

Board of Director's Meeting Agenda

Meeting Date/Time: October 19, 2023 - 6:30 – 9:00pm

Members: Kathleen Mozak (Chair), Mike Allemang (Treasurer), Jesse Miller (Secretary), Chris Allen, Simi Barr, Rich Chang, Monica Ross-Williams, Susan Pollay, Kyra Sims

Location: Ann Arbor District Library (4th Floor)
 Virtual attendance available via [Zoom](#)
 Passcode: 983308

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2. CONSENT AGENDA			
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3. OWNERSHIP LINKAGE			
3.1 Open Dialogue Task Force Updates	O	Chang	Verbal
4. MONITORING			
4.1 Monitoring Task Force Update	O	Allemang	17
5. POLICY			
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7.1 Zero-Emissions Bus Recommendation	O	Carpenter	42
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8. EMERGENT ITEMS			
9. CLOSING ITEMS			
9.1 Action Item Recap	O	Carpenter / Holt	
9.2 Topics for Next Meetings Treatment of the Traveling Public (2.1) Compensation & Benefits Monitoring (2.3) Zero-Emission Bus (Continued 2 of 4)		Thursday, November 16, 2023	
9.3 Public Comment	O		
9.4 Adjournment			

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* M = Monitoring, D = Decision Preparation, O = Other

If additional policy development is desired:

Discuss in Board Agenda Item 3.0 Policy Monitoring and Development. It may be appropriate to assign a committee or task force to develop policy language options for board to consider at a later date.

Emergent Topics

Policy 3.1.3 places an emphasis on distinguishing Board and Staff roles, with the Board focusing on “long term impacts outside the organization, not on the administrative or programmatic means of attaining those effects.” Policy 3.1.3.1 specifies that that Board use a structured conversation before addressing a topic, to ensure that the discussion is appropriately framed:

1. What is the nature of the issue? Is the issue within the scope of the agency?
2. What is the value [principle] that drives the concern?
3. Whose issue is this? Is it the Board’s [Policy, 3.0 and 4.0] or the CEO’s [running the organization, 1.0 and 2.0]?
4. Is there already a Board policy that adequately covers the issue? If so, what has the Board already said on this subject and how is this issue related? Does the Board wish to change what it has already said?

Board of Director's Meeting Minutes

Meeting Date/Time: September 21, 2023 - 6:30 – 9:00pm

Members: Kathleen Mozak (Chair), Mike Allemang (Treasurer), Jesse Miller (Secretary), Chris Allen, Simi Barr, Rich Chang, Monica Ross-Williams, Kyra Sims

Location: Ann Arbor District Library (4th Floor)
Virtual attendance available via Zoom

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

Agenda Item

1. OPENING ITEMS

1.1 Approve Agenda

No changes noted to the agenda.

Mr. Chang motioned to approve the agenda, seconded by Mr. Barr.

All in favor of approving the updated agenda:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

The approval of the updated agenda passed unanimously.

1.2 Public Comment

Jim Mogensen shared concerns related to the new Environmental Sustainability Policy and potential conflicts with other Executive Limitations policies. He asked how the board might address potential challenges with the policy and budgetary considerations.

1.3 General Announcements

Chairwoman Mozak noted the recent resignation of Board member Dr. Elisabeth Gerber – she thanked her for her service during her tenure. She also shared that longtime Local Advisory Council (LAC) member Dr. Elizabeth Aldridge had recently passed. She expressed gratitude for Dr. Aldridge's years of advocacy for the community.

Mr. Barr shared information about the A2 Green Fair that was taking place downtown and thanked the organization for participating and promoting transit oriented activities.

Chairwoman Mozak shared that Monitoring Task Force (not on the agenda) didn't meet in September but will meet in October, the Government Procurement Task Force will begin to meet, and the Governance Committee is reviewing CEO compensation and will make a recommendation to the Board later this year.

1.4 Officer Elections

Chairwoman Mozak opened the floor for nomination for Board Secretary for the 2024 year.

Mr. Chang nominated Mr. Miller, seconded by Mr. Allemang.

Mr. Miller accepted the nomination for Board Secretary for the 2024 year.

All in favor of nominating Mr. Miller for Board Secretary:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

All in favor, none opposed.

Chairwoman Mozak opened the floor for nomination for Board Treasurer for the 2024 year.

Ms. Sims nominated Mr. Allemang, seconded by Mr. Miller.

Mr. Allemang accepted the nomination for Board Treasurer for the 2024 year.

All in favor of nominating Mr. Allemang for Board Treasurer:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

All in favor, none opposed.

Chairwoman Mozak opened the floor for nomination for Board Chair for the 2024 year.

Mr. Chang nominated Chairwoman Mozak, seconded by Mr. Miller.

Chairwoman Mozak accepted the nomination for Board Chair for the 2024 year.

All in favor of nominating Chairwoman Mozak for Board Chair:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

All in favor, none opposed.

2. CONSENT AGENDA

2.1 Board Meeting Minutes August 17, 2023

2.2 Committee Meeting Summaries

Mr. Chang motioned to approve the Consent Agenda, seconded by Ms. Sims

All in favor of approving the Consent Agenda:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

The approval of the Consent Agenda passed unanimously.

3. OWNERSHIP LINKAGE

3.1 Open Dialogue Task Force Updates

Mr. Chang provided an update of the ODTF – after meeting with AA Mayor Taylor, it was requested that TheRide and DDA alternate months providing info/updates to City Council. He is currently working to arrange a meeting with Mayor Brown of Ypsilanti.

4. MONITORING

5. POLICY

5.1 Budget Approval

Mr. Carpenter provided an overview of the budget approval which is a hybrid board process between Policy Governance and traditional budget processes. He shared that the two monitoring reports (Financial Planning & Budgeting and Fare Policy Monitoring) are the first step in the process followed by the board approval of the budget which is required by law. To pass the budget, 60% of serving board members (6 members) must approve the budget.

*Ms. Ross-Williams joined the meeting at 6:42pm

5.1.1 Financial Planning & Budgeting Monitoring (2.4)

Ms. Reed presented the monitoring report for Financial Planning & Budgeting. She noted that the finance committee had recommended the Board accept the report as (A) in compliance. Also noted was a survey comment that policy 2.4.1 may not be in compliance with policy 2.5 and the board might consider reviewing at a later date.

Mr. Allen motioned to accept Financial Planning & Budgeting Monitoring (2.4) as (A) Compliant, seconded by Mr. Allemang.

All in favor of accepting Financial Planning & Budgeting Monitoring (2.4) as (A) Compliant:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Monica Ross-Williams: Yes
Ms. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

The motion to accept Financial Planning & Budgeting Monitoring (2.4) as (A) Compliant, passed unanimously.

5.1.2 Fare Policy Monitoring (2.5.12)

Ms. Reed presented the monitoring report for the Fare Policy which was provided evidence of full compliance. She shared there had been a question in the survey responses regarding fare changes and that there were no fare changes for FY 2023 and no fares will be changed for FY 2024. After comments about clarifying paratransit and flex-ride cost determinations, information was updated in the budget book. After reviewing the monitoring report at their September meeting, the Finance Committee had recommended the Board accept the report as (A) in compliance

Mr. Miller motioned to accept Fare Policy Monitoring (2.5.12) as (A) Compliant, seconded by Ms. Sims.

All in favor of accepting Fare Policy Monitoring (2.5.12) as (A) Compliant:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Monica Ross-Williams: Yes
Ms. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

The motion to accept Fare Policy Monitoring (2.5.12) as (A) Compliant, passed unanimously.

5.1.3 FY2024 Operating and Capital Budget (Decision)

Ms. Reed provided a presentation of the recommended FY2024 Operating and Capital Budget for Board approval ([Board Packet pg.83](#)). She shared that the organization is operating at full service levels, working on accelerating millage services, there are no fare changes, the budget is balanced, and capital projects are fully funded. The FY 2024 Operating and Capital Budget was presented with total expenditures of **\$61,357,289 for Operations** and **\$26,406,000 for Capital Investments**.

Board members thanked Ms. Reed and staff for their work on the budget.

Mr. Allen put forth a motion to adopt the Resolution as presented, seconded by Mr. Chang.

Motion was tabled as a brief sidebar was made to clarify wording in the Resolution.

Mr. Allen put forth a re-motion to adopt the Resolution as presented, seconded by Mr. Chang.

All in favor of adopting the Board Resolution for the *Adoption of the FY2024 Operating and Capital Budget*:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Monica Ross-Williams: Yes
Ms. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

The motion to adopt the Board Resolution for the *Adoption of the FY2024 Operating and Capital Budget* passed unanimously.

6. BOARD EDUCATION/DISCUSSION

7. OPERATIONAL UPDATES

7.1 Title VI Update

Mr. Yang shared a Title VI update – transit agencies are required to provide a review and updates every 3 years and submit the updates by November 30th. Consultants have been working with Mr. Yang's team and the final updates will be ready in October. As a part of the Title VI update, two organizational policies (Public Input and Equity Analysis) have been reviewed and updated and are ready for Board approval.

Mr. Miller put forth a motion to adopt the *Revised Public Input Policy for Service and Fare Changes Resolution* as presented, seconded by Mr. Chang.

All in favor of adopting the *Revised Public Input Policy for Service and Fare Changes Resolution*:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Monica Ross-Williams: Yes
Ms. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

The motion to adopt the *Revised Public Input Policy for Service and Fare Changes Resolution* passed unanimously.

Mr. Chang put forth a motion to adopt the *Revised Equity Analysis Policy for Service and Fare Changes Resolution* as presented, seconded by Mr. Miller.

All in favor of adopting the *Revised Equity Analysis Policy for Service and Fare Changes Resolution*:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Monica Ross-Williams: Yes
Ms. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

The motion to adopt the *Revised Equity Analysis Policy for Service and Fare Changes Resolution* passed unanimously.

7.2 Q3 Service Report

Mr. Brooks shared the Q3 Service Report – he noted that the system software is now running effectively, and on-time performance is now able to be accurately reported. On-time performance is at 81% and overall ridership is at 79% of pre-pandemic levels. Mr. Brooks also followed up on requests from the Service Committee regarding flex-ride denials in the eastern portion of the service area. Operations is reviewing vendor contracts to ensure service expectations are included and outlined. He also shared that service times have been expanded in the eastern service area and better software is in place, so denials are decreasing.

7.3 Construction Grant Authorization Discussion (Policy 2.10)

Mr. Carpenter shared an overview of Policy 2.10 that requires Board approval for the organization to apply for grants. The RTA is requesting TheRide partner with them in applying for a competitive regional grant and he requested approval from the Board to move ahead with applying for the grant.

Ms. Ross-Williams motioned to approve the Construction Grant Partnership Authorization, seconded by Mr. Allemang.

All in favor of approving the Construction Grant Partnership Authorization:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Monica Ross-Williams: Yes
Ms. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

The motion to approve the Construction Grant Partnership Authorization passed unanimously.

7.4 CEO Report

Mr. Carpenter provided an overview of the CEO Report and highlighted that next month he will be providing a Zero-Emissions Bus Propulsion presentation to the board in October. He shared potential impacts of the UAW strike and shared information on a leadership conference provided to staff that Board members are welcome to attend.

8. EMERGENT ITEMS

9. CLOSING ITEMS

9.1 Action Item Recap

Mr. Chang will be coordinating with Mr. Carpenter regarding attending AA City Council meetings, budget was approved, Title VI policies were approved along with the construction grant authorization.

9.2 Topics for Next Meetings

Compensation & Benefits (2.3)
Construction (2.10)
Zero-Emissions Bus CEO Recommendation
Title VI

9.3 Public Comment

Jim Mogensen shared his thoughts on the Title VI public input process and how he would like to participate in having more in-depth conversations related to service expansion and the impacts of route changes.

9.4 Adjournment

Mr. Allen motioned to adjourn the meeting, seconded by Mr. Barr.

All in favor of adjourning the meeting:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Monica Ross-Williams: Yes
Ms. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

Chairwoman Mozak adjourned the meeting at 8:11 pm.

Respectfully Submitted by Deborah Holt

Governance Committee Meeting Notes

Meeting Date/Time: September 28, 2023 – 9:00-11:00am

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

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

Location: REMOTE – Via Zoom

Chairwoman Mozak called the meeting to order at 8:59 am.

Agenda Item
<p>1. OPENING ITEMS</p> <p>1.1 Agenda (Additions, Approval)</p> <p>No new additions or changes noted, and the agenda was approved.</p> <p>1.2 Communications</p> <p>No new communications.</p>
<p>2. BOARD DEVELOPMENT</p> <p>2.1 Recruitment / Training</p> <p>The committee discussed board recruitment efforts.</p> <p>2.2 Task Force Coordination (Monitoring, ODTF, Procurement)</p> <p>Monitoring Task Force will meet in October. ODTF is working to arrange additional meetings as had been reported at the September Board meeting – no other updates to report. Governance Procurement task force consists of board members Rich Chang, Jesse Miller and Kathleen Mozak and work is slated to begin in October. Audit Task Force formation will begin in December.</p> <p>2.3 Committee Agendas</p> <p>Mr. Miller requested YTC Security be removed from the Service Committee meeting agenda as there are no new updates at this time – conversation continues so the topic will be revisited at a later meeting. No other changes were noted. Mr. Allemang noted the Finance Committee agenda was light and had no pressing discussion matters for the agenda, therefore the September meeting will be cancelled. The committee discussed the Board Meeting agenda and determined the Title VI Report should be moved to the Consent Agenda; no other additions or changes were noted.</p>

2.4 Board Meeting Locations

Staff have visited several locations and have narrowed down several options for consideration. Site visits have been planned.

3. POLICY MONITORING & DEVELOPMENT

3.1 Board ID / Compensation

Chairwoman Mozak shared that in October the committee will discuss board member compensation related to using Board IDs for bus passes.

4. STRATEGY & OPERATIONAL UPDATES: CEO

4.1 Title VI Update

Mr. Yang a brief update on the Title VI program process - the final report will be on the Consent Agenda for Board approval at the October Board meeting.

4.2 PTASP Update

Mr. Carpenter provided a brief update related to PTASP.

4.3 YTC Security

No new updates to share.

4.4 CEO Expense Report

Mr. Carpenter shared with the committee his most recent Expense Report and noted expenses are returning to pre-pandemic levels and have been primarily incurred with travel / conferences.

5. CLOSING ITEMS

5.1 Action Item Recap

Agenda updates were noted, and notification will be sent that the October Finance Committee meeting is cancelled, public notification of ZEB discussion at the October Board meeting will be provided via press-release / communications, alternative board meeting sites are continuing to be reviewed.

5.2 Topics for Next Meeting

Planning Policies Review
Board ID / Compensation
PTASP
ZEB

5.3 Adjournment

Chairwoman Mozak thanked the committee and staff and adjourned the meeting at 11:27am.

Respectfully Submitted by Deborah Holt

Service Committee Meeting Notes

Meeting Date/Time: October 3, 2023, 9:00-11:00am

Members: Jesse Miller (Chair), Simi Barr, Rich Chang

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

Location: REMOTE – Via Zoom

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

Agenda Item
1. OPENING ITEMS
<p>1.1 Agenda (Additions, Approval)</p> <p>No additions or changes noted for agenda.</p> <p>1.2 Communications</p> <p>Mr. Chang briefly shared that he had found an informational study related to childcare and transportation that he plans to share with the board.</p> <p>Mr. Yang shared that an architectural/design development contract had been signed for the Ypsilanti Transit Center project and he will continue to share updates as the process unfolds.</p>
2. POLICY MONITORING & DEVELOPMENT
<p>2.1 Construction (2.10)</p> <p>Mr. Carpenter provided an overview of the monitoring report for Construction (2.10) – he noted that the report was straightforward with compliance as little construction had taken place in the last year. He had noted a consideration that 2.10.4 might be consolidated with 2.10.5. The committee discussed the development history of the two policies and that they have been mostly untested related to construction projects.</p> <p>Board survey results supported the report findings and the committee determined they would recommend that the Board accept the report as (A) in Compliance.</p>
3. STRATEGY & OPERATIONAL UPDATES: CEO
<p>3.1 Title VI Update</p> <p>Mr. Yang shared with the committee an update on the Title VI process. This report demonstrates the efforts to support and enhance services for the community with specific focus areas with minority, low-income, and those with limited English proficiency populations. The committee discussed how data is gathered (via on-board surveys) and used within the reports. A draft report was shared with the committee and will be finalized for approval on the Consent Agenda at the October Board meeting.</p>

4. CLOSING ITEMS

4.1 Action Item Recap

Committee will recommend the Board accepts the report as (A) and the Title VI report will be added to the Consent Agenda for the October Board meeting

4.2 Topics for the Next Meeting

Treatment of the Traveling Public (2.1)
ZEB recommendations

Mr. Chang shared that ODTF will be presenting a brief update at the Ann Arbor City Council meeting in October.

4.3 Adjournment

Mr. Miller thanked the committee and staff and adjourned the meeting at 9:51am.

Respectfully submitted by Deborah Holt

DRAFT

Finance Committee Meeting Notes

Meeting Date/Time: October 10, 2023, 3:00 – 5:00pm

Members: Mike Allemang (Chair/Treasurer), Kyra Sims, Chris Allen, Monica Ross-Williams

At the September 28, 2023 Governance Committee Meeting, it was determined that due to a brief agenda and no pressing items of discussion, the October 10, 2023 Finance Committee Meeting would be cancelled.

DRAFT

AAATA Title VI Program Update Report

Meeting: Board of Directors

Meeting Date: October 19, 2023

INFORMATION TYPE
Decision
RECOMMENDED ACTION(S)
That the Board approve the AAATA Title VI Program Update.
PRIOR RELEVANT BOARD ACTIONS & POLICIES
<p>Board approved the updated Public Input Policy and Equity Analysis Policy for Fare and Service Changes on September 21, 2023</p> <p>Several key Board policies: <u>2.5.2 – Prohibits jeopardizing of federal funding (by not complying with regulations)</u> 2.0 – Prohibits violation of federal law and regulations 2.1.2 – Prohibits discrimination against the public (Staff are addressed in 2.2)</p>
ISSUE SUMMARY
<p>To maintain AAATA’s eligibility for federal funding, AAATA <i>must</i> submit its routine Title VI program update report to the Federal Transit Administration (FTA) by December 1, 2023. Although a highly technical Means document prepared by staff, the FTA requires our Board to approve the document. Historically the Board has approved this document via the Consent Agenda as a “Required Approval”.</p> <p>The key updates including the Title VI Complaint Procedure, the Public Input Policy for Service and Fare Change, and the Equity Analysis Policy for Service and Fare Change were available for public review and comments from July 20 to August 20, 2023. A summary of all feedback received was included in the attached Title VI Program Update report.</p> <p>Other Areas of the Title VI Program including Language Assistance Plan, Demographic and Service Profile, Demographic Ridership and Travel Patterns, and Service Standards Monitoring have also been updated based on the most recent Census (2020) and American Community Survey (ACS) 5-Year Data, AAATA’s 2022 Onboard Rider Survey, and AAATA’s Recent Operational Data.</p> <p>The final Title VI Program Update report is attached for Board review and approval.</p>
BACKGROUND
<p>The Department of Transportation (DOT) requires recipients of DOT funds to demonstrate compliance with Title VI of the Civil Rights Act of 1964 through regular compliance reports. The FTA Circular 4702.1B, “Title VI Requirements and Guidelines for FTA Recipients” sets forth the information that should be included in the Title VI</p>

program updates and requires them to be submitted as Title VI programs every three years.

As required by Title VI of the Civil Rights Act of 1964, AAATA's Title VI program needs to demonstrate the Authority has the procedures and resources to ensure public transportation services are provided in a nondiscriminatory manner. AAATA must properly implement its program to ensure nondiscriminatory service, including full and fair public participation, and meaningful access to transit-related programs and activities by persons with limited English proficiency. Prior to implementing any major service changes or any fare change, AAATA must complete an "equity analysis", and submit it for board review and approval.

To ensure a timely completion of this update, staff have engaged an external consulting firm to review and update AAATA's 2020 Title VI program that was submitted to FTA on 11/30/2020. The FTA has accepted AAATA's 2020 Title VI program and identified areas that need to be addressed in this year's update.

As part of this program update, the Public Input Policy and Equity Analysis Policy have been updated and were approved by the Board on September 21, 2023.

IMPACTS OF RECOMMENDED ACTION(S)

- **Budgetary/Fiscal:** Submission of this update necessary to ensure federal funding.
- **Social:** Title VI established federal minimum standards for nondiscrimination.
- **Environmental:** NA
- **Governance:** Board approval required.

ATTACHMENT

- AAATA Title VI Program Update Report

**Monitoring Task Force Update:
Policy review: 2.7.2 and 2.5.3**

Board Meeting Date: October 19th, 2023

INFORMATION TYPE:
Decision
RECOMMENDED ACTION(S):
<p>That the Board approve through motion to:</p> <ol style="list-style-type: none"> 1. Delete policy 2.7.2 as it is redundant with policy 2.5.3 2. Renumber policy 2.7.2.1 as 2.7.2
ISSUE SUMMARY:
<p>The Board monitored policy 2.7 (Asset Protection) on June 22nd 2023 and agreed that policy 2.7.2 was a duplicate of policy 2.5.3. It hence tasked the monitoring taskforce to review the policies and make a recommendation to the Board as to where the policy should be placed.</p> <p>The Taskforce met on October 5th, 2023, discussed the policies and found that the language:</p> <p style="text-align: center;"><i>“Receive, process, or disburse funds under controls that are insufficient to meet the board-appointed auditor’s standards.”</i></p> <p>was better suited to policy 2.5.3 which addresses Financial Activities and Conditions. The taskforce is therefore making a recommendation that the Board make a motion to delete Policy 2.7.2 and renumber policy 2.7.2.1, as 2.7.2.</p>
ATTACHMENTS:
<ol style="list-style-type: none"> 1. Side by side comparison of current policies and recommended policies.

Side by side comparison of current policies and recommended policies.

CURRENT ASSET PROTECTION POLICY	ASSET PROTECTION POLICY WITH RECOMMENDED CHANGES
<p>The CEO shall not allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.</p> <p>Further, without limiting the scope of the above by the following list, the CEO shall not:</p>	<p>The CEO shall not allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.</p> <p>Further, without limiting the scope of the above by the following list, the CEO shall not:</p>
<p>2.7.1 Allow Board members, staff, and the organization itself to be inadequately insured against theft, embezzlement, casualty, and liability losses.</p> <p>2.7.1.1 Unreasonably expose the organization, its Board or staff to claims of liability</p>	<p>2.7.1 Allow Board members, staff, and the organization itself to be inadequately insured against theft, embezzlement, casualty, and liability losses.</p> <p>2.7.1.1 Unreasonably expose the organization, its Board or staff to claims of liability</p>
<p>2.7.2 Receive, process, or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.</p> <p>2.7.2.1 Receive, process, or disburse the organization's assets under internal controls insufficient to detect, deter and prevent fraud or insufficient to prevent and detect significant deficiencies or material weaknesses.</p>	<p>2.7.2 Receive, process, or disburse the organization's assets under internal controls insufficient to detect, deter and prevent fraud or insufficient to prevent and detect significant deficiencies or material weaknesses.</p>
<p>2.7.3 Cause or allow buildings and equipment to be subjected to improper wear and tear or insufficient maintenance.</p>	<p>2.7.3 Cause or allow buildings and equipment to be subjected to improper wear and tear or insufficient maintenance.</p>
<p>2.7.4 Allow intellectual property, information and files to be exposed to loss, significant damage or unauthorized access</p>	<p>2.7.4 Allow intellectual property, information and files to be exposed to loss, significant damage or unauthorized access</p>

<p>2.7.5 Endanger the organization's public image, credibility, or its ability to accomplish Ends.</p> <p>2.7.5.1 Permit inconsistent, disrespectful or untimely response to stakeholder concerns.</p> <p>2.7.5.2 Allow third-party advertising that violates stated agency guidelines for community standards.</p> <p>2.7.5.3 Hire a former Board member as an agency employee or supplier within one year of that member's departure from the Board.</p> <p>2.7.5.4 Hire a sitting elected official or former elected official from any jurisdiction that appoints members to the AAATA Board who has not been out of office for at least one year.</p> <p>2.7.5.5 Proceed with material changes to services, programs or transit facilities that could be foreseen to create significant resistance from the traveling public and external stakeholders because they had not had the opportunity for consultation, or their input had been ignored.</p>	<p>2.7.5 Endanger the organization's public image, credibility, or its ability to accomplish Ends.</p> <p>2.7.5.1 Permit inconsistent, disrespectful or untimely response to stakeholder concerns.</p> <p>2.7.5.2 Allow third-party advertising that violates stated agency guidelines for community standards.</p> <p>2.7.5.3 Hire a former Board member as an agency employee or supplier within one year of that member's departure from the Board.</p> <p>2.7.5.4 Hire a sitting elected official or former elected official from any jurisdiction that appoints members to the AAATA Board who has not been out of office for at least one year.</p> <p>2.7.5.5 Proceed with material changes to services, programs or transit facilities that could be foreseen to create significant resistance from the traveling public and external stakeholders because they had not had the opportunity for consultation, or their input had been ignored.</p>
<p>2.7.6 Authorize the use of vehicles and their operators to transport persons detained by law enforcement for participating in public demonstrations.</p>	<p>2.7.6 Authorize the use of vehicles and their operators to transport persons detained by law enforcement for participating in public demonstrations.</p>

Monitoring Report: Construction (Policy 2.10)

Monitoring Period: FY 2023 (Oct 1st 2022-Sept 30th 2023)

Service Committee Meeting Review Date: Oct 3rd 2023

Board of Directors Meeting Review Date: Oct 19th 2023

INFORMATION TYPE
Monitoring
RECOMMENDED ACTION(S)
<p>That the Board review this monitoring report and consider accepting it as:</p> <ul style="list-style-type: none"> (A) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations. (B) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations, except for the CEO’s stated non-compliance with item(s) x .x, which the Board acknowledges and accepts the proposed dates for compliance.is making reasonable progress towards compliance. (C) <ol style="list-style-type: none"> 1. For policy items x.x.x – there is evidence of compliance with a reasonable interpretation 2. For policy items x.x.x – the interpretation is not reasonable 3. For policy items x.x.x – the interpretation is reasonable, but the evidence does not demonstrate compliance 4. For policy items x.x.x – the Board acknowledges and accepts the CEO’s stated non-compliance and the proposed dates for compliance
PRIOR RELEVANT BOARD ACTIONS & POLICIES
<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"> 1. CEO sends Monitoring Report to all board members 2. At Board meeting, board accepts Monitoring Report through majority vote (or if not acceptable, determines next steps)

ISSUE SUMMARY

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.

Per Appendix A of the Board Policy Manual, this report was scheduled for monitoring in October and was submitted in October. The monitoring period is Fiscal Year 2023 which ranges from 1st October 2022 to 30th September 2023.

I certify that the information is true and complete, and I request that the Board accept this as indicating an acceptable level of compliance.

CEO’s Signature



Date

9/25/2023

ATTACHMENTS

- 1. Monitoring report for Construction (Policy 2.10)

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 Fully Compliant
  Partially Compliant
  Non-Compliant

Preliminary CEO Interpretations and Evidence

POLICY 2.10

The CEO shall not allow construction of a new building or facility or major renovation that is inconsistent with industry standards and grantor expectations, environmentally irresponsible, risks financial jeopardy, or is not aligned with achievement of the Board’s Ends. Further, without limiting the scope of the above by the following list, the CEO shall not:

Degree of Compliance: Compliant

Interpretation

I define key terms as follows:

1. A new **“building”** is an edifice or structure with walls and a roof which remains in one place and is intended to be permanent. This does not include structures such as bus shelters or temporary storage structures.
2. A new **“facility”** is a significant piece of infrastructure that remains in one place (e.g., a bus terminal platform, a park n ride lot, a storage yard, a rail line, roads, power lines, sewers, etc.) and is intended to be permanent. A building can be a part of a larger facility. Due to their ubiquity and small scale, bus stops, pads, shelters and benches, and adjoining sidewalks are excluded.
3. A **“major renovation”** is a significant, permanent change to an existing building or facility that 1) changes the exterior dimensions, or 2) fundamentally changes the function of part or all of a building or facility. This does not include maintenance activities, repairs or routine upgrades, replacement of worn-out elements, or renovations of interior spaces, etc. (e.g., roof replacement, remodeling offices). Such projects are addressed through annual facility maintenance budgets and are not reported on under this policy. Any individual maintenance project costing more than \$250,000 will be identified individually in an annual budget proposal to increase transparency.

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when

- A. Lower-level policies are compliant.
- B. In the case of construction, close out letters, Triennial reviews or any other official correspondence from the Federal Transit Administration (FTA) verifies that their expectations with respect to industry standards, environmental responsibility, construction, and grantor expectations have been met.

Rationale

These interpretations are reasonable because:

- A. The Board has interpreted “financial risk” and “alignment with Ends achievement” in the lower-level policies below.
- B. The FTA will mostly likely be the primary grantor for most major construction and capital projects, 2) the FTA’s expectations will be laws and regulations that are either

legal requirements or conditions of receiving federal funding and will have to be met anyway, 3) the FTA promulgates a great deal of information about standards that can be understood in advance and followed, and 4) the FTA will provide outside verification as to whether their expectations were met.

Evidence

Source of Data: AAATA planning records

Date of Data Review: 9/19/23 as verified by DCEO, Planning and Innovation

Data:

- A. All lower-level policies are compliant
- B. There was no qualifying construction in the monitoring period.

POLICY 2.10.1

Proceed with funding applications, detailed architecture or engineering, procurement of construction services, or real-estate transactions for a construction or major renovation project.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when the minutes from the meeting date at which formal Board approval (annual budget or amendment) for *implementation* activities was granted before contracts are signed initiating implementation activities.

I interpret this policy to mean that Board approval must be secured *before* the CEO can proceed with work related to the *implementation* of a construction project, including applying for funding to pay for implementation activities. In the context of this policy “**construction**” is narrowly interpreted to cover activities related to *implementation* of a physical project and does *not* include the *planning or exploratory* work needed for the development of such projects which are delegated to the CEO. *Implementation* activities include:

- Applying for competitive grants or earmarks directly connected with implementation of a project,
- Hiring anyone to finalize plans/designs/engineering,
- Hiring anyone to provide demolition, earthwork, utility relocation, paving, or construction services, and
- The purchase, disposal or long-term encumbrance of land property,

Rationale

The distinction between *implementation* activities and *exploratory/planning* work is reasonable because:

1. This policy exists to exert Board control over large *final commitments* (financial or political) by the agency. The implementation activities defined above addresses those concerns. Exploratory or planning work (e.g., conceptual/preliminary planning, legal investigations, consultant studies, site evaluation, regulatory reviews, real estate queries, soil testing, and some precursor engineering work) is not a commitment and the Board still retains final authority.
2. Development of projects is a Means and generally delegated to the CEO and their professional staff (policy 4.3.3).
3. This policy does not tell staff how to conduct planning, but only what sort of information the Board expects the CEO to produce before construction will be approved.
4. Exploratory work is often necessary for the CEO to decide whether a project is even viable and worth pursuing.
5. If a project is worth pursuing, the CEO may not be able to provide the information required by the Board in policy 2.10.1 without preliminary work beforehand. For example, exploratory studies may be necessary to develop preliminary cost estimates.
6. It is not possible for a public sector agency to investigate potential construction projects without effective public expectations to some degree. Such expectations need to be managed by staff. The existence of such expectations, although sometimes a political concern, is not a justification for Board control over planning activities.
7. Large studies will likely require Board authorization through the annual budget process, providing another means of Board oversight.

Further, the use of meeting minutes and document dates is reasonable because board meeting minutes are the official documentation of board decisions, and the dates will document the sequence in which actions occurred.

Evidence

Source of Data: Board meeting minutes and CEO correspondence with RTA

Date of Data Review: 9/22/23 as verified by the Corporate Strategy & Performance Officer

Data:

- A. There was no qualifying construction during the monitoring period and none of the construction implementation activities, including requesting of grants for construction purposes occurred in FY 23.
- B. One funding opportunity was pursued during the period. A review of draft meeting minutes for September 21, 2023 found that the CEO was granted approval by the Board to participate in a regional grant proposal that could win funds for bus stop and queue jumper construction. A letter of support to the RTA was sent the following day.

POLICY 2.10.1.1

Request authorization to proceed with a project prior to providing information that demonstrates that such construction is fiscally responsible and aligned with achievement of the board’s Ends, and without providing data that supports an informed decision by the board – including but not limited to clearly articulated information about the following:

- A. Definition of the project’s purpose and goals.
- B. Definition of the project’s key elements and rationale for their inclusion.
- C. Definition of the project’s strategic context, and contribution to advancing the board’s Ends or other policies.
- D. Explanation of the project’s priority relative to other capital needs.
- E. Estimates of the capital cost, ongoing operating and maintenance costs, and expected useful life associated with the project.
- F. Explanation of anticipated funding sources and financing mechanisms.
- G. Definition of risks associated with the project.
- H. Project timeline.
- I. Public involvement process.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when the minutes of the Board meeting record that a CEO’s request for Board approval of an element of implementation of a construction project comes in the form of a proposal that answers the questions identified for each of the elements interpreted below:

1. **Scope** – What is the nature of the project? What are the most important elements?
2. **Alignment with Ends & Rationale** – Description of how the project will advance specific goals identified by the Board
3. **Public Involvement** – How has the public been engaged in the development of the proposal thus far? How will the public be engaged going forward?
4. **Priority** – Why is this project being prioritized ahead of other projects? How would this project affect the 10-Year Capital Plan?
5. **Fiscal responsibility** –
 - a. What are the anticipated capital and operating costs during the life of the project?
 - b. How will the capital and operating costs of the project be paid for during the lifespan of the project? What assumptions are made regarding outside grant funding, funding from the Capital Reserve, or local millage funds?
 - c. How would the approval of this project impact the agency’s ability to maintain existing services and infrastructure, or afford other projects?
6. **Timeline** – What are the expected dates of major milestones such as construction, opening/initiation, operating lifespan, decommissioning?

7. **Risks** – What social, environmental, financial, operational, or other risks have been identified? Are there ways to mitigate risks?

Rationale

This interpretation is reasonable because minutes are the official record of the Board’s meetings and identify when a request is made. The elements of the proposal address all of the items specified by the Board in its policy.

Evidence

Source of Data: AAATA Planning Documents

Date of Data Review: 9/22/23 as verified by Corporate Strategy & Performance Officer.

Data:

During the monitoring period, there was one request for authorization on September 21, 2023. A review of the board packet item 7.3 found that the above information was provided. A review of minutes found no other requests for authorization during the monitoring period.

POLICY 2.10.1.2

Request authorization to proceed with a project without incorporating it into an annual budget or a budget amendment.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when meeting minutes demonstrate that all requests to fund *implementation* activities were identified to the Board as part of the budget process, either the regular budget-approval or through a mid-year budget amendment.

Rationale

This interpretation is reasonable because minutes are the official record of the Board’s meetings and identify if and when a request is made, and whether it was approved.

Evidence

Source of Data: AAATA Planning Documents

Date of Data Review: 9/19/23 as verified by DCEO, Finance and Administration

Data: There were no qualifying construction projects in the monitoring period.

POLICY 2.10.2

Expend funds on a construction project prior to having confirmed funding for that stage

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement

Compliance will be demonstrated when dates for the initial written notice-to-proceed orders and first invoices occur *after* confirmation that funding is available, such as Board approval of a budget or written confirmation from an outside funder (e.g., notice of award or full funding grant agreement from the FTA).

Rationale

This is reasonable because each stage of a project can have an initiation point with an initial notice-to proceed order that is always in writing with a date, and dated invoices precede expenditures. Only the initial dates are warranted because there could be hundreds of subsequent invoices for various stages, but none could occur without the initial notice-to-proceed. Funding confirmations come from the Board vote, or state or federal government and should not be considered final until written notice is received

Evidence

Source of Data: AAATA budget records

Date of Data Review: 9/19/23 as verified by DCEO, Finance and Administration

There were no qualifying construction projects during the monitoring period and therefore no expenditures.

POLICY 2.10.3

Proceed with construction that does not minimize inconvenience to the travelling public and those businesses and residences directly impacted to the extent that is reasonably practicable.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement

Compliance will be demonstrated when

- A. Policy 2.10.3.1 and 2.10.3.2 are compliant
- B. Construction projects include a plan to minimize or mitigate public inconvenience that is deemed reasonable by the CEO and in the context of the project.

Rationale

- A. Compliance of this policy is dependent on compliance of its sub policies
- B. Construction projects almost always cause some level of disruption, vary in scale and impact, and therefore need to be developed in context. The requirement for a plan allows for this context while ensuring the issue is addressed beforehand.

Evidence

Source of Data: AAATA Planning documents

Date of Data Review: 9/19/23 as verified by DCEO, Planning and Innovation

Data:

- A. Lower-level policies are compliant
- B. There were no qualifying construction projects during the monitoring period.

POLICY 2.10.3.1

Proceed without providing timely and accurate information to the travelling public, residents and business owners.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when review of public notices about foreseeable construction-related disruptions (e.g., closures, changes to services, etc.) confirms that notices were provided at least 7 days before activities begin, or blanket notices about uncertain timing are provided at least 14 days in advance. Public notice includes, at a minimum: media releases, website and social media notices, hardcopy notices where applicable, attempts to information nearby residents and property owners.

Rationale

These time periods are reasonable because they allow the public to make alternate arrangements, and construction timelines can sometimes need to change to keep a project progressing on schedule or on budget. Additionally, public notices are our standard means of informing the public and are recognized as official. Finally, non-construction information is addressed under policy 2.1.2.

Evidence

Source of Data: AAATA Planning documents

Date of Data Review: 9/19/23 as verified by DCEO, Planning and Innovation

Data:

There was no construction project during the monitoring period and therefore no information was provided.

POLICY 2.10.3.2

Proceed with construction project or changes to the project that could be foreseen to create significant resistance from the traveling public and external stakeholders because they had not had the opportunity for consultation.

Degree of Compliance: Compliant

Interpretation

I interpret this policy to apply to the logistics and impacts of direct construction activities (i.e., closures, site prep, demolition, earthworks, excavation, utility changes, paving, construction, etc.), not preceding decisions about project need, scope, cost, location, etc., covered under 2.7.5.5 (general public consultation requirement). The policy does not require construction to stop due to resistance, only that there were reasonable opportunities for input beforehand.

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when reasonable consultation opportunities are provided prior to finalizing construction plans and are publicized beforehand. Consultation includes providing information on anticipated construction activities and plans, opportunities to provide feedback and identify concerns, efforts to mitigate impacts, and notice of final decision. Depending on the project context, this could include posted notices, website information, or public meetings.

Rationale

This interpretation is reasonable because it recognizes that construction is inherently disruptive and can cause resistance, requires consultation, attempts at mitigation before construction begins, and calls for communication with the public beforehand.

Evidence

Source of Data: AAATA Planning documents
Date of Data Review: 9/19/23 as verified by DCEO, Planning and Innovation
Data:
 There was no construction project during the monitoring period and no consultation was required or provided.

POLICY 2.10.4

Allow the board to be unaware of political, residents' and businesses' issues related to the proposed construction.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement

Compliance will be demonstrated when a review of board meeting materials and//or agency email communications finds that all significant known concerns with construction activities have been shared with the board.

Rationale

Sharing such information with the Board during meetings, or by email if time sensitive, is a reasonable way to meet the Board's expectations.

Evidence

Source of Data: AAATA Planning documents

Date of Data Review: 9/19/2023 as verified by DCEO, Planning and Innovation

Data:

No new construction projects were proposed to the public in FY23 and therefore no concerns to share.

POLICY 2.10.5

Allow the board to be without regular reports on the project’s implementation, including but not limited to:

- A. Changes to the anticipated cost of the project.
- B. Changes to the elements/scope of the project.
- C. Changes to scheduled completion, delays or impacts to timelines.
- D. Timely notice of possible cost overruns and planned action to reduce impact.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when the Board receives at least monthly updates on construction projects which address the details outlined in items A-D above, which would be compared with assumptions created at the beginning of the project and shared with the Board.

Rationale

This interpretation is reasonable because items A-D are self-explanatory and monthly updates can be provided at board meetings.

Evidence

Source of Data: AAATA Planning documents
Date of Data Review: 9/19/2023 as verified by DCEO, Planning and Innovation
Data:
 There was no construction project during the monitoring period.

CEO Notes

Suggest considering whether 2.10.4 should be a part of 2.10.5.

Policy Trendlines

Policy	FY22	FY23	FY 24
2.10	Cannot be determined	Policy is not compliant	Policy is compliant
2.10.1	Policy is not compliant	Policy is not compliant	Policy is compliant
2.10.1.1	Cannot be determined	Policy is not compliant	Policy is compliant
2.10.1.2	Cannot be determined	Policy is not compliant	Policy is compliant
2.10.2	Cannot be determined	Policy is compliant	Policy is compliant
2.10.3	Cannot be determined	Policy is compliant	Policy is compliant
2.10.3.1	Cannot be determined	Policy is compliant	Policy is compliant
2.10.3.2	Cannot be determined	Policy is compliant	Policy is compliant
2.10.4	Cannot be determined	Policy is compliant	Policy is compliant
2.10.5	Cannot be determined	Policy is compliant	Policy is compliant

LEGEND	
Policy is not compliant	Policy is not compliant
Policy is partially compliant	Policy is partially compliant
Policy is compliant	Policy is compliant
Cannot be determined	Cannot be determined

Guidance on Determining “Reasonableness” of CEO Interpretations

Are the interpretations reasonable?

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.

Is evidence verifiable?

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.

Board's Conclusion on Monitoring Report

Board's conclusion after monitoring the report.

Following the Board's review and discussion with the CEO, the Board finds that the CEO:

- (A) a reasonable interpretation for **all** policy items and that the evidence demonstrates compliance with the interpretations.
- (B) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations, except for the CEO's stated non-compliance with item(s) x .x, which the Board acknowledges and accepts the proposed dates for compliance.is making reasonable progress towards compliance.
- (C)
 1. For policy items x.x.x – there is evidence of compliance with a reasonable interpretation
 2. For policy items x.x.x – the interpretation is not reasonable
 3. For policy items x.x.x – the interpretation is reasonable, but the evidence does not demonstrate compliance
 4. For policy items x.x.x – the Board acknowledges and accepts the CEO's stated non-compliance and the proposed dates for compliance

Board Notes: (If Applicable)

WORKSHEET RESULTS:

Construction (Policy 2.10)

Participants: 6 Board Members

Performance on reasonable interpretation and verifiable evidence			
	% of Board members that find the interpretation reasonable	% of Board members that find the evidence verifiable	Additional comments if NO stated
<p>Policy 2.10 The CEO shall not allow construction of a new building or facility or major renovation that is inconsistent with industry standards and grantor expectations, environmentally irresponsible, risks financial jeopardy, or is not aligned with achievement of the Board's Ends. Further, without limiting the scope of the above by the following list, the CEO shall not:</p>	100%	100%	
<p>Policy 2.10.1 Proceed with funding applications, detailed architecture or engineering, procurement of construction services, or real-estate transactions for a</p>	100%	100%	

<p>construction or major renovation project.</p>			
<p>Policy 2.10.1.1 Request authorization to proceed with a project prior to providing information that demonstrates that such construction is fiscally responsible and aligned with achievement of the board's Ends, and without providing data that supports an informed decision by the board – including but not limited to clearly articulated information about the following: A. Definition of the project's purpose and goals. B. Definition of the project's key elements and rationale for their inclusion. C. Definition of the project's strategic context, and contribution to advancing the board's Ends or other policies. D. Explanation of the project's priority relative to other capital needs. E. Estimates of the capital cost, ongoing operating and maintenance costs, and expected useful life associated with the project. F. Explanation</p>	<p>100%</p>	<p>100%</p>	

<p>of anticipated funding sources and financing mechanisms. G. Definition of risks associated with the project. H. Project timeline. I. Public involvement Process</p>			
<p>Policy 2.10.1.2 Request authorization to proceed with a project without incorporating it into an annual budget or a budget amendment.</p>	100%	100%	
<p>Policy 2.10.2 Expend funds on a construction project prior to having confirmed funding for that stage.</p>	100%	100%	
<p>Policy 2.10.3 Proceed with construction that does not minimize inconvenience to the travelling public and those businesses and residences directly impacted to the extent that is reasonably practicable.</p>	100%	100%	
<p>Policy 2.10.3.1 Proceed without providing timely and accurate information to the travelling public, residents and business owners.</p>	100%	100%	

<p>Policy 2.10.3.2 Proceed with construction project or changes to the project that could be foreseen to create significant resistance from the traveling public and external stakeholders because they had not had the opportunity for consultation.</p>	100%	100%	
<p>Policy 2.10.4 Allow the board to be unaware of political, residents' and businesses' issues related to the proposed construction.</p>	100%	100%	
<p>Policy 2.10.5 Allow the board to be without regular reports on the project's implementation, including but not limited to: A. Changes to the anticipated cost of the project. B. Changes to the elements/scope of the project. C. Changes to scheduled completion, delays or impacts to timelines. D. Timely notice of possible cost overruns and planned action to reduce impact.</p>	100%	100%	

Additional context questions

1. Is there any reason to doubt the integrity of the information presented?

Responses – No - 5

Yes – 1 (*No additional context info provided*)

2. 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?

Responses - N/A - 6

3. 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.)

Responses – No – 5

Yes - 1

- The CEO recommends reviewing policy and "Suggest considering whether 2.10.4 should be a part of 2.10.5." The board may wish to review this suggestion.

APPROXIMATELY HOW MANY MINUTES DID IT TAKE YOU TO FILL OUT THIS FORM?

8, 30, 10, 35

Zero Emission Bus - CEO Recommendation

Meeting: Board of Directors

Meeting Date: October 19, 2023

INFORMATION TYPE
Other
RECOMMENDED ACTION(S)
Receive for information and discuss through January 2024.
ALTERNATIVE OPTION(S)
Decision is not required until January 2024 at which time the Board can approve, defer or reject the recommendation.
PRIOR RELEVANT BOARD ACTIONS & POLICIES
Global Executive Constraint (2.0) Financial Planning / Budgeting (2.4) Environmental Sustainability policy (2.11)
ISSUE SUMMARY
The CEO is bringing forward a recommendation for a zero-emission bus pilot project. Board discussions can continue until January 2024, when a grant deadline becomes imminent. The CEO foresees two separate board approvals in 2024.
BACKGROUND
<p>The Board has directed staff to investigate ways to reduce the agency’s pollution output. As buses are the largest source of carbon emissions from a transit agency, staff have focused on developing recommendations for zero-emissions buses propulsions. Other vehicles and facilities will be the subject of future work.</p> <p>For a variety of reasons detailed in the attachments and an accompanying video presentation, the CEO is recommending a pilot project test of hydrogen fuel-cell buses.</p> <p>Requiring 4-5 years, the pilot will include:</p> <ul style="list-style-type: none"> • 2 hydrogen fuel cell buses and equipment, • 1 outdoor fueling station, • Workforce training, and • 12 months of operation in all seasons. <p><i>If successful, the pilot will increase confidence for fully deploying a solution that eliminates all bus emissions while minimizing fiscal risks for passengers and services. Although emissions savings from the pilot will be modest, elimination of <u>all</u> bus emissions would save about 7,000 tons of carbon emissions per year.</i></p>

Timeline & Approvals

To meet anticipated grant deadlines in March/April 2024, the CEO anticipates asking the Board for two, increasingly firm, approvals:

1. First, a general agreement from the Board that they want staff to pursue the grant application. This can be by consensus or vote if necessary. The CEO would like to ask the Board for this agreement by January 2024 at the latest.
2. Second, a firmer commitment represented by approval of a federally required "Transition Plan" that outlines our general intent to pursue zero-emissions technology. This will likely come along with a final project proposal in March 2024. If a grant is submitted and approved, TheRide will be committed and need to incorporate costs into future annual budgets.

Priorities

Although there is much to discuss concerning the strengths and weaknesses of various technologies, the CEO feels the main points the Board may want to consider are: our risk tolerance (both proceeding and not proceeding bring risks), and the relative priority for use of limited Capital Funds between emissions reduction efforts and infrastructure projects. Attachments illustrate financial implications for other projects. In the short term, the agency can afford the pilot project. But full deployment of a new propulsion system will exacerbate a lack of long-term capital funding and be in competition with Bus Rapid Transit for scarce local matching funds.

Costs

The capital costs make the pilot project dependent on securing competitive federal grants, specifically the [Low-No Emissions Grant](#). This grant will pay for about 80% of capital costs. A grant application will constitute a commitment for TheRide to spend capital and operation funds in FY2025-FY2029, should the grant be successful. Initial cost estimates for the recommended hydrogen pilot project are provided below, and will be finalized before Board action.

Capital Costs: \$5.5-\$7.5 million in total

- TheRide: \$1.1-\$1.5 million
- Federal: \$4.4-\$6 million

Operating Costs: \$1.4-\$3.3 million

Subtotal for TheRide: \$2.5-\$4.8 million

Total project costs: \$6.9-\$10.8

Funding for the non-federal share would need to come from TheRide's limited Capital Reserve, which would also need to be used for some operating costs. The Michigan DOT may help pay for a portion of the non-federal capital expenses as well (TBD).

IMPACTS OF RECOMMENDED ACTION(S)

- Budgetary/Fiscal: Pilot project is contingent on winning competitive federal grant and using TheRide's Capital Reserve.
- Social: Any new buses would need to be rotated through all neighborhoods (equity).
- Environmental: Help to create confidence in larger investments to eliminate most agency carbon emissions.
- Governance: Board approvals required.

ATTACHMENTS

1. CEO Recommendation Presentation Slides (Video also sent)
2. Illustrative 10-Year Capital Plan

Attachment 2

(\$ in thousands)		FY2024 Budget		FY2025 - FY2033 Program									
Category	Project Description	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	Total	
STATE OF GOOD REPAIR	Vehicles	\$ 7,745,000	\$ 7,977,350	\$ 8,216,671	\$ 8,463,171	\$ 8,717,066	\$ 8,978,578	\$ 9,247,935	\$ 9,525,373	\$ 9,811,134	\$ 10,105,468	\$ 88,787,745	
	Equipment	435,000	447,427	460,580	474,037	487,808	502,443	517,516	533,041	545,164	557,651	4,960,668	
	Existing Facilities	13,849,000	3,590,000	2,690,000	2,690,000	2,690,000	2,690,000	2,690,000	2,690,000	2,690,000	2,690,000	2,690,000	38,959,000
	Information Technology	435,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,235,000
	Category Total		22,464,000	12,214,777	11,567,250	11,827,208	12,094,874	12,371,020	12,655,451	12,948,415	13,246,299	13,553,119	134,942,414
VALUE ADDED <small>*Vaule added bus costs are the incremental cost of a bus for zero emissions, not the absolute costs of a zero emissions bus</small>	Technology Upgrades (ITS, Smart Card)	450,000	1,850,000	2,150,000	2,150,000	2,150,000	150,000	150,000	150,000	150,000	150,000	9,500,000	
	Zero-Emissions Buses*	-	-	1,510,000	-	-	-	6,623,723	6,372,435	6,113,608	5,847,016	26,466,782	
	Zero-Emissions Facilities Infrastructure	-	-	3,000,000	-	-	-	20,000,000	-	-	-	23,000,000	
	Zero-Emissions Maintenance Equipment	-	-	100,000	25,000	25,000	25,000	100,000	150,000	150,000	150,000	725,000	
	Bus Stop Improvements	302,000	302,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	3,084,000	
	Transit Priority	700,000	1,200,000	1,000,000	1,000,000	1,030,000	2,000,000	2,000,000	2,000,000	1,030,000	1,030,000	1,030,000	12,990,000
	Category Total		1,452,000	3,352,000	8,070,000	3,485,000	3,515,000	2,485,000	29,183,723	8,982,435	7,753,608	7,487,016	75,765,782
RESEARCH & DEVELOPMENT	Emergent R&D	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000	
	Zero-Emissions R&D	-	75,000	25,000	25,000	25,000	100,000	50,000	25,000	-	-	325,000	
	Category Total	25,000	100,000	50,000	50,000	50,000	125,000	75,000	50,000	25,000	25,000	575,000	
EXPANSION	Ypsilanti Transit Center	Land Acquisition	-	1,000,000	-	-	-	-	-	-	-	1,000,000	
		Planning, NEPA, & Design	1,268,000	741,600	981,333	420,700	-	-	-	-	-	-	3,411,632
		Construction	-	-	5,463,635	13,506,106	-	-	-	-	-	-	18,969,741
		YTC Subtotal	1,268,000	1,741,600	6,444,968	13,926,806	-	-	-	-	-	-	-
	Blake Transit Center	Planning, NEPA, & Design	155,000	-	-	-	-	-	-	-	-	-	155,000
		Construction Contribution	-	-	1,051,246	3,004,999	1,225,679	-	-	-	-	-	5,281,924
		BTC Subtotal	155,000	-	1,051,246	3,004,999	1,225,679	-	-	-	-	-	-
	Bus Rapid Transit	Planning, NEPA, & Design	100,000	412,000	530,450	273,182	4,502,035	3,651,713	417,918	614,937	633,385	3,261,933	14,397,554
		Construction & Vehicles	-	-	-	-	-	8,647,681	20,000,000	28,136,178	23,000,000	1,700,000	81,483,859
		BRT Subtotal	100,000	412,000	530,450	273,182	4,502,035	12,299,394	20,417,918	28,751,115	23,633,385	4,961,933	95,881,413
	Bus Maintenance & Storage Facility	Land Acquisition	-	-	1,591,350	-	-	-	-	-	-	-	1,591,350
		Planning, NEPA, & Design	350,000	824,000	848,720	3,278,181	3,939,281	-	-	-	-	2,060,000	11,300,182
		Construction	-	-	-	-	-	25,000,000	30,000,000	10,000,000	-	-	65,000,000
		Garage Subtotal	350,000	824,000	2,440,070	3,278,181	3,939,281	25,000,000	30,000,000	10,000,000	-	2,060,000	-
	Information Technology	New Fare Technology	-	-	-	206,000	721,000	2,163,000	1,030,000	-	-	-	4,120,000
		Customer Experience Technology	100,000	103,000	103,000	103,000	154,500	123,600	123,600	120,000	123,600	123,600	1,177,900
		First and Last Mile Solutions	80,000	82,400	82,400	82,400	82,400	82,400	82,400	80,000	82,400	82,400	819,200
		Operational Innovations	350,000	360,500	360,500	360,500	360,500	360,500	360,500	350,000	360,500	360,500	3,584,000
		Information Technology Subtotal	530,000	545,900	545,900	751,900	1,318,400	2,729,500	1,596,500	550,000	566,500	566,500	9,701,100
	Additional Vehicles for Service Expansion	Transit Hubs	-	-	-	103,000	206,000	1,030,000	1,030,000	-	309,000	515,000	3,193,000
Additional Vehicles for Service Expansion		62,000	-	63,860	-	-	2,021,890	1,291,620	146,000	1,894,170	86,520	5,566,060	
Category Total		2,465,000	3,523,500	11,076,493	21,338,068	11,191,395	43,080,784	54,336,038	39,447,115	26,403,055	8,189,953	221,051,402	
EXPENSE TOTAL		\$ 26,406,000	\$ 19,190,277	\$ 30,763,744	\$ 36,700,276	\$ 26,851,269	\$ 58,061,804	\$ 96,250,212	\$ 61,427,965	\$ 47,427,962	\$ 29,255,088	\$ 432,334,597	

Funding Sources	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	Total
FORECASTED:											
5307 Federal + State Match	17,885,000	13,945,470	15,254,555	16,241,994	14,669,650	18,022,400	15,133,460	14,387,064	13,420,888	15,784,606	141,937,041
5339 Federal + State Match	4,536,000	1,187,137	1,210,879	1,235,097	1,259,799	1,284,995	1,310,695	1,336,909	1,363,647	1,363,647	18,097,378
CMAQ Federal + State Match	1,717,000	1,785,670	1,857,096	1,931,380	2,008,635	2,088,981	2,172,540	2,259,441	2,349,819	2,349,819	19,838,352
5310 Federal + State Match	-	-	-	-	-	-	-	-	-	-	100,000
STBG Flex Federal + State Match	300,000	277,000	310,000	310,000	110,000	-	-	-	-	-	1,542,230
Low-No-Emission Grant (or Other ZEB Grants)	-	-	3,688,000	20,000	20,000	20,000	21,378,979	5,217,948	5,010,886	4,797,613	35,355,813
State Initiatives (TSP)	700,000	220,000	-	-	-	-	-	-	-	-	1,020,000
Congressionally Directed Spending	1,268,000	-	5,463,635	568,365	-	-	-	-	-	-	7,300,000
Local Capital Reserve	-	1,775,000	2,979,578	16,393,440	8,783,185	4,966,988	-	-	-	-	34,898,191
UNIDENTIFIED:											
Other	-	-	-	-	-	31,678,440	56,254,538	38,226,602	25,282,722	4,959,403	172,245,591
REVENUE TOTAL	26,406,000	19,190,277	30,763,744	36,700,276	26,851,269	58,061,804	96,250,212	61,427,964	47,427,962	29,255,088	432,334,597

CEO Report

Meeting: Board of Directors

Meeting Date: October 19, 2023

INFORMATION TYPE

Other

LONG-RANGE PLAN STATUS UPDATES

YPSILANTI TRANSIT CENTER PLANNING

In late September 2023, TheRide completed the procurement process to recruit a consulting firm for the planning, environmental study (NEPA), and design work of the new Ypsilanti Transit Center. Work began on the project immediately and an official kickoff will be held in November 2023. The first tasks will focus on reviewing and updating prior planning work, creating a framework for public engagement, and ensuring project management controls are in place. We will begin engaging with specific stakeholders as soon as possible, with the goal of holding public engagement in spring 2024.

2022 MILLAGE SERVICES – PUBLIC ENGAGEMENT PLANNED

From October 23 - November 23, AAATA staff will be holding a public engagement period on the services approved in the 2022 voter millage. AAATA partners, internal staff, and the general public are encouraged to submit comments in-person or online at TheRide.org throughout the engagement period. Online meetings will be held during the second week of November and a series of in-person meetings during the third week. Comments will also be accepted via email (Planning@TheRide.org) or phone (734-794-1882). Detailed information, including public meeting dates and proposed route maps and schedules, will be made available in late October on TheRide.org.

Information gathered during the public comment period will be used to make adjustments to the service proposals as needed, and a finalized version of the plan will be released beginning in Spring 2024. Express bus service between Ann Arbor and Ypsilanti is scheduled to launch as early as April 2024 with all other services starting in August 2024.

BLAKE TRANSIT CENTER EXPANSION

TheRide continues to work with the Ann Arbor Housing Commission and City staff on the joint development of the old Y-Lot site adjacent to the BTC. Plans and agreements between the partners have not changed and the project is making steady if slow progress. The Housing Commission is working to attract a co-developer to provide additional design support for the project. A separate study led by the DDA to redesign 4th Avenue from Liberty St. to William St. is ongoing. The goal is to make 4th Avenue more transit/pedestrian friendly along with the BTC expansion project. Initial designs were submitted in summer 2023 to City staff for comment, and the consultant has begun working on more detailed designs. TheRide will ensure that various stakeholders, including drivers, customers, and other staff, among others, have continuing opportunities to provide input.

OPERATIONAL UPDATES

CITY COUNCIL UPDATE

The CEO was invited to begin presenting routine updates to the Ann Arbor City Council, starting on October 16. These will continue every other month.

EMPLOYEE ENGAGEMENT

TheRide held the annual MCO Rodeo after a three-year hiatus. The event took place Sunday, October 1 at U of M Glacier Way lot in front of about 150 attendees and Board Member, Kathleen Mozak. We congratulate and honor everyone who participated and are grateful for those who helped arrange and staff the Rodeo. There were 11 motor coach operators from TheRide and 9 from U of M. Our top performers were 1st - Kilo Coward, 2nd - Reggie Trussell and 3rd - Roderick Anderson.



Alvin Taylor & Kilo Coward (1st place winner)

STATE LEGISLATION

There are a few pieces of legislation that have been introduced. It is not clear where they will pass. TheRide is supporting both through the Michigan Public Transit Association.

- **Assaulting a Transit Driver.** HB 4917-18, introduced by Samantha Steckloff would make it a felony punishable by up to five years in prison or a \$1,000-\$5,000 fine to assault an employee of a bus service, street railway service or railroad. Similar legislation increasing penalties for assaulting transportation operators recently was passed in New Jersey and Illinois. A vote is expected to be taken up next week on Tuesday in the Criminal Justice Committee.
- **BRT Lanes on State Owned Highways.** This week, Sen Sam Singh introduced SB 566. This bill was sent to the Committee on Transportation chaired by Sen Erika Geiss. The bills allows BRT lanes on state owned highways.

FOOTBALLRIDE

TheRide is providing FootballRide service to/from each home University of Michigan game and is encouraging mobile payment of passes.

LOCAL ADVISORY COMMITTEE (LAC)

Three LAC members are stepping down including the LAC Chair. There are currently five LAC members with no new applicants.

TRANSPORTATION COMMISSION (ANN ARBOR)

Items at September's Transportation Commission were: 1) Approval of a resolution to ask MDOT to give more emphasis to non-motorized and transit modes of travel when modernizing interchanges on US-23. Work on this corridor between M-14 and I-96 is expected to begin in 2024/2025. 2) An overview on the process of road reconfigurations/road diets and their potential impacts on various modes of transportation. 3) An update on the City's speed management program. This program will involve experimentation with types of traffic calming elements on major streets. Design of projects is expected to begin this winter. AAATA staff will be involved in projects where bus service could potentially be affected.

WATS POLICY COMMITTEE UPDATE

At the September WATS meeting the Policy Committee transacted routine business including receiving updates on performance measures, project management, and regional plan update.

STAFFING UPDATES

A new class of 14 Motor Coach Operators is starting October 24. Frontline supervision staff will be receiving specialized training in November along with leadership training at the end of this month. Two facilities personnel were hired. Fleet Services is proud to announce that with the addition of a fleet services technician, they have fulfilled all FTE positions, the first in 8 years.

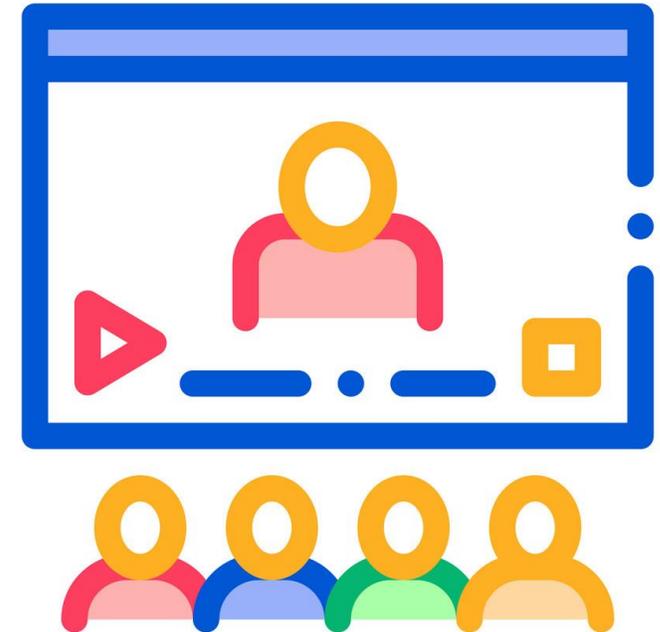
Zero-Emissions Bus Propulsion

CEO Recommendation

October 2023

About Video

- Complements technical information on www.TheRide.org
- Recorded video allows viewer to watch, and pause, at own pace
- Duration: 50 minutes long



Agenda

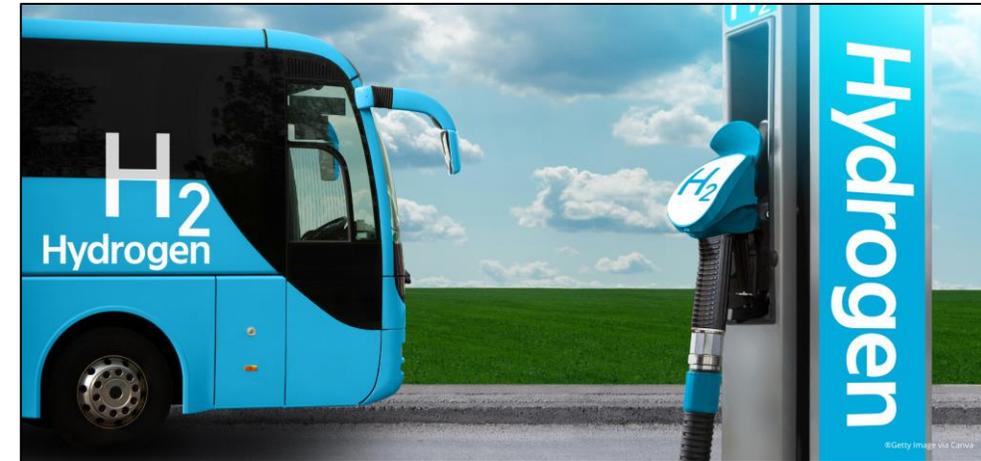
- I. Introduction
- II. Technical Proposal
- III. Themes, Principles & Key Concepts
 - a) Technologies
 - b) Implementation
 - c) Costs & Priorities
- IV. Closing & Next Steps



Part I: Introduction

Recommendation: Hydrogen Pilot Project

- 4-5 year pilot project
- 2 hydrogen fuel-cell buses
- 1 outdoor tank/fueling station
- Workforce Training
- Continue buying diesels in interim
- If successful, full transition starting 2030



Immediate Timeline

1. **October 2023:** CEO Recommendation for Board
2. **Oct-Dec '23 :** Board Discussion & Public Feedback
3. **Jan 2024:** Board Decision (for 2024 grant)
4. **Jan-March 2024:** Grant preparation
5. **March/April 2024:** Anticipated grant deadline
6. **Oct/Nov 2024:** Anticipated grant awards



Public Feedback

- Visit www.TheRide.org for information and feedback opportunities
- Submit written comments via web form or email
- Attend a board meeting to make public comment



Part II: Technical proposal

Duration: 40 minutes

Agenda

- I. Introduction
- II. Technical Proposal
 - a) Themes & Key Concepts
 - b) Technologies
 - c) Implementation
 - d) Costs & Priorities
- III. Closing & Next Steps



Underlying Themes

Risk Tolerance (Action and Inaction)

- Climate and attitudes are changing
- Transitionary period & competing information
- Gap between expectations and performance of technology
- Financial commitments

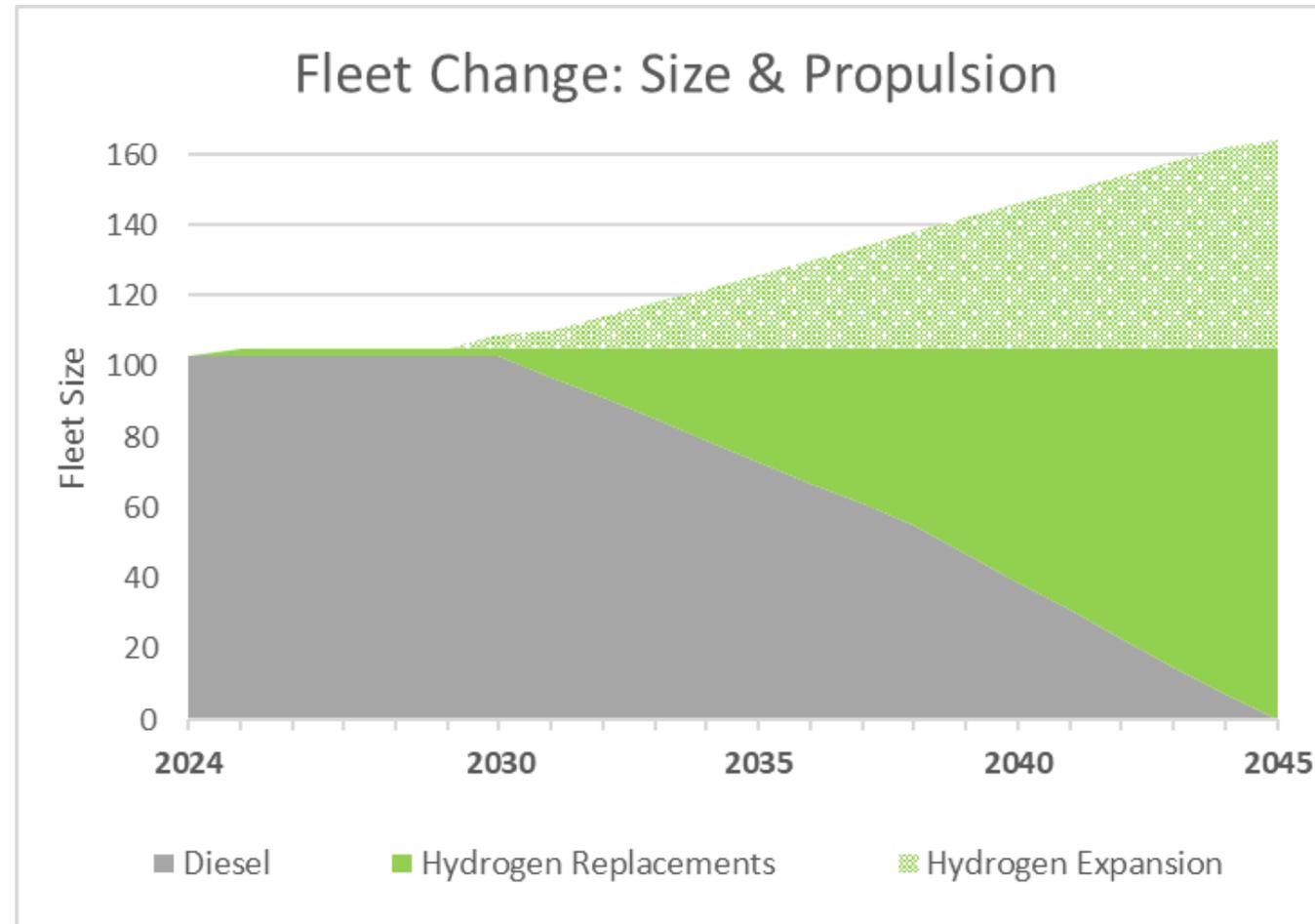
Priorities & Limited Resources

- Investments: Emissions and/or ridership?



Key Concept: Full Deployment is Goal

- Fleet of 103 could double by 2045
- Double emission savings
- Want immediate decisions to contribute to long-term success
- Meet President's 2050 target



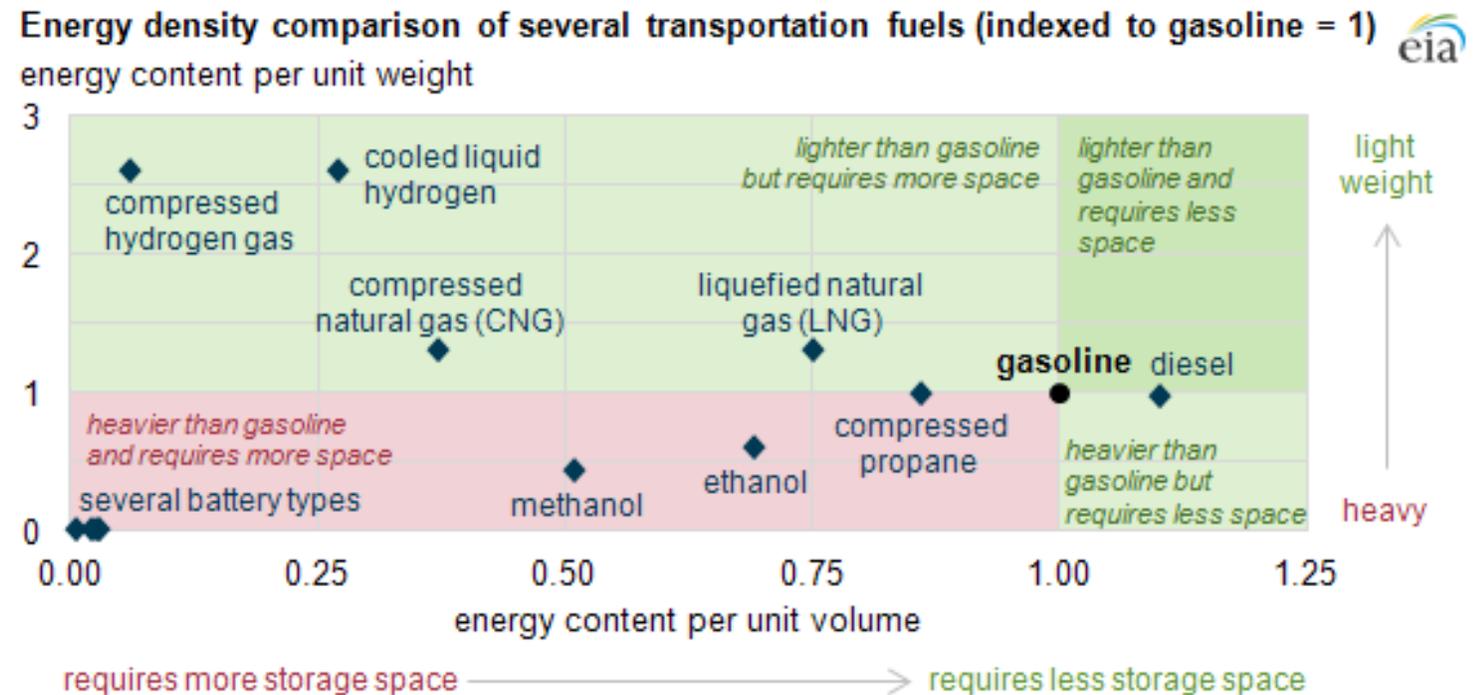
Key Concept: Carbon Savings

- Produces 7,000 tons (<0.5% of emissions)
- Carries 4.5 million trips/year
- 15,000 trips/day
- Growing ridership can reduce emissions while advancing social goals
- Long-Range Plan foresee doubling service



Key Concept: Energy Density = Range

- Vehicles must carry energy with them
- Weight/Range trade-off
- *Power* of fuel matters!



Key Concept: Customers before Equipment

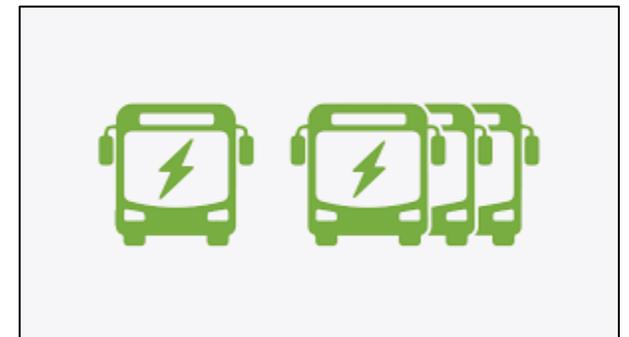
- Route networks designed for customers, not equipment
- Equity considerations
- Minimum operational requirements for mass transit
 - Reliability/On-time performance
 - Heating during winter
 - Equitably serve all areas
 - Costs



“We need to design our transit service for the customer, not the propulsion system.”
– Midwest Transit CEO

Key Concept: Fleet Management

- Buses need more energy than cars
- Lower costs via standardization, interchangeability
- Simplify maintenance, training, parts, etc
- Supporting garage, fueling system, ventilation, hoists,
- Avoid hidden costs



Propulsion Technologies

- Diesel (Status Quo) 

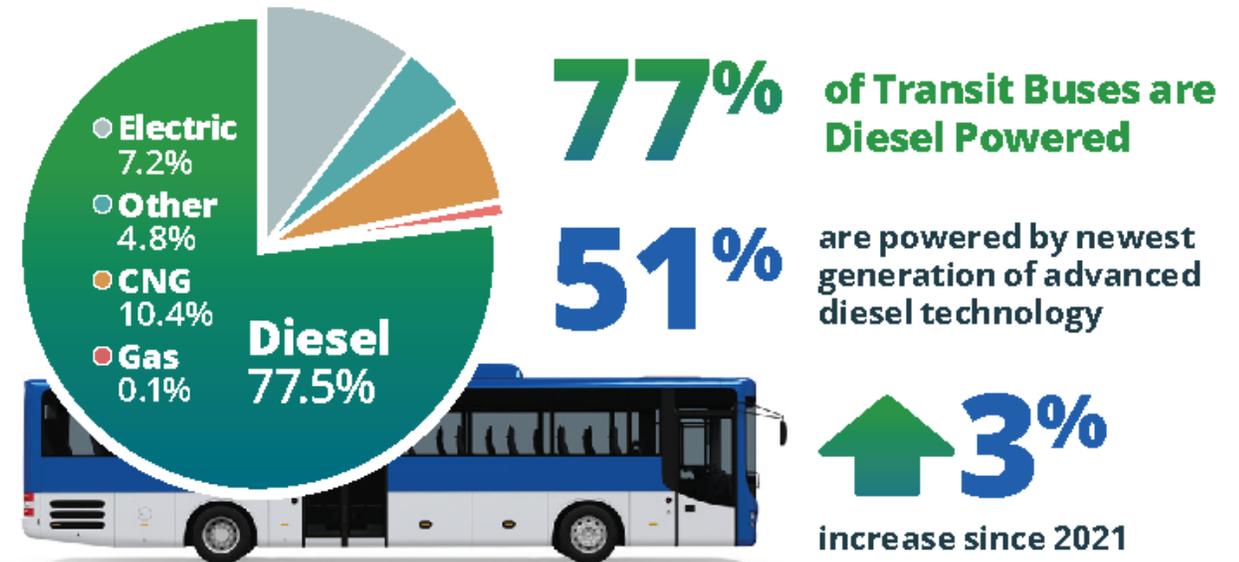
- Battery Electric Buses (BEB) 

- Hydrogen Fuel Cell Electric Buses (FCEB) 



Diesel

- Internal combustion engine
- Large tank and range
- Heats cabin from engine
- Fueled from single station



Source: S&P Global Mobility TIPNet Data of U.S. Vehicles in Operation for Class 3-8 (Model Year 2010 and newer [MY 2010+]) as of December 2022



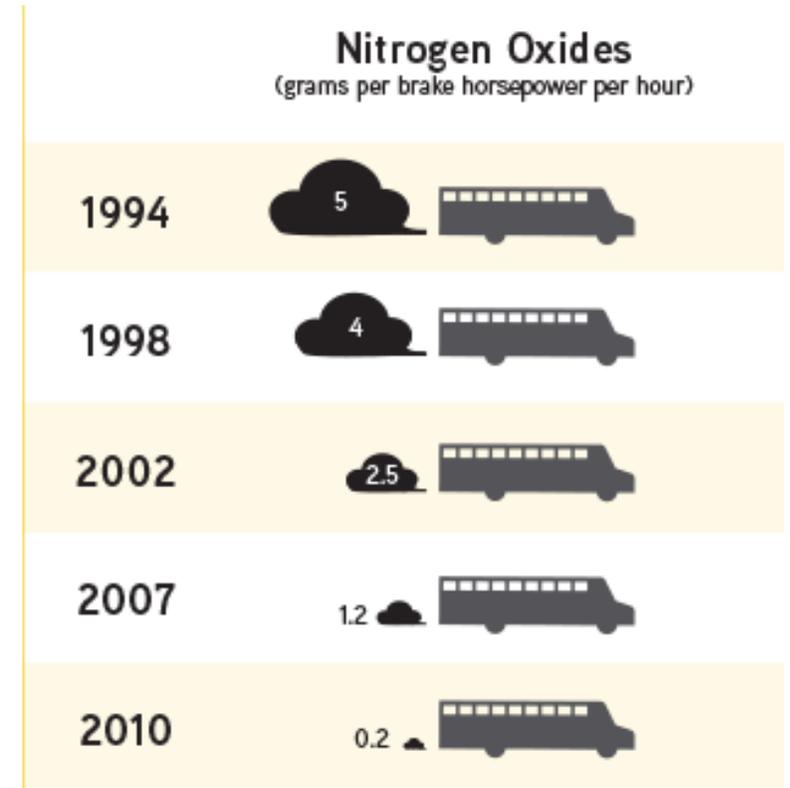
Diesel

Pros

- Keep costs & risks low...temporality
- Buys time for ZEBs to get better
- Emission are low and may get better

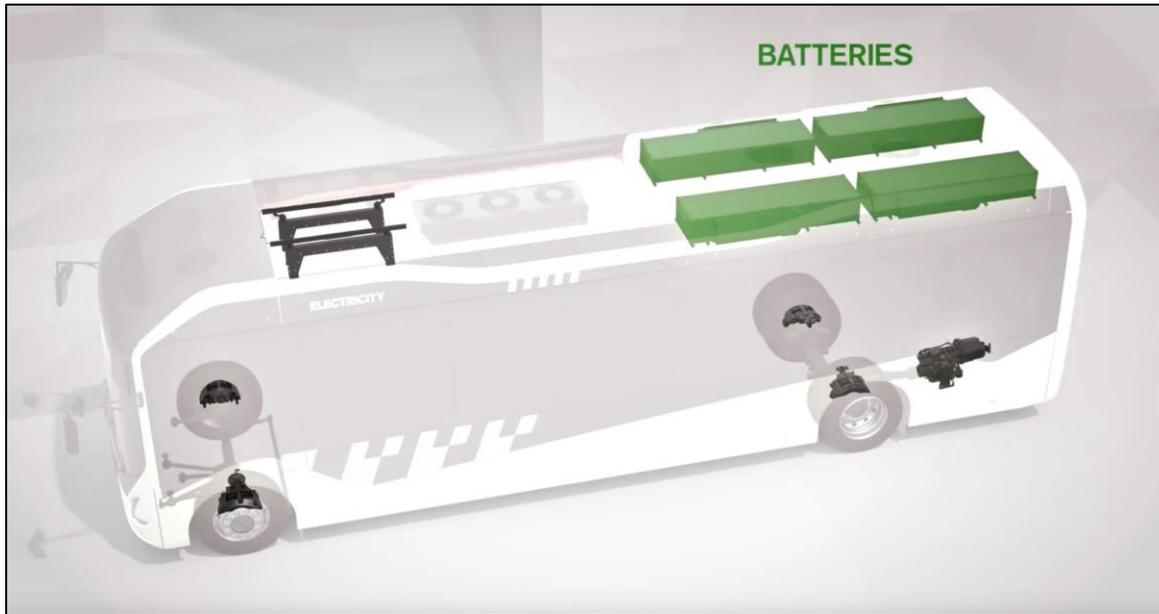
Cons

- Never gets to zero
- Mechanically complex
- May not be politically viable, emerging mandates, grant restrictions





Battery Electric Buses (BEB)





Battery Electric Buses

Pros

- Cheaper at *small* scale
- Simplest mechanical systems
- Battery tech improving
- In-route charging extends range
- Possibly lowest energy, maintenance costs





Battery Electric Buses

Cons

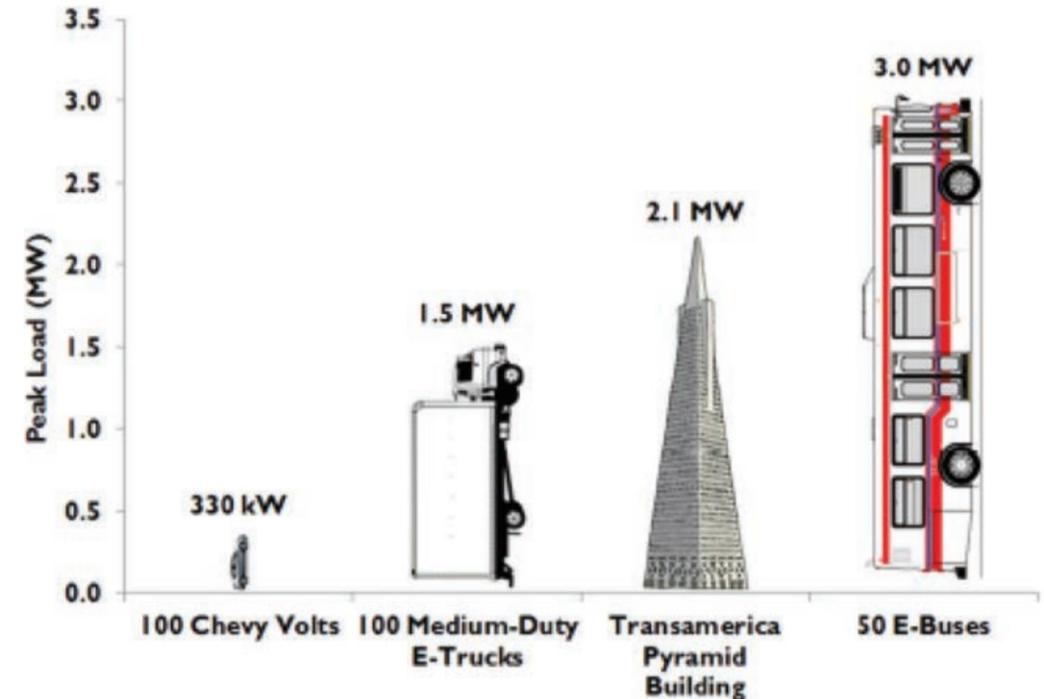
- Energy Density & Range Anxiety
 - Cannot run a full day w/o recharge
 - Heating
 - In-route charging may not be practical
 - Impacts fleet management
 - Fleet growth 30%-40%
 - Increased operating costs?
- More complicated/expensive to use for customers





Electricity Production & Transmission

- Amount of power is enormous
- Garage upgrades
- Grid resiliency
- Emissions from generation



Peak Power Loads, 50 Buses (TCRP 130)

Battery Charging/Charging Management

Con

- Very complicated in fleet context
- Charging management
 - Pricing schemes are opaque
 - Charging: 4-5 hours impacts reliability and costs
 - 1 charger/bus hurts economics of scale
 - DTE only supplier
- Batteries are easy to mismanage
- Impacts reliability, energy, costs, training...





Battery Electric Buses

...Cons

- Significant garage upgrades
- Catastrophic garage fire
- Battery mining & replacements





BEB: Summary

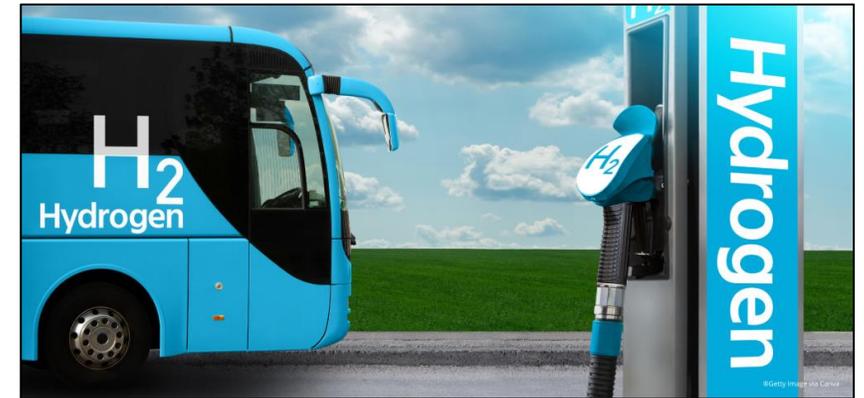
- Widest range of performance and cost estimates
 - Best Case: Lowest costs, most efficient, least maintenance
 - Worst: Highest costs, undermines customer focus, dead end
 - Requires major breakthroughs (range, fires) to meet min. requirements
 - Also faces: scaling, managing batteries/charging, pricing, resiliency...
- Numerous challenges to full deployment today
- If battery tech becomes good enough, could be best option





Hydrogen Fuel-Cell Electric Bus

- On-board gas hydrogen fuel tank
- Fuel cell charges small battery which drives bus, provides heat
- Fuel delivered by tanker, stored on-site
- Single fuel pump
- Hydrogen produced with electricity or fossil fuels

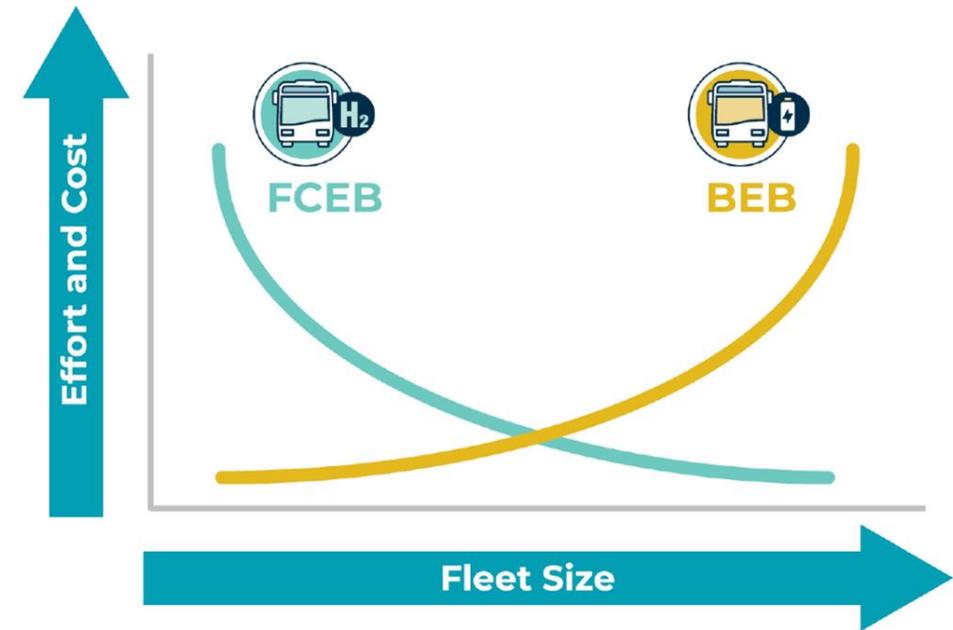




Hydrogen

Pros

- No range or heat anxiety
 - No fleet growth, new garage
 - Still put passengers first
- Safer
- Operations similar to diesel, easier for org to adjust
- Smaller batteries (mining, costs, fire)
- Resiliency & diversification



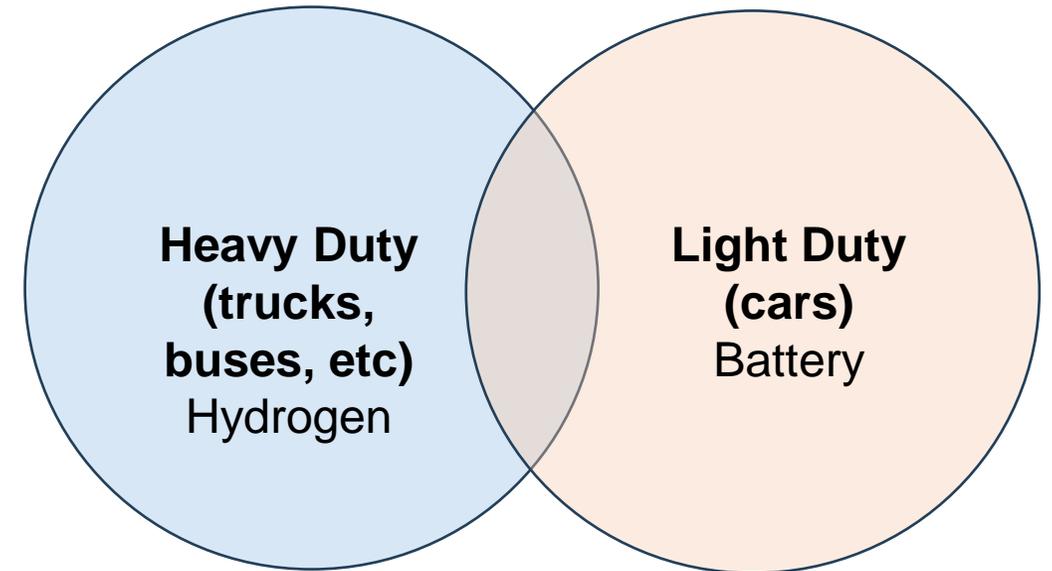
Source: TCRP; CTE



Hydrogen

Cons

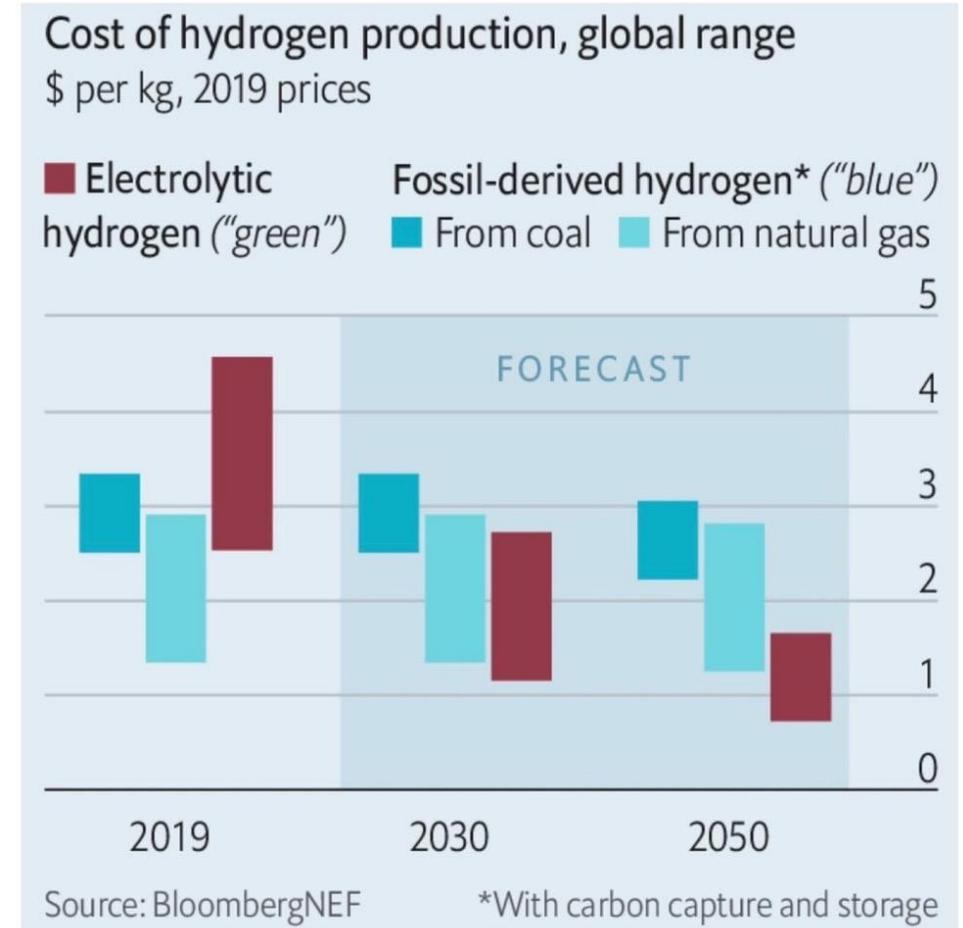
- Takes more energy to make hydrogen than produced
 - Battery break-through could render fuel cells obsolete
- Fuel is expensive (5x diesel)
 - \$282K vs \$53K for diesel
- Capital costs front-loaded
- Significant garage upgrades





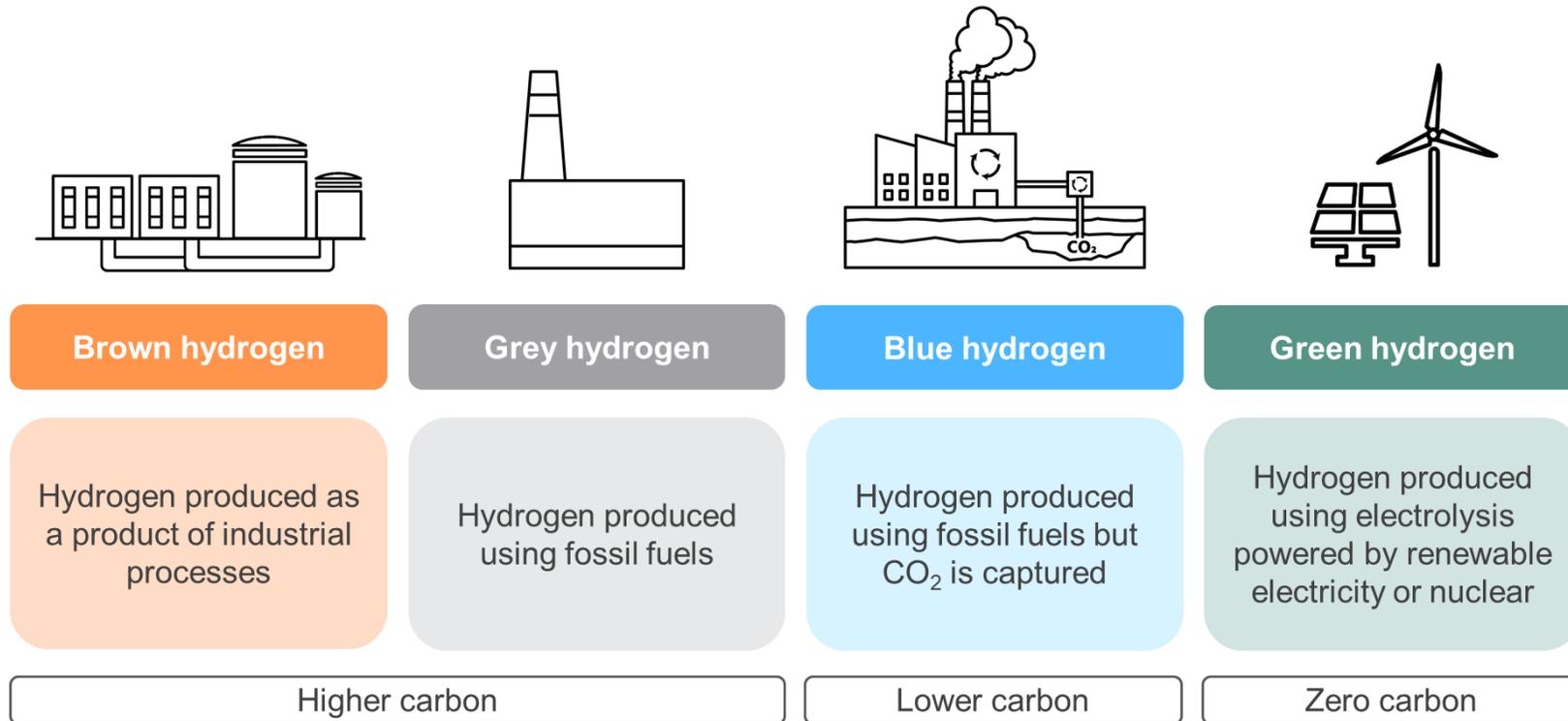
Cost of Hydrogen Fuel

- High cost is largest risk
- Expensive:
 - 2-5 times diesel
 - Limited supply and production.
- If supply grows, costs should fall
- On-site production may be possible





Can Hydrogen be “Clean”?



- May start with less clean until **Green** is affordable

Technologies Conclusions

- Neither technology is entirely ready

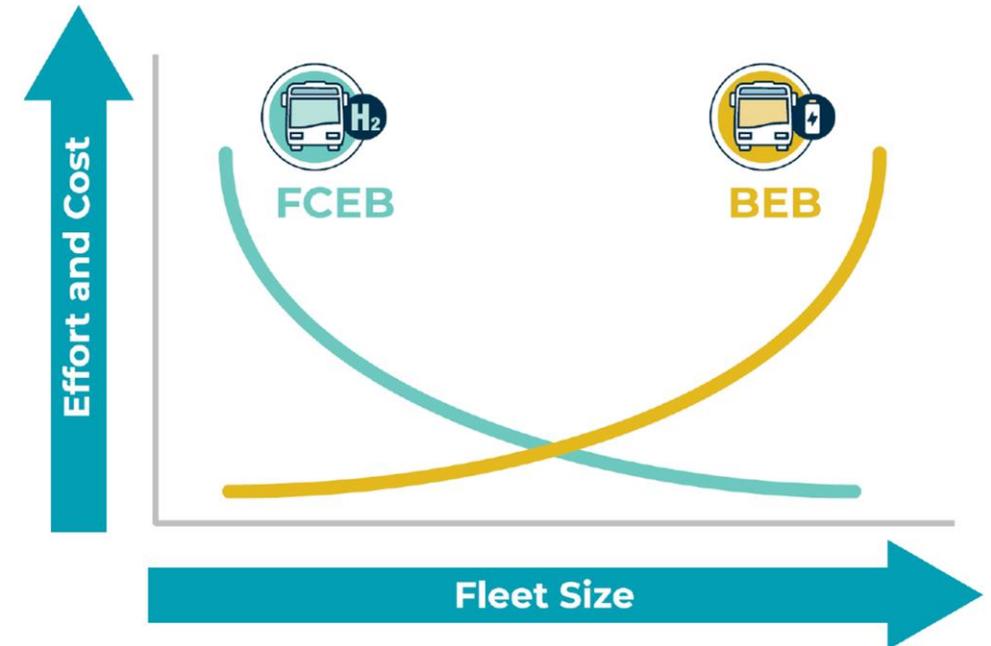
Two key unknowns

- When will sufficient, safe, affordable batteries be available?
- When will clean hydrogen be affordable?



Recommendation: Hydrogen

- ✓ Technology works today
 - No range concerns
 - Meets min. requirements, few fleet management impacts or hidden costs
 - Allows us to design for customers, not equipment
 - Few fires
 - Needs market growth, not tech breakthrough
- ✓ Better scale for 100-200 bus fleet



Source: TCRP; CTE

Why a Pilot Project?

- Learn from 2 buses, before larger commitment
- Makes tangible, visible progress towards to solution that looks best suited to full deployment today
- Minimizes initial investment and risk
- Allows time for outside markets to finish transition

Pilot Successful if...

- We have confidence in a path to full deployment of a solution that eliminates all emissions from bus propulsion, without risking services to customers

Pilot Timeline

	2023	2024	Mid-2025	2026	Early 2027	Mid-2027	2028	2029
Decision and Funding								
Board Discussion	■							
Board Approval		▲						
Grant Submission		▲						
Grant Award (tent)		▲						
Implementation								
Staff Training			■	■	■	■	■	
Fueling Tank				■	■			
Buses								
Order Buses	■		■					
Building				■	■	■		
Delivered						■	■	
In operation (pilot)						■	■	
Full Deployment								■

Pilot Project Financials

Total Project Cost: \$6.9-10.8 million

Capital Cost: \$5.5-\$7.5 million

- 80%-90% federal Lo-No Emission Grant (\$4.4-\$6 million)

Operating: \$1.4-\$3.3 million

- 100% locally funded

Total costs to TheRide

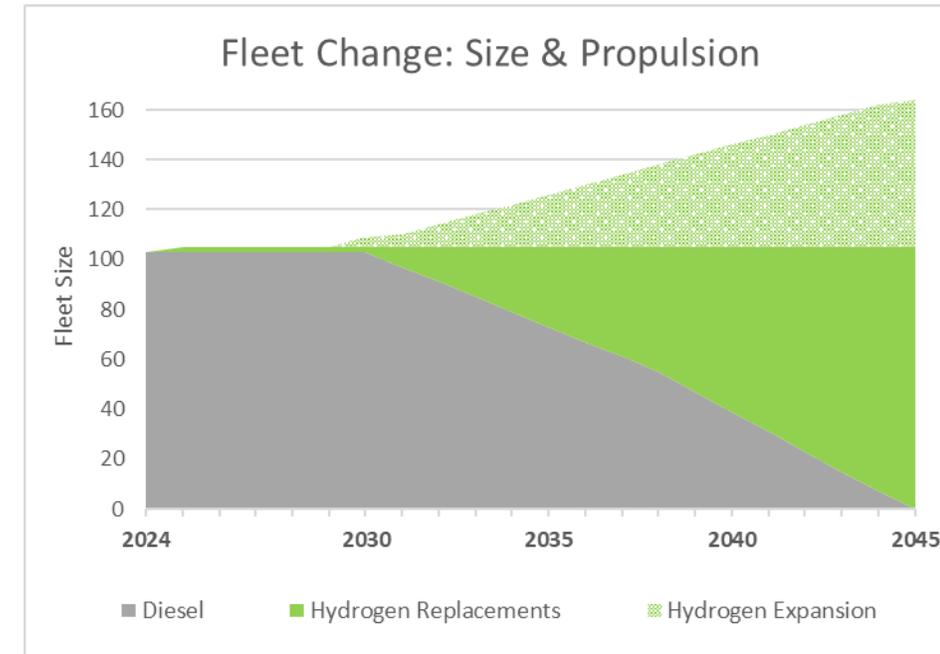
- \$2.5-\$4.8 million over five years



Full Deployment Financials

If hydrogen successful...

- \$16-\$30 million for large fueling station (2030)
- \$50-\$75 million *more* on buses (25 years)
- Still cheaper than battery
 - no fleet growth, garage, operating inefficiencies
- Unfunded



Other Priorities

- Terminals, garage, IT, BRT and emissions
- Infrastructure grant are competitive, require local funding

- Short-Term: local funding *may* be adequate (terminals, pilot)
- Long-term: local funding *clearly* insufficient
 - No local funds for BRT, garage, full emissions deployment



Part III: Closing and Next Steps

Underlying Themes

Risk Tolerance (Action and Inaction)

- Climate and attitudes are changing
- Transitionary period & competing information
- Gap between expectations and performance of technology
- Financial commitments

Priorities & Limited Resources

- Investments: Emissions and/or ridership?

CEO Recommendation

- Move forward with hydrogen pilot grant proposal
- Hydrogen more practical today, better for full deployment
- Pilot project
 - Tangible/Visible symbol of agency commitment
 - Minimizes risk today, allows time for tech/markets to evolve
 - Puts clear date on full deployment decision in future when we may have answers to key questions
 - Is affordable, great federal %

Immediate Timeline

1. **October 2023:** CEO Recommendation
2. **Oct '23- Dec/Jan :** Board discussion & Public Feedback
3. **Jan 2024:** Board approval deadline
4. **Jan-March 2024:** Grant preparation, Transition Plan approval
5. **March/April 2024:** Anticipated grant deadline
6. **Oct 2024:** Anticipate grant awards



Board Authorizations

The CEO will ask the Board to provide:

- **By January 2024:** A vote to authorize the CEO to submit a grant (clear scope and costs)
- **Spring 2024:** Approve a “Transition Plan” – a formal document required for the grant which articulates our approach, timelines, and commitments

Public Feedback

- Visit www.TheRide.org for information and feedback opportunities
- Submit written comments via web form or email
- Attend TheRide board meeting to make public comment



Zero-Emissions Bus Propulsion

CEO Recommendation

October 2023