, (e.g., presentations by researchers, demographers, advocacy groups, staff, etc.) will be arranged in the first quarter, to be held during the balance of the year...*

**Attachment 2: Previous Board Work Plan & Education (FY2021)**

*Current work plan:*

<b><i>Policy Topics or Decisions</i></b>	<b><i>Status</i></b>
<i>1. Ends review</i>	<i>Annual task</i>
<i>2. Propulsion</i>	<i>In Progress</i>
<i>3. Advocacy Agenda</i>	<i>In Progress</i>
<i>4. Equity</i>	<i>March Retreat Discussion</i>

*General education topics previously suggested by Board:*

<b><i>Education Topics</i></b>
<i>Multi-jurisdictional consideration (local and regional)</i>
<i>Differences between AAATA communities (POSAs)</i>
<i>Service Provision options: Micro transit, bus lanes, scooters, vehicle size, etc.</i>
<i>Environmental Standards (policy development?)</i>
<i>Town/Gown resource distribution</i>
<i>RTA</i>

## Monitoring Task Force Update

**Board Meeting Date: November 17, 2022**

<b>INFORMATION TYPE</b>											
Other											
<b>RECOMMENDED ACTIONS</b>											
Board understands current status of the taskforce.											
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>											
The Board struck a Monitoring Task Force to look into ways of streamlining the Board’s monitoring work. The Task Force has been working in conjunction with the Governance Coach.											
<b>ISSUE SUMMARY</b>											
When the task force was formed it identified the following tasks											
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 5px;">Tasks</th> <th style="text-align: left; padding: 5px;">Status</th> <th style="text-align: left; padding: 5px;">Notes</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">1. Develop a way to effectively review monitoring reports</td> <td style="padding: 5px;">Complete</td> <td style="padding: 5px;">Board voted to use the new monitoring worksheet in the October Board meeting</td> </tr> <tr> <td style="padding: 5px;">2. Develop a better way to determine compliance levels for monitoring reports</td> <td style="padding: 5px;">In progress</td> <td style="padding: 5px;">Currently the taskforce is reviewing and discussing material (see next page) with the support of the Governance Coach .</td> </tr> </tbody> </table>	Tasks	Status	Notes	1. Develop a way to effectively review monitoring reports	Complete	Board voted to use the new monitoring worksheet in the October Board meeting	2. Develop a better way to determine compliance levels for monitoring reports	In progress	Currently the taskforce is reviewing and discussing material (see next page) with the support of the Governance Coach .		
Tasks	Status	Notes									
1. Develop a way to effectively review monitoring reports	Complete	Board voted to use the new monitoring worksheet in the October Board meeting									
2. Develop a better way to determine compliance levels for monitoring reports	In progress	Currently the taskforce is reviewing and discussing material (see next page) with the support of the Governance Coach .									
<b>IMPACTS OF RECOMMENDED ACTION(S)</b>											
<ul style="list-style-type: none"> <li>Budgetary/Fiscal: NA</li> <li>Social: NA</li> <li>Environmental: NA</li> <li>Governance: Significant. Refinements of the Board monitoring and policy development processes.</li> </ul>											
<b>ATTACHMENTS</b>											
1. Proposed Simplified Motions											

## Proposed Simplified Motions

A. The Board has assessed the monitoring report for policy X.X and finds that it demonstrates compliance with a reasonable interpretation.

B. The Board has assessed the monitoring report for policy X.X and finds that it does not provide a reasonable interpretation for the policy items cited below and expects a follow up on the following dates

Policy items without reasonable interpretations	Identify follow up requested (e.g., report resubmission, interpretation update, etc.,)	Date follow up is expected

The Board has assessed the monitoring report for policy X.X and finds that it provides reasonable interpretation for the cited policy items but the evidence does not demonstrate compliance with the interpretation and expects a follow up on the following dates:

Policy items without evidence demonstrating compliance	Identify follow up requested (e.g., report resubmission, interpretation update, etc.,)	Date follow up is expected

**Note: Compliance = Evidence (actual result + identified source + date data collected) which demonstrates compliance with an interpretation that was assessed by the board as reasonable.**

## Monitoring Report 2.6 Cash and Investments

Monitoring Period: January 2022 – July 2022

Finance Committee Review Date: November 8<sup>th</sup>, 2022

Board Meeting Review Date: November 17<sup>th</sup>, 2022

<b>INFORMATION TYPE:</b>
Decision
<b>RECOMMENDED ACTION(S):</b>
The Finance Committee recommends that the Board considers accepting this monitoring report as A – In compliance.
<b>ISSUE SUMMARY:</b>
<p>TheRide’s Board of Directors establish policies that define what methods are unacceptable to use to achieve expected results, called Executive Limitations. This monitoring report provides the CEO’s interpretations of those policies, evidence of achievement, and an assertion on compliance with the Board’s written goals. As with other monitoring reports, the Board decides whether the interpretations are reasonable, and the evidence is convincing.</p> <p>I certify that the information presented in this report is true and complete, and I request that the Board accept this as indicating an acceptable level of compliance.</p> <p style="text-align: center;">Signature: <span style="float: right;">Date: 10/28/2022</span></p> <div style="text-align: center;">               Matt Carpenter, CEO         </div>
<b>BACKGROUND:</b>
<p>Monitoring Reports are a key Policy Governance tool to assess organizational/CEO performance in achieving Ends (1.0) within Executive Limitations (2.0). A Policy-Governance-consistent Monitoring Process is:</p> <ol style="list-style-type: none"> <li>1. CEO sends Monitoring Report to all board members</li> <li>2. At Board meeting, board accepts Monitoring Report through majority vote (or if not acceptable, determines next steps)</li> </ol>
<b>IMPACTS OF RECOMMENDED ACTION(S):</b>
<ol style="list-style-type: none"> <li>1. Governance: Perform key Policy Governance process</li> </ol>
<b>ATTACHMENTS:</b>
<ol style="list-style-type: none"> <li>1. Policy Monitoring Report for Policy 2.6 Cash and Investments</li> </ol>

## Table of Contents

POLICY TITLE: EXECUTIVE LIMITATION POLICY 2.6: CASH AND INVESTMENTS	Page #	Compliance
<p>2.6 The CEO will not fail to hold cash for short-term operations or surplus capital for investment according to the Board’s investing priorities: first ensuring safety of principal, next providing adequate liquidity, and third, returning the highest yield compatible with prudent investing.</p> <p>Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:</p>	3	
<p>2.6.1. Hold AAATA operating cash or surplus capital in insecure instruments, including federally uninsured checking accounts or non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.</p>	6	
<p>2.6.2. Deviate from the “Investment Policy to Comply with Michigan PA 20 of 1943” as stated in the Appendices, invest in instruments other than those so authorized, or invest unlawfully with respect to Michigan PA 20 of 1943.</p>	7	

 Fully Compliant    
  Partially Compliant    
  Non-Compliant

## CEO Interpretations and Evidence

**EXECUTIVE LIMITATIONS POLICY 2.6:**

The CEO will not fail to hold cash for short-term operations or surplus capital for investment according to the Board’s investing priorities: first ensuring safety of principal, next providing adequate liquidity, and third, returning the highest yield compatible with prudent investing.

**Degree of Compliance: In Compliance**

**EXECUTIVE LIMITATIONS POLICY 2.6: Interpretation**

Compliance for this policy will be demonstrated when compliance with both lower-level policies are achieved.

**EXECUTIVE LIMITATIONS POLICY 2.6.1:**

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:  
  
Hold AAATA operating cash or surplus capital in insecure instruments, including federally uninsured checking accounts or non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.

**Degree of Compliance: In Compliance**

### **EXECUTIVE LIMITATIONS POLICY 2.6.1: Interpretation**

Compliance with this policy will be demonstrated when account statements from financial institutions indicate that funds held in checking and money market savings accounts:

1. are held in Federal Deposit Insurance Corporation (FDIC) insured banking institutions where all accounts are FDIC insured up to \$250,000, and
2. that deposit accounts generate interest.

This is a reasonable interpretation because the FDIC is an independent agency created by Congress to insure deposits, examine, and supervise financial institutions for safety, soundness, and consumer protection, make large and complex financial institutions resolvable, and manage receiverships. Financial institutions backed by the FDIC provide guaranteed insurance up to \$250,000 per deposit account and protects insured depositors by assuming responsibility for failed institutions immediately, minimizing any impact to customers of the failed institution.

Also, some accounts (Money Market, Capital, Operating, Payroll, and Imprest) may at any time exceed the \$250,000 threshold for insured cash. This is necessary to comply with facilitating ease of financial transactions portion, as allowed under this policy. The level of necessary cash in these accounts varies based on projected operating and capital expenses, timing of deposits generated from revenue, and investment transfers. Approximately one month's projected operating expenses plus projected capital expenditures are required for managing cash flow. Any excess funds are transferred to CDARS-ICS accounts, fully federally insured accounts, or longer-term investment accounts. At times, investment transfers require placing funds in money market accounts for up to 24 hours.

Additionally, deposit accounts that generate interest will grow AAATA's money over time.

### **EXECUTIVE LIMITATIONS POLICY 2.6.1: Evidence**

Account statements from all financial institutions holding AAATA monies as of June 30, 2022 disclose that:

1. All monies held in bank accounts and investments are in deposit at The Bank of Ann Arbor, which is an FDIC insured bank with FDIC insured accounts. Additionally, based on information reported by the Federal Financial Institutions Examination Council (FFIEC), in the Uniform Bank Performance Report (UBPR), Deposit Accounts by Lending Tree, an unbiased evaluator of banking institutions, gave Bank of Ann Arbor an A+ rating as of June 2022 for overall bank health. Rating summaries are provided as an attachment to this report.
2. Cash held in accounts that exceed federally insured limits were required to facilitate ease of transactions. At the end of Q3 2022, there was \$6.8 million in cash, checking and money market balances (excluding CDARS-ICS money market funds), \$5.5 million of which were uninsured. Operating expenses during this time period were

approximately \$4.3 million per month. All uninsured balances were required to facilitate ease of financial transactions.

3. All accounts holding AAATA funds produce interest.

**EXECUTIVE LIMITATIONS POLICY 2.6.2:**

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

Deviate from the “Investment Policy to Comply with Michigan PA 20 of 1943” as stated in the Appendices, invest in instruments other than those so authorized, or invest unlawfully with respect to Michigan PA 20 of 1943.

**Degree of Compliance: In Compliance**

**EXECUTIVE LIMITATIONS POLICY 2.6.2: Interpretation**

Compliance will be demonstrated when:

1. Account statements for investments indicate that funds are held only in Certificates of Deposit (not to exceed \$4 million in any one financial institution), bonds or other direct obligations of the U.S. (maturity limited to 3 years or less), or government mutual funds.
2. Investments are held
  - a. in accounts which ensure the safety of the principal balance,
  - b. remain liquid, and
  - c. return the highest yield compatible with prudent investing.
3. A listing of investment accounts, with balances, maturity dates, and interest rates for each account, is provided to the Board at least quarterly.

This is reasonable because these are the only types of investment instruments that are legal under Michigan Public Act 20 and authorized by the Board’s policy.

**EXECUTIVE LIMITATIONS POLICY 2.6.2: Evidence**

A review of account statements from financial institutions and reconciliations as of June 30, 2022, completed by the CFO, Reed, on September 2, 2022, verified the following:

1. AAATA’s investments were held in Certificates of Deposits (CDs), U.S. Agency Bonds, and/or Money Market Savings accounts. Each of these are legal, authorized instruments per the policy, and do not exceed limits on amounts or maturities as required by the policy.
2. Regarding the Board’s established priorities for investing, the CFO attests:

(a) Safety of Principal: Cash was held in checking and savings accounts at the Bank of Ann Arbor. Some investments were held in the Certificate of Deposit Account Registry Service (CDARS) managed by Bank of Ann Arbor (which invests funds to the FDIC insured limit in other banks), Certificates of Deposit (CDs) and Money Market Savings or ICS accounts. Bank accounts, CDs, and Money Market accounts are FDIC

insured. Other investments were held in U.S. Agency Bonds, which are federally insured direct obligations of the U.S. government.

(b) Adequate Liquidity: Cash in checking and savings accounts is immediately available. Monies held in investments are available within 30-days' notice to the financial institution. Liquidity has been sufficient to meet operating needs during the monitoring period, as AAATA has been able pay its expenses without using debt, and no expenses have been deferred due to insufficient liquidity of capital.

(c) Highest Yield Compatible with Prudent Investing: Yields on investments (0.13% to 3.25%) are the highest rates available considering the limited investment options due to policy and regulatory limits and the priorities for safety and liquidity. AAATA has followed the advice of its expert trust consultant at Bank of Ann Arbor in making prudent investing decisions according to the Board's policy and priorities.

3. A review of monthly Board meeting agendas and minutes conducted by the CFO on September 1, 2022 indicates that the required disclosure of investment accounts, balances, maturity dates, and interest rates was provided in quarterly financial reports presented to the Board since this policy was last monitored in April 2022. FY2022 Q2 investments were reported in May 2022 and FY2022 Q3 investments were presented in August 2022.

For convenience, key financial data related to the above are provided as follows:

As of June 30, 2022, cash, checking, and money market account balances were \$9.8 million and distributed as shown below in Table 2.6A.

**Table 2.6A**

**Cash, Checking and Money Market Balances**  
*(\$ in thousands)*

<b>Cash, Checking or Money Market Account</b>	<b>As of 6/30/2022</b>
IMPREST	\$ 258
OPERATING	635
PAYROLL	33
CHANGERS/PETTY	3
PASSES/TOKENS	23
CAPITAL	1,815
FLEX SPENDING	54
MONEY MARKET SAVINGS	3,746
CDARS-ICS*	3,005
GETDOWNTOWN	186
<b>Total Cash, Checking &amp; Money Market</b>	<b>\$ 9,758</b>

\*CDARS-ICS program is fully insured up to \$75 million.

As of June 30, 2022, investment account balances totalled \$19.7 million and distributed as shown below in Table 2.6B.

**Table 2.6B**

**Investments Summary**

(\$ in thousands)

Investment Instrument	Date of Maturity	Interest Rate	Total as of		Total as of 6/30/2022
			3/31/2022	Transactions	
U.S. Agency Bond	8/12/2022	0.13%	\$ 1,500	\$ -	\$ 1,500
U.S. Agency Bond	11/6/2023	0.25%	2,000	-	2,000
U.S. Agency Bond	1/19/2024	0.23%	-	750	750
U.S. Agency Bond	4/8/2024	0.38%	1,000	-	1,000
U.S. Agency Bond	9/15/2024	2.88%	-	2,500	2,500
U.S. Agency Bond	9/23/2024	0.50%	-	2,000	2,000
U.S. Agency Bond	3/28/2025	2.83%	-	2,500	2,500
U.S. Agency Bond	3/28/2025	3.10%	-	2,000	2,000
U.S. Agency Bond	6/27/2025	3.25%	-	2,000	2,000
U.S Treasury Notes	5/15/2023	0.13%	1,500	-	1,500
U.S Treasury Notes	6/30/2024	3.00%	-	2,000	2,000
Money Market Funds	N/A	0.15%	36	139	175
Mark-to-Market Adjustment	N/A		(146)	(120)	(266)
<b>Total Investments</b>			<b>\$ 5,890</b>	<b>\$ 13,769</b>	<b>\$ 19,659</b>

The financial data presented as of June 30, 2022, demonstrates compliance with Policy 2.6 and the Board’s Investment Policy at a single point in time. The CFO attests that cash and investments were held in compliance with this policy throughout the monitoring period. Additionally, quarterly financial reports are presented at Board meetings and monthly account statements are available for direct inspection.

**Policy Trendline**

In FY 20 and FY21, this policy was reviewed annually. After a policy schedule review the Board decided to review this policy twice a year as shown below.

The FY22 (2<sup>nd</sup> review) compliance levels noted below are based on CEO’s assessment and are preliminary. Final compliance level will be determined by the Board.

Policy	FY 20	FY 21	FY 22	
			(1 <sup>st</sup> review)	(2 <sup>nd</sup> review)
2.6	3	3	3	3
2.6.1	3	3	3	3
2.6.2	3	3	3	3



## Health

# A+

Data as of Q2 2022

[Learn why bank health matters](#)

### Health Grade Components

A+ Texas Ratio ▲ 
 A+ Texas Ratio Trend ▼ 
 A+ Deposit Growth ▼ 
 A Capitalization ▼

The Texas Ratio is an indicator of how much capital a bank has available compared to the total value of loans considered at risk. As of June 30, 2022 Bank of Ann Arbor had \$6.17 million in non-current loans and owned real-estate with \$368.48 million in equity and loan loss allowances on hand to cover it. This gives Bank of Ann Arbor a Texas Ratio of 1.67% which is excellent. Any bank with a Texas Ratio near or greater than 100% is considered at risk.

#### OVERALL

FDIC Certificate #	34120
Year Established	1996
Employees	316
Primary Regulator	FDIC

#### PROFIT MARGIN

Return on Assets - YTD	1.34%
Return on Equity - YTD	13.48%
Annual Interest Income	\$52.9MM

#### ASSETS AND LIABILITIES

<b>Assets</b>	Q2 2022	<b>\$3.26B</b>
	vs Q2 2021	\$2.56B
<b>Loans</b>	Q2 2022	<b>\$2.09B</b>
	vs Q2 2021	\$1.50B
<b>Deposits</b>	Q2 2022	<b>\$2.81B</b>
	vs Q2 2021	\$2.18B
<b>Equity Capital</b>	Q2 2022	<b>\$335.2MM</b>
	vs Q2 2021	\$229.0MM
<b>Loan Loss Allowance</b>	Q2 2022	<b>\$33.3MM</b>
	vs Q2 2021	\$35.2MM
<b>Unbacked Noncurrent Loans</b>	Q2 2022	<b>\$5.8MM</b>
	vs Q2 2021	\$7.9MM
<b>Real Estate Owned</b>	Q2 2022	<b>\$381.00K</b>
	vs Q2 2021	\$716.00K

Source: <https://www.depositaccounts.com/banks/health.aspx>, <https://www.ffiec.gov/ubpr.htm>

# A+

Data as of Q2 2022

[Learn why bank health matters](#)

## Health Grade Components

A+ Texas Ratio ▼
 A+ Texas Ratio Trend ▲
 A+ Deposit Growth ▼
 A Capitalization ▼

The Texas Ratio for Bank of Ann Arbor decreased dramatically from 3.28% as of June 30, 2021 to 1.67% as of June 30, 2022, resulting in a positive change of 48.87%. This indicates that the balance sheet and financial strength for Bank of Ann Arbor has improved dramatically in recent periods.

<i>OVERALL</i>		<i>ASSETS AND LIABILITIES</i>		
FDIC Certificate #	34120	<b>Assets</b>	Q2 2022	<b>\$3.26B</b>
Year Established	1996		<i>vs Q2 2021</i>	<i>\$2.56B</i>
Employees	316	<b>Loans</b>	Q2 2022	<b>\$2.09B</b>
Primary Regulator	FDIC		<i>vs Q2 2021</i>	<i>\$1.50B</i>
<i>PROFIT MARGIN</i>		<b>Deposits</b>	Q2 2022	<b>\$2.81B</b>
Return on Assets - YTD	1.34%		<i>vs Q2 2021</i>	<i>\$2.18B</i>
Return on Equity - YTD	13.48%	<b>Equity Capital</b>	Q2 2022	<b>\$335.2MM</b>
Annual Interest Income	\$52.9MM		<i>vs Q2 2021</i>	<i>\$229.0MM</i>
		<b>Loan Loss Allowance</b>	Q2 2022	<b>\$33.3MM</b>
			<i>vs Q2 2021</i>	<i>\$35.2MM</i>
		<b>Unbacked Noncurrent Loans</b>	Q2 2022	<b>\$5.8MM</b>
			<i>vs Q2 2021</i>	<i>\$7.9MM</i>
		<b>Real Estate Owned</b>	Q2 2022	<b>\$381.00K</b>
			<i>vs Q2 2021</i>	<i>\$716.00K</i>

Source: <https://www.depositaccounts.com/banks/health.aspx>, <https://www.ffiec.gov/ubpr.htm>

**Monitoring Policy 2.6 Cash & Investments**

**Guidance on Determining “Reasonableness” of CEO Interpretations**

The International Policy Governance Association has developed the following guidance for Board members to use in deciding whether a CEO’s interpretation is “reasonable”:

*An interpretation is deemed to be reasonable when it provides an operational definition which includes defensible measures and standards against which policy achievement can be assessed...*

*Defensible measures and standards are those that:*

- *Are objectively verifiable (e.g., through research, testing, and/or credible confirmation of observable phenomena.)*
- *Are relevant and conceptually aligned with the policy criteria and the board’s policy set.*
- *Represent an appropriate level of fulfillment within the scope of the policy.*

- *“What makes an Interpretation Reasonable and What are the Expectations for the Operational Definition: Policy Governance Consistency Framework Report Number 2”*. International Policy Governance Association. June 11, 2016. Available on the IPGA website.

**Board’s conclusion on monitoring report**

The Board has received and reviewed this Monitoring Report.

**Executive Limitations Report (select one)**

The Board finds that the CEO:

- A. Is in compliance
- B. Is in compliance, except for item(s) noted.
- C. Is making reasonable progress toward compliance.
- D. Is *not* in compliance or is *not* making reasonable progress toward compliance
- E. Cannot be determined

**Board’s notes**

## WORKSHEET RESULTS:

### Cash and Investments (Policy 2.6)

**Monitoring Period: January 2022 – July 2022**

**Finance Committee Meeting Review Date: November 8<sup>th</sup>, 2022**

**Board Meeting Review Date: November 17<sup>th</sup>, 2022**

**Participants: 9 Board Members**

Performance on reasonable interpretation and verifiable evidence			
	<b>Percentage of Board members that find the interpretation reasonable</b>  <i>An interpretation is reasonable if the following are provided, 1. a measure or standard, 2. a defensible rationale for the measure or standard, 3. a level of achievement necessary to achieve compliance and 4. a rationale for the level of achievement.</i>	<b>Percentage of Board members that find the evidence verifiable</b>  <i>Evidence is verifiable if there is 1. actual measurement/data, 2. the source of data and 3. the date when data was collected is provided</i>	<b>Additional comments if NO stated</b>
Policy 2.6	100%	100%	
Policy 2.6.1	100%	100%	<ul style="list-style-type: none"> <li>Suggestion: Although the total uninsured cash balance was cited in the evidence, it would be helpful to provide a table similar to Table 2.6A that has columns indicating balances that were insured and not insured.</li> </ul>

Policy 2.6.2	100%	100%	<ul style="list-style-type: none"> <li>Suggestion: Include AAATA's Investment Policy (Appendix F of the Policy Manual) as an attachment.</li> </ul>
<b>Additional context questions</b>			
Is there any reason to doubt the integrity of the information presented?		100% Response - No	
If the CEO has indicated NON-COMPLIANCE with any aspect of this policy, is there a commitment as to when the Board can expect to see compliance and is the proposed time-frame acceptable?		N/A	
Having reviewed the monitoring report, does anything you have learned make you consider whether the POLICY ITSELF should be amended? (Policy amendment is not monitoring, but should be addressed as a board decision.)		100% Response - No	

## CEO Compensation

**Meeting:** Board of Director’s Meeting

**Meeting Date:** November 17<sup>th</sup>, 2022

<b>INFORMATION TYPE:</b>
Decision Preparation
<b>RECOMMENDED ACTION(S):</b>
That the Board approve an adjustment to the CEO’s compensation as recommended by the Governance Committee (Attachment 1).
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
Policy 3.2.6 “Accordingly, the Board has a direct responsibility to create ... Annual performance review and appropriate adjustment of CEO salary.” The CEO’s salary was last discussed in June 2020 when their contract was approved. No salary increase occurred at that time.
<b>BACKGROUND:</b>
By policy, the Board of Director’s has assigned itself the responsibility to conduct and annual performance evaluation of the CEO and make any adjustments to their compensation as per Policy 3.2.6 “Accordingly, the Board has a direct responsibility to create ... Annual performance review and appropriate adjustment of CEO salary.”
<b>IMPACTS OF RECOMMENDED ACTION(S):</b>
<ul style="list-style-type: none"> <li>• Budgetary/Fiscal:</li> <li>• Social: N/A</li> <li>• Environmental: N/A</li> <li>• Governance: The CEO is the Board’s only employee</li> </ul>
<b>ATTACHMENTS:</b>
<ol style="list-style-type: none"> <li>1. Attachment 1: Resolution 09/2022 Adoption of Adjustment to Compensation of Chief Executive Officer</li> </ol>

**ATTACHMENT 1**

**Resolution 09/2022**

**ADOPTION OF ADJUSTMENT TO COMPENSATION OF CHIEF EXECUTIVE OFFICER**

**WHEREAS**, the Board of Directors of the Ann Arbor Area Transportation Authority has conducted and concluded a positive performance appraisal of the Chief Executive Officer, Matthew Carpenter for the fiscal year of 2022 as of February 2022; and

**WHEREAS**, the Board has not increased Mr. Carpenter’s salary (\$185,000) since 2019; and

**WHEREAS**, Mr. Carpenter has provided admirable stewardship of the Authority through the unprecedented challenges of the COVID-19 Pandemic, service restoration, development of the Long-Range Plan, and a cyberattack in the Fall 2021; and

**WHEREAS**, in light of this performance appraisal and lack of adjustment over a 3-year period the Board of Directors desires to adjust the amount of Mr. Carpenter’s salary; and

**WHEREAS**, the adjustment must be approved through the Board of Directors by a resolution; and

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors hereby approves an adjustment to Mr. Carpenter’s salary for the fiscal year 2022, as follows:

- 3% cost of living increase to his current base salary for the years 2020 and 2021
- A 5% merit increase to his current base salary, to a total of \$206,080, and
- The application of all increases to take effect with the next pay period or as soon as practicable after passage of this resolution
- All other terms per Mr. Carpenter’s employment agreement remain unchanged.

---

Kathleen M. Mozak, Chair

November 2022

---

Jesse Miller, Secretary

November 2022

## FY2022 Q4 Service Report

**Service Committee Meeting Date: November 2<sup>nd</sup>, 2022**

**Board Meeting Date: November 17<sup>th</sup>, 2022**

<b>RECOMMENDED ACTION(S)</b>
<p>Receive as CEO Operational Update.</p>
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
<ul style="list-style-type: none"> <li>2.11.1.5 CEO shall not...Let the Board be unaware of...operational... [and] customer satisfaction metrics...</li> <li>Appendix A: Informational Reports schedule specifies quarterly Customer Satisfaction and Service Performance reports in Nov, Feb, May, Sept</li> </ul>
<b>ISSUE SUMMARY</b>
<p>In accordance with the Board’s Policy Manual, I present the Quarterly Satisfaction and Service Report. I certify that the information is true and complete with exceptions noted, and I request that the Board accept this as an operational update.</p> <p>This report is populated with currently available and reportable data / targets for Fixed Route, A-Ride / Paratransit, VanRide, and FlexRide services. A glossary of terms for currently tracked metrics is attached.</p> <p>It should be noted that the data collection and reporting has been impacted by the COVID-19 Emergency that began in the last three weeks of Q2 of FY2020. Comparison of Q4 of FY2022 to Q4 of FY2019 provides a picture of performance metrics relative to a pre-pandemic state. Comparison of Q4 of FY2022 and Q4 of FY2021 provides insight into progress through the pandemic and recovery.</p> <p>Q4 of FY2022 data reflects a system at less than full service for the quarter as service was reduced January 29<sup>th</sup> due to labor shortages and gradually restored from July to September 2022. Nationwide, a return to public transit has lagged as remote work is more available and labor shortages in service sector jobs continues.</p> <p>Readers should note, numbers reported at the end of the quarter have yet to undergo further validation and confirmation required before reporting to NTD. Some numbers were quarterly estimates based on reported financial and operating data. Historic numbers presented in this document have been updated to reflect the validated data submitted to NTD.</p>
<b>ATTACHMENTS</b>
<ol style="list-style-type: none"> <li>1. Highlights Brief</li> <li>2. FY 2022 Q4 Service Report</li> <li>3. Glossary of Terms</li> </ol>



# FY2022 Q4

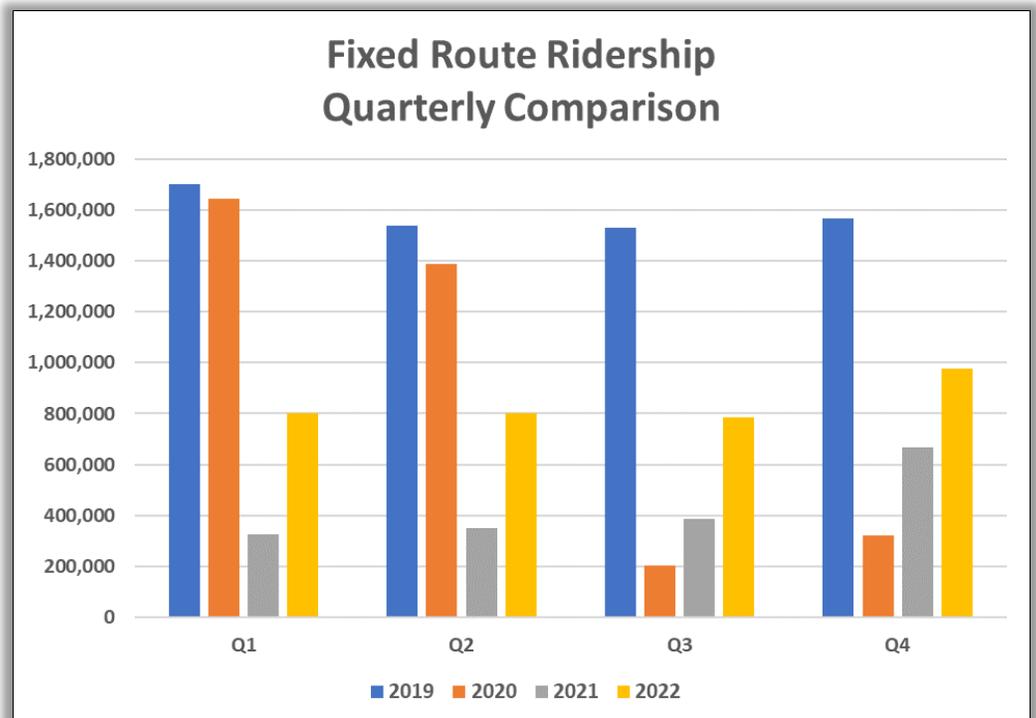
## Service and Satisfaction Report Highlights

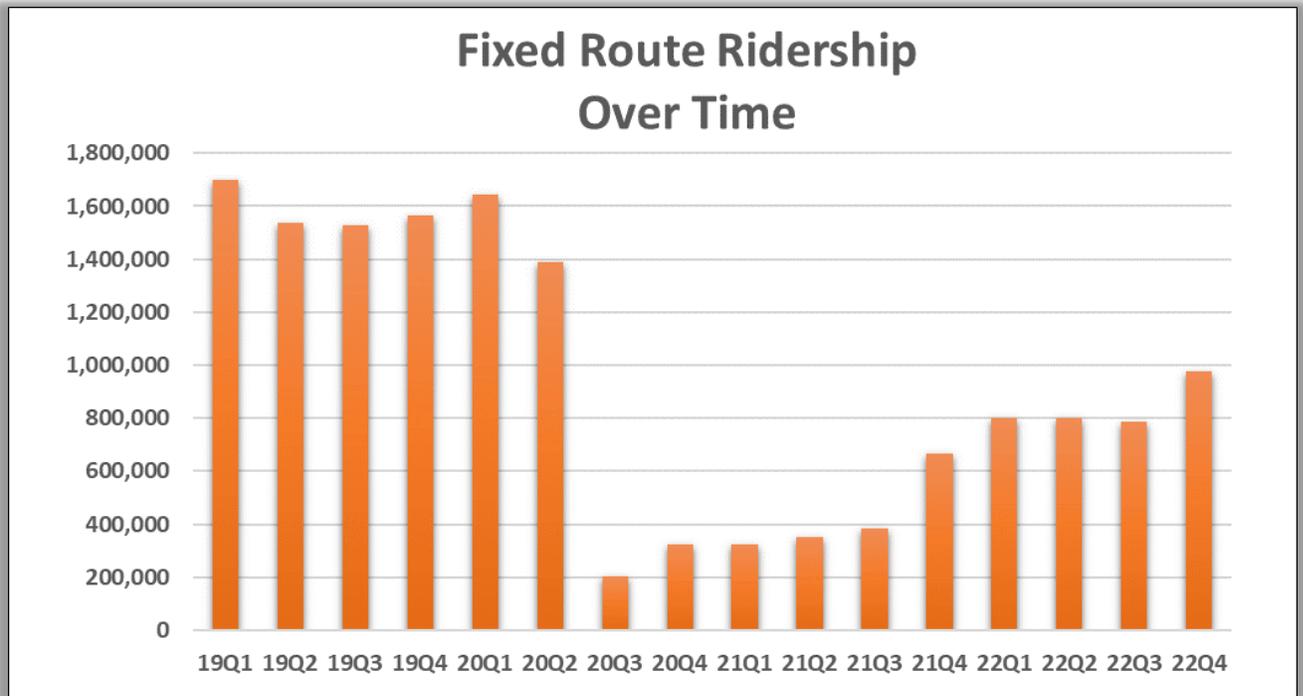
July 1, 2022 – September 30, 2022

The data collection and reporting continue to be impacted by the COVID-19 pandemic. Staffing shortages necessitated reductions in service beginning in November 2021, and again in January of 2022. Metrics that rely on a quarterly average do not reflect performance under typical conditions. For this reason, the report will compare the current quarter to the same quarter of FY2019 as representative of pre-pandemic baseline conditions as well as the same quarter of FY2021 as a year-over-year comparison.

### Fixed Route Ridership and Cost

Ridership in Q4 of FY2022 began to rebound as students returned to campus and some employers began to encourage employees to work in-person during some part of the work week. Compared to the same quarter in FY2019, ridership is still down significantly from pre-pandemic levels. When ridership is compared to the same quarter of FY2021, a significant increase is observed. Comparing quarter to quarter may be helpful but visualizing the change in ridership through the Covid-19 pandemic may also be insightful.





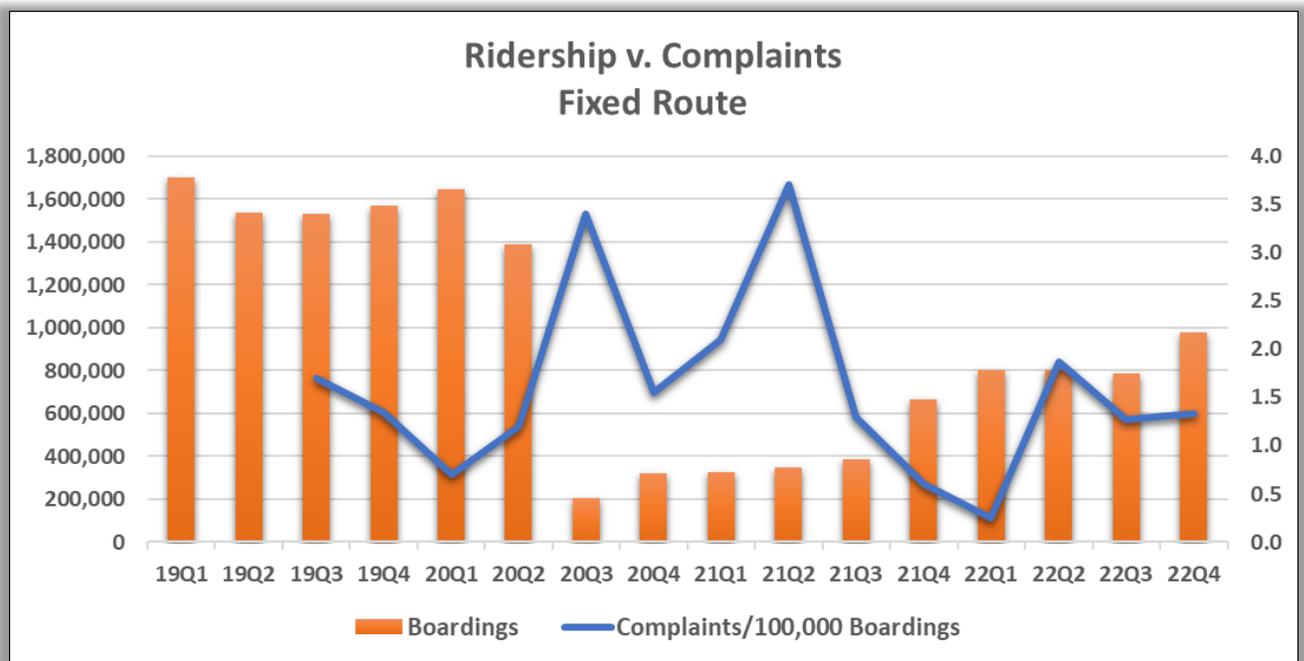
Cost per passenger boarding has risen 91% from \$5.34 in Q4 of FY2019. Reduced ridership and added costs of the pandemic are responsible for this significant increase. However, cost per passenger boarding has decreased by 12% since the same quarter last year as ridership increases. Please note that Revenue Hours and Operational Cost data points in FY2019 Q4 have been updated to reflect NTD data.



# Fixed Route Satisfaction, Reliability, and Safety

## Satisfaction

Customer satisfaction can be evaluated using the number of valid complaints received by our Customer Service Officer. Complaints / 100,000 Boardings have decreased from pandemic levels. This could be explained by increasing ridership. We have instituted additional customer service training to reduce complaints. To illustrate, the following chart graphs both ridership and complaints over time.



## Reliability as Measured by On-Time Performance (OTP)

On-Time Performance is used as the measure of reliability for reporting purposes. As of this writing, OTP data is still unavailable as a result of the cyber-attack.

## Fixed Route Road Calls as a Measure of Reliability

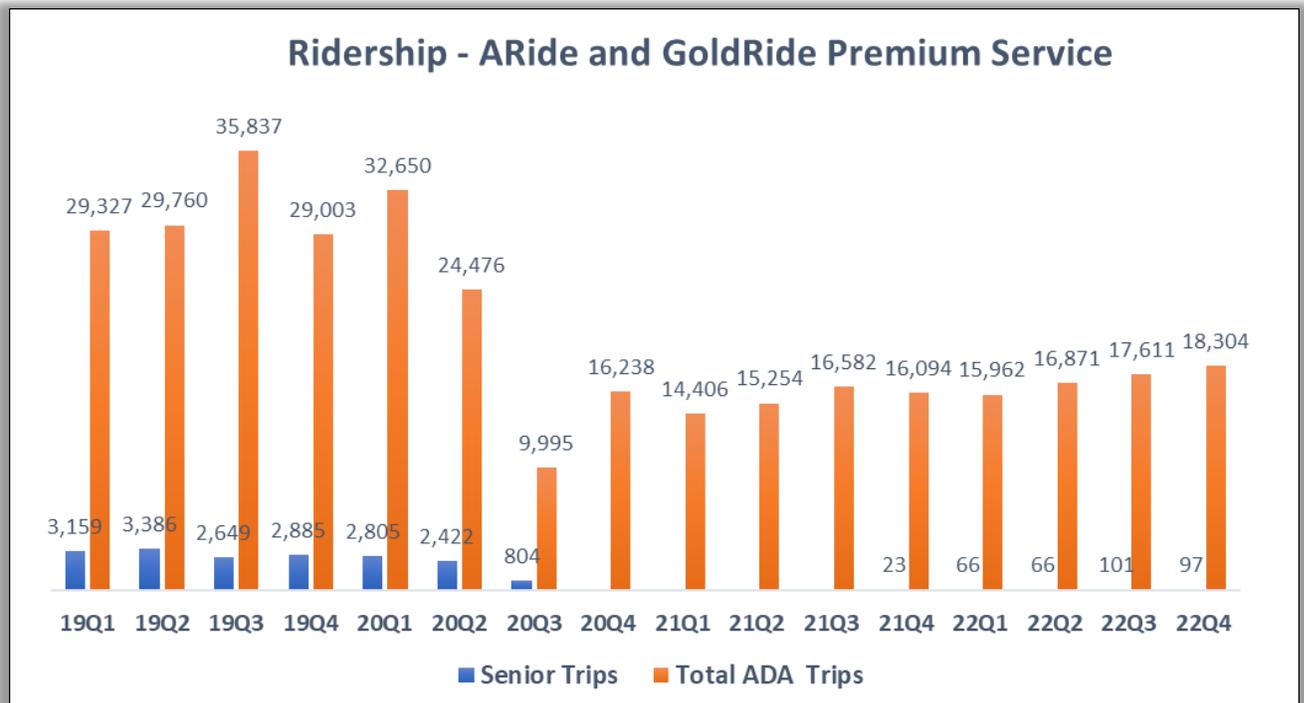
Upon review of historical data, issues of accuracy and integrity have been discovered. Historic data is still being validated to allow for a comparison of quarterly information. Data listed is best available as of this report but will be updated once finally validated.

## A-Ride: Paratransit Ridership and Costs

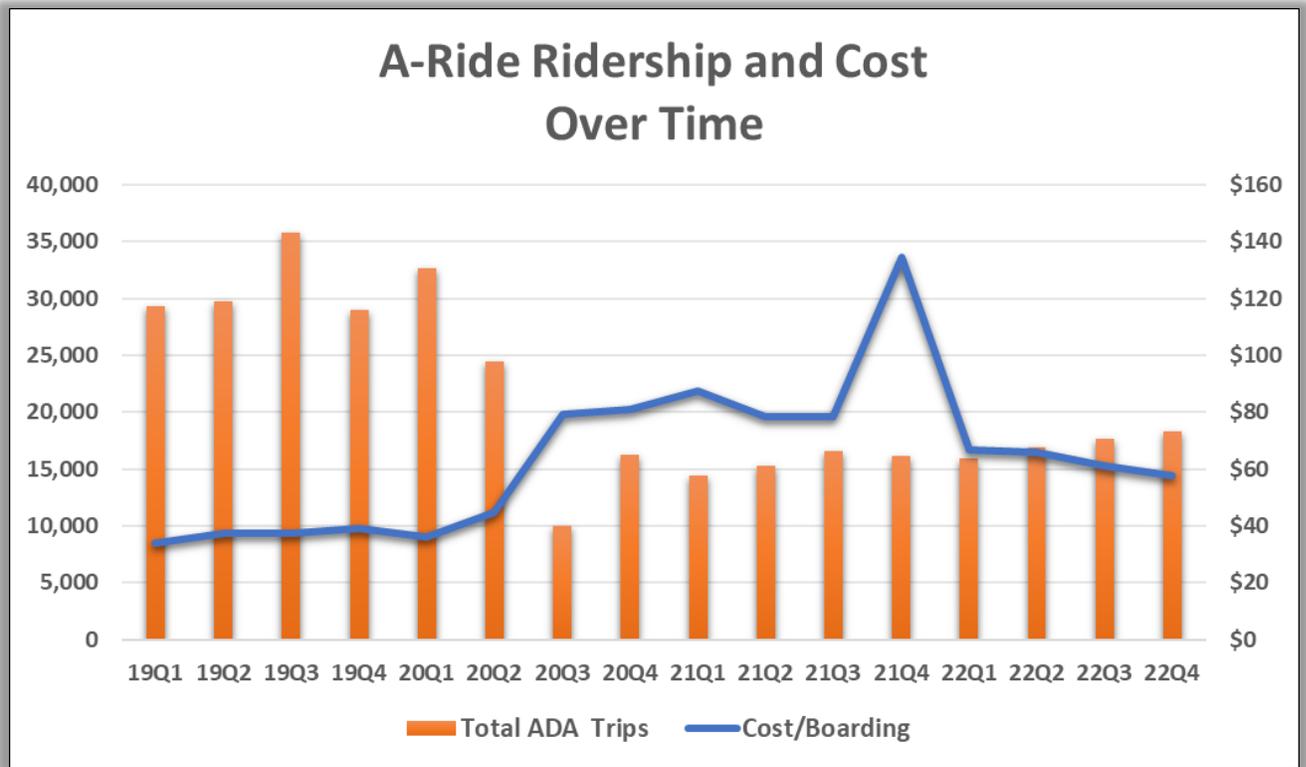
The COVID-19 pandemic has continued to impact demand for paratransit services. Ridership numbers have increased in the last year.

The obligation to observe social distancing for medically compromised passengers, was removed on July 1 of 2021. Removal of this restriction allows for shared rides between passengers resulting in a cost savings per boarding. ADA passengers are most likely to continue to modify their travel patterns based on public health concerns as they represent a vulnerable population. However, many A-Ride passengers use the service for essential and medical trips.

GoldRide On-Demand Services (GROD) have been returned, though with a significant change in fares. GROD served just 97 passengers in Q4 of FY2022, slightly lower than Q3.



When considering A-Ride costs and service, it should be noted that since 2019, the service has undergone considerable transition. First, it was pulled from an outsourced contractor and brought in-house to AAATA in August of 2020. In August of 2021, it was moved again to an outsourced contractor. Cost / Boarding peaked in Q4 of FY2021 with the start-up costs of the Contractor. As expected, the costs of the program begin to stabilize now that the contractor is well established and Cost / Boarding decreases as ridership increases.



## VanRide

At the end of the 4<sup>th</sup> quarter, VanRide data is limited to just the number of van pools, which has increased to 102, within 15% of the pre-pandemic level.

## FlexRide

FlexRide ridership decreased in the 4<sup>th</sup> quarter of FY2022 compared to FY2021 due to reduced FlexRide service area. In FY2021, as part of the pandemic response, FlexRide service was expanded to replace some low-ridership fixed routes and has been reduced as fixed route services were restored in August 2021.



# FY2022 Q4

## Service and Satisfaction Report

<b>Fixed Route</b>	<b>FY 2019</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Q4 21 -</b>	<b>Q4 19 -</b>
<b>Measure</b>	<b>Q4</b>	<b>Q4</b>	<b>Q4</b>	<b>Q4 22</b>	<b>Q4 22</b>
Revenue Miles	918,607	690,900	833,701	21%	-9%
Revenue Hours	63,595	52,305	64,245	23%	1%
Operational Cost	\$8,632,237	\$7,740,606	\$9,959,733	29%	15%
Boardings	1,617,794	665,126	977,164	47%	-40%
Boardings/Revenue Hour	23.6	12.7	15.2	20%	-36%
Cost/Revenue Hour	\$135.74	\$147.99	\$155.03	5%	14%
Cost/Boarding	\$5.34	\$11.64	\$10.19	-12%	91%
Preventable Accidents Injury/100,000 miles	1.9	1.4	1.1	-22%	-41%
On-time Performance	72%	75%	NA	NA	NA
Percent of Passengers on an On-time Bus	72%	NA	NA	NA	NA
Avg Miles Between Road Calls	26,667*	NA	30,495	NA	14%
Average Age of Fleet	6.5	6.4	7.57	18%	16%
Complaints/100,000 Boardings	1.3	0.6	1.3	121%	2%
Compliments/100,000 Boardings	3.1	1.7	1.1	-32%	-64%
* Previously Reported Data integrity concern					
<b>ARide/ParaTransit</b>	<b>FY 2019</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Q4 21 -</b>	<b>Q4 19 -</b>
<b>Measure</b>	<b>Q4</b>	<b>Q4</b>	<b>Q4</b>	<b>Q4 22</b>	<b>Q4 22</b>
Revenue Miles	183,724	144,518	174,418	21%	-5%
Revenue Hours	20,886	10,661	12,032	13%	-42%
Operational Cost	\$1,246,502	\$2,162,030	\$1,056,795	-51%	-15%
Senior Trips	2,885	23	91	296%	-97%
Total ADA Trips	29,003	16,094	18,304	14%	-37%
Cost/Revenue Hour	\$59.68	\$202.80	\$87.83	-57%	47%
Boardings/Revenue Hour	1.53	1.28	1.53	19%	0%
Cost/Boarding	\$39.09	\$134.34	\$57.74	-57%	48%
On-time Performance with 30 Minute Service Window	96%	97%	97%	0%	1%
Complaints/100,000	72.4	142.9	54.6	-62%	-25%
Compliments/100,000	NA	18.6	131.12	603%	NA
ADA Service Denials/ADA Boardings	0	0	0	0%	0%
<b>VanPool</b>	<b>FY 2019</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Q4 21 -</b>	<b>Q4 19 -</b>
<b>Measure</b>	<b>Q4</b>	<b>Q4</b>	<b>Q4</b>	<b>Q4 22</b>	<b>Q4 22</b>
Number of Vanpools at End of Quarter	118	85	102	20%	-13%
<b>FlexRide</b>	<b>FY 2019</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Q4 21 -</b>	<b>Q4 19 -</b>
<b>Measure</b>	<b>Q4</b>	<b>Q4</b>	<b>Q4</b>	<b>Q4 22</b>	<b>Q4 22</b>
Operational Cost (Contractor)	\$52,525	\$203,817	\$154,009	-24%	193%
Trips - East Service Area	816	3,338	2,908	-13%	256%
Trips - West Service Area	817	1,629	1,552	-5%	90%
Cost/Boarding	\$32.16	\$41.03	\$34.53	-16%	7%



# FY2022 Q4

## Quarterly Satisfaction and Service Report: Glossary of Terms

### **Boardings** (*Unlinked Passenger Trips*, a transit industry standard metric)

The number of passengers who board public transportation vehicles. Passengers are counted each time they board a vehicle no matter how many vehicles they use to travel from their origin to their destination. Reported to the National Transit Database.

### **Preventable Accidents and Passenger Injuries**

Total number of accidents that have been judged to be preventable and any passenger injuries. Serious accidents and all injuries are reported to National Transit Database.

### **Miles Between Road Calls**

The average number of times a bus must be taken out of service because of equipment issues, divided by how many miles the fleet has run. Transit industry standard metric.

### **On-time Performance**

Percentage of buses that leave scheduled timepoints within 0-5 minutes of the posted schedule. Transit industry standard metric.

### **Valid Complaints**

A valid complaint is when a customer or non-customer communicates to AAATA that something is unsatisfactory or unacceptable. All complaints are investigated and referred to appropriate staff. A complaint is considered valid if staff investigation confirms the facts alleged.

## FY2022 Q4 Financial Statement

**Finance Committee Review Date: November 8<sup>th</sup>, 2022**

**Board Meeting Review Date: November 17<sup>th</sup>, 2022**

<b>INFORMATION TYPE:</b>
Receive as CEO operational update
<b>RECOMMENDED ACTION(S):</b>
Receive as CEO operational update
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
<ul style="list-style-type: none"> <li>2.10.1.5 CEO shall not...Let the Board be unaware of... incidental information (including) quarterly budget to actual financial reports.</li> <li>Appendix A: Informational Reports schedule specifies quarterly Financial Statement reports in November, February, May, and August.</li> <li>Policy 2.6 Investments and Appendix F Investment Policy.</li> </ul>
<b>ISSUE SUMMARY:</b>
Staff presents the Third Quarter Financial Statement with currently available and reportable financial information for the period ending June 30, 2022.
<b>BACKGROUND:</b>
<p>Financial highlights from the fourth quarter year-to-date (October 2021 to September 2022) include:</p> <ul style="list-style-type: none"> <li>TheRide operated within the budget for the fourth quarter of the year.</li> <li>There was a \$11.565 million surplus of revenue over expense that will be transferred to the capital reserve.</li> <li>Expenses were \$5.7 million lower than budgeted primarily due to less than expected costs across most expense categories. This is primarily a result of reduced service changes for most of the year causing lower operational needs of staff and materials, along with lower purchased transportation demand and start-up costs for the new A-Ride contractor.</li> <li>Revenues were \$6.3 million lower than budgeted. This is primarily a result of less than expected federal operating assistance along with passenger fares. Lower federal operating assistance was received because of lower actual expenses than budgeted. Passenger fares were lower due to less than expected ridership and reduced service changes.</li> <li>The projected balances for the three board-approved reserves are as follows: operating reserve at \$12.9 million or 3.2 months, based on fourth quarter expenses, capital reserve of \$23.5 million, and insurance reserve at \$0.5 million.</li> </ul>

- \$35.9 million in Federal pandemic relief revenue (CARES, ARP) has been used to date to support operations.
- Cash flow was adequate to cover expense; Q4 2022 ended at \$38.7 million in cash and investments.

**IMPACTS OF RECOMMENDED ACTION(S):**

- Budgetary/Fiscal: Demonstrates financial performance for the reporting period
- Governance: Supports Board in financial oversight/fiduciary responsibility

**ATTACHMENTS:**

FY2022 Q4 Financial Statement (Income Statement and Balance Sheet)



Ann Arbor Area Transportation Authority

# Q4 Financial Statement

## Income Statement

For the Period Ended September 30, 2022

### Revenue and Expense (Budget to Actual)

In Thousands of Dollars (which means add a comma and three zeros).

BLACK = FAVORABLE  
RED = UNFAVORABLE

REVENUES	Actual	Actual	Actual	Actual	Actual	Budgeted	Budget Variance	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD	YTD	\$	%
Fares and Contracts	\$ 1,137	\$ 1,056	\$ 1,230	\$ 709	\$ 4,132	\$ 5,718	\$ (1,587)	-27.8%
Local Property Taxes	4,715	4,815	4,665	4,815	19,009	19,259	(250)	-1.3%
State Operating Assist.	3,985	3,958	4,607	4,670	17,220	16,867	353	2.1%
Federal Operating Assist.	975	782	968	908	3,633	6,879	(3,246)	-47.2%
Federal Pandemic Relief	4,399	5,500	4,500	3,000	17,399	18,653	(1,255)	-6.7%
Other Revenues	70	(51)	76	87	182	451	(270)	-59.8%
<b>Total Operating Revenues</b>	<b>\$ 15,280</b>	<b>\$ 16,060</b>	<b>\$ 16,046</b>	<b>\$ 14,188</b>	<b>\$ 61,574</b>	<b>\$ 67,827</b>	<b>\$ (6,254)</b>	<b>-9.2%</b>
<b>EXPENSES</b>								
Salaries, Wages, Benefits	\$ 7,063	\$ 6,444	7,035	\$ 6,571	\$ 27,112	\$ 28,621	\$ 1,509	5.3%
Purchased Transportation	2,837	2,605	2,893	2,472	10,808	14,704	3,897	26.5%
Fuel, Material, Supplies	1,388	974	1,452	1,574	5,388	5,436	48	0.9%
Purchased Services	693	1,018	660	432	2,805	3,597	792	22.0%
Other Expenses	1,046	892	948	1,010	3,896	3,375	(521)	-15.4%
<b>Total Operating Expenses</b>	<b>\$ 13,027</b>	<b>\$ 11,934</b>	<b>\$ 12,989</b>	<b>\$ 12,059</b>	<b>\$ 50,009</b>	<b>\$ 55,734</b>	<b>\$ 5,725</b>	<b>10.3%</b>
<b>Surplus (Deficit)</b>	<b>\$ 2,252</b>	<b>\$ 4,126</b>	<b>\$ 3,057</b>	<b>\$ 2,129</b>	<b>\$ 11,565</b>	<b>\$ 12,094</b>	<b>\$ (529)</b>	<b>-4.4%</b>
<b>Capital Reserve Transfer</b>	<b>\$ (2,252)</b>	<b>\$ (4,126)</b>	<b>\$ (3,057)</b>	<b>\$ (2,129)</b>	<b>\$ (11,565)</b>	<b>\$ (12,094)</b>	<b>\$ 529</b>	<b>-4.4%</b>
<b>Operating Reserve Transfer</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>					
<b>OPERATING BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>					

TheRide had a \$11,564,739 surplus at the end of the fourth quarter and operated within budget.

↓ Revenues were lower than budgeted by \$6,254,000 due to lower passenger fare revenues and reduced use of federal operating assistance reimbursement for expenses. A lag in ridership recovery and reduced fixed route services generated lower fare revenues. Reduced operating expenses have a direct impact on federal operating assistance revenue reimbursement.

↓ Expenses were \$5,725,026 lower than budgeted primarily due reduced operations of fixed route and purchased transportation services. Reduced fixed route services for a portion of the year decreased operations staffing and materials costs and lower demand for paratransit services resulted in lower operating and start-up costs for purchased transportation.

**Federal Pandemic Relief Utilization**  
Expenditures from \$58.7 million in Federal Pandemic Relief funding as of September 30, 2022, for eligible COVID-19-related costs:

Operating Expenditures	\$ 35,904,089
Capital Expenditures	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 35,904,089</b>
<i>Federal Pandemic Funds Remaining:</i>	<i>\$ 22,840,898</i>

### YTD Revenue and Expense By Mode

In Thousands of Dollars (which means add a comma and three zeros).

	Fixed Route	Demand Response	Other Demand Response	Non-Urban	Express Ride	D2A2	VanRide	TOTAL ACTUAL
	<i>Fixed Route Bus</i>	<i>A-Ride</i>	<i>FlexRide, HolidayRide, GoldRide, MyRide, NightRide</i>	<i>WAVE, People's Express</i>	<i>Commuter Express</i>	<i>Detroit Shuttle</i>	<i>VanRide</i>	
<b>DIRECT REVENUE</b>								
Fare Revenue	\$ 1,995	\$ 116	\$ 69	\$ 108	\$ -	\$ 102	\$ -	\$ 2,389
Contract Revenues	1,060	172	119	392	-	-	-	1,742
Advertising, Interest, Other	182	-	-	-	-	-	-	182
Federal Operating	-	-	-	-	-	2,183	-	2,183
State Operating	14,007	1,662	575	765	-	-	212	17,220
<b>Total Direct Revenue</b>	<b>\$ 17,244</b>	<b>\$ 1,949</b>	<b>\$ 763</b>	<b>\$ 1,264</b>	<b>\$ -</b>	<b>\$ 2,285</b>	<b>\$ 212</b>	<b>\$ 23,717</b>
<b>TOTAL EXPENSE</b>								
Salaries, Wages, Benefits	\$ 25,748	\$ 1,089	\$ 100	\$ 120	\$ -	\$ -	\$ 56	\$ 27,112
Purchased Transportation	116	4,348	1,771	1,938	-	1,992	642	10,808
Fuel, Materials, Supplies	5,264	61	32	20	-	-	11	5,388
Contracted Services	2,716	46	-	42	-	-	-	2,805
Other Expenses	3,398	86	45	65	-	294	8	3,896
<b>Total Operating Expense</b>	<b>\$ 37,243</b>	<b>\$ 5,630</b>	<b>\$ 1,948</b>	<b>\$ 2,186</b>	<b>\$ -</b>	<b>\$ 2,285</b>	<b>\$ 717</b>	<b>\$ 50,009</b>
<b>Surplus (Deficit) from OPS</b>	<b>\$ (19,999)</b>	<b>\$ (3,680)</b>	<b>\$ (1,185)</b>	<b>\$ (922)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (506)</b>	<b>\$ (26,292)</b>
<b>ALLOCATED REVENUE</b>								
Local Property Taxes	19,009	-	-	-	-	-	-	19,009
Federal Operating/Pandemic	12,555	3,680	1,185	922	-	-	506	18,848
<b>SURPLUS (DEFICIT):</b>	<b>\$ 11,565</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,565</b>

## Balance Sheet

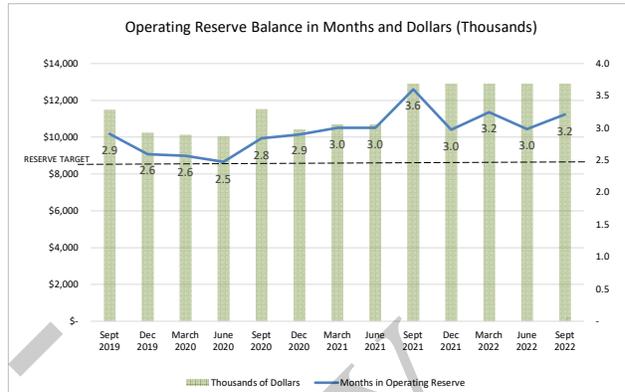
For the Period Ended September 30, 2022

### Balance Sheet and Reserve

In Thousands of Dollars (which means add a comma and three zeros), With Prior Year Comparison.

	Q4 2021 9/30/2021	Q3 2022 6/30/2022	Q4 2022 9/30/2022
<b>ASSETS</b>			
Cash	\$ 23,659	\$ 9,744	\$ 19,087
Investments	11,795	19,659	19,659
Other Current Assets	10,587	25,458	13,387
Capital Assets	46,285	42,451	41,043
<b>Total Assets</b>	<b>92,326</b>	<b>97,311</b>	<b>93,176</b>
<b>LIABILITIES</b>	<b>6,602</b>	<b>5,727</b>	<b>4,367</b>
<b>TOTAL NET POSITION</b>	<b>\$ 85,724</b>	<b>\$ 91,584</b>	<b>\$ 88,809</b>

	Balances		
<b>RESERVES:</b>			
Capital	\$ 11,939	\$ 21,374	\$ 23,503
Insurance	\$ 500	\$ 500	\$ 500
Operating	\$ 10,691	\$ 12,905	\$ 12,905
<b>Months in Operating Reserve</b>	<b>3.6</b>	<b>3.0</b>	<b>3.2</b>



### Statement of Cash Flows (in Thousands of Dollars)

Historical Cash Flows	FY 2020		FY 2021				FY 2022			
	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Beginning Balance:</b>	\$ 13,853	\$ 11,972	\$ 24,031	\$ 19,252	\$ 16,780	\$ 17,506	\$ 35,455	\$ 32,606	\$ 28,626	\$ 29,403
Cash from Operations	(618)	11,383	(251)	(3,755)	966	17,749	(5,079)	(3,775)	573	9,653
Cash from Capital	738	674	472	1,291	(240)	198	2,261	(90)	324	47
Cash from Investments	(2,001)	2	(5,000)	(8)	-	2	(31)	(115)	(120)	(357)
<b>Cash Flow:</b>	<b>\$ (1,881)</b>	<b>\$ 12,059</b>	<b>\$ (4,779)</b>	<b>\$ (2,472)</b>	<b>\$ 726</b>	<b>\$ 17,949</b>	<b>\$ (2,850)</b>	<b>\$ (3,979)</b>	<b>\$ 777</b>	<b>\$ 9,343</b>
<b>Ending Balance:</b>	<b>\$ 11,972</b>	<b>\$ 24,031</b>	<b>\$ 19,252</b>	<b>\$ 16,780</b>	<b>\$ 17,506</b>	<b>\$ 35,455</b>	<b>\$ 32,606</b>	<b>\$ 28,626</b>	<b>\$ 29,403</b>	<b>\$ 38,746</b>

#### Q4 cash flow was positive at \$9.3 million

The Statement of Cash Flows summarizes the amount of cash and cash equivalents entering and leaving AAATA during the reporting period. It measures how AAATA generates cash to fund its operating, capital, and investing needs. Typically negative cash flow is normal for all quarters except the 4th quarter, when property tax receipts generate positive cash flow.

### Investments Summary

In Thousands of Dollars (which means add a comma and three zeros).

Investment Instrument	Date of Maturity	Interest Rate	Total as of 6/30/2022	**Transactions	Total as of 9/30/2022
U.S. Agency Bond	8/12/2022	0.13%	1,500	(1,500)	-
U.S. Agency Bond	11/6/2023	0.25%	2,000		2,000
U.S. Agency Bond	1/19/2024	0.23%	750		750
U.S. Agency Bond	4/8/2024	0.38%	1,000		1,000
U.S. Agency Bond	9/15/2024	2.88%	2,500		2,500
U.S. Agency Bond	9/23/2024	0.50%	2,000		2,000
U.S. Agency Bond	3/28/2025	2.83%	2,500		2,500
U.S. Agency Bond	3/28/2025	3.10%	2,000		2,000
U.S. Agency Bond	6/27/2025	3.25%	2,000		2,000
U.S. Agency Bond	8/8/2025	4.10%	-	1,400	1,400
U.S. Treasury Notes	5/15/2023	0.13%	1,500		1,500
U.S. Treasury Notes	6/30/2024	3.00%	2,000		2,000
Money Market Funds	N/A	0.15%	175	(38)	137
Mark-to-Market Adjustment			(266)	(357)	(623)
<b>Total Investments:</b>			<b>\$ 19,659</b>	<b>\$ (495)</b>	<b>\$ 19,164</b>

Q4 2022 Investment Loss (year to date): \$126,269

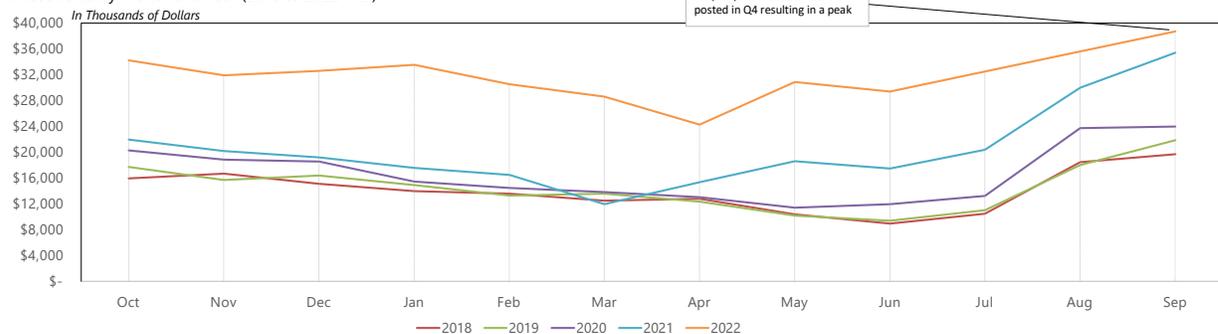
The majority of Operating Capital and Long Term Reserves are federally insured. CDARS (Certificate of Deposit Account Registry Service) allows AAATA funds to be distributed to various banks to ensure funds remain under the FDIC \$250,000 limit. This is facilitated by Bank of Ann Arbor.

U.S. Treasury Bills, Notes, and Agency Bonds are short term bonds (several months to 10 years) backed by the Treasury Department of the U.S. Government. The rates shown for the current investments represent the gross yield-to-maturity rates (before the annual fee of .28%).

A FDIC-insured cash sweep account or accounts that have balances above the FDIC insurance threshold are used for day-to-day working capital.

### Cash and Investments History

Cash and Investments by Month and Year (2018 to 2022 YTD)



---

## CEO Report

**Meeting: Board of Directors**

**Meeting Date: November 17<sup>th</sup>, 2022**

### INFORMATION TYPE

Other

### OPERATIONAL AND PROJECT UPDATES

#### **WASHTENAW EXPRESS AWARDED SEMCOG GRANT**

TheRide was selected to receive \$2.1 million in federal funding from the Southeast Michigan Council of Governments (SEMCOG). This was a part of SEMCOG's Carbon Reduction Program. The program called for transit agencies within the region to submit projects that would have a positive impact on carbon reduction. TheRide's High-Capacity Transit Corridor Service Enhancement project for the Washtenaw Avenue Express Bus Service was selected for this program. The service is included in the agency's [Long-Range Plan, TheRide 2045](#). The limited-stop Express service will allow for more frequent, faster, and reliable service along the corridor, enhancing the connections between Ann Arbor and Ypsilanti. The service is slated to begin operating in Fall 2024.

#### **PROPULSION STUDY-ZERO EMISSION BUSES**

Public meetings are scheduled for November 15. More information can be found at <https://www.theride.org/about/projects/theride-zero-emission-buses>. The CEO is carefully reviewing zoning and other local regulatory issues that may dictate a 2024 timeline for grant submission.

#### **PEOPLE'S EXPRESS UPDATE**

People's Express notified TheRide that it is making plans to provide an intercounty route that will serve the Ypsilanti Transit Center, Belleville Rd., Canton Center Rd., and US-12. Service details are in the development stage and the service start date has not been confirmed.

#### **REPLACEMENT BUSES DELIVERED**

Nova has delivered 8 of 8 buses. Currently in the Acceptance and Post Delivery Inspection phase with numerous issues. Working with Nova to coordinate external vendor repairs and warranty claims. 6 Paratransit E450 14 Passenger Vehicles delivered. Post-delivery and Acceptance inspections are complete with vehicles being transferred to MV.

#### **TEXT MY BUS SIGNS**

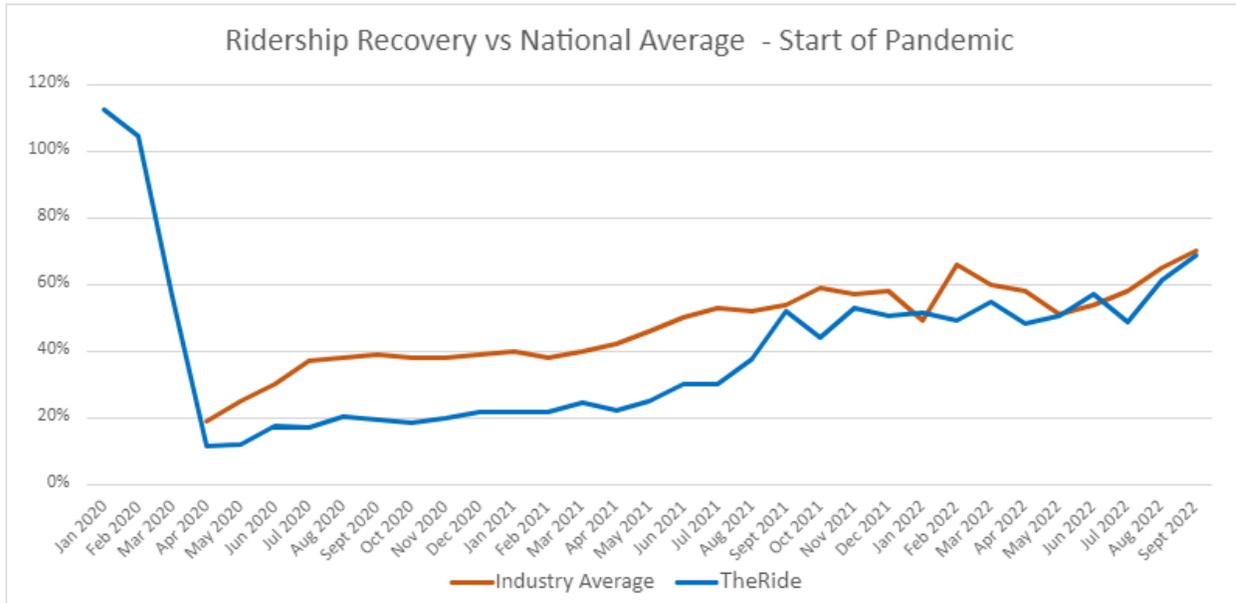
A new sign will be installed at each bus stop with instructions to obtain real time information about upcoming bus arrivals starting in December. All bus stops are scheduled to have the new signs installed by April 2023. Plans are underway to communicate to the public and customers leading up to the installation and during the installation.

#### **SUPPLY CHAIN UPDATE**

Availability and scarcity are continuing to create pressure on the market for tires, wheels, filters, semi-conductors, etc.

## RIDERSHIP

Ridership is continuing to recover, as people return to work and school. September 2022 had the highest ridership recovery since the onset of the pandemic, 69% of the same month in 2019. Ridership during the first month of FY23 matched FY23 projections and were on par with national recover levels.



## FUEL UPDATE

The Estimated Fuel Budget for FY22 is \$4.01 a Gallon and \$ \$3,100,000.00 estimated annual budget overall. As of 11/8/2022 we are \$30,000 under projected budget. Utilization efficiency, and availability remain constant over the last four months. Fuel totals reflect inflation and volatility in the market with little reduction in pressure estimated for FY23 QTR 1.

## LOCAL ADVISORY COMMITTEE(LAC)

The Local Advisory Committee met November 8. The committee received a board report and staff shared updates Paratransit, Fixed Route, and Customer Service.

## TRANSPORTATION COMMISSION (ANN ARBOR)

Staff continues to attend the City of Ann Arbor Transportation Commission meetings. In October the Commission approved the recommendations on equipment purchase(s) and staff support needed to adequately maintain the growing bicycle infrastructure within the City, and the recommendations to incorporate an additional speed management and/or traffic calming in the design for the Seventh & Greenview Project. Other discussions covered the Federal Funding overview, State and Hill project, and the monthly transportation progress report. Staff are planning to make a presentation on propulsion options at the Commission meeting on November 17<sup>th</sup>.

## WATS POLICY COMMITTEE UPDATE

The monthly WATS meeting was cancelled for September – the next meeting was held on October 19<sup>th</sup>. Discussed FY 2023-26 TIP Amendments and Modifications, worked on strategy for additional Federal Funding for FY 2023 and received a presentation of regional safety targets.

**STAFFING UPDATE**

Motor Coach Operator, Paul Merica is retiring after 38 years of service on Friday November 11. Monika Boote officially starts as our new Manager of Human Resources November 14. Open management positions include Manager of Finance, Deputy CEO of Operations, Manager of Public Affairs and Engagement. Three (3) motor coach operators (James Gresham, Markiese Hargrow and Michael Williams) have reached their 5 years of service milestone. Four new MCOs started training November 8<sup>th</sup> and ten (7) new MCOs start on November 29. Interviewing has begun for two additional call takers for the Ypsilanti Transit Center. The last Service Crew position has been filled and three Maintenance Technicians have been hired. Mary Boonin has announced her plans to retire in early January 2023.