

## Board of Director's Meeting Agenda

**Meeting Date/Time:** November 16, 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 (4<sup>th</sup> Floor)  
 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>			
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<b>3. OWNERSHIP LINKAGE</b>			
3.1 Open Dialogue Task Force Updates	O	Chang	Verbal
<b>4. MONITORING</b>			
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<b>5. POLICY</b>			
5.1 Policy Development / Public Safety	M	Miller	59
<b>6. BOARD EDUCATION/DISCUSSION</b>			
<b>7. OPERATIONAL UPDATES</b>			
7.1 FY23 Q4 Finance Report	O	Reed	61
7.2 Zero-Emissions Bus Discussion	O	Carpenter	65
7.3 CEO Report	O	Carpenter	75
<b>8. EMERGENT ITEMS</b>			
8.1 Alternative Board Meeting Locations	O	Carpenter	Verbal
<b>9. CLOSING ITEMS</b>			
9.1 Action Item Recap	O	Carpenter / Holt	
9.2 Topics for Next Meetings Ends (1.0) FY23 Q4 Service Report Zero-Emission Bus		Thursday, December 21, 2023	
9.3 Public Comment	O		
9.4 Adjournment			

PTASP  
pg. 77

PPT pg. 127

\* 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:** October 19, 2023 - 6:30 – 9:00pm

**Members:** Kathleen Mozak (Chair), Mike Allemang (Treasurer), Jesse Miller (Secretary), Simi Barr, Susan Pollay, Kyra Sims

**Location:** Ann Arbor District Library (4<sup>th</sup> Floor)  
Virtual attendance available via Zoom

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

Agenda Item
<p><b>1. OPENING ITEMS</b></p> <p><b>1.1 Approve Agenda</b></p> <p>Mr. Miller motioned to approve the agenda, seconded by Mr. Allemang.</p> <p>All in favor of approving the updated agenda:</p> <p style="padding-left: 40px;">Mr. Mike Allemang: Yes Mr. Simi Barr: Yes Mr. Jesse Miller: Yes Ms. Susan Pollay: Yes Ms. Kyra Sims: Yes Chairwoman Kathleen Mozak: Yes</p> <p>The approval of the updated agenda passed unanimously.</p> <p><b>1.2 Public Comment</b></p> <p>Jim Mogensen noted the meeting had a wide range of topics to be discussed and how they will impact the agency. He asked the organization to consider how the decisions they are considering will impact those who need to use public transportation.</p> <p><b>1.3 General Announcements</b></p> <p>No general announcements.</p>
<p><b>2. CONSENT AGENDA</b></p> <p><b>2.1 Board Meeting Minutes September 21, 2023</b></p> <p><b>2.2 Committee Meeting Summaries</b></p> <p><b>2.3 Title VI Program Approval</b></p>

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

All in favor of approving the Consent Agenda:

Mr. Mike Allemang: Yes  
Mr. Simi Barr: Yes  
Mr. Jesse Miller: Yes  
Ms. Susan Pollay: 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**

Chairwoman Mozak shared a brief update from Mr. Chang who was unable to attend the meeting. In the update it was noted that Mr. Carpenter had presented an operational update to the Ann Arbor City Council at their October 16<sup>th</sup> meeting as a part of a new bi-monthly update. The hope is to soon be able to provide a board perspective of updates at those meetings. Mr. Chang has contacted Mayor Brown of Ypsilanti and is working to schedule a meeting with her soon.

### **4. MONITORING**

#### **4.1 Monitoring Task Force Update**

Mr. Allemang shared that after the June monitoring report of Policy 2.7, the board requested the task force review the policy as it was noted that policy 2.7.2 was a duplicate of policy 2.5.3. The task force met in October and provided a recommendation for board consideration.

Mr. Allemang motioned to recommend that policy 2.7.2 be removed (for redundancy to policy 2.5.3) and that 2.7.2.1 be renumbered as 2.7.2, seconded by Ms. Sims.

All in favor of removing policy 2.7.2 and renumbering 2.7.2.1 as 2.7.2:

Mr. Mike Allemang: Yes  
Mr. Simi Barr: Yes  
Mr. Jesse Miller: Yes  
Ms. Susan Pollay: Yes  
Ms. Kyra Sims: Yes  
Chairwoman Kathleen Mozak: Yes

Motion to accept the removal of policy 2.7.2 and policy 2.7.2.1 renumbered as 2.7.2 passed unanimously.

Updates to the policy manual will be made.

After the vote Mr. Allemang also shared that at the October task force meeting at the recommendation of Governance Coach Rose Mercier, the group determined that policy 2.8 CEO Succession be incorporated into 2.4 Financial Planning and Budgeting. The proposal will be discussed at the next Governance Committee meeting along with the suggestion that the task force be concluded after 3 years of work.

## 5. POLICY

### 5.1 Construction Monitoring (2.10)

Mr. Carpenter shared an overview of the monitoring report for Construction (2.10) with a notation that little construction had taken place in the previous year. Mr. Miller provided input from the Service Committee meeting where a discussion took place on the CEO's suggestion of 2.10.4 – as no construction has taken place, the committee determined no changes should be made until a policy has been tested out. The Service Committee recommended the report be accepted as in compliance.

Mr. Allemang motioned to accept Construction Monitoring (2.10) as (A) Compliant, seconded by Ms. Sims.

All in favor of accepting Construction Monitoring (2.10) as (A) Compliant:

Mr. Mike Allemang: Yes  
Mr. Simi Barr: Yes  
Mr. Jesse Miller: Yes  
Ms. Susan Pollay: Yes  
Ms. Kyra Sims: Yes  
Chairwoman Kathleen Mozak: Yes

The motion to accept Construction Monitoring (2.10) as (A) Compliant, passed unanimously.

## 6. BOARD EDUCATION/DISCUSSION

## 7. OPERATIONAL UPDATES

### 7.1 Zero-Emissions Bus Recommendation

Mr. Carpenter introduced to the Board for their consideration his recommendation for zero emissions bus propulsion technology ([Board packet, pg. 48](#)). A complete presentation is available online to the public on the [Zero Emission Bus Initiative](#) page. He is recommending a 4-5 year pilot project for 2 hydrogen fuel-cell buses and if successful, Fleet will begin transitioning from diesel to hydrogen fuel-cell buses in 2030. Board discussion and public feedback will be through the end of the year with a January board decision. Grant preparation and submission deadline are March/April 2024 with October/November 2024 being the anticipated grant award. During his presentation he provided the pros/cons for battery electric vs. hydrogen buses for cost, range, impacts to fleet management, safety and storage, and a proposed transitional timeline.

Upon concluding his presentation, Mr. Carpenter fielded questions / comments from the Board.

Questions to be answered in more detail for next Board meeting:

- Has the organization looked at a green bond for the project?
- Pilot cost breakdown – more details
- Transition plan if pilot project is successful
- Info on other systems who have successfully used battery and hydrogen
- Analysis on downstream carbon emissions for battery or hydrogen
- Pilot project projections for battery
- Info on battery disposal and environmental impacts
- Would there be Title VI equity and/or funding impacts if electric buses could only be used on shorter routes?

Discussions will continue at the November and December Board meetings.

## 7.2 CEO Report

Mr. Carpenter shared several highlights from the CEO Report – the planning contract for the Ypsilanti Transit Center has been signed and public engagement will begin soon about detailed planning for the millage services. He also thanked Mr. Brooks and his team for participating in the Bus Rodeo which had resumed after a hiatus of several years – MCO Kilo Coward had taken first place.

## 8. EMERGENT ITEMS

No emergent items.

## 9. CLOSING ITEMS

### 9.1 Action Item Recap

There were several board member questions during the ZEB recommendation presentation that were unable to be answered and/or required more robust details – Mr. Carpenter and staff will be working to provide thorough answers by the November Board meeting.

### 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)

### 9.3 Public Comment

No public commenters.

### 9.4 Adjournment

Ms. Sims motioned to adjourn the meeting, seconded by Mr. Miller.

All in favor of adjourning the meeting:

Mr. Mike Allemang: Yes  
Mr. Simi Barr: Yes  
Mr. Jesse Miller: Yes  
Ms. Susan Pollay: Yes  
Ms. Kyra Sims: Yes  
Chairwoman Kathleen Mozak: Yes

Chairwoman Mozak adjourned the meeting at 9:10 pm.

Respectfully Submitted by Deborah Holt

## Governance Committee Meeting Notes

**Meeting Date/Time:** October 26, 2023 – 9:00-11:00am

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

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

**Location:** REMOTE – Via Zoom

Chairwoman Mozak called the meeting to order at 9:01am

Agenda Item
<b>1. OPENING ITEMS</b>
<p><b>1.1 Agenda (Additions, Approval)</b></p> <p>Chairwoman Mozak noted that Ms. Mercier would not be joining for Agenda item 3.3 but the discussion would still take place. No other additions or changes were made.</p> <p><b>1.2 Communications</b></p> <p>Mr. Carpenter provided an update regarding an incident had occurred near the YTC the previous evening – no staff or customers were involved.</p>
<b>2. BOARD DEVELOPMENT</b>
<p><b>2.1 Recruitment / Training</b></p> <p>Chairwoman Mozak shared that she and Mr. Allemang recently had an informative meeting with Ann Arbor Mayor Taylor to discuss a current board vacancy and the process of recruitment efforts.</p> <p><b>2.2 Task Force Coordination (Monitoring, ODTF, Procurement)</b></p> <p>The committee determined that after Mr. Allemang’s update at the October Board meeting, the work of the Monitoring Task Force has been concluded and therefore will no longer be meeting. ODTF is still working to arrange a meeting with the mayor of Ypsilanti – the committee discussed the best methods of communicating with local governmental bodies. The GC would like the ODTF to consider beginning work on how to engage moral owners. The Governance Procurement Task Force will be meeting in the next week to begin the procurement process.</p> <p><b>2.3 Board Meeting Locations</b></p> <p>Mr. Carpenter shared his recommendation to move forward with plans to utilize the space for a future Board meeting – the committee requested Mr. Carpenter look at reserving the space within the next few months.</p>

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

#### **3.1 Board ID / Compensation**

Chairwoman briefly referenced a legal recommendation and requested the committee have a more formal discussion at the next Governance meeting.

#### **3.2 Policy Review Discussion**

The committee discussed the recommendation from the Monitoring Task Force to have the Governance Committee participate in an in-depth annual review of 2-3 policies. Chairwoman Mozak requested the committee review (with the help of Ms. Njuki) and determine which policies should be assessed by the next Governance Committee meeting. The topic will then be added as agenda item in the December Board packet.

Mr. Miller asked if monitoring reports could be presented in the same way Mr. Carpenter had provided the ZEB recommendation – in video format and shared prior to the board meeting. The committee and Mr. Carpenter agreed to add this as an agenda item at the next Governance Committee meeting.

#### **3.3 Planning Policies Review (2.4)**

The Planning Policies Review (2.4) discussion was postponed from earlier in the summer due to budget season priorities. Mr. Allemang recommended this policy be included as part of the 2-3 policy review for next year and the committee agreed.

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

#### **4.1 ZEB Discussion**

Mr. Carpenter shared an overview of the ZEB discussion from the October Board meeting – unanswered Board member questions are being worked on and public feedback is being received. The committee discussed how additional requested information will help to enhance the ongoing conversation at the November Board meeting.

#### **4.2 APTA Learning**

Mr. Carpenter shared a brief update of the annual APTA Conference he and several staff members attended earlier in the month. Ms. Reed and Mr. Yang provided input on their experience at the conference and how the topic of sustainability and lower emission buses were a primary focus.

#### **4.3 YTC Security**

Aside from the earlier update under Communications, Mr. Miller noted he is still considering ways to incorporate the topic of security into a policy. As this isn't an urgent topic, he determined he will explore/gather information and share it with the Governance Committee at a future meeting.

## **5. CLOSING ITEMS**

### **5.1 Committee Agendas**

Mr. Miller determined there were no changes or additions for the Service Committee agenda. Mr. Allemang determined there were no changes or additions for the Finance Committee agenda. Chairwoman Mozak noted the addition of the alternative board meeting location can be added under Emergent items for the Board Meeting agenda. Otherwise, there will be no other changes or additions for the Board Meeting agenda.

### **5.2 Action Item Recap**

Mr. Carpenter's assistant will monitor AA City Council meeting agendas for notification of the board member replacement posting, the Monitoring Task Force has officially finished their work and has been disbanded, the alternative board location information will be shared with the Board at the November meeting,

### **5.3 Topics for Next Meeting:**

- ZEB Discussion
- Annual Plan of Work
- ODTF
- Annual policies for review
- Pre-recorded presentation videos

### **5.4 Adjournment**

Chairwoman Mozak thanked the committee and staff and adjourned the meeting at 11:17 am.

Respectfully Submitted by Deborah Holt

## Service Committee Meeting Notes

**Meeting Date/Time:** October 31, 2023, 9:00-11:00am

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

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

**Location:** REMOTE – Via Zoom

Mr. Miller called the meeting to order at 9:02 am

Agenda Item
<p><b>1. OPENING ITEMS</b></p> <p><b>1.1 Agenda (Additions, Approval)</b></p> <p>Mr. Chang requested an update be added under Section 3 – Operational Updates – related to data gathered. No other updates or changes noted.</p> <p><b>1.2 Communications</b></p> <p>Mr. Carpenter noted the recent addition of a Grants Manager to the Finance &amp; Administration Team. He also shared a recent release of campus planning from the University of Michigan.</p>
<p><b>2. POLICY MONITORING &amp; DEVELOPMENT</b></p> <p><b>2.1 Treatment of the Traveling Public (2.1)</b></p> <p>Mr. Carpenter shared an overview of the monitoring report for the Treatment of the Traveling Public. The monitoring report was shown to be compliant for all policies and the survey showed board members agreed. Several points of feedback were noted within the survey responses and staff will be reviewing areas of consideration that would help clarify policy wording and evidence.</p> <p>Mr. Miller shared that in previous years there had been a question of the reasonableness of evidence for accessibility at bus stops. He has appreciated continued discussions that have provided evidence of on-going projects that help support the reasonableness of evidence the CEO has provided.</p> <p>The committee agreed to suggest the Board accept the board as (A) in Compliance.</p>
<p><b>3. STRATEGY &amp; OPERATIONAL UPDATES: CEO</b></p> <p><b>3.1 ZEB Discussion</b></p> <p>Mr. Carpenter gave an update on questions received at the October Board meeting from Board members – half of which were answered during the meeting and the remaining are being worked on by staff members.</p> <p>The committee and staff had a robust discussion around several questions that had been brought up at the Board meeting – Title VI / equity issues in the community, environmental concerns and organizational priorities and the longer range complexities of fleet management if multiple propulsion systems were deployed concurrently.</p>

### **3.2 PTASP Update**

Mr. Carpenter provided a brief update on the status of the annual PTASP which will be in the November Consent agenda for Board approval.

### **3.3 Public Transportation / Childcare**

Mr. Chang shared he has recently been working with local United Way, MI Works and MI League of Public Policies groups and there is an opportunity for discussion with data mapping for public transportation and high need areas such as childcare, groceries, workplaces and healthcare. He and Mr. Yang will be connecting to discuss ways to participate in this work.

## **4. CLOSING ITEMS**

### **4.1 Action Item Recap**

Updates on Bus lanes in CEO Report, committee will be recommending to the Board that the monitoring report is (A) and the 2023 Safety Plan approval will be in the November Consent Agenda.

### **4.2 Topics for the Next Meeting**

Q4 Service Report

### **4.3 Adjournment**

Mr. Miller thanked the committee and staff and adjourned the meeting at 10:35am.

Respectfully Submitted by Deborah Holt

## Finance Committee Meeting Notes

**Meeting Date/Time:** November 7, 2023, 3:01 – 5:00pm

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

**Staff:** Matt Carpenter, Forest Yang, George Brooks, Vivi Nguyen, Monica Boote, Rosa-Maria Njuki, Deb Holt

**Location:** REMOTE – Via Zoom

Mr. Allemang called the meeting to order at 3:03pm

Agenda Item
<p><b>1. OPENING ITEMS</b></p> <p><b>1.1 Agenda (Additions, Approval)</b></p> <p>No changes or additions were made to the agenda.</p> <p><b>1.2 Communications</b></p> <p>No new communications.</p>
<p><b>2. POLICY MONITORING &amp; DEVELOPMENT</b></p> <p><b>2.1 Compensation &amp; Benefits (2.3)</b></p> <p>Mr. Carpenter provided an overview of the monitoring report for Compensation &amp; Benefits (policy 2.3) which provided evidence of compliance in all categories. He also went through survey comments – one pertained to policies 2.3.2 and 2.3.4, how the policies are linked, and the degree of evidence provided. The committee determined that the two policies (2.3.2 and 2.3.4) should be reviewed at some point. It had also been noted that 2.3.4 didn't clearly state that that Korn Ferry wage data provided is for non-union employees as union employee wages are negotiated in the contract. Committee members had requested a link for the living wage ordinance for the City as it had been referenced within the report. The committee also discussed a survey suggestion about looking further into the parameters of what determines a "living wage."</p> <p>The committee determined they would recommend to the Board that the monitoring report be accepted as (A) in Compliance.</p>
<p><b>3. STRATEGY AND OPERATIONAL UPDATES</b></p> <p><b>3.1 FY23 Q4 Finance Report</b></p> <p>Ms. Nguyen shared a preliminary Q4 Finance Report – noting numbers were still being finalized. She shared that there had been a surplus at the end of the fiscal year which was lower than the budget had projected due to lower revenue because there wasn't a</p>

need to use the federal capital formula funding for operating assistance and the use of federal pandemic funds were slowed. The committee requested more detail on this for the board meeting. She noted that expenses were lower than budget due to unfilled staff positions and savings in fuel. \$6.8 million in pandemic relief funding remains and is allocated for use in FY 24. The operating reserve balance is at 2.7 months (slightly higher than the planned 2.5 months).

### **3.2 ZEB Discussion**

Mr. Carpenter shared that more info on ZEB will be provided to the Board at the November meeting as he and staff are continuing to work on gathering information to answer questions Board members had asked in October. Committee members discussed environmental impact vs. the financial impact due to rapid technology changes with hydrogen and/or battery. They also discussed details of the pilot project and impacts with other capital projects.

### **3.3 PTASP Update**

Mr. Carpenter provided a brief update on the status of the annual PTASP which will be in the November Consent agenda for Board approval.

## **4 CLOSING ITEMS**

### **4.1 Action Item Recap**

Invite Ms. Whitlow to attend the Board meeting, the committee will recommend that the Board accept the Compensation & Benefits monitoring report as (A), finance to provide an updated Q4 issue brief with requested clarifying details.

### **4.2 Topics for Next Meeting**

ZEB Discussion  
Bonding recommendation

### **4.3 Adjournment**

Mr. Allemang thanked the committee and staff and adjourned the meeting at 4:51pm.

Respectfully Submitted by Deborah Holt

## Annual Approval of Public Transit Agency Safety Plan

**Meeting: Board of Directors**

**Meeting Date: November 16, 2023**

<b>INFORMATION TYPE:</b>
Decision
<b>RECOMMENDED ACTION(S):</b>
That the Board adopt the resolution approving the AAATA's 2023 Public Transportation Agency Safety Plan (PTASP) Version 4.0.
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
<p>3.4.8 – “Mandatory Approvals” required by outside organizations are placed in the Consent Agenda.</p> <p>2.0 &amp; 2.5.2 – Comply with laws and federal regulations, do not jeopardize funding.</p>
<b>ISSUE SUMMARY:</b>
<p>As a prerequisite for receiving federal transit funding, transit agencies are required to submit a Board approved, annual Public Transportation Agency Safety Plan (PTASP). This year's plan has already received approval from both the Safety Committee and the CEO, as evidenced by the attached signature sheet. The PTASP must be approved by the board no later than December 31, 2023. Failure to meet this deadline could put federal funding at risk, as outlined in Policy 2.5.2. Staff affirm that the attached PTASP is in full compliance with all federal regulations.</p>
<b>BACKGROUND:</b>
<p>Policy Governance acknowledges that external funders or regulators may occasionally necessitate board approval for detailed staff tasks, referred to as "Means." To maintain clear delegation to the CEO and prevent conflicting expectations, Policy Governance recommends including such approvals in a "Mandatory Approvals" consent agenda. The board has previously approved PTASPs for the years 2021 and 2022 through this mechanism. These earlier plans were accepted by the Federal Transit Administration (FTA), and no safety concerns were raised during the 2022 Triennial FTA Audit.</p> <p>The PTASP (Public Transportation Agency Safety Plan) for TheRide is governed by federal regulation 49 CFR Part 673, which sets forth the requirements. Developed to align with a Safety Management Systems (SMS) approach, the PTASP integrates policies, processes, and behaviors to ensure a proactive and data-driven approach to safety risk management. The plan incorporates the core elements of SMS:</p> <ul style="list-style-type: none"> <li>• Safety Management Policy</li> <li>• Safety Risk Management</li> <li>• Safety Assurance</li> <li>• Safety Promotion</li> </ul> <p>The 2021 Bipartisan Infrastructure Bill introduced new PTASP requirements, all of which have been successfully incorporated:</p>

- Formation of a Safety Committee comprising equal numbers of frontline workforce and management representatives. The existing AAATA Safety Committee was adapted for this purpose.
- Plan approval by the Safety Committee, followed by the CEO and Board of Directors. Both the Committee and the CEO have approved the PTASP.
- Implementation of a risk reduction program aimed at lowering accident, injury, and assault rates among transit workers. The plan includes specific metrics and targets.
- A comprehensive staff training program for operations and maintenance personnel, encompassing safety training, ongoing education, and de-escalation techniques.

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

- **Budgetary/Fiscal:** Board approval necessary to ensure federal funding.
- **Social:** The PTASP helps to minimize risk to the employees and public.
- **Environmental:** NA
- **Governance:** The federal government required approval by the Board. Policy Governance requires such approvals be placed in the Consent Agenda.

**ATTACHMENTS:**

1. Resolution approving the AAATA's 2023 Public Transportation Agency Safety Plan (PTASP)
2. Draft PTASP

Resolution 06/2023

PUBLIC TRANSPORTATION AGENCY SAFETY PLAN

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE  
ANN ARBOR AREA TRANSPORTATION AUTHORITY**

**WHEREAS**, the Public Transportation Agency Safety Plans (PTASP) regulation (49 CFR Part 673) requires certain operators of public transportation systems that receive federal funds under the FTA Urbanized Area Formula Grants to develop an Agency Safety Plan (ASP) that includes the processes and procedures to implement a Safety Management System (SMS), a comprehensive, collaborative, and systematic approach to managing safety, and

**WHEREAS**, the Federal Transit Administration requires the Board of Directors of the Ann Arbor Area Transportation Authority to annually approve a Public Transit Agency Safety Plan, and

**WHEREAS**, the Chief Executive Officer (the AAATA Accountable Executive) has signed the 2023 Public Transit Agency Safety Plan, as approved by staff at the Safety Committee.

**THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Ann Arbor Area Transportation Authority hereby approves the 2023 Public Transit Agency Safety Plan and directs the Chief Executive Officer to submit it to the Federal Transit Administration by the end of the calendar year.

I hereby certify that the following Resolution was duly approved and adopted by the Board of Directors of the Ann Arbor Area Transportation Authority at a meeting held on November 16, 2023, at which a quorum was present and acting throughout.

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Kathleen M. Mozak, Chair  
November 16, 2023

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Jesse Miller, Secretary  
November 16, 2023

**Monitoring Report:  
Treatment of The Traveling Public (Policy 2.1)**

**Finance Committee Meeting Review Date: October 31<sup>st</sup> 2023**

**Board of Directors Meeting Review Date: November 16<sup>th</sup> 2023**

<b>INFORMATION TYPE</b>
Monitoring
<b>RECOMMENDED ACTION(S)</b>
<p>That the Board review this monitoring report and consider accepting it as:</p> <p>(A) a reasonable interpretation for <b>all</b> policy items and that the evidence demonstrates compliance with the interpretations.</p> <p>(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.</p> <p>(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</p>
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</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>

**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 November and was submitted in November.

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**

October 16, 2023

**ATTACHMENTS**

1. Monitoring report for Treatment of the Traveling Public (Policy 2.1)

## Table of Contents

POLICY TITLE: TREATMENT OF THE TRAVELING PUBLIC	Page#	Compliance
2.1 With respect to the agency’s operations and interactions with riders, potential riders, pedestrians, cyclists, other road users, and the general public the CEO shall not cause, allow or fail to address conditions, procedures, or decisions that are unsafe, undignified, disrespectful, unclear, or overly intrusive. Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:	4	
2.1.1. Allow facilities, bus stops, vehicles, or services to lack reasonable accessibility for potential riders regardless of mobility limitations.	5	
2.1.2 Operate without providing effective, comprehensible, accessible, and timely information.	6	
2.1.2.1 Permit unfair, inconsistent, or untimely responses to questions or complaints from the traveling public.	8	
2.1.3 Operate without established and enforceable standards for customer service and the safety of the public including pedestrians, cyclists and other road users.	9	
2.1.3.1 Allow the public and riders to be without easily accessible, understandable information with respect to services offered and expected conduct.	10	
2.1.4 Use methods of collecting, reviewing, transmitting, or storing personal information that allows improper access or inappropriate disclosure.	11	
2.1.4.1 Use forms that elicit personal information for which there is no clear necessity.	12	

 Fully Compliant    
  Partially Compliant    
  Non-Compliant

## Preliminary CEO Interpretations and Evidence

### **POLICY 2.1**

With respect to the agency’s operations and interactions with riders, potential riders, pedestrians, cyclists, other road users, and the general public the CEO shall not cause, allow or fail to address conditions, procedures, or decisions that are unsafe, undignified, disrespectful, unclear, or overly intrusive. Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

**Degree of Compliance: Compliant**

#### **Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when all lower policies are compliant.

Rationale

The Board has fully defined its intent in lower-level policies

#### **Evidence**

**Source of Data:** Lower-level policies

**Date of Data Review:** 10/09/23 as verified by Corporate Strategy & Performance Officer.

**Data:**

All lower-level policies are compliant

**POLICY 2.1.1**

Allow facilities, bus stops, vehicles, or services to lack reasonable accessibility for potential riders regardless of mobility limitations.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when all aspects of TheRide’s operations, buses, bus stops, and facilities, comply with the Americans with Disabilities Act (ADA) requirements for accessibility or a plan is in place to reach compliance. Specifically, this means that while in operation:

- A. All fixed-route buses are wheelchair accessible with functioning ramps or lifts and appropriate tie-down equipment,
- B. All fixed-route buses have functional visual and auditory stop announcements,
- C. All contracted service vehicles are wheelchair accessible,
- D. All buildings, park n ride lots and other general structures are already wheelchair accessible, and
- E. Financial and staff resources are available to ensure that all bus stops near sidewalks are made wheelchair accessible by 2033.

Rationale

This is reasonable because

A-D. These measures address all elements necessary for passengers to be able to use transit services, are within the AAATA’s financial resources to afford, and align with legal accessibility requirements found in the ADA which can be objectively determined by an outside authority (FTA) and have become an industry standard. For contracted services, the start and stop points are predetermined and hence no audio, visual stop announcements are necessary.

Note: This policy interpretation addresses only in-service operations. It is reasonable to expect that when out of service accessibility requirements may not always be met e.g., a bus with a failed ramp in the maintenance shop.

E. Financial and staff resources are within the agency’s ability to control. Additionally, only bus stops near sidewalks can be made wheelchair accessible.

**Evidence**

**Source of Data:** Operational and planning records

**Date of Data Review:** as noted below

**Data:** During the monitoring period:

- A. 100% of buses were wheelchair accessible with ramps or lifts, wheelchair spaces, and appropriate tie-down equipment. An inspection of maintenance procedures and records indicate that ramps, lifts, and ties downs were functional before a bus was put into or returned to public service. Verified by Manager of Fleet 10/04/2023
- B. An inspection of fleet inventory records confirms that all fixed-route buses had auditory announcements and visual signs indicating stops which were functional during the monitoring period. Verified by Manager of Fleet 10/04/2023

- C. An inspection of all facilities (i.e., two bus terminals, two park n ride lots, and one office building) confirmed that all buildings were accessible to wheelchairs. All buildings had automatic doors which were functional or repaired promptly. Verified by Manager of Facilities 10/04/2023
- D. A review of our contracted services -A-Ride, GoldRide and FlexRide confirm that all vehicles in service were wheel chair accessible. Verified by Manager of Mobility Services 10/04/2023.
- E. A review of the FY23 Budget confirms that there were funds dedicated to the construction of bus stop bus pads and lead walks. During the monitoring period, 9 bus stops near sidewalks were made accessible. This is in line with our plan to make all bus stops near sidewalks accessible by 2033 (Policy 1.1.2 compliance timeline). Verified by the DCEO, Planning And Innovation 10/04/2023.

**POLICY 2.1.2**  
Operate without providing effective, comprehensible, accessible, and timely information.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement  
Compliance with this policy will be demonstrated by

- A. Compliance of policy 2.1.2.1
- B. Availability of accurate information on how to use our services (i.e., fixed-route time tables and maps, paratransit information, staff contact information) and general information about the agency is available prior to travel.
  - a) **Printed Material:** Printed RideGuides available in English, Spanish, Arabic, and Mandarin (per federal requirements).
  - b) **On-Line:** TheRide’s website with features allowing use for persons with sight limitations and in non-English languages.
  - c) **Real-Time Information:** Available on TheRide’s website and as a live feed for use in third-party apps
  - d) **Personal Responses:** Staff are available by phone or at the terminal during regular business hours.

Rationale  
The interpretations are reasonable because

- A. Compliance with this policy constitutes compliance with lower-level policies.
- B. The types of information provided can be measured, are within the control of the agency, address federal requirements for information stemming from the ADA and Title VI, are affordable given the resources available, and respond to the vast majority of public needs for trip planning or special accommodation.

**Evidence**

**Source of Data:** Community relations documents  
**Date of Data Review:** 10/03/23 as verified by Interim Manager of Community Relations  
**Data:**

- A. Policy 2.1.2.1 is compliant
- B. Evidence of availability and quality of information is provided below.

	Available throughout the monitoring period? Y/N
a) Printed Material	Y
b) On-line material	Y
c) Real-time information	Y

d) Verified by the Manager of Mobility Services (10/04/2023), staff were available throughout the monitoring period as follows:

	Phone services available through the times provided during the monitoring period? Y/N
Phone availability from 6:30AM to 10:00PM Monday thru Friday	Y
In person availability: Blake Transit Center to answer questions from 7:00AM to 7:00PM on weekdays 8:00AM-5:45PM on weekends.	Y

**POLICY 2.1.2.1**

Permit unfair, inconsistent, or untimely responses to questions or complaints from the traveling public.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when:

- A. Acknowledgement:
  - i. All written inquiries and concerns received through the customer service customer website are acknowledged within 2 business days
  - ii. All phone calls entered in the customer concern tracking database are acknowledged the same day.
- B. Waiting times:
  - i. Waiting time for responses to general phone inquiries about how to use AAATA services during business hours is less than 2 minutes.
- C. Resolution: Open cases are reviewed, solved and closed within the following timelines:
  - i. 90% of inquiries and concerns are resolved within 10 business days
  - ii. 99% of inquiries and concerns are resolved within 20 business days.

Rationale

These standards are reasonable because they provide a consistent way of addressing most concerns in a timely fashion. These timelines are also within the limits of resources available. is impractical to track in-field verbal communications and

**Evidence**

**Source of Data:** Internal Documents

**Date of Data Review:** 10/04/2023 as verified by Manager of Mobility Services and Customer Service Officer

**Data:**

	Target	Average time taken during the monitoring period	Target achieved? Y/N
A. Acknowledgment of			
i. written inquiries and concerns	2 days	1 day	Y
ii. phone calls	Same day	Same day	Y
B. Wait time of phone calls on general inquiries	2 minutes	45 seconds	Y
C. i. Resolving of 90% of inquiries	10 business days	10 business days	Y
ii. Resolving of 99% of inquiries	20 business days	20 business days	Y

<b>POLICY 2.1.3</b>
Operate without established and enforceable standards for customer service and the safety of the public including pedestrians, cyclists and other road users.
<b>Degree of Compliance: Compliant</b>
<b>Interpretation</b>
<p><u>Measure/Standards &amp; Achievement</u>            Compliance with this policy will be achieved when</p> <ul style="list-style-type: none"> <li>A. Policy 2.1.3.1 below is compliant</li> <li>B. 100% of all front-line staff have received customer service and safety training.</li> <li>C. Manager of operations confirms that corrective and reinforcement actions were in place and applied throughout the monitoring period.</li> </ul> <p><u>Rationale</u>            This interpretation is reasonable because</p> <ul style="list-style-type: none"> <li>A. Compliance with this policy constitutes compliance with lower-level policies.</li> <li>B. Customer service and safety training for front line staff (i.e., bus drivers, mechanics, call takers and contracted drivers) includes, proper vehicle maintenance, safe operation of the vehicle(to include consideration of other roads users), relevant laws, etc., as applicable to the role. Detailed operational performance and customers satisfaction are addressed further under policy 1.4 and Quarterly Service Reports. This section of the policy addresses the <i>availability of standards</i> (through training), and part C (below) addresses the enforcement of set standards/expectations.</li> <li>C. Confirmation of corrective and reinforcement actions in relation to safety and customer service expectations indicates enforcement of such standards.</li> </ul> <p>Note: an increase or decrease in action does not equate to proof that standards were enforced in some cases more than others but the fact that there were instances of enforcement.</p>
<b>Evidence</b>
<p><b>Source of Data:</b> Operational documents  <b>Date of Data Review:</b> 10/09/2023 as verified by the Manager of Operations.  <b>Data:</b></p> <ul style="list-style-type: none"> <li>A. Policy 2.1.3.1 is compliant</li> <li>B. 100% of all front-line staff received customer service and safety training</li> <li>C. There were a total of 92 positive reinforcement or corrective actions in relation to safety and customer service.</li> </ul>

**POLICY 2.1.3.1**

Allow the public and riders to be without easily accessible, understandable information with respect to services offered and expected conduct.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when TheRide publishes a code of conduct or riding rules and policies in all buses, terminals, website and the printed RideGuide.

Rationale

This is reasonable because the code of conduct or riding rules and policies outline expectations for public behavior on agency property and in buses. Publishing written material in transit centers, on all buses, in the Ride Guide, and on the website is reasonable as those are the areas that the public can readily access/see them.

Additionally, Policy 2.1.2 has addressed information in respect to the services offered. To avoid repetition this interpretation addresses public conduct only.

**Evidence**

**Source of Data:** Code of conduct, riding rules and policy postings

**Date of Data Review:** 10/03/23 as verified by Manager of Facilities and the interim Manager of Community Relations

**Data:**

The code of conduct was posted in buses, terminals, and on the website. The RideGuides had riding rules and policies.

**POLICY 2.1.4**

Use methods of collecting, reviewing, transmitting, or storing personal information that allows improper access or inappropriate disclosure

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be achieved when

- A. Policy 2.1.4.1 below is compliant
- B. Sensitive personal information collected through the paratransit program (ARide) is handled in accordance with the Confidentiality of Applicant Information provisions of the Americans with Disabilities Act.

Rationale

This is reasonable because

- A. Compliance with this policy constitutes compliance with lower-level policies.
- B. Customer personal information is collected for the paratransit (ARIDE) program only. (GoldRide, and the Fare Deal program users may need to verify demographic information, but their information is not collected or stored by the agency.) A-Ride is operated in line with the America with Disabilities Act (ADA) which provides guidelines on how to keep such information confidential and only accessible/disclosed to appropriate persons for the right reasons. Compliance with ADA requirements is reviewed during the Federal Transit Administration (FTA) tri-annual review.

**Evidence**

**Source of Data:** Operational records

**Date of Data Review:** 10/4/2023 as verified by Manager of Mobility Services

**Data:**

- A. Policy 2.1.4.1 is compliant
- B. During the monitoring period customer information was secured in accordance with the Americans with Disabilities Act confidentiality requirements

**POLICY 2.1.4.1**

Use forms that elicit personal information for which there is no clear necessity.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when

- A. No written or electronic means is used to collect information unless the agency is legally required to, it is necessary to effectively administer programs such as paratransit or it is needed for safety and security reasons.
- B. The Deputy CEO of Finance and Administration approves any new form requesting personal information from a member of the public

Rationale

Policy 2.1.4 addresses collecting and handling of customer information. To avoid repetition, this policy interpretation focuses on *establishing the need* to collect personal information for existing and future forms. Requiring that the Deputy CEO of Finance and Administration approve new forms places a guard that reviews and validates the necessity of any such form that would be used in the future.

**Evidence**

**Source of Data:** Customer data systems

**Date of Data Review:** 10/4/2023 as verified by DCEO, Finance and Administration.

**Data:**

- A. Existing written and electronic means of collecting customer information have already been approved as necessary to conduct business operations.
- B. No new forms requesting personal information were developed or approved in the monitoring period.

## Policy Trendlines

Policy	FY 22	FY 23	FY24
2.1			
2.1.1			
2.1.2			
2.1.2.1			
2.1.3			
2.1.3.1			
2.1.4			
2.1.4.1			
2.1.5			
2.1.5.1			
2.1.6			
2.1.6.1			

LEGEND	
	<b>Policy is compliant</b>
	<b>Policy is partially compliant</b>
	<b>Policy is not compliant</b>
	<b>Policy is deleted or previously inexistent.</b>

### 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.

### CEO Notes: (If Applicable)

## 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:**

**Treatment of the Traveling Public (Policy 2.1)**

**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
<b>Policy 2.1</b> With respect to the agency's operations and interactions with riders, potential riders, pedestrians, cyclists, other road users, and the general public the CEO shall not cause, allow or fail to address conditions, procedures, or decisions that are unsafe, undignified, disrespectful, unclear, or overly intrusive. Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:	100%	100%	

<p><b>Policy 2.1.1</b> Allow facilities, bus stops, vehicles, or services to lack reasonable accessibility for potential riders regardless of mobility limitations.</p>	83%	100%	<ul style="list-style-type: none"> <li>Are AAATA phone lines accessible to the deaf/hard of hearing?</li> </ul>
<p><b>Policy 2.1.2</b> Operate without providing effective, comprehensible, accessible, and timely information</p>	100%	100%	
<p><b>Policy 2.1.2.1</b> Permit unfair, inconsistent, or untimely responses to questions or complaints from the traveling public.</p>	100%	100%	<ul style="list-style-type: none"> <li>Comment: Evidence C should indicate what % was resolved.</li> </ul>
<p><b>Policy 2.1.3</b> Operate without established and enforceable standards for customer service and the safety of the public including pedestrians, cyclists and other road users.</p>	100%	100%	<ul style="list-style-type: none"> <li>Comment: I believe interpretation B should be more specific and mention riders and non-riders.</li> </ul>

<p><b>Policy 2.1.3.1</b> Allow the public and riders to be without easily accessible, understandable information with respect to services offered and expected conduct.</p>	100%	100%	<ul style="list-style-type: none"> <li>• Comment: Evidence omits services offered "to avoid repetition of 2.1.2. However, I believe 2.1.2 indirectly infers this, and that we should consider making language changes to both of these policies.</li> </ul>
<p><b>Policy 2.1.4</b> Use methods of collecting, reviewing, transmitting, or storing personal information that allows improper access or inappropriate disclosure.</p>	100%	100%	<ul style="list-style-type: none"> <li>• Comment: It's debatable whether there is actual data provided.</li> </ul>
<p><b>Policy 2.1.4.1</b> Use forms that elicit personal information for which there is no clear necessity.</p>	100%	100%	

### Additional context questions

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

**Responses** – (6) NO

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** – (6) N/A

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** – (5) NO

(1) YES

- See 2.1.3.1 comment: *Evidence omits services offered "to avoid repetition of 2.1.2. However, I believe 2.1.2 indirectly infers this, and that we should consider making language changes to both of these policies.*

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

25, 12, 15, 45, 10

**Monitoring Report:  
Compensation and Benefits (Policy 2.3)  
Monitoring Period: FY 2023 (Oct 1<sup>st</sup> 2022- Sep 30<sup>th</sup> 2023)**

**Finance Committee Meeting Review Date: Nov 3<sup>rd</sup>, 2023**

**Board of Directors Meeting Review Date: Nov 16<sup>th</sup> 2023**

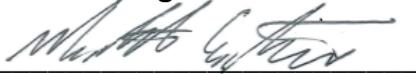
<b>INFORMATION TYPE</b>
Monitoring
<b>RECOMMENDED ACTION(S)</b>
<p>That the Board review this monitoring report and consider accepting it as:</p> <ul style="list-style-type: none"> <li>(A) a reasonable interpretation for <b>all</b> policy items and that the evidence demonstrates compliance with the interpretations.</li> <li>(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.</li> <li>(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</li> </ul>
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</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> <ul 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> </ul>

**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 November. The monitoring period for this report is FY 2023 (October 1<sup>st</sup> 2022- September 30<sup>th</sup>, 2023). The monitoring period for policies 2.3.6-2.3.8 (labor negotiations) starts earlier. These policies were new in 2022 and have never been monitored before. The negotiation in 2021/2022 were the first to use these expectations.

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**

October 25, 2023

**ATTACHMENTS**

1. Monitoring report for Compensation and Benefits (Policy 2.3)

## Table of Contents

POLICY TITLE: COMPENSATION AND BENEFITS	Page#	Comp.
<p>2.3 With respect to employment, compensation and benefits, the CEO shall not cause or allow jeopardy to the agency’s fiscal integrity or public image.</p> <p>Further, without limiting the scope of the above statement by the following list, the CEO shall not:</p>		5
2.3.1. Operate without a compensation and benefits program that attracts and retains highly qualified employees.		6
2.3.1.1 Offer a benefits program that does not include health insurance.		7
2.3.2 Establish compensation and benefits that deviate materially from the geographic or professional market for the skills employed.		8
2.3.3 Change the CEO’s own paid compensation and benefits, except to make his or her benefits consistent with a package for all other non-unionized employees, without Board approval.		9
2.3.4 Operate without a robust, impartial, and transparent process for determining employee compensation.		10
2.3.4.1 Allow compensation for agency employees (union and non- union), suppliers, or contracted employees to be less than a “living wage”, as defined by ordinance of the City of Ann Arbor.		11
<p>2.3.5 Establish or change retirement benefits so as to cause unpredictable or inequitable situations, including those that:</p> <p>A. Incur unfunded liabilities.</p> <p>B. Provide less than some basic level of benefits to all full-time employees.</p> <p>C. Treat the CEO differently from other senior employees.</p>		12
2.3.6 Formally initiate bargaining of a new collective agreement prior to the board having established goals for the negotiation.		13
<p>2.3.6.1 Let the board be without material that supports an informed deliberation about goals for negotiations, including but not limited to, clearly articulated information in the following areas:</p> <ul style="list-style-type: none"> <li>• Finance</li> <li>• Operations</li> </ul>		14

<ul style="list-style-type: none"> <li>• Relevant transit industry data, geographic comparators, trends in terms and conditions of employment</li> </ul>		
2.3.7 Let the board be uninformed of the current status of labor negotiations including, but not limited to, changes in the anticipated timeline for tentative agreement.		15
2.3.8 Request approval of a tentative collective agreement from the final bargaining phases without providing information that demonstrates how the proposed agreement: <ul style="list-style-type: none"> <li>• Aligns with Board-established goals for negotiations.</li> <li>• Supports the Board’s policies.</li> </ul>		16



Fully Compliant



Partially Compliant



Non-Compliant

## Preliminary CEO Interpretations and Evidence

### **POLICY 2.3**

With respect to employment, compensation and benefits, the CEO shall not cause or allow jeopardy to the agency’s fiscal integrity or public image.

Further, without limiting the scope of the above statement by the following list, the CEO shall not:

**Degree of Compliance: Compliant**

#### **Interpretation**

Measure/Standards & Achievement

Compliance of this policy will be demonstrated when all lower-level policies are compliant

Rationale

The Board has fully interpreted this policy in the sub-policies below

#### **Evidence**

**Source of Data:** Lower-level policies

**Date of Data Review:** 10/24/23 as verified by Corporate Strategy & Performance Officer

**Data:**

All lower-level policies are compliant

**POLICY 2.3.1**

Operate without a compensation and benefits program that attracts and retains highly qualified employees.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when

- A. **Attracting:** More than 73% of all employment offers are accepted
- B. **Retaining:** Not more than 20% of all employees participating in an exit interview identify compensation and benefits as the basis for voluntary separation.

Rationale

This is reasonable because

- A. Whereas a job posting provides a compensation range, an acceptance letter includes both compensation and benefits specifics. With this letter, a candidate may choose to accept the job offer based on pay and benefits. Although there are other factors that may result in candidates declining offers, this is the first time the candidate will have access to specific compensation and benefits details. The industry average for employment acceptance rates in FY23 (monitoring period) was 73%. Setting our target above this number reflects our desire to attract more candidates than the industry average.
- B. During exit interviews, the agency is able to capture reasons for voluntary separation. Involuntary separations are often not based on compensation and benefits and are addressed in the treatment of staff policy (2.2). Based on industry trends about 20% of workers in non-union positions will leave for compensation and benefits related reasons. Setting our targets at this threshold is realistic in relation to existing job markets and expectations. Note: Compensation and benefits for union workers is addressed in the contract (2.3.6 -2.3.8) and is hence not part of this policy interpretation.

See CEO Note on highly qualified employees on page 17.

**Evidence**

**Source of Data:** Internal employee data

**Date of Data Review:** 10/24/2023 as verified by Manager of Human Resources

**Data:**

	Target	Monitoring period performance	Target achieved Y/N
A. Offer acceptance rate	>73%	77%	Y
B. Voluntary separation based on compensation and benefits	<20%	0%	Y

**POLICY 2.3.1.1**

Offer a benefits program that does not include health insurance.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when all full and/or part-time employees (union and non-union) who have been with the agency for more than 90 days and are without any other form of health insurance, are offered benefits packages that include some level of health insurance coverage.

Rationale

This interpretation is reasonable because it covers all employees and gives employees the flexibility to opt out if they are already covered.(e.g., through their spouse’s insurance). A 90-day waiting period is the standard waiting period as regulated by the US department of Labor.

See CEO Notes on page 17.

**Evidence**

**Source of Data:** Employee Health Plan Enrollment

**Date of Data Review:** 08/31/2023 as verified by Manager of Human Resources.

**Data:**

The table below shows how all employees were accounted for.

Total Employees	Enrolled in a Health Plan	Voluntarily Waived Health Plan*	In Waiting Period
290	239	35	16

\* all employees that decline coverage with the agency must show proof of other health insurance coverage.

**POLICY 2.3.2**

Establish compensation and benefits that deviate materially from the geographic or professional market for the skills employed.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance will be demonstrated when the salaries for non-union staff positions are benchmarked against similar positions in the region and transit industry.

Rationale

Benchmarking against regional and industry is reasonable as those are the labor markets in which we need to remain competitive.

**Evidence**

**Source of Data:** Compensation and Benefits Packages

**Date of Data Review:** 09/19/2023 as verified by Manager of Human Resources

**Data:**

A review of current compensation and benefits packages indicate that there is no material deviation from current geographic and professional markets. The process of determining compensation is detailed in policy 2.3.4.

**POLICY 2.3.3**

Change the CEO’s own paid compensation and benefits, except to make his or her benefits consistent with a package for all other non-unionized employees, without Board approval.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when compensation and benefits available only to the CEO (i.e., salary or benefits) are adjusted only by act of the Board of Directors. This policy does not address agency-wide benefits (agency-wide dental plans), which the CEO can modify for the good of the organization (e.g., cost efficient)

Rationale

These interpretations are reasonable because the policy is self-explanatory and requires little additional clarification. Further, this is reasonable because it clearly identifies the only mechanism by which CEO compensation can be adjusted (i.e., by the Board). However, the CEO needs to latitude to adjust benefits for the sake of the organization (a Means) even if those benefits also apply to themselves.

**Evidence**

**Source of Data:** AAATA salary and benefits review

**Date of Data Review:** 09/19/2023 as verified by Manager of Human Resources

The CEO did not change his own compensation or benefits in FY 23.

**POLICY 2.3.4**

Operate without a robust, impartial, and transparent process for determining employee compensation.

**Degree of Compliance: Compliant**

**Interpretation**

I interpret “compensation” to mean wages and salary; but not benefits which are addressed elsewhere in this policy.

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when AAATA uses an objective, transparent process from a third-party source for determining staff wages. The process must create internal equity between AAATA positions (impartial), be documented in advance (transparent) and is used consistently (robust).

Rationale

This is reasonable because such a process removes arbitrary considerations from the act of determining compensation for each position. It also determines the range of compensation for each role based on the value created by the position and ensures similar roles are treated in a similar fashion, regardless of the individual in the position.

**Evidence**

**Source of Data:** Human Resource Documents

**Date of Data Review:** 09/19/2023 as verified by Manager of Human Resources

**Data:**

During the monitoring period, AAATA determined compensation for all positions based on an outside process developed by Korn Ferry, a reputable outside firm specializing in compensation structures. All positions at the AAATA are covered by this process, except for the CEO whose compensation is determined by the Board of Directors.

**POLICY 2.3.4.1**

Allow compensation for agency employees (union and non-union), suppliers, or contracted employees to be less than a “living wage”, as defined by ordinance of the City of Ann Arbor.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be determined when all direct employees (full or part time) of the AAATA, and employees of our suppliers and contractors are paid an hourly wage at or above the living wage as defined by the City of Ann Arbor. Suppliers with contracts under \$10,000 annually, 5 for-profit employees , or 20 non-profit employees are exempt (Source: Living Wage Declaration Poster for 2021-2020, available at [www.a2gov.org](http://www.a2gov.org)).

Rationale

This is reasonable as it covers all individuals who work directly or indirectly for the AAATA and follows the outside ordinance called for in the policy.

**Evidence**

**Source of Data:** AAATA wages and contractor wages

**Date of Data Review:** 10/24/2023 as verified by Manager of Human Resources and the Manager of Purchasing

**Data:**

Ann Arbor’s current living wage (2023) is a minimum of \$16.52/hour with health care and \$17.73/hour without health care. During the monitoring period the lowest hourly rate paid to any AAATA regular staff was \$21.74 during training, and then \$25.50 following the training period, well above the minimum.

A review of AAATA contracts with suppliers indicate that all employees covered under this ordinance were paid at or above the living wage.

**POLICY 2.3.5**

Establish or change retirement benefits so as to cause unpredictable or inequitable situations, including those that:

- A. Incur unfunded liabilities.
- B. Provide less than some basic level of benefits to all full-time employees.
- C. Treat the CEO differently from other senior employees.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when, if retirement benefits are created or altered, they must meet the following criteria:

- A. The AAATA will provide only a defined-contribution pension/retirement benefit program.
- B. All eligible employees working in full-time positions participate in the defined contribution (pension) program.
- C. The CEO does not allow the creation of any post-employment benefit that applies only to themselves (aside from what the Board allows in the CEO’s contract).

Rationale

This interpretation is reasonable because

- A. A define-contribution program facilitates an affordable organization contribution to employee retirement benefits without incurring unaffordable future liabilities.
- B. Participation of all eligible employees in the pension plan ensures equity in provision. Eligibility is determined after completing the standard waiting period as stipulated by the US department of labor (not less than 90 days).
- C. CEO compensation and benefits are determined only by the Board.

**Evidence**

**Source of Data:** AAATA retirement benefits

**Date of Data Review:** 08/31/2023 as verified by Manager of Human Resources

**Data:**

- A. During the monitoring period there was a defined contribution pension program.
- B. The table below illustrates the breakdown of employee participation in the program. All employees were either enrolled in the pension program or in the standard waiting period.

Total employees	Enrolled in Pension	In waiting period
290	254	36

**C. CEO Benefits**

Other than provisions in the Board-approved 2020 CEO contract regarding a supplemental disability benefit and a separate deferred comp plan, the CEO only has the same benefits plans as all other non-unionized AAATA employees, including the Deputy CEOs. This did not change during the monitoring period.

**POLICY 2.3.6**

Formally initiate bargaining of a new collective agreement prior to the board having established goals for the negotiation.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when meeting minutes from a board meeting reflect that consensus on the general collective bargaining goals was reached prior to formal commencement of collective bargaining

Rationale

This interpretation is reasonable as the sequence of dates of the two events will confirm compliance with this policy.

**NOTE:** Compliance elements (Interpretation and evidence) of this policy and its sub policies will only go into the details permissible by the Open Meetings Act given that most of these discussions happened in closed session.

**Evidence**

**Source of Data:** Board meeting minutes

**Date of Data Review:** 09/14/23 as verified by Corporate Strategy and Performance Officer

Minutes from the AAATA board meeting on October 18, 2021 record that consensus on collective bargaining goals was achieved in a Closed Session meeting on that date. These minutes were approved by the board at the meeting on November 18, 2021. Negotiations began on December 7<sup>th</sup> 2021.

**POLICY 2.3.6.1**

Let the board be without material that supports an informed deliberation about goals for negotiations, including but not limited to, clearly articulated information in the following areas:

- Finance
- Operations
- Relevant transit industry data, geographic comparators, trends in terms and conditions of employment

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when staff provide a recommendation for objectives in negotiations to the Board for their consideration. Recommended objectives will be supported by financial, operational and relevant industry data.

Rationale

This interpretation is reasonable because providing broad goals, as opposed to strict requirements, is appropriate because a Board cannot legally dictate terms in a labor negotiation, and because staff need adequate delegated authority to bargain in good faith. Additionally, providing financial and operational information provides enough information, or avenues for additional information, for the Board to reach an informed consensus about overall goals for collective bargaining. Relevant industry data compare and contrast trends, conditions of similar transit agencies.

**Evidence**

**Source of Data:** Board meeting minutes

**Date of Data Review:** 09/14/23 as verified by Corporate Strategy & Performance Officer

**Data:** A review of approved meeting minutes confirms that the Board went into Closed Sessions to discuss labor negotiations strategies on 11/18/2021, 12/16/2021 and 03/17/22. During those meetings, staff provided financial, operation and relevant industry information to help the Board make an informed decision. A review of presentation material provided by the CEO in closed session confirms the presentations included this information.

**POLICY 2.3.7**

Let the board be uninformed of the current status of labor negotiations including, but not limited to, changes in the anticipated timeline for tentative agreement.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance will be accomplished when staff provide monthly updates to the Board during Board meetings concerning the progress of the negotiations and any anticipated changes to the previously discussed process expectations to include timelines. It should be noted that some of these discussions will occur in closed session in accordance with the Open Meetings Act.

Rationale

This is reasonable because staff are able to engage the full Board during a Board meeting. Having discussions in closed sessions to discuss collective bargaining is permissible under the Open Meetings Act.

**Evidence**

**Source of Data:** Board meeting minutes

**Date of Data Review:** 09/14/23 as verified by Corporate Strategy and Performance Officer

**Data:**

A review of approved meeting minutes confirms that the Board went into Closed Sessions to discuss labor negotiations strategies on 11/18/2021, 12/16/2021 and 03/17/22. The Board meeting in January 2022 was cancelled for weather reasons and no update was provided. The Governance Committee proposed the February Board meeting agenda be updated to accommodate key issues not discussed in the January Board meeting. Hence, there was no discussion on labor negotiations in February. Discussions resumed in March.

During those meetings staff provided general updates on the status of negotiations, and implications for the timelines. A review of presentation material provided by the CEO confirms the presentations included this information.

**POLICY 2.3.8**

Request approval of a tentative collective agreement from the final bargaining phases without providing information that demonstrates how the proposed agreement:

- Aligns with Board-established goals for negotiations.
- Supports the Board’s policies.

**Degree of Compliance: Compliant**

**Interpretation**

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when a formal tentative agreement (TA) between the AAATA and a union is presented to the Board for approval. The presented material must summarize how

- A. The TA compares with the goals established by consensus as part of policy 2.3.6 above, and
- B. Information about how the TA impacts compliance with Ends and Executive Limitations policies. Evidence will be in the form of a written briefing and action item included in a board meeting packet.

Rationale

The interpretation is reasonable as it only clarifies an already-clear policy.

**Evidence**

**Source of Data:** Board meeting minutes

**Date of Data Review:** 09/14/23 as verified by Corporate Strategy & Performance Officer

**Data:**

A review of the March 2022 Board meeting minutes found that staff provided the Board with a formal Tentative Agreement (TA). A review of presentation material provided by the CEO indicates that the Board reviewed the TA in light of its goals, Ends and Executive Limitations. Following the closed session, the Board voted to approve the Agreement and it passed unanimously.

Policy Trendlines				
Policy	FY 20	FY 21	FY 22	FY23
2.3	Yellow	Green	Green	Green
2.3.1	Green	Green	Green	Green
2.3.1.1	Green	Green	Green	Green
2.3.2	Orange	Green	Green	Green
2.3.3	Green	Green	Green	Green
2.3.4	Orange	Green	Green	Green
2.3.4.1	Green	Green	Green	Green
2.3.5	Green	Green	Green	Green
2.3.6				Green
2.3.6.1				Green
2.3.7				Green
2.3.8				Green

LEGEND	
Red	Policy is not compliant
Yellow	Policy is partially compliant
Green	Policy is compliant

**CEO Notes:**

1. The CEO notes that policy 2.3.1 and 2.3.1.1. are not part of the original John Carver’s policy. Additionally, he finds 2.3.1 prescriptive and hence difficult to provide interpretation and evidence for attracting or retaining ‘highly qualified employees’.
2. CEO recommends that the Board review policy 2.3.4 as they it addresses elements of policy 2.3.2 and could therefore be a potential sub-policy of 2.3.2.

## 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:**

**Compensation & Benefits (Policy 2.3)**

**Participants: 5 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><b>Policy 2.3</b> With respect to employment, compensation and benefits, the CEO shall not cause or allow jeopardy to the agency's fiscal integrity or public image. Further, without limiting the scope of the above statement by the following list, the CEO shall not:</p>	100%	100%	
<p><b>Policy 2.3.1</b> Operate without a compensation and benefits program that attracts and retains highly qualified employees.</p>	100%	100%	

<p><b>Policy 2.3.1.1</b> Offer a benefits program that does not include health insurance.</p>	100%	100%	
<p><b>Policy 2.3.2</b> Establish compensation and benefits that deviate materially from the geographic or professional market for the skills employed.</p>	100%	80%	<ul style="list-style-type: none"> <li>I don't see the evidence proving compliance. There's no data here. I'm not sure I fully understand what we want out of the policy, my interpretation is we don't want vastly under or overpaid employees at AAATA?</li> </ul>
<p><b>Policy 2.3.3</b> Change the CEO's own paid compensation and benefits, except to make his or her benefits consistent with a package for all other non-unionized employees, without Board approval.</p>	100%	100%	
<p><b>Policy 2.3.4</b> Operate without a robust, impartial, and transparent process for determining employee compensation.</p>	100%	100%	<ul style="list-style-type: none"> <li>Does the Korn Ferry process include unionized employee pay? The evidence presented makes it seem like that's the case. I'm just wondering, as some policies seem to differentiate union vs non-union (ie. 2.3.2), but that's not the case here.</li> </ul>

<p><b>Policy 2.3.4.1</b> Allow compensation for agency employees (union and non-union), suppliers, or contracted employees to be less than a "living wage", as defined by ordinance of the City of Ann Arbor.</p>	<p>100%</p>	<p>80%</p>	<ul style="list-style-type: none"> <li>In reality, this is a 'yes' for evidence verifiable regarding Suppliers and living wages, but that is us taking the word of the supplier w/o really verifying. Based on the state of the world, and I assume the sheer number of suppliers the AAATA uses, I think the chances are greater than 0% that we have suppliers who are not paying living wages across their entire workforce.</li> <li>Comment: I'm puzzled that interpretation uses a "2021-2020" poster. Why not a more current date? Further, I couldn't find the poster on a2gov.org.</li> </ul>
<p><b>Policy 2.3.5</b> Establish or change retirement benefits so as to cause unpredictable or inequitable situations, including those that: A. Incur unfunded liabilities. B. Provide less than some basic level of benefits to all full-time employees. C. Treat the CEO differently from other senior employees.</p>	<p>100%</p>	<p>100%</p>	

<p><b>Policy 2.3.6</b> Formally initiate bargaining of a new collective agreement prior to the board having established goals for the negotiation.</p>	100%	100%	
<p><b>Policy 2.3.6.1</b> Let the board be without material that supports an informed deliberation about goals for negotiations, including but not limited to, clearly articulated information in the following areas:  <ul style="list-style-type: none"> <li>• Finance</li> <li>• Operations</li> <li>• Relevant transit industry data, geographic comparators, trends in terms and conditions of employment</li> </ul> </p>	100%	100%	

<p><b>Policy 2.3.7</b> Let the board be uninformed of the current status of labor negotiations including, but not limited to, changes in the anticipated timeline for tentative agreement.</p>	100%	100%	<ul style="list-style-type: none"> <li>In the evidence section it would be useful to show how long the current contract runs through and when the next labor negotiations are anticipated.</li> </ul>
<p><b>Policy 2.3.8</b> Request approval of a tentative collective agreement from the final bargaining phases without providing information that demonstrates how the proposed agreement:  <ul style="list-style-type: none"> <li>Aligns with Board-established goals for negotiations.</li> <li>Supports the Board's policies.</li> </ul> </p>	100%	100%	

### Additional context questions

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

**Responses** – NO (5)

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** – NO (1)

N/A (4)

- *Comment on report instructions: "the order of monitoring has also been provided at the beginning of each policy. i.e., from the lowest policy size to the largest." The numbering doesn't seem from lowest to highest. For example, 2.3 is the largest but it is #1.*

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** – YES (2)

- *CEO has offered some suggestions to this policy that the board may wish to consider.*
- *I do wonder about the Supplier component of 2.3.4.1. Do we actually verify besides taking their word for it? I also have issue with 'living wage' values, but that isn't an AAATA problem per se if we are basing our numbers with the Ann Arbor living wage value. However, we could have impact on it and set a higher bar... (re: ALICE report for Washtenaw County from the United Way)*

NO (3)

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

20, 15, 10, 50, 25

## Public Safety & Policy Development

**Meeting: Board of Directors**

**Meeting Date: November 16, 2023**

<b>INFORMATION TYPE</b>
Decision Preparation
<b>RECOMMENDED ACTION(S)</b>
Discuss
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
<ul style="list-style-type: none"> <li>• There are several existing policies that may be relevant to this discussion (emphasis added):               <ul style="list-style-type: none"> <li>○ <b>2.0</b> "... Cause, allow or fail to address any practice, activity, decision, or organizational circumstance that is either <u>unlawful</u>, imprudent, or in violation of commonly accepted business practices or professional ethics.</li> <li>○ <b>2.1</b> "...Cause, allow or fail to address conditions, procedures, or decisions that are unsafe, undignified, disrespectful, unclear, or overly intrusive.</li> <li>○ <b>2.1.2</b> "...Allow anyone, including people who have disabilities or seniors, to be <u>discriminated against</u> with respect to the AAATA's services.</li> <li>○ <b>2.1.3.1</b> "...Allow the public and riders to be without easily accessible, understandable information with respect to services offered and <u>expected conduct</u>."</li> <li>○ <b>2.2</b> "...Cause or allow employment conditions that are inconsistent, discriminatory, unfair, <u>unsafe</u>, unhealthy, undignified, disorganized, or unclear"</li> <li>○ <b>2.7.1.1</b> "...Unreasonably expose the organization, its Board or staff to claims of <u>liability</u>."</li> <li>○ <b>2.7.5</b> "...Endanger the organization's <u>public image</u>, <u>credibility</u>, or its ability to accomplish Ends."</li> <li>○ <b>2.7.6</b> "...Authorize the use of vehicles and their operators to transport persons detained by law enforcement for participating in public demonstrations."</li> </ul> </li> </ul>
<b>ISSUE SUMMARY</b>
The board should consider if they want to address the topic of public safety at TheRide, facilities, bus stops, vehicles, etc.
<b>BACKGROUND</b>
During public comment at the August 17, 2023 meeting of the AAATA Board of Directors, a contingent of the traveling public voiced concerns that TheRide had entered discussions with the Ypsilanti Police Department to create a "police substation" at the YTC and to discourage any such arrangement. Staff clarified that, while an introductory conversation had taken place with the new chief of YPD and that discussion had included the topic of public safety in and around the YTC, no discussions were being held regarding a police substation at the current YTC nor at the planned future facility.

This conversation, coupled with historic reports nationwide that certain segments of the public do not necessarily feel safe using public transportation or related facilities, highlighted that policies currently in place regarding public safety are perhaps overly vague and may benefit from examination and development.

**IMPACTS OF RECOMMENDED ACTION(S)**

- Budgetary/Fiscal: TBD
- Social: Potentially high
- Environmental: N/A
- Governance: TBD

**ATTACHMENTS**

1. Policy Development Framework (3.1.3)

**Attachment 1: Policy Development Framework (3.1.3)**

***3.1.3 The Board will direct, control and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long term impacts outside the organization, not on the administrative or programmatic means of attaining those effects.***

***3.1.3.1 The Board will only allow itself to address a topic after it has answered these questions:***

***1. What is the nature of the issue? Is the issue within the scope of the agency?***

***2. What is the value that drives the concern?***

***3. Whose issue is this? Is it the Board's or the CEO's?***

***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?***

## Preliminary FY2023 Q4 Financial Statement

**Finance Committee Review Date: November 7, 2023**

**Board Meeting Review Date: November 16, 2023**

<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 Preliminary Fourth Quarter Financial Statement with currently available and reportable financial information for the period ending September 30, 2023.
<b>BACKGROUND:</b>
<p>Financial highlights from the fourth quarter year-to-date (October 2022 to September 2023) 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 an \$8.8 million surplus of revenues over expenses. The surplus will be placed in the capital reserve.</li> <li>Expenses were \$0.8 million lower than budgeted primarily due to unfilled staff positions offset by costs for consultants and temporary workers and savings in fuel.</li> <li>Revenues were \$3.5 million lower than budgeted, because there was no requirement to use <u>capital formula funding</u> for operating assistance and the slower usage of the federal <u>pandemic relief funds</u> to allow more funding available for FY2024.             <ul style="list-style-type: none"> <li>Federal Operating Assistance – Beginning in FY2021 we started reducing our reliance on <u>capital formula funding</u> (a portion of Federal Operating Assistance) in favor of utilizing Federal Pandemic Relief funds to balance the budget. In FY2022 and FY2023 no capital formula funding was needed to balance the budget. The strategy to reduce or eliminate use of capital formula funding for operations is expected to continue through FY2024 and by FY2025 property tax revenues generated by the new millage will provide a sustainable funding source to eliminate reliance on this funding source through the foreseeable future.</li> </ul> </li> </ul>

- Pandemic Relief Funds – As described during the FY2024 Budget process, use of pandemic relief funds was reduced in Q4 of FY2023 to provide funding to support the launch of expanded services by August 2024. The strategy to accelerate millage initiatives by using pandemic relief funds in advance of receiving the first year’s millage funding is consistent with discussions during the millage process. There is approximately \$6.8 million of pandemic relief funds remaining at the end of FY2023, which is consistent with budgeted pandemic relief funds for FY2024.
- The projected balances for the three board-approved reserves are as follows: operating reserve at \$12.9 million or 2.7 months, based on year-to-date expenses, capital reserve of \$31.7 million, and insurance reserve at \$0.5 million.
- \$51.9 million in Federal pandemic relief revenue (CARES, ARP, CRRSAA) has been used to date to support operations.
- Cash flow was adequate to cover expenses; Q4 2023 ended at \$52 million in cash and investments.
- Investments are stable. No treasury bonds matured or were purchased during the quarter. For FY2023, surpluses have primarily been placed in the CDARS program instead of treasury notes or agency bonds. Participation in the CDARS program currently provides the opportunity to earn a competitive interest rate (approximately 4.8% at the end of FY2023) compared to agency bonds and treasury notes, without the requirement to commit the cash to a longer-term investment. Additionally, all cash in the CDARS program is fully insured. Interest rates for the CDARS program, agency bonds, and treasuries are evaluated quarterly to ensure cash is safe, we have adequate liquidity, and that cash returns the highest yield compatible with prudent investing (Board Policy 2.6).

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

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

**ATTACHMENTS:**

Preliminary FY2023 Q4 Financial Statement (Income Statement and Balance Sheet)

## Income Statement - Preliminary

For the Period Ended September 30, 2023

### Revenue and Expense (Budget to Actual)

In Thousands of Dollars

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	\$ 1,208	\$ 1,700	\$ 1,761	\$ 2,048	\$ 6,717	\$ 5,992	\$ 725	12.1%
Local Property Taxes	4,768	5,535	5,190	4,340	19,833	19,070	763	4.0%
State Operating Assist.	4,301	3,700	4,143	4,645	16,789	17,444	(655)	-3.8%
Federal Operating Assist.	989	701	893	1,496	4,079	7,201	(3,122)	-43.4%
Federal Pandemic Relief	4,000	4,634	4,607	1,800	15,041	17,278	(2,237)	-12.9%
Other Revenues	38	614	294	563	1,509	524	985	188.0%
<b>Total Operating Revenues</b>	<b>\$ 15,304</b>	<b>\$ 16,884</b>	<b>\$ 16,888</b>	<b>\$ 14,892</b>	<b>\$ 63,968</b>	<b>\$ 67,509</b>	<b>\$ (3,541)</b>	<b>-5.2%</b>
<b>EXPENSES</b>								
Salaries, Wages, Benefits	\$ 6,461	\$ 7,716	\$ 7,706	\$ 7,626	\$ 29,509	\$ 30,371	\$ 862	2.8%
Purchased Transportation	2,459	3,263	3,074	3,558	12,354	12,327	(27)	-0.2%
Fuel, Material, Supplies	1,531	1,628	1,228	1,551	5,938	6,242	305	4.9%
Purchased Services	538	1,179	1,369	1,022	4,108	3,504	(604)	-17.2%
Other Expenses	398	1,376	884	553	3,211	3,538	327	9.2%
<b>Total Operating Expenses</b>	<b>\$ 11,387</b>	<b>\$ 15,162</b>	<b>\$ 14,261</b>	<b>\$ 14,310</b>	<b>\$ 55,120</b>	<b>\$ 55,983</b>	<b>\$ 863</b>	<b>1.5%</b>
<b>Surplus (Deficit)</b>	<b>\$ 3,917</b>	<b>\$ 1,722</b>	<b>\$ 2,627</b>	<b>\$ 582</b>	<b>\$ 8,848</b>	<b>\$ 11,526</b>	<b>\$ (2,678)</b>	<b>-23.2%</b>
<b>Capital Reserve Transfer</b>	<b>\$ (3,917)</b>	<b>\$ (1,722)</b>	<b>\$ (2,627)</b>	<b>\$ (582)</b>	<b>\$ (8,848)</b>	<b>\$ (11,526)</b>	<b>\$ 2,678</b>	<b>-23.2%</b>
<b>Operating Reserve Transfer</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>OPERATING BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

TheRide had a \$8,848,000 surplus at the end of the fourth quarter.

Revenues were lower than budgeted by \$3,541,000 because there was no requirement to use federal capital formula funding for operating assistance and slower usage of the federal pandemic relief funds to allow more funding available for FY2024.

Expenses were \$863,000 lower than budgeted primarily due to unfilled staff positions offset by costs for consultants and temporary workers and savings in fuel.

**Federal Pandemic Relief Utilization**  
Expenditures from \$58.7 million in Federal Pandemic Relief funding as of September 30, 2023, for eligible COVID-19-related costs:

Operating Expenditures	\$ 51,945,090
Capital Expenditures	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 51,945,090</b>

Federal Pandemic Funds Remaining: \$ 6,799,897

### YTD Revenue and Expense By Mode

In Thousands of Dollars

	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, Peoples Express</i>	<i>Commuter Express</i>	<i>Detroit Shuttle</i>	<i>VanRide, Ride Sharing</i>	
<b>DIRECT REVENUE</b>								
Fare Revenue	\$ 4,036	\$ 207	\$ 120	\$ 191	\$ -	\$ 181	\$ -	\$ 4,735
Contract Revenues	942	262	181	597	-	-	-	1,982
Advertising, Interest, Other	1,509	-	-	-	-	-	-	1,509
Federal Operating	-	-	-	-	-	2,081	-	2,081
State Operating	11,352	3,264	584	1,235	-	-	354	16,789
<b>Total Direct Revenue</b>	<b>\$ 17,839</b>	<b>\$ 3,733</b>	<b>\$ 885</b>	<b>\$ 2,023</b>	<b>\$ -</b>	<b>\$ 2,262</b>	<b>\$ 354</b>	<b>\$ 27,096</b>
<b>TOTAL EXPENSE</b>								
Salaries, Wages, Benefits	\$ 27,943	\$ 1,206	\$ 109	\$ 171	\$ -	\$ -	\$ 80	\$ 29,509
Purchased Transportation	66	4,833	1,996	2,636	-	2,138	685	12,354
Fuel, Materials, Supplies	5,241	697	-	-	-	-	-	5,938
Contracted Services	3,899	147	-	62	-	-	-	4,108
Other Expenses	2,927	70	37	45	-	124	8	3,211
<b>Total Operating Expense</b>	<b>\$ 40,076</b>	<b>\$ 6,953</b>	<b>\$ 2,142</b>	<b>\$ 2,914</b>	<b>\$ -</b>	<b>\$ 2,262</b>	<b>\$ 773</b>	<b>\$ 55,120</b>
<b>Surplus (Deficit) from OPS</b>	<b>\$ (22,237)</b>	<b>\$ (3,220)</b>	<b>\$ (1,257)</b>	<b>\$ (891)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (419)</b>	<b>\$ (28,024)</b>
<b>ALLOCATED REVENUE</b>								
Local Property Taxes	19,531	-	302	-	-	-	-	19,833
Federal Operating/Pandemic	11,554	3,220	955	891	-	-	419	17,039
<b>SURPLUS (DEFICIT):</b>	<b>\$ 8,848</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,848</b>

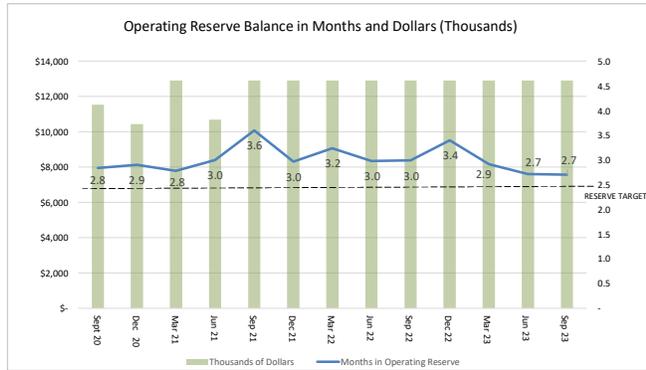
## Balance Sheet - Preliminary

For the Period Ended September 30, 2023

### Balance Sheet and Reserve

In Thousands of Dollars, With Prior Year Comparison.

	Q4 2022 9/30/2022	Q3 2023 6/30/2023	Q4 2023 9/30/2023
<b>ASSETS</b>			
Cash	\$ 25,449	\$ 21,884	\$ 31,651
Investments	19,229	19,653	19,996
Other Current Assets	11,822	25,670	14,458
Capital Assets	41,319	42,470	41,357
<b>Total Assets</b>	<b>97,819</b>	<b>109,677</b>	<b>107,462</b>
<b>LIABILITIES</b>			
	<b>6,476</b>	<b>7,346</b>	<b>7,496</b>
<b>TOTAL NET POSITION</b>	<b>\$ 91,343</b>	<b>\$ 102,331</b>	<b>\$ 99,966</b>
<b>RESERVES:</b>			
	<b>Balances</b>		
Capital	\$ 22,814	\$ 32,400	\$ 31,662
Insurance	\$ 500	\$ 500	\$ 500
Operating	\$ 12,905	\$ 12,905	\$ 12,905
<b>Months in Operating Reserve</b>	<b>2.8</b>	<b>2.7</b>	<b>2.7</b>



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

Historical Cash Flows	FY 2021		FY 2022				FY 2023			
	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2*	Quarter 3	Quarter 4
<b>Beginning Balance:</b>	\$ 16,780	\$ 17,506	\$ 35,455	\$ 32,606	\$ 28,626	\$ 29,403	\$ 44,678	\$ 34,082	\$ 41,961	\$ 41,537
Cash from Operations	966	17,749	(5,079)	(3,775)	573	25,604	(5,186)	3,153	(205)	9,712
Cash from Capital	(240)	198	2,261	(90)	324	(3,163)	(5,510)	4,349	(166)	55
Cash from Investments	-	2	(31)	(115)	(120)	(7,166)	100	377	(53)	343
<b>Cash Flow:</b>	<b>\$ 726</b>	<b>\$ 17,949</b>	<b>\$ (2,849)</b>	<b>\$ (3,980)</b>	<b>\$ 777</b>	<b>\$ 15,275</b>	<b>\$ (10,596)</b>	<b>\$ 7,879</b>	<b>\$ (424)</b>	<b>\$ 10,110</b>
<b>Ending Balance:</b>	<b>\$ 17,506</b>	<b>\$ 35,455</b>	<b>\$ 32,606</b>	<b>\$ 28,626</b>	<b>\$ 29,403</b>	<b>\$ 44,678</b>	<b>\$ 34,082</b>	<b>\$ 41,961</b>	<b>\$ 41,537</b>	<b>\$ 51,647</b>

#### Q4 cash flow was positive at \$10.1 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.

\*FY2023 Q2 Cash from Operation and Cash from Capital have been restated. Ending Cash balance has not changed.

### Investments Summary

In Thousands of Dollars

Investment Instrument	Date of Maturity	Interest Rate	Total as of	
			06/30/2023	09/30/2023
U.S. Treasury Notes	5/15/2023	0.13%	\$ -	\$ -
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. Treasury Notes	6/30/2024	3.00%	2,000	2,000
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	2/24/2025	3.75%	200	200
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	11/24/2025	5.50%	1,800	1,800
Money Market Funds	N/A	5.21%	132	228
Mark-to-Market Adjustment			(629)	(382)
<b>Total Investments:</b>			<b>\$ 19,653</b>	<b>\$ 19,996</b>

Q4 2023 Investment Gain (year to date): \$370,013

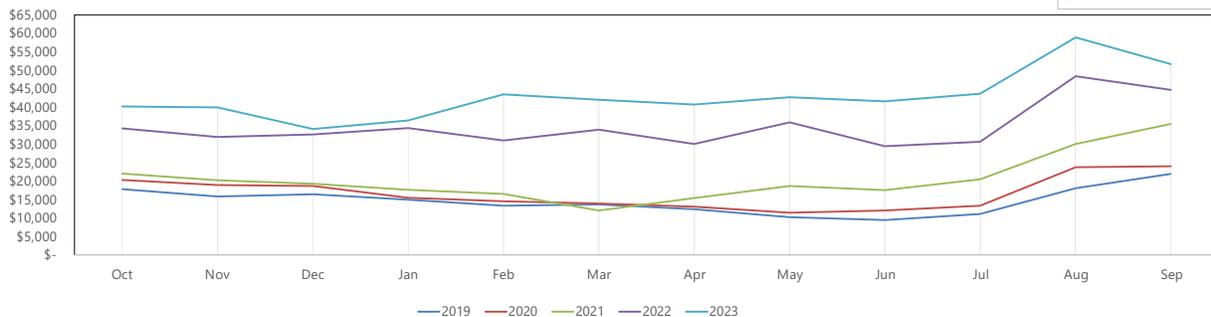
U.S. Treasury Bills, Notes, and Agency Bonds are short term bonds (several months to 10 years) backed by the Treasury Department of the U.S. Government. The rates shown for the current investments represent the gross yield-to-maturity rates (before the annual fee of .28%).

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

Total Cash and Investments by Month and Year (2019 to 2023 YTD)

In Thousands of Dollars



## Zero Emission Bus CEO Recommendation Part II

**Meeting: Board of Directors**

**Meeting Date: October 19, 2023**

<b>INFORMATION TYPE</b>
Other
<b>RECOMMENDED ACTION(S)</b>
Receive for information and discuss through January 2024.
<b>ALTERNATIVE OPTION(S)</b>
Decision is not required until January 2024 at which time the Board can approve, defer or reject the recommendation.
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
Global Executive Constraint (2.0), Financial Planning / Budgeting (2.4), Environmental Sustainability policy (2.11)
<b>ISSUE SUMMARY</b>
<p>The Board has adopted policy that requires 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 on-line video presentation, the CEO is <u>recommending a pilot project test of hydrogen fuel-cell buses</u>. Requiring 4-5 years, the pilot will include:</p> <ul style="list-style-type: none"> <li>• 2 hydrogen fuel cell buses and equipment,</li> <li>• 1 outdoor fueling station,</li> <li>• Workforce training, and</li> <li>• 12 months of operation in all seasons.</li> </ul> <p><i>If successful, the pilot will increase confidence for fully deploying a technology that eliminates all bus emissions while minimizing fiscal risks for passengers and services. Eventual elimination of <u>all</u> bus emissions would save about 7,000 tons of carbon emissions per year (&lt;0.5% of regional carbon emissions).</i></p> <p>The CEO would call attention to a few key points:</p> <ul style="list-style-type: none"> <li>• <b>Priorities &amp; Risks:</b> The central questions revolve around <b>priorities</b> and <b>risk tolerance</b>. It is the Board’s collective responsibility to decide <i>What We Do, For Whom, and At What Cost</i>. There are unavoidable risks of both action and inaction. TheRide has to choose which risks it is willing to accept.</li> <li>• <b>Expectations:</b> The Board has already expressed its collective expectations on priorities and risks via policy (see Attachment 1). It has also delegated operational decisions to the CEO and staff.</li> </ul>

- **Professional Judgement:** The CEO's recommendation represents a consensus from staff, including mechanics and management.
- **Information Deficit:** Much of the risk and uncertainty arises from a lack of clear information about new technologies and emerging markets which are changing fast and lack historic records of performance. Much of the available information is unreliable due to its immaturity or biased perspective. While tempting, greater details may only provide a false sense of certainty. Reasoning by probabilities and risk-management may be a better way to proceed when details cannot provide clear answers.

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

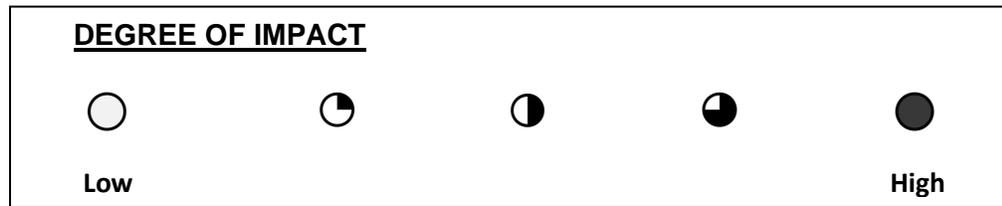
- Budgetary/Fiscal: Pilot project is contingent on winning competitive federal grant and using TheRide's Capital Reserve. There are large financial implications.
- Social: Implications from setting priorities and use of capital funds.
- Environmental: Could eliminate most agency carbon emissions.
- Governance: Board approvals required.

#### **ATTACHMENTS**

1. Board Policy Compliance Summary
2. Cost Estimate Updates & Financial Questions
3. General Questions/Responses

## Attachment 1: Board Policy Compliance

The Board creates collective expectations and direction via written policies. The table below summarizes the degree of policy compliance between the options available.



<b>POLICY</b>	<b>DIESEL</b>	<b>BATTERY</b>	<b>HYDROGEN</b>
<b>Ends</b>			
Increase ridership (1.0)			
Positive Impact on Equity, social mobility (1.1)			
Positive (external) impact on environment (1.2)			
Positive Impact on local economy (1.3)			
Positive Impact on Customer satisfaction (reliability) (1.4)			
Positive Impact on Public Opinion (1.5)			
<b>Environmental Sustainability</b>			
Potential to eventually eliminate (tailpipe) emissions (2.11)			
<b>Asset Protection</b>			
Risk of fire damage (2.7)			
<b>Treatment of the Traveling Public</b>			
Potential safety risks to passengers (2.1)			
<b>Treatment of Staff</b>			
Potential safety risk to staff (2.2)			
<b>Financial Planning &amp; Budgeting &amp; Considerations</b>			
Potential financial <i>risk</i> to passenger service, Ends, agency (2.4)			
-Risk of fleet inflation, unfunded obligations (2.4.8)			
-Need for expensive garage modifications (2.2, 2.7)			
-Expense of charging/fueling system (2.4.2)			
-Potential need for new garage (2.4.2)			
-Potential Impact on other capital priorities/projects (2.4.2)			
-Potential for higher operating costs (2.4.2)			
-Likelihood of cost overruns or delays from complexity (2.4.2, 2.5.5)			
-Potential for higher taxes (2.5.9), service reductions (1.0)			
Risk from future mandates or grant limitations (2.5.5)			
Risk to full deployment while meeting ridership and emissions goals (comprehensive, strategic) (2.4.2)			
<b>Global Executive Constraint: Shall not allow "imprudent" decisions (2.0)</b>			
Overall potential risk/consequences (ie prudence) (2.0)			

## Attachment 2: Cost Estimate Updates & Financial Questions

The table below provides updated costs for the hydrogen pilot project, comparable information for battery electric buses, and a greater degree of detail into the elements making up the costs.

Side by Side Comparison: 2 BEB vs 2 FCEB	2025 & 2026				
	Range	Battery Electric Bus		Fuel Cell Electric Bus	
		Low	High	Low	High
<b>CAPITAL COSTS</b>					
<b>Research &amp; Planning</b>					
Legal and Regulatory Consultation	\$ 75,000	\$ 100,000	\$ 75,000	\$ 100,000	
<b>SUB TOTAL R&amp;P</b>	\$ 75,000	\$ 100,000	\$ 75,000	\$ 100,000	
<b>Bus Procurement</b>					
2 FCEB Buses	\$ 2,000,000	\$ 3,000,000	\$ 2,500,000	\$ 3,500,000	
Spare Parts, Tooling, PPE; Training for Mechs, drivers, Fuelers, 1st Responders etc.	\$ 787,500	\$ 1,392,000	\$ 787,500	\$ 1,392,000	
<b>SUB TOTAL Bus Procurement</b>	\$ 2,787,500	\$ 4,392,000	\$ 3,287,500	\$ 4,892,000	
<b>Fueling Infrastructure</b>					
Hydrogen Fueling Storage and Pump Unit	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	
Battery Chargers	\$ 25,000	\$ 35,000	\$ -	\$ -	
Transformers	\$ 190,500	\$ 225,000	\$ -	\$ -	
Switchboard	\$ 151,500	\$ 185,000	\$ -	\$ -	
Grounding System	\$ 2,500	\$ 3,500	\$ -	\$ -	
Power Feeder Risers	\$ 10,000	\$ 11,000	\$ -	\$ -	
Emergency Power Generator & Associated Equipment	\$ 750,000	\$ 1,200,000	\$ -	\$ -	
Land for Generator Use	\$ -	\$ -	\$ -	\$ -	
<b>Construction</b>	\$ 375,000	\$ 400,000	\$ 375,000	\$ 400,000	
Permitting/Zonning/Etc.	\$ 10,000	\$ 20,000	\$ 10,000	\$ 20,000	
Setback Mitigation Wall/Crash Barrier	\$ -	\$ -	\$ 275,000	\$ 300,000	
Fleet Watch/Fueling Monitoring Software	\$ 50,000	\$ 75,000	\$ 50,000	\$ 75,000	
Safety Equipment	\$ 30,000	\$ 35,000	\$ 30,000	\$ 35,000	
<b>Annual Maintenance</b>	\$ 12,000	\$ 24,000	\$ 72,000	\$ 72,000	
Infrastructure Spare Parts	\$ 10,000	\$ 12,000	\$ 10,000	\$ 12,000	
Warranty	\$ 72,000	\$ 72,000	\$ 100,000	\$ 100,000	
Personnel Training	\$ 10,000	\$ 15,000	\$ 20,000	\$ 30,000	
<b>SUB TOTAL Infrastructure</b>	\$ 1,698,500	\$ 2,312,500	\$ 3,442,000	\$ 3,544,000	
<b>SUBTOTAL CAPITAL</b>	\$ 4,561,000	\$ 6,804,500	\$ 6,804,500	\$ 8,536,000	
<b>OPERATIONAL COSTS</b>					
<b>Pilot Operations</b>					
Fuel/Fuel Cost Equivalent (Annual)	\$ 5,200	\$ 22,500	\$ 128,000	\$ 160,000	
<b>Contracted Maintenance</b>	\$ 3,500	\$ 6,000	\$ 7,500	\$ 12,500	
Labor/Parts/Misc.	\$ 1,500	\$ 2,000	\$ 3,300	\$ 3,900	
Mechanics Tools	\$ 25,000	\$ 30,000	\$ 50,000	\$ 60,000	
Perishable Tools	\$ 2,100	\$ 3,100	\$ 2,100	\$ 3,100	
Freight - Parts	\$ 2,000	\$ 4,000	\$ 2,000	\$ 4,000	
Towing	\$ 800	\$ 1,000	\$ 800	\$ 1,000	
Equipment Repair	\$ 200	\$ 400	\$ 200	\$ 400	
PPE/Calibration Program	\$ 6,000	\$ 6,500	\$ 6,000	\$ 6,500	
<b>Insurance</b>	\$ 1,600	\$ 2,000	\$ 2,000	\$ 3,000	
Stakeholder Engagement, Promotional Materials, Marketing Events	\$ 63,000	\$ 86,000	\$ 63,000	\$ 86,000	
Data Collection & Analysis	\$ -	\$ -	\$ -	\$ -	
<b>Subtotal Pilot Operations</b>	\$ 110,900	\$ 163,500	\$ 264,900	\$ 340,400	
<b>Workforce Development</b>					
Conference Travel/Meetings	\$ 3,750	\$ 6,750	\$ 3,750	\$ 6,750	
Work Force Development/Conference	\$ 6,000	\$ 9,000	\$ 6,000	\$ 9,000	
Training Materials	\$ 30,000	\$ 150,000	\$ 30,000	\$ 150,000	
<b>Subtotal Workforce Development</b>	\$ 39,750	\$ 165,750	\$ 39,750	\$ 165,750	
<b>Project Closure/Assessment</b>					
Performance Evaluation	\$ -	\$ -	\$ -	\$ -	
Assessment for scalability and sustainability	\$ -	\$ -	\$ -	\$ -	
Implementation of feedback-based improvements	\$ -	\$ -	\$ -	\$ -	
Project Report Preparation	\$ -	\$ -	\$ -	\$ -	
Dissemination of Findings	\$ -	\$ -	\$ -	\$ -	
<b>Subtotal Project Closure</b>	\$ -	\$ -	\$ -	\$ -	
<b>SUBTOTAL OPERATIONAL COSTS</b>	\$ 150,650	\$ 329,250	\$ 304,650	\$ 506,150	
<b>PILOT TOTALS</b>					
Capital	\$ 4,561,000	\$ 6,804,500	\$ 6,804,500	\$ 8,536,000	
<i>Federal Share (@80%)</i>	\$ 3,648,800	\$ 5,443,600	\$ 5,443,600	\$ 6,828,800	
<i>Local Share (@20%)</i>	\$ 912,200	\$ 1,360,900	\$ 1,360,900	\$ 1,707,200	
Operational	\$ 110,900	\$ 163,500	\$ 264,900	\$ 340,400	
Subtotal Share for TheRide	\$ 1,023,100	\$ 1,524,400	\$ 1,625,800	\$ 2,047,600	
<b>Total</b>	\$ 4,671,900	\$ 6,968,000	\$ 7,069,400	\$ 8,876,400	
Note: Range reflects available information.	Confident	Low Confidence	High Volatility		

Key cost estimate observations include:

- Both projects include 2 buses (BEB or hydrogen) and associated charging/fueling infrastructure and other costs.
- Due to continued uncertainty, cost estimates for both technologies are presented with a low and high range. Cost estimates are still in flux, and the degree of details should not be allowed to create an unwarranted sense of confidence.
- The total costs for the recommended hydrogen pilot project have decreased slightly, from \$7-\$11 million, to \$7-\$9 million. TheRide's portion of the costs dropped from \$2.5-\$4.8 million, to \$1.6-\$2.05 million. Although capital costs have risen somewhat, operations costs have declined sharply due to better information and new fueling options.
- A hydrogen pilot is more expensive than a comparable pilot with two BEBs, although the ranges are not far apart. Costs of the charging/fueling infrastructure drive much of the capital cost difference. The biggest operating cost difference stems from the cost of energy/fuel.
- This side-by-side comparison illustrates the advantage BEB have for small deployments. However, the hydrogen fueling station detailed here can fuel more than two buses, increasing the economies of scale and *lowering* the per bus cost. Every new BEB will require the same incremental costs for charging to be added, *increasing* the per bus cost.

### **Can we bond to help finance capital projects?**

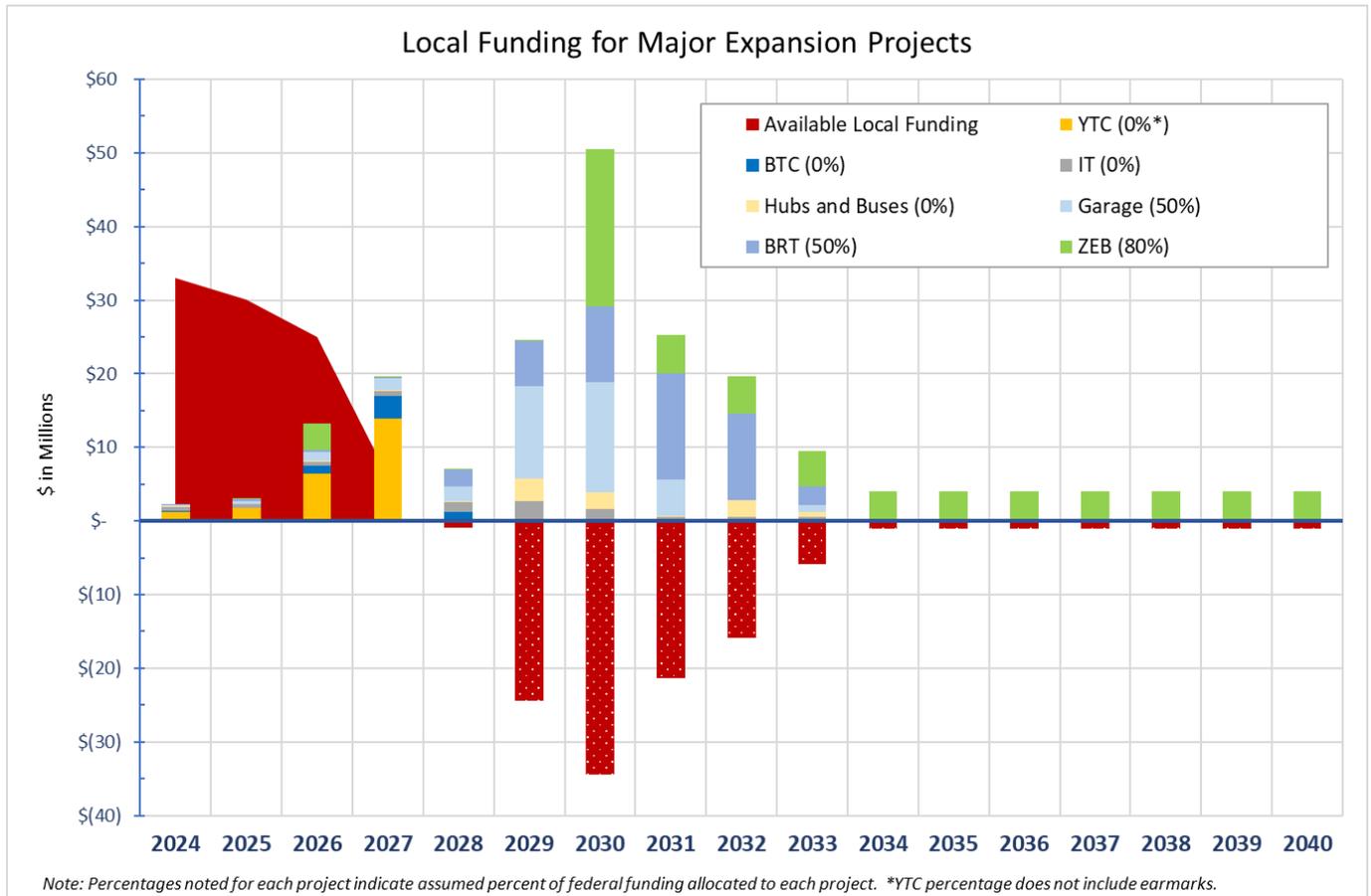
Yes, but there are many complications, limited benefits, and better alternatives available. TheRide is limited to using bonds linked to non-millage revenues. Only fares and advertising revenues are legally available and since both are used to pay for operations today, if they were redirected to pay for bonds, additional sources of revenue would be needed to back-fill the resulting hole in the operational budget. The yield of such bonds isn't known but may not be larger enough to make a substantial contribution. However, there may be some limited utility. The CFO will be briefing the Finance Committee in detail.

### **Could we skip the pilot and accelerate ZEB purchases?**

Yes, but this is a question of *priorities*. In addition, the CEO would not recommend this approach due to its impacts on other projects. The pilot project is intended to minimize the financial outlay and operational risks stemming from uncertainty with new technologies.

The graph below illustrates the estimated cost of major projects from the long-range plan (terminal, frequent services, BRT, etc) as well as ZEBs. These projects also have the potential to reduce emissions by increasing ridership. The red area illustrates the local funding currently available to use as local match for competitive grants (2024-2027). The red bars illustrate the deficit of local funding still unaccounted for to win additional grants. Once TheRide's Capital Reserve is depleted, there is no clear strategy yet to provide local match for future projects. *If TheRide accelerated ZEB purchases, this would require more local matching funds from the Capital Reserve and could divert funds from other projects such as the Ypsilanti Transit Center, or Blake Transit Center.*

This graph emphasizes the need to set priorities. Although somewhat intimidating, this sort of projected funding gap is common for infrastructure programs. Our focus should be on identifying the most cost-effective projects, sequencing/prioritize them, and controlling costs. We will then need to turn to our federal and state partners to help identify new funding sources. For example, if we can identify more outside funding for the Ypsilanti Transit Center, less local match from the Capital Reserve will be available for other projects.



### Equity Impacts

As long as any ZEBs are rotated throughout TheRide’s service area, there shouldn’t be any discrimination concerns (Title VI). The equity impacts would accrue through the re-prioritization of limited capital funds as described above. It would be important to understand which parts of the population benefit from each project.

## Attachment 3: General Questions/Responses

### Would it be faster to implement Battery Electric or hydrogen buses?

There seems to be no meaningful difference any longer.

- **Timelines:** Timeline for delivery of both bus types are both about 18-24 months. The bus manufacturing industry was not prepared for the large increase in ZEB orders stemming from additional federal funding and does not have enough manufacturing capacity to delivery quickly, resulting in backlogs. The bankruptcy of Proterra has created additional confusion. There are also lingering supply-chain and labor shortage disruptions. If charging/fueling systems are installed while the buses are being built, they shouldn't cause delay.

The CEO would also suggest that our focus should be on the timeline of a *full* deployment, not rushing for a rapid start. The emissions savings will accrue as the ZEB fleet gets larger and after full deployment, and there is little emissions savings at the beginning.

- **Perception:** In small deployments, BEBs avoid the high fixed costs of a hydrogen fueling station. This probably explains their initial popularity and may have given the impression that they were faster to implement when they were just cheaper in small numbers which made approval easier/faster.

As a fleet grows, the economies of scale for the single hydrogen station *reduce* the per bus cost, while a new charger for each new BEB *increases* the per bus cost. This factor along with range anxiety appear to be responsible for an growing interest in hydrogen for large deployments.

### Could we have a mixed fleet of BEBs and hydrogen buses?

Yes, but there are no tangible advantages and many disadvantages. Staff strongly recommend against this approach.

- Even with proven technologies, switching between any propulsion systems is a *major* effort for a transportation operation. The change increases complexity and overhead costs (eg fueling/charging equip, training, tools, etc) while the redundant systems are in transition. Ensuring the transition is successful and doesn't distract from other projects can challenge any agency. Having *two* new and unproven systems more than doubles these challenges and increases risks with few obvious benefits.
- We cannot ignore economic pressures. Pressures from always-tight budgets will eventually force the agency to eliminate duplicative costs and standardize to a single propulsion system. The remaining system will have to be the one that meets minimum operational requirements (such as minimum range) in order to avoid costs for a larger fleet or garage.
- If both systems reduce emissions roughly the same, there would be no improved reduction in emissions by using multiple systems.
- Since staff need 3-5 years to become proficient at maintaining new systems, there is no point in piloting something unless we are reasonably certain it will be the final selection.
- There is no value in testing BEBs as the key limitation, battery range, will be resolved (or not) by technology and economic breakthroughs outside our area. Local experience with

BEB will have no impact on its viability either way. In addition, the UM is already testing a few BEBs and we can learn from their experience without incurring our own costs.

- TheRide has space to store two battery buses outdoors. Any additional BEBs would have to be stored off-site (real-estate costs) or TheRide would have to incur a significantly increased risk of fire destroying the bus fleet or garage, imperiling service to all customers.
- While a few agencies do have mixed fleets, it does not appear intentional and may not be viable in the longer term.
- It is better to identify the final system in advance with less costly methods. The CEO's recommendation foresees this and is attempting to avoid "throw away costs" from systems with foreseeable flaws.

The only hypothetical operational advantage for a mixed fleet would be if there was a large difference in price or emissions between electricity and hydrogen which persisted long enough (6-10 years) to influence the purchase of a 12-year asset (bus lifespan). Staff do not believe that there is enough difference in the price or emissions to justify the additional risks, and that these differences may converge in the future.

Given all these considerations, staff feel that it is a better direction to make a limited investment (pilot project) in the most likely final system (hydrogen) than to incur the costs of multiple systems.

### **What is the risk of fire?**

There is not enough reliable data to say for certain what the probability of a diesel, BEB or hydrogen bus fire is. There are not enough individual incidents or reliable incident data to use to create statistics. However, we can say that there are approximately 71,000 fossil-fuel transit buses currently in the USA and fires have been historically considered very rare. There are presently about 1,300 ZEBs in the country and BEB fires are reported with some regularity. Anecdotally, industry professionals perceive an unusually high risk of fire from BEBs. BEBs are often being stored outdoors to counter this risk. We are only aware of one report of a fire with a hydrogen bus.

Just as important is the damage caused by different types of fires. Batteries burn more intensely, creating a higher risk. There have been numerous examples of BEBs igniting while charging or without warning, a trend also seen in e-scooters and e-bikes. Battery fires cannot easily be extinguished with water and would certainly overwhelm the existing garage sprinkler system. Fire fighters can extinguish an indoor diesel bus fire, but the local Chief has told us that they would hesitate to send staff into a building filled with water and high voltage batteries. The perceived risk for batteries is that an indoor bus fire could happen without warning and there could be no clear way to stop it. Given how tightly packed bus garages are overnight, there is a reasonable concern that enough buses could burn to cause service cancellations or make the garage unusable for a time.

## Carbon Emissions from Electricity and Hydrogen Generation – Ongoing

Staff are continuing to work to better quantify the difference in the amount of emissions created by the generation of electricity and hydrogen respectively.

- *TheRide has found a source of green hydrogen fuel at a rate that appears affordable for the pilot project.* If this source of green hydrogen, or another, proves viable, hydrogen may already be less polluting than electricity.
- DTE uses a large amount of fossil fuels to generate electricity, as seen in the table at right. Although the Michigan legislature has just passed a bill to require 100% “clean” energy by 2040, it acknowledges that this deadline may not be met. It is not clear how this will impact the price of electricity.
- It is true that “grey” hydrogen made with fossil fuels creates more emissions than solar or wind energy, and that the carbon capture technology behind “blue” hydrogen has not yet proven truly viable. It is not yet known how the hydrogen facility at the Willow Run Airport will generate hydrogen.
- How energy is generated *today* is less important than how it will be generated in a few years. Part of the logic of proceeding with a pilot project is to allow some time for markets and technologies to evolve and become more predictable.
- TheRide presently generates less than 0.5% of the total carbon emissions in the area. These modest benefits do not seem to warrant taking extreme risks.

Fuel Source for the 12-Month Period Jan. - Dec. 2022	DTE Electric's Fuel Mix Used to Supply Electricity
Coal	54.16%
Nuclear	18.16%
Natural Gas	14.22%
Oil	0.20%
Hydroelectric	0.15%
Renewable Fuels Total	13.11%
Biofuel	0.09%
Biomass	0.82%
Solar	0.60%
Wind	11.55%
Wood	0.06%
Solid Waste Incineration	-

Fossil Plant Emission or Nuclear Plant Waste in Pounds per MWh Jan. - Dec. 2022	DTE Electric Average per Megawatt-Hour (MWh)
Sulfur Dioxide	4.38 lb/MWh
Carbon Dioxide	2,189.4 lb/MWh
Nitrogen Oxides	1.79 lb/MWh
High-Level Nuclear Waste	0.005916 lb/MWh

Source: Cited from DTE website 11/6/2023.

## **Attachment 4: Approval Process**

### **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. This may come in the form of requesting authorization to submit a construction grant.
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.

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## CEO Report

**Meeting: Board of Directors**

**Meeting Date: November 16, 2023**

### INFORMATION TYPE

Other

### LONG-RANGE PLAN STATUS UPDATES

#### **2022 MILLAGE SERVICES – PUBLIC ENGAGEMENT PLANNED**

From October 23 - November 23, AAATA staff are 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](https://TheRide.org) throughout the engagement period. Online meetings were held during the week of November 6. In-person public meetings and a series of drop-in meetings for AAATA staff were held during the week of November 13. Comments are also being accepted via email ([Planning@TheRide.org](mailto:Planning@TheRide.org)) or phone (734-794-1882). Detailed information, including proposed route maps and schedules, are available on [TheRide.org](https://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.

#### **YPSILANTI TRANSIT CENTER PLANNING**

In October 2023, TheRide began working with the consultants on the Ypsilanti Transit Center replacement project. TheRide's project manager and consultant team held a soft kickoff to share information and put project controls in place. The official project kickoff will be held in November 2023, with opportunities for the consultant team to meet with the internal working group and each department, conduct drop-in listening sessions for all internal employees, visit the site, and discuss the project with the City of Ypsilanti. The first tasks focus on reviewing and updating prior planning work, creating a framework for public engagement, and crafting our work plan. We will also begin engaging with stakeholders and will hold public engagements in spring 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, and the consultant has now submitted the next phase of design documentation to the City. TheRide's internal staff is also reviewing these plans and associated costs. TheRide will ensure that various stakeholders, including drivers, customers, and other staff, among others, have continuing opportunities to provide input.

## **ZERO EMISSIONS BUS PROPULSION**

TheRide continues to welcome public participation and comments during public time at the Board of Director's meetings in November regarding the CEO's recommendation.

## **OPERATIONAL UPDATES**

### **LOCAL ADVISORY COMMITTEE (LAC)**

Active recruitment for new LAC members is underway.

### **TRANSPORTATION COMMISSION (ANN ARBOR)**

Items at this month's Transportation Commission were: 1) Approval of resolution language to direct City staff to study all multi-lane roads controlled by the City for road reconfigurations in line with the City's Vision Zero goals. Examples could include traffic calming measures or road diets. AAATA staff inserted a clause in the resolution to include examination of bus rapid transit and transit priority features as part of individual project plans. The resolution was referred to City Council for final approval. 2) A presentation from a bicycle safety advocacy group on road design using Complete Streets elements. 3) Initial reporting on intersections where severe injuries/fatalities occurred with the City during the last reporting year.

### **WATS POLICY COMMITTEE UPDATE**

No policy meeting was held in October.

### **STAFFING UPDATES**

We are currently recruiting 10 motor coach operators with a tentative start date of December 10<sup>th</sup>, 2023. Class of 7 motor coach operators in training, slated to graduate 12/1. Finalized recruitment and welcomed the Manager of Grants and Capital Planning.



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**PUBLIC TRANSPORTATION  
AGENCY SAFETY PLAN  
MARCH 2023**

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**2700 SOUTH INDUSTRIAL  
HIGHWAY  
ANN ARBOR, MICHIGAN 48104**

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## 0.1 PURPOSE

As a Safety-First organization, AAATA is committed to creating a top-down and bottom-up Safety Culture where Safety is everyone's duty. Everyone is responsible for safety and pursues it daily because they want to and not because they must. A strong Safety Culture is one where:

- Nothing takes precedence over safety.
- All employees share equal responsibility for safety.
- The organization is constantly improving its safety efforts.
- There is open communication between the workers and management.
- Leadership leads by example by demonstrating safety is a top priority and gives safety the attention it deserves.
- Stopping work for legitimate safety concerns is met with positivity.
- Key safety performance indicators show improvement over time.

## 0.2 SCOPE

This ASP shall apply to all departments, operations, and personnel of AAATA as its core foundation is rooted in the intent of providing safe and exceptional public transportation to the communities in which we serve. The success of this required plan is dependent upon the efforts of AAATA staff across the agency, everyone plays a key role in our ability to provide a safe environment for our customers and ourselves daily. The leadership of AAATA is committed to the SMS approach to safety management and will incorporate this into its decision-making processes to continue to build a culture of safety throughout the organization.

The AAATA also recognizes that the contracted agencies that provide transit services on behalf of AAATA play a significant role in the management of transit safety. To that the AAATA acknowledges that it must communicate the expectations and monitor the compliance of the FTA requirements of SMS and this ASP not only within its organization but also that of the contracted transit agencies as well.

It is this ASP along with its related processes and procedures (SMS) that will allow AAATA to reduce the likelihood of safety events and their potential negative impacts upon the traveling public and this agency, as it will promote awareness and responsiveness to safety risks.

To the extent any term of any collective bargaining agreement between AAATA and TWU-171 conflicts with anything in this plan, any such bargaining agreement shall remain in effect and unchanged pursuant to their terms. Recent amendments to 49 USC 5329 require equal membership on the Safety Committee from front line labor representatives appointed to the committee by TWU-171 and management staff appointed by organization leadership. The safety

committee shall, among other requirements imposed by law, approve any agency Safety Plan, establish safety performance targets, monitor performance targets, and identify and recommend risk reductions mitigation strategies in the service area covered by AAATA.

### 0.3 AGENCY INFORMATION/DESCRIPTION

<b>Transit Agency Name and Address</b>	ANN ARBOR AREA TRANSPORTATION AUTHORITY 2700 S. Industrial Highway, Ann Arbor, MI 48104		
<b>Accountable Executive</b>	MATT CARPENTER	CHIEF EXECUTIVE OFFICER	
<b>Chief Safety Officer /SMS Executive</b>	GEORGE BROOKS	DEPUTY CEO, OPERATIONS	
<b>SMS Project Manager</b>	ELI A. BODDY	SAFETY OFFICER	
<b>Mode(s) of Service Covered by This Plan</b>			
<b>Fixed Bus Route</b>	<b>Non-Fixed Route Bus</b>		
<b>List of All FTA Funding Types (e.g., 5307, 5310, 5311)</b>	5307, 5310, 5311, 5339		
	<b>Fixed Bus Route</b>		<b>Directly Operated</b>
	<b>Paratransit</b>		<b>Contractor Operated</b>
<b>Does the agency provide transit services on behalf of another transit agency or entity?</b>	Yes X	No <input type="checkbox"/>	<b>Description of Arrangement(s)</b> <b>Purchase of Service Agreements for both fixed-route and demand response services provided in Pittsfield, Scio and Superior Townships</b>
<b>Name and Address of Transit Agency(ies) or Entity(ies) for Which Service Is Provided</b>	Pittsfield Township Scio Township Superior Township		

### 0.4 ASP Development, Certification and Updates

This ASP has been developed by the AAATA. The AAATA shall, as required (49 CFR Part 673) maintain this safety plan and all related documents (programs, policies and procedures, etc.) that are utilized by the AAATA in regards to its activities and implementation. The AAATA shall maintain these documents for a minimum of three years, shall make available said documents for review upon request by the Federal Transit Administration (FTA) or other authority having jurisdiction.

<b>Plan Drafted By</b>	Eli A. Boddy, Safety Officer, Ann Arbor Transportation Authority
<b>Plan Review and Approval</b>	George Brooks, Chief Safety Officer, Ann Arbor Area Transportation Authority
<b>Signature</b>	
<b>Certification of Compliance</b> This Public Transportation Agency Safety Plan for the Ann Arbor Area Transportation Authority, as required by (673.11(a)(1),	

has been reviewed and by signature below is hereby approved for implementation	
<b>Accountable Executive</b>	Matt Carpenter, Chief Executive Officer
<b>Signature</b>	
	<i>Date:</i>
Approval by Board of Directors	<i>Ann Arbor Area Transportation Authority Board of Directors</i> <i>Approval Date:</i>
<b>Ann Arbor Area Transportation Authority Public Transportation Agency Safety Plan</b>	<b>Version No: 3.0</b>
The approval of this Ann Arbor Area Transportation Authority Agency Safety Plan is documented by way of this certification of compliance and is noted in the ASP Activity Log while being maintained on file by the Chief Safety Officer and the SMS Project Manager.	

### 0.5 ASP Annual Review and Update

AAATA shall, as it pertains to this ASP, annually review and, update the document as is necessary, implement the changes within a timeframe that will allow for the document to be submitted for annual self-certification of compliance.

The annual review of the ASP will be conducted by the Safety Committee and routed to the Chief Safety Officer (CSO) three months prior to the last approval date.

All necessary updates affecting this plan occurring outside the annual update window, shall be addressed as addendums which will be incorporated into the body of the ASP. All reviews, updates and addendums, adoptions, and distribution activities will be recorded in the ASP Activity Log in this document.

Completion of the annual review process shall be targeted for November 1st of each year. The CSO shall present the updated ASP to the Accountable Executive for review and presentation to the board of directors no later than their December meeting.

The annual self-certification process will consist of a review, and approval by the safety committee. It will then consist of the review, approval, signing and dating of the document by the AAATA Board of Directors and the Accountable Executive (Chief Executive Officer). The self-certification shall be documented in each of the following locations:

- FTA Transit Award Management System(TrAMS)
- Certification of Compliance
- Ann Arbor Area Transportation Authority ASP Activity Log

**0.6 Ann Arbor Area Transportation Authority PTASP Activity Log**

**It is imperative that the complete history and all successive versions of the Public Transportation Agency Safety Plan (PTASP) for Ann Arbor Area Transportation Authority is maintained.  
The AAATA shall record any document changes (Reviews/Update/s Addendum/Adoption/Distributions) and record them in this activity log.**

<b>Version Number</b>	<b>Reason for Change</b>	<b>Affected PTASP Areas</b>	<b>Responsible Person (Signature)</b>	<b>Date</b>
1.0	Original PTASP	N/A	Bryan Smith	11.19.2021
1.1	Addendum to correct previous Safety Performance Targets and to show current target information	Safety Performance Targets	Scott E. Robinson	03.04.2022
2.0	Revised Version of PTASP Safety Coordinator – New Position Approval By Board of Directors – Removed Resolution	Organizational: Authorities and Responsibilities PTASP: SMS/PTASP Roles and Responsibilities PTASP: Development, Certification and Updates	Bryan Smith	03.22.2022
2.2	2022 ASP (Approved and Certified)	Organizational: Authorities and Responsibilities PTASP: SMS/PTASP Roles and Responsibilities PTASP: Development, Certification and Updates Bipartisan Infrastructure Law Updates	AAATA Board of Directors	11.9.2022
2.3	2023 ASP (Approved and Certified)	Complete document review and revision by the Safety Committee	AAATA Board of Directors/Safety Committee	


## **SECTION 1            SAFETY MANAGEMENT**

### **1.1    Safety Management Policy Statement**

The AAATA considers the management of safety as a top priority for the success of the organization. AAATA understands the necessary commitment to safety and how it relates to employees and the customers that we serve. As an organization we will utilize a systematic approach to identify hazards and risks that can affect our daily and long-term operations and maintenance functions.

We are committed to implementing, maintaining, and constantly improving processes to ensure that all our operational and maintenance activities are supported by an appropriate allocation of organizational resources aimed at achieving the highest level of transit safety performance. AAATA, in the development of this ASP has adopted a SMS framework as a core element of the agency's safety responsibility by the establishment of safety policy; identifying hazards and controlling risks; setting of goals; planning and performance monitoring and measurement.

AAATA has adopted SMS as a means by which to encourage and grow agency-wide support for transit safety. This starts with the Chief Executive Officer (CEO) and the development of a culture where all levels of management and front-line employees are active and accountable for the delivery of the highest level of safety performance.

In accordance with the Occupational Safety and Health Act of 1970, employees have the right to refuse any work they feel places them in imminent danger or harm until the employer has taken actions to mitigate the hazard. Employees should immediately report these conditions to their supervisor or employer and give them a reasonable opportunity to address the issue. If there is a disagreement as to whether the safety concern was appropriately mitigated, the Safety Officer or Safety Coordinator will conduct a hazard assessment and make a final decision on the mitigations to render the work safe.

This commitment to comply with all provisions of this ASP and the SMS shall extend to all contractors of AAATA who provide services on behalf of the agency. The AAATA shall incorporate these expectations in all applicable federally funded contracts, initially or by way of addendum, with providers of transit services on behalf of AAATA. It shall be identified in the contract language that each contractor of transit services shall be required to certify compliance to AAATA on an annual basis.

The Ann Arbor Area Transportation Authority commits to:

- Support the management of safety by providing appropriate resources to support an organizational culture that promotes safe operational practices, encourages

effective safety reporting and communication, and actively manages safety with the same attention as that given to the other management systems of this agency.

- Integrate the management of safety as a clear responsibility of all department managers and employees.
- Clearly define for all department managers and employees their accountabilities and responsibilities for the delivery of safe transit services and the performance of our safety management system.
- Establish and operate a safety reporting program as a fundamental part of the hazard and risk identification and evaluation process. This reported information is essential to our efforts to eliminate or mitigate the safety hazards and risks that are affecting our operations or maintenance activities, to a point that is as low as reasonably practicable (ALARP).
- Comply with and, wherever possible, exceed any applicable legislative and regulatory transit/safety related requirements and standards.
- Warrant that trained and skilled personnel are available and assigned to implement the agency's safety management processes and activities.
- Confirm that all transit staff are formally provided with adequate and appropriate safety management information, are competent in safety management system activities, and are assigned only safety related tasks commensurate with their skills.
- Establish and measure agency safety performance against realistic safety performance indicators and safety performance targets.
- Continually improve safety performance through management processes that ensure relevant safety action is taken in a timely manner and is effective when carried out.
- Ensure contracted services that support our transit mission, are delivered applicable to our own safety performance standards.

**Signature:**

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**Title: Chief Executive Officer**

**Date:**

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## **1.2 Safety Management Policy Communication**

The AAATA has adopted the Safety Management Policy Statement and its contents as an organizational directive towards the management of safety as it applies to all its operations. This policy statement also exemplifies the commitment on the part of the Chief Executive Officer (CEO) to the positive management of safety through the establishment of an organization wide SMS. The CEO and management of AAATA feel that this policy and ASP will help establish the SMS, by providing the foundation for the existing and forthcoming safety procedures and policies.

To continue to be successful AAATA recognizes the importance of effective communication and is therefore committed to clearly communicating its safety goals and objectives. The adopted Safety Management Policy Statement, its intent and expectations and other SMS and ASP information shall be communicated and distributed to all departments and employees of AAATA using approved internal methods.

The AAATA as an agency, understanding the need to safeguard agency safety related information with external sources, clearly recognizes the important role the contracted agencies play in delivering services to the traveling public. The agency shall communicate this Safety Management Policy Statement and all ASP and SMS expectations to its contractors to ensure the success of this plan on every level.

Approved communication methods to be utilized include but are not limited to:

- Departmental staff meeting
- Organizational staff meetings
- Notice board postings
- Safety Committee meetings
- Email communications
- Other current or future available methods.

### **1.3 Employee Safety Reporting Program (ESRP)**

The AAATA is committed to providing the safest transit operating standards possible. AAATA recognizes that to realize this, it is of the utmost importance that we encourage and attain uninhibited reporting of all incidents and occurrences. It is our understanding that without this our ability to conduct our operations safely will be compromised. With this identified, AAATA specifies that every employee shall be responsible for communicating to management any information that may hinder the integrity of transit safety.

The AAATA has developed an ESRP that will include but not be limited to the following attributes:

- Ease of Reporting
- Training - Clear instructions on the process of reporting
- Feedback that is timely and informative
- Protection of information

Employees are encouraged to report all identified safety concerns and hazardous conditions to department supervisory staff or to the safety office so that SRM procedures and mitigation efforts can begin. Every employee who submits a report will be provided feedback on the outcome regarding his/her report, if indicated on the report form. As part of this program each employee shall have the option to submit a report anonymously if desired. Such reports will be received and entered anonymously with no record of who created and submitted the report.

The available channels of communicating these concerns or issues are:

- Direct Communication to supervisory staff
- Employee Safety Reporting Form
- Email
- Department Drop Box
- Phone Message
- QR Code Reporting

The ESRP, provides procedures that will ensure that all communicated reports of safety concerns or issues are managed appropriately from initial reporting through actual mitigation when applicable.

The agency will utilize the relevant ESRP forms and personnel to document the process and progress made as it relates to the reporting, hazard assessment and mitigation of each reported safety concern. The process will involve the following agency personnel:

- Reporting Employee
- Department Staff (Supervisor, Manager)
- Safety Officer
- Safety Committee
- Chief Safety Officer

The established method of collection, recording and disseminating of information obtained from the agency's Employee Safety Reporting Program has been created to protect, to the extent permissible by law, the identity of any employee who provides transit safety information as it applies to this ASP and the functions of AAATA. The ESRP, provides procedures that will ensure that all communications received will be used for the intended purpose of safety management.

The responsibility for safety is shared by all employees, it is understood by our employees the significant role that we play in providing a high level of transit safety for the traveling public. The AAATA in its efforts to provide the highest level of quality service, urges all staff members in all departments to practice the concepts of the SMS and those outlined in this agency safety plan.

Key factors related to the established ESRP include:

- **Reporting** - Every employee who submits a report will be provided feedback on the outcome regarding his/her report, if indicated on the report form.
- **Immediate Threats** - The recognition of any hazardous condition(s) by an employee that can be deemed as an immediate threat to safety shall be reported to the employee's direct supervisor or the safety office immediately.
  - Such reported hazardous conditions that may be deemed to be an immediate threat

to safety, are expected to be addressed immediately.

- **Other Hazards** - The identification of other hazardous conditions that can affect the safety of employees, customers, and the operations of AAATA shall be reported to be investigated, evaluated, and addressed via the development of a mitigation plan as needed.
- **Involvement** – AAATA management staff, department safety committee employees are planned to be involved in the processing of each report received to bring about a satisfactory resolution that will mitigate the hazard to an acceptable level.

The ESRP and its intent, as identified by FTA requirements shall be communicated to the employees of AAATA as well as the contracted agencies that provide transit services on behalf of AAATA. The contracted agencies shall submit to AAATA documentation identifying and describing the existence of an employee safety reporting program that meets the FTA identified requirements. The submitted documentation shall include references to modes of communication that are available to employees to communicate and receive feedback concerning safety issues. The appointed AAATA staff member charged with monitoring the contracted service providers shall document that this has been verified annually.

#### 1.4 ASP/SMS Contacts

<b>Ann Arbor Area Transportation Authority ASP/SMS Contacts</b>			
<i>Name</i>	<i>Role</i>	<i>Office Phone</i>	<i>Cell Phone</i>
<b>Matt Carpenter</b>	<b>CEO/Accountable Executive</b>	<b>734-794-1767</b>	
<b>Dina Reed</b>	<b>Deputy CEO Finance and Administration</b>	<b>734-794-1768</b>	
<b>Forest Yang</b>	<b>Deputy CEO of Operations/Chief Safety Officer</b>	<b>734-794-1761</b>	
<b>Monica Boote</b>	<b>HR Manager</b>	<b>734-794-1830</b>	
<b>Yvette Washington</b>	<b>Bus Operations Manager</b>	<b>734-794-1819</b>	
<b>Robert Williams</b>	<b>Mobility Services Manager</b>	<b>734-794-1702</b>	
<b>Troy Lundquist</b>	<b>Fleet Services Manager</b>	<b>734-794-1750</b>	
<b>Gail Roose</b>	<b>Facilities Service Manager</b>	<b>734-794-1780</b>	
<b>Eli Boddy</b>	<b>Safety Officer/ SMS Project Manager</b>	<b>734-794-1834</b>	<b>503-799-4665</b>
<b>Larry Gibson</b>	<b>Safety Coordinator</b>	<b>734-794-1899</b>	

#### 1.5 Key SMS/ASP Roles and Responsibilities

**Accountable Executive:** The CEO is designated as the Accountable Executive for the agency’s SMS and this ASP. The CEO is accountable for ensuring that the SMS is effectively implemented and resourced throughout all operations of AAATA, by being responsible for the following:

- Implementation and maintenance of the SMS
- Responsible for the Transit Asset Management Plan (TAMP)
- Control of human and capital resources to develop and maintain the ASP and TAMP
- Ensures safety concerns are considered in the ongoing budget planning process
- Maintains transparency in safety management priorities (Board of Directors and Employees)
- Provides guidance as to the level of safety risk acceptability
- Ensures that the safety management policy is aligned with the ideals of the agency and communicated throughout the organization

**Chief Safety Officer:** The Ann Arbor Area Transportation Authority Deputy CEO of Operations has been designated as the Chief Safety Officer (CSO) for the agency's SMS and this ASP. The CSO as it pertains to SMS and this ASP shall report directly to the CEO, and has responsibility for the day-to-day implementation and operations thereof. Provides leadership in the operation, performance, and improvement of SMS, by fostering the development and implementation of strategies that supports departmental, customer and corporate business plans, goals, and objectives.

Examples of such responsibilities may include:

- Facilitating full implementation of the SMS across AAATA
- Advocating for a safety culture
- Conducting strategic planning for the SMS
- Ensures the continual management and updating SMS related processes and procedures
- Ensures the compliance requirement for the annual review and updating of the ASP
- Provides guidance and oversight to the management of the SRM and Safety Assurance processes and outputs
- Facilitating coordination of SRM, evaluations and investigations, and controls with special attention to cross-organizational impacts
- Monitoring the safety performance of all AAATA operations and activities
- Require that all relevant safety-related information be communicated and used in decision making
- Review of internal and external safety audit reports
- Review and approval of the SMS safety training requirements and matrix

**Safety Officer:** The Safety Officer for AAATA has been designated as the SMS Project Manager and has safety responsibilities related to all operations of AAATA concerning the development and implementation of the SMS and ASP. The Safety Officer shall:

- Advocate and promote for an effective safety culture
- Ensure the coordinated development, implementation, and maintenance of the ASP
- Assist the Chief Safety Officer with facilitating the full implementation of the SMS across the organization
- Managing and updating SMS processes based on experiences and lessons learned

- Ensures the compliance requirement for the annual review and updating of the ASP
- Providing additional guidance material (as required) to further strengthen and clarify the SMS processes
- Managing the SRM and Safety Assurance processes and outputs; including related evaluations, investigations, and mitigations
- Managing and monitoring the employee safety reporting program for success
- Monitoring the safety performance of AAATA operations and activities through formal data collection and analysis; and
- Leading and facilitating hazard analyses with appropriate subject matter experts
- Developing and Leading internal and external safety audits
- Developing and coordinating the collection of safety performance data, including review and reporting
- Develops and Provides guidance as it relates to organizational safety training requirements
- Promoting safety awareness throughout the organization
- Ensuring that safety documentation is current
- Tracking and monitoring the effectiveness of corrective actions (hazard mitigations) to conclusion
- Providing periodic reports on safety performance
- Provides independent safety advice to department managers, and staff as needed

### **Safety Coordinator**

- Advocating for a safety culture
- Assist the Safety Officer with the management and communications of all phases of ASP across the entire organization to ensure its applicability and success.
- Assist the Safety Officer with facilitating the full implementation of the SMS across the organization
- Assist the Safety Officer with managing the SRM and Safety Assurance processes and outputs, including related evaluations, investigations, and mitigations
- Assist the Safety Officer with managing and monitoring the employee safety reporting program for success, including regular checks of the reporting process.
- Assist the Safety Officer with the management of safety training activities across the organization
- Assists with the coordination and administration of safety office daily responsibilities
- Manages the Job Safety Analysis Program across the affected departments

**Department Managers:** The department managers of AAATA are accountable and responsible for the following based upon the SMS and ASP for this agency:

- Upholding and promoting safety policies, and SRM safety assurance, and safety training and communication protocols
- Developing safety performance measures and targets

- Fostering a strong safety culture within their department
- Allocating the appropriate staffing resources necessary to become compliant with and maintain compliance with the requirements SMS and this ASP
- Identifying the necessary funds to meet the affected identified safety performance requirements and incorporate them into budgeting plans, prioritizing, and allocating expenditures according to safety risk
- Works collectively with the Safety Officer to effectively address information brought forth via the employee safety reporting program
- Implementing the SRM, safety assurance, and safety training and communication protocols within their department
- Ensuring that departmental procedures are consistent with the SMS
- Determining and implementing mitigation efforts to counteract and manage identified safety risks and the negative consequences
- Ensuring that all department employees received agency SMS training
- Supporting and requiring employees within their department to participate in safety training activities
- Integrating SRM into existing processes
- Requiring that all relevant safety information be communicated and used in decision-making
- Ensuring that all system changes are coordinated, documented, and go through the SRM & SA process

**Supervisor Role and Responsibilities:** The Supervisory staff of AAATA are accountable and responsible for:

- The safety performance of all personnel and equipment under their supervision
- Implementing and maintaining safety-related control measures/mitigations
- Familiarizing employees with the safety requirements and hazards associated with the work to be performed
- Responding to identified hazards that may impact safety performance
- Reporting all mishaps and incidents
- Sharing lessons learned from incidents
- Implementing and adhering to SMS procedures and processes within their span of control

**Employees:** The employees of AAATA have the following responsibilities as it relates to the SMS and the agency ASP such as the following:

- Becoming familiar with the safety procedures for their assigned work activity
- Performing their work safely
- Following procedures and rules
- Reporting hazardous conditions or safety suggestion through the utilization of the “Employee Safety Reporting Program”
- Reporting accidents and incidents in accordance with established requirements for the protection of themselves, co-workers, customers, facilities, and equipment

**Safety Committee:** The AAATA will use the established safety committee to assist with the continual management of safety for its operations. The safety committee is made up of an equal number of frontline employee representatives (selected by TWU 171) and management representatives. This group and its members may be called upon to perform various functions and tasks as it relates overall management of safety for the agency. Examples of functions and tasks that this committee may be involved in are listed below (The items below are intended as examples. The Safety Committee has responsibility for Safety throughout the organization which may require more Safety Committee responsibility:

- Assist and support the overall safety program, rules, procedures, and policies
- Working positively to reduce accident frequency and severity rates
- Facilitate communication and cooperation between all levels of the workforce on matters of safety
- Recommend new safety policies, procedures, and programs
- Review accident report summaries and analyses
- Participate in or review safety inspections
- Participate in safety training
- Discuss relevant safety objectives and goals
- Participate in the investigation of identified/reported potential hazards to personnel or operation
- Identify and recommend risk-based mitigation or strategies necessary to reduce the likelihood and severity of consequences identified through AAATA's Safety Risk Assessment
- Identify any mitigation strategies that may be ineffective, inappropriate, or not implemented as intended
- Identify safety deficiencies for purposes of improving the organizations continuous improvement
- Review semi-annually or more frequently, if necessary, the list of accessible bathrooms for Motor Coach Operators while on route. Any routes that do not have accessible bathrooms due to safety reasons will have a risk hazard assessment completed by the Safety Committee with recommended mitigations forwarded to Management for review and implementation
- The Safety Committee and Route Committee will meet on an annual basis (or more frequently if there are urgent safety concerns) to evaluate bus routes. This evaluation will be limited to ensuring that routes are able to be completed in a timely and safe manner. Any disagreements between the committees will be addressed by the Chief Safety Officer and Chief Planning Officer
- Annual approval of the agency's safety plan prior to it being submitted to the board of directors

Contractor agencies play an important role in supporting and implementing the intent of this ASP and the related SMS activities. Contractors who provide transit services on behalf of AAATA have been informed of the need to provide to AAATA as required by the FTA documentation that includes at minimum, descriptions identifying internal positions that have safety related roles, responsibilities, and authorities for their respective agency. It is imperative that the individuals in these positions understand and effectively manage their safety responsibilities.

The AAATA Manager of Mobility Services or the Safety Officer shall communicate this requirement to the contracted agencies, the information upon receipt will be kept on file in the safety officer's office. The Manager of Mobility Services is charged with monitoring the contracted service providers in terms of compliance and shall document that this has been verified annually.

## **1.6 Safety Promotion, Culture and Training**

The AAATA believes safety promotion to be another critical component of this ASP and its overall success. It is understood by AAATA that to achieve the desired results of this agency safety plan we must ensure that the entire organization understands and trusts in the developed policies and procedures, as well as how they relate to the adopted SMS structure. It involves establishing a positive minded culture that recognizes safety as a fundamental value, training of employees in safety principles, and allowing open communications of safety issues.

### **1.6.1 Safety Culture**

The AAATA recognizes that the development of a positive organization wide safety culture must be generated from the top-down. We have identified that the actions, attitudes, and decisions made at the management level must demonstrate a sincere commitment to safety.

It is affirmed that safety is a responsibility of each employee with the ultimate safety responsibility and accountability resting with the CEO and the Board of Directors.

All employees must have confidence that management will support decisions that are made with safety in mind.

As part of this ASP, a primary goal is that of safety promotion and the development of a positive safety culture. The intent is to have organizational safety culture will provide a means for the safety plan and the safety management system to function successfully. At AAATA it is desired to have a thriving positive safety culture that can be described as one that encompasses these four elements:

#### ***A. An Informed Culture where***

- Employees understand the hazards and risks involved in their areas of operation
- Employees are provided with the necessary knowledge, training, and resources; and

- Employees work continuously to identify and overcome threats to safety.

***B. A Just Culture where***

- Employees know and agree on what is acceptable and unacceptable behavior; and
- Human errors must be understood and fairly investigated.

***C. A Reporting Culture where***

- Employees are encouraged to voice safety concerns and to share critical safety information without the threat of punitive action; and
- When safety concerns are reported they are analyzed, and appropriate action is taken.

***D. A Learning Culture where***

- Learning is valued as a lifetime process beyond basic skills training
- Employees are encouraged to develop and apply their own skills and knowledge to enhance safety; and
- Employees are updated on safety issues by management and safety reports are fed back to staff so that everyone learns the pertinent lessons.

**1.6.2 Safety Training**

The AAATA shall require that all employees receive safety training appropriate with their job classification. Initial safety training will be provided as part of the new hire on-boarding process to ensure that employees understand the overall safety expectations of AAATA. To confirm the Authority’s commitment to providing a safe working environment, additional training shall be provided to explain the agency’s safety culture and describe how SMS works and the expectations of the ASP.

The Safety Officer is the resource person for providing a corporate perspective on the approach to safety management and training. The level of training and content provided will be based upon the specific job classification and the safety responsibilities and tasks performed. A safety training matrix has been developed and will be utilized as a reference source for agency safety training. Safety management training will address but not be limited to the following groups and content:

**A. Initial Safety Training for All Staff**

- Basic principles – Review of the basic principles of safety management.
- AAATA safety philosophy – Shall include a review of safety philosophy, safety policy and safety goals and objectives.
- Compliance factors – Discuss the importance of complying with the safety policy and SMS procedures, and the approach to disciplinary actions.
- AAATA Responsibilities - Organizational structure, roles, and responsibilities of staff in relation to safety.

- AAATA Safety Management Key Factors
  - Transit agency's safety record.
  - Continuous internal assessment of organizational safety performance
    - (e.g. employee surveys, safety audits, and assessments)
  - Review the importance and benefits of reporting accidents, incidents, and perceived hazards
    - Communication
  - Review the importance of safety communication for the organization and each department
  - Feedback and communication of safety information.
- Safety promotion and information dissemination.

#### **B. Safety Training for Operations Personnel**

- Hazard Identification
- Review of seasonal safety hazards and procedures (e.g. winter operations)
- Procedures and expectations related to
  - Hazard reporting.
  - Reporting accidents and incidents; and
- Review of emergency procedures
- Deescalation Training (Fleet Maintenance, Motor Coach Operators, Supervisors and Call Takers)
- Subject specific safety training (required or as needed)
- Other departmental safety policies and expectations

#### **C. Safety Training for Management Staff**

- Principles of the SMS.
- Management responsibilities and accountabilities for safety; and
- Legal issues (e.g. liability).

#### **D. Training for the Safety Personnel**

- Familiarization with different transit modes, types of operation, routes, and so forth
- Principles and Operation of SMS
- Accident / Incident Investigating
- Deescalation Training
- Emergency management and response planning
- Safety promotion and communication
- Performing safety audits and assessments
- Monitoring safety performance; and
- National Transit Database (NTD) incident reporting requirements

#### **E. Training for the Contractor Safety Personnel**

The AAATA shall ensure that the contractor personnel with safety responsibilities are informed of the contents of this agency safety plan and its intent to comply with identified FTA requirements for SMS. The contractor shall inform and provide documentation to the AAATA denoting the type of safety training that it requires and provides for its employees who are responsible, have authorities and duties related to safety management within their respective organizations.

Key safety subject matter training that AAATA will look for the contractor to have incorporated into their programs shall include but not be limited to the following:

- FTA Principles and Operation of SMS
- Accident / Incident reporting and investigating
- SRM
- Other Subject Matter Safety Training relevant to position and duties

### **1.6.3 Safety Communication**

The AAATA recognizes that communication is an essential component in the success of the SMS and this ASP. All levels of management understand that they must actively engage employees to ensure that communication lines remain open and active. The agency identifies that for both SMS and this ASP to be successful it must:

- Ensure that all personnel are aware of the SMS and their role in its success
  - Communicate the necessary information that individuals need to do their job effectively and safely
- Communicate safety critical information
  - The employer must ensure that the information communicated is understandable, accurate and up to date
  - Consider privacy or security concerns when sharing information
- Explain why particular safety measures are taken
  - Clarify why safety procedures are introduced or changed
  - The more informed an employee is about safety measures, the more at ease they will be in performing their duties daily
- Provide feedback on identified hazards and safety concerns received as part of its employee safety reporting program

AAATA recognizes that its most important source of information is its employees and shall continue to utilize all platforms and tools at its disposal to maintain effective internal communications with its employees. Examples shall include but are not limited to the following:

- Safety Management Policy Statement
- Employee Safety Reporting Program
- Safety Meetings/Committee
- Safety Bulletins/Boards

- Training (Initial & Refresher)
- Intranet or social media
- Safety policies and notices
- Toolbox Talks

Other

Effective communication is only attained when the intended message has been both heard and understood. As part of the Safety Promotion component of the SMS, the agency shall work to continually improve upon its efforts and abilities to motivate others to want to communicate openly and without concern for reprisal. AAATA is responsible for communicating events and safety information to all employees as appropriate, utilizing the authorized communication process.

The Safety Officer and the appointed staff contact shall work with and monitor contractor internal and external safety communication activities to ensure that each contractor is supporting and is compliant with the intent of this agency safety plan and SMS requirements. Such monitoring shall be conducted in a way to identify and confirm the use of previously identified means such as:

- Safety bulletin boards,
- Training sessions,
- Memorandums,
- Dept. meetings
- And other

Information from regular monitoring activities shall be documented and reported to the agency safety officer for reporting to the Chief Safety Officer.

It is understood that external communications of SMS related operational information has the potential to subject the AAATA to an undetermined level of risks including that of security, employee safety and other. Therefore, the agency will not communicate SMS related information externally unless required by federal, state, or local regulations and only with the approval of the Chief Executive Officer, Chief Safety Officer, or his/her designee.

### **1.7 Safety Committee Communication to Leadership**

It is crucial to the success of the AAATA SMS that a formalized process be in place to communicate recommendations to leadership from the Safety Committee. Upon discovery of a safety hazard/concern, the following procedures will apply:

1. When the concern is received, it will be logged by the Safety Office in the Safety Risk Register.
2. The Safety Office and the respective department in charge of the concern will conduct independent reviews and risk assessments of the safety concern using the processes outlined in our SMS.

3. The Safety Officer will provide these risk assessments to the Safety Committee to develop mitigations and recommended solutions to reduce or eliminate the risk.
4. The Safety Committee will provide the mitigation recommendations to the respective departmental managers for implementation.
5. The departmental manager will acknowledge receipt of these recommendations via email. Once reviewed, the departmental manager will follow up with the committee to either concur with the recommendations and proceed forward or to provide their own recommendations in which the Safety Committee will evaluate to ensure it mitigates the risk to an acceptable level.
6. The departmental manager will provide updates at a period of time as determined by the Safety Committee not to exceed 90 days until the mitigation is implemented.
7. The Safety Office and respective Department will continue to monitor the mitigations in place to assess the effectiveness at a period determined by the level of risk and in conversation with the Safety Committee.
8. Any disagreements about the method of mitigation or level of risk will be reviewed by the Chief Safety Officer for final determination.

## **SECTION 2 SAFETY RISK MANAGEMENT (SRM)**

### **2.1 Risk Management**

The Ann Arbor Area Transportation Authority understands that as a component of having a successful safety management system in place it must effectively identify, analyze, and address hazards faced by its operations. The AAATA clearly defines a hazard as being any real or potential situation that can cause injury, illness, or death; damage to or loss of facilities, equipment or infrastructure, damage to the environment; or a reduction of its ability to perform a prescribed agency function. An unacceptable hazard is a condition that may endanger human life, property, or result in system loss. This includes harm to passengers, employees, contractors, equipment, and to the public. These hazardous conditions must be mitigated or eliminated.

### **2.2 Hazard Management**

The management of hazards applies to all employees and thereby obligates everyone to constantly observe hazards in their work areas and report them to their department supervisor and/or manager, or to the Safety Officer. The management of hazards employs system-wide processes that includes activities such as:

- Identification
- Investigation
- Evaluation and analysis

- Mitigate or elimination
- Tracking
- Reporting to regulatory agencies as required

AAATA department managers and supervisory staff play a key role in the hazard management process and ensure that the process has been fully integrated within their departments. Managers can also make sure the following elements of the hazard management process are present and operating within their departments:

- Ensure the employees are informed and can report hazardous conditions to management in person or by the “Employee Safety Reporting Program”
- Confirm that reported hazards that require immediate attention are addressed and reported as per the “Employee Safety Reporting Program”
- Confirm that reported hazardous conditions are documented and tracked as per procedure
- Provide departmental management representation to the safety committee as designed in the AAATA Safety Committee Guidelines
- Ensure each hazard has been assigned to a department contact person to assist with mitigation efforts
- Make certain that employees receive the appropriate level hazard management training.

### **2.3 Hazard Identification**

The establishment of efficient hazard identification programs are key to the SRM function of this ASP and will be fundamental to overall safety management. The hazard identification processes can be classified as being reactive or proactive in nature, but our focus will be on the resulting changes to whatever the stimulus is.

To be successful, hazard identification must take place within a non-punitive and just safety culture. The AAATA shall utilize an organized approach to identify potential hazards and weaknesses faced by its operations to enact measures that will result in improvements.

The AAATA hazard identification processes and activities will seek, and use feedback received from observations and the analysis of reported data from its operations. The processes, methods and activities may include:

- Safety Assessments: Internal
- Safety Assessments: External
- Trend monitoring
- Accident/Incident Reporting & Investigation
- On-the-Job Injury Reporting & Investigation
- Hazard reporting
- Near-Miss reporting
- Safety surveys

- Customer Reporting: Evaluating customer suggestions and complaints.

**Safety Assessments/Audits:** The AAATA has committed itself to regular internal and external safety auditing of its facilities and operations. Internal and External safety auditing will be conducted annually. As a function of SRM, the AAATA personnel will utilize the “Safety Assessment and System Review” and “Facility Safety and Security Assessment” for documentation of the internal auditing process.

The AAATA as part of efforts to identify and mitigate safety hazards within its workplace will utilize the external safety audits process. These audits shall be conducted by the local fire authority having jurisdiction and a safety consultant contracted by AAATA to provide unbiased observations and recommendations for corrective actions. It is felt that these objective observations by subject matter experts will continue to further the safety-related efforts of the agency. These reports will be reviewed by the Safety Committee. If action is warranted, based on these reports, the Safety Committee will develop initiatives geared at correcting any deficiencies.

The resulting information provided as part of the auditing process (internal and external) shall be reported by the Safety Officer to the HR Manager, Chief Safety Officer, and affected department managers. All affected department managers shall work with the Safety Officer to develop mitigation plans to address all negative findings. These findings and the subsequent mitigation plans shall be tracked and documented through until completion; this information shall be reported to the Chief Safety Officer by the Safety Officer.

**Trend Monitoring:** The monitoring and analysis of collected data often identifies trends, patterns or changes that may be related to behavior, or other operational factors. Example safety trend data identified might be that of specific accidents and incident types related to identifiable time periods.

The AAATA as part of its efforts to effectively identify hazards that may affect its operations shall also monitor information obtained from industry associations, manufacturers, and other vendors, as well as oversight authorities, such as the National Transportation Safety Board and the Federal Motor Carrier Safety Administration along with other state and local transportation and safety agencies. The agency also monitors information generated by the FTA, including recommended practices, regulations (new or revised), safety directives, bulletins, alerts, and technical assistance, that applies to our operations.

**Accident/Incident Reporting & Investigation:** The reporting and subsequent required investigation of accidents and incidents (safety events) is a major function of the hazard identification and SRM process. The review and analysis of this information leads to the identification of hazardous conditions and practices as well as mitigation efforts that can impact the safe operations of AAATA.

**Hazard Reporting:** The importance of the accurate identification of hazards that may affect the safe operations of AAATA cannot be overlooked. The agency utilizes the Employee Safety Reporting Program as one source of collecting information on hazards that can negatively affect our operations. The success of this type of reporting system relies on the front-line employee, a very important source of information becoming the eyes of safety for AAATA. The agency through this program encourages employees who observe potentially negative safety concerns to make the proper notifications before a resulting safety event occurs.

**Near-Miss Reporting:** The number of near-miss incidents is normally significantly greater than the amount of actual accidents for similar types of events. A Near Miss is defined as an “unplanned event that did not result in injury, illness, or damage – but had the potential to do so. Only a fortunate break in the chain of events prevented an injury, fatality, or damage; in other words, a miss that was nonetheless very near”. The AAATA must encourage the practice of identifying and reporting these near-miss incidents but shall also endeavor to learn from them. These accident precursors are a valuable resource and will serve as a complement to other hazard identification practices actively used.

**Safety Surveys:** In an effort to further safety related collect information that will assist in the SRM process AAATA at times may utilize internal and or external surveys for this purpose. It is recognized that surveys provide a means to examine elements and or activities of our agency’s operations.

Surveys can give insight into the perceptions and attitudes of staff members regarding how the agency is managing safety. The collection and analysis of potential strengths and weaknesses can support the overall safety assurance process. The information can permit the agency to improve upon its approach to safety by formulating proactive strategies to correct identified weaknesses.

**Customer Reporting:** The satisfaction and safety of the traveling public is the primary purpose of this agency and the foundation of all agency operations. The AAATA recognizes that the ability to hear from its customer base is essential to the measurement of its operations as well as both the SMS and this ASP. The agency has dedicated a specific office, personnel, and processes (Customers Relations Management (CRM) software for this purpose.

The current established process is such that several different avenues of data collection are utilized to communicate with customers who wish to provide:

- Comments,
- Complaints,
- Suggestions,
- Compliments,
- Questions and other

The information received is documented and passed along to the affected department for further investigation and mitigation along with the Customer Service office. Safety staff members are contacted if the information received is a direct safety-related issue, for the appropriate form of processing.

## **2.4 Risk Assessment**

As part of the SRM component of this ASP the AAATA has established an analysis process to assess the safety risks associated with identified safety hazards faced by its operations. This “Hazard-Risk Analysis” process will require that identified hazards are assessed to determine their probable effects upon the organization.

Once hazards have been identified, the AAATA will conduct a review to determine their potential consequences. The review process will include consideration of the following:

- the likelihood of occurrence,
- the severity of the consequences
- frequency of past occurrences
- and the level of exposure to the hazard

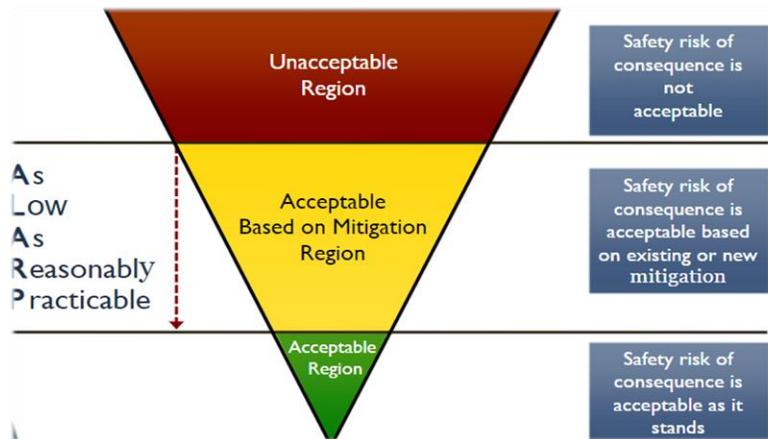
AAATA will utilize experienced personnel within the affected department, working with the safety officer to assess the identified risks subjectively by using the “Hazard/Risk Assessment Matrix” and the “Hazard-Risk Analysis Form” guidance. Results of the risk assessment process will help determine whether the risk is being appropriately managed or controlled. If the risks are acceptable, the hazard will simply need monitoring. If the risks are unacceptable, steps will be taken by AAATA to lower the risk to an acceptable or tolerable level, or to remove or avoid the hazard.

### **2.4.1 Safety Hazard/Risk Tolerance**

The agency shall utilize this diagram and thought process as it evaluates the risks associated with each identified hazard. This assessment shall help form the determination of mitigation strategies that may or may not be implemented. The diagram breaks down the risks into three general categories.

- Acceptable
- Acceptable with Mitigation
- Unacceptable

## **HAZARD/RISK ANALYSIS MATRIX**



### 2.4.2 Safety Hazard/Risk Likelihood

The likelihood of an event or a specific hazard occurring may be defined as how often that event or hazard can credibly be expected to happen. The hazard likelihood can also be described further as the number of potential occurrences based upon a unit of time, miles, trips/runs or passengers carried. An analysis of the agency’s operating experiences can serve as a method for the determination of a specific hazard’s likelihood.

**Safety Hazard Risk Likelihood Table**

LIKELIHOOD LEVELS		
Description	Meaning	Value
<b>Frequent</b>	Continuously experienced. Depending on the nature of the hazard, the potential consequence can be expected to occur more than once per month.	<b>A</b>
<b>Probable</b>	Will occur frequently. Depending on the nature of the hazard, the potential consequence may be experienced less than once per month but more than once per year.	<b>B</b>
<b>Occasional</b>	Will occur several times. Depending on the nature of the hazard, the potential consequence may be experienced less than once per year but more than once per decade.	<b>C</b>
<b>Remote</b>	Unlikely, but can reasonably be expected to occur. Depending on the nature of the hazard, the potential consequence may be experienced less than once per decade but more than once in the life of the system	<b>D</b>
<b>Improbable</b>	Unlikely to occur but possible. Depending on the nature of the hazard, the potential consequence likely will not be experienced in the life of the system but is possible	<b>E</b>

### 2.4.3 Safety Hazard/Risk Severity

Hazard severity is a subjective determination of the worst case that could be anticipated to result from human error, design inadequacies, component failure or malfunction. The categories of hazards are as follows:

- **Catastrophic** - Operating conditions are such that human error, design deficiencies, element, subsystem or component failure or procedural deficiencies may cause death or major system loss and require immediate termination of the unsafe activity or operation
- **Critical** - operating conditions are such that human error, subsystem or component failure or procedural deficiencies may cause severe injury, severe occupational illness or major system damage and require immediate corrective action.
- **Marginal** - Operating conditions are such that they may result in minor injury, occupational illness or system damage and are such that human error, subsystem, or component failures can be counteracted or controlled.
- **Negligible** - Operating conditions are such that human error, subsystem or component failure or procedural deficiencies will result in less than minor injury, occupational illness, or system damage.

The categorization of hazards is consistent with risk-based criteria for severity; it reflects the principle that not all hazards pose an equal amount of risk to personal safety.

**Safety Hazard/Risk Severity Table**

<b>SEVERITY CATEGORIES</b>		
<b>Severity</b>	<b>Meaning</b>	<b>Value</b>
<b>Catastrophic</b>	Could result in one or more of the following: multiple deaths, permanent total disability, irreversible significant environmental impact, or monetary loss equal to or exceeding \$10M.	<b>1</b>
<b>Critical</b>	Could result in one or more of the following: death, permanent partial disability, injuries or occupational illness that may result in hospitalization, reversible significant impact to equipment, facilities, environment or monetary loss equal to or exceeding \$1M but less than \$10M.	<b>2</b>
<b>Marginal</b>	Could result in one or more of the following: Minor injury or occupational illness resulting in one or more lost workday(s) or job transfer/restrictions, injury resulting in ambulance transport, reversible moderate environmental impact, or impact to equipment or facilities, or monetary loss equal to or exceeding \$100K but less than \$1M.	<b>3</b>
<b>Negligible</b>	Could result in one or more of the following: Minor injury or occupational illness not resulting in a lost workday, no job transfer/restrictions, injury not resulting in ambulance transport, minimal environmental impact, or monetary loss less than \$100K.	<b>4</b>

#### **2.4.4 Safety Hazard/Risk Ratings**

The Ann Arbor Area Transportation Authority has determined that it will assess a level of risk for each identified hazard/risk to determine the type of action(s) that shall be taken to mitigate or document the specific hazard/risk. The resulting information from the assessment process shall be provided to the affected department managers and other decision makers as needed. The intent is to understand the amount of risk involved in accepting the hazard in relation to the costs associated with reducing it to an acceptable level. The Hazard/Risk Analysis Matrix includes information that can be used as part of the overall analysis process. The information is broken down into categories such as the “Safety Hazard/Risk Index” that play key roles in the analysis process that will not only lead to a determination of the hazard but also assist with the mitigation actions if necessary.

### Hazard/Risk Assessment Matrix

HAZARD/RISK ASSESSMENT MATRIX				
LIKELIHOOD	SEVERITY			
	Catastrophic (1)	Critical (2)	Marginal (3)	Negligible (4)
Frequent (A)	HIGH	HIGH	HIGH	SERIOUS
Probable (B)	HIGH	HIGH	SERIOUS	MEDIUM
Occasional (C)	HIGH	SERIOUS	MEDIUM	LOW
Remote (D)	MEDIUM	MEDIUM	LOW	LOW
Improbable (E)	LOW	LOW	LOW	LOW

### Safety Hazard/Risk Resolution Requirements

HAZARD/ RISK RESOLUTION REQUIREMENTS			
High	Unacceptable	Correction Required	1A;1B;1C;2A;2B;3A
Serious	Undesirable	Correction may be required, dept. manager decision	2C;3B; 4A
Medium	Acceptable with Review	With review and documented approval by dept. manager	1D;2D;3C;4B
Low	Acceptable	Without review or approval	1E;2E;3D;3E;4C;4D;4E
Eliminated	Acceptable	No Action Required	

### Safety Hazard/ Risk Index

RISK LEVEL	CRITERIA
HIGH	Unacceptable – Action Required: Safety risk must be mitigated or eliminated.
SERIOUS	Undesirable- Action Required, Management Decision with review and approval by Chief Safety Officer
MEDIUM	Undesirable – Management Decision: Dept. Management must decide whether to accept safety risk with monitoring or require additional action, with documentation
LOW	Acceptable without review: Safety risk is acceptable pending management review & approval.
ELIMINATED	Acceptable with investigation and documentation that the hazard/risk is no longer present.

- **HIGH** risk hazards that receive an unacceptable initial hazard analysis receive immediate attention/control. A high hazard rating requires corrective action. Hazards that receive a high hazard rating will be addressed appropriately in a timely manner.

- **SERIOUS** hazards are undesirable and require corrective action and decisions by management. Hazards that receive a serious hazard rating will remain on the hazard logs no more than 90 days without an approved corrective action plan.
- **MEDIUM** hazards are undesirable but may be acceptable with review and approval by management. These hazards/risks if accepted may also require monitoring or additional action with documentation.
  - Events from a medium hazard are less likely to occur and are less severe in nature.
- **LOW** risk hazards do not require review and are acceptable.
- **ELIMINATED** hazard is no longer present.

## 2.5 Mitigation

The transit environment is ever changing and presents some hazards, which are impossible to eliminate and others, which are highly impractical to eliminate. Hazard resolution can be described as the analysis and subsequent mitigation actions taken to reduce the hazard and the associated risk to the lowest level practical. Resolution is not equal to hazard elimination. Reduction of risk to the lowest practical level can be accomplished in a variety of ways including engineering factors, administrative controls, training, and others.

The hazard/risk analysis process utilized by AAATA may indicate that certain identified hazards have an acceptable level of risk, while others require mitigation to reduce their risks to an acceptable level. The AAATA will prioritize identified safety risks using tools such as a “Hazard/Risk Assessment Log” as a means of managing the associated risks.

The level of risk assigned to a hazard can be lowered by reducing the severity/impact of the potential consequences, by reducing the likelihood/frequency of occurrence and/or by reducing the exposure to that risk.

In line with the overall intent of this ASP and the SMS, the AAATA will take but not be limited to the following safety actions to mitigate all identified risks affecting the transit operations. These actions can be classified into three general categories, including:

- **Physical Protections:**
  - These include the use and implementation of objects and technologies that are engineered to discourage, or warn against, or prevent inappropriate action or mitigate the consequences of events (e.g. traffic control devices, fences, safety restraining systems, transit controls/signals, transit monitoring systems, etc.)
- **Administrative Protections:**
  - These include the establishment of procedures and work practices aimed at diminishing the likelihood of an accident/incident (e.g. safety regulations,

standard operating procedures, job safety analysis, personnel proficiency, supervision inspection, training, etc.)

- **Behavioral Protections:**

- These shall include behavioral interventions through education and public awareness campaigns aimed at reducing risky and reckless behavior of motorists, passengers and pedestrians, factors outside the control of the agency.

The safety risk mitigation process requires the agency to not only identify, assess, and mitigate risks, it also requires the review of new and existing mitigation efforts. The agency shall require the affected department manager or designee who approved of the mitigation plans to monitor its operations to identify the effectiveness of the mitigations. The Safety Committee shall be included on all mitigation assessments.

A key component of the monitoring process is that it must determine if the mitigations are ineffective, inappropriate or were not implemented as intended. Findings from this process shall be reported to the Safety Officer to be included in the “Hazard Risk Mitigation Log” and may trigger re-submittal to the SRM process. Information related to the effectiveness of mitigation efforts by the agency shall be reported to the CSO to be communicated to the Accountable Executive.

### **2.5.1 Contracted Services – SRM Responsibilities**

The AAATA shall require that all contractors providing transit services for AAATA, have or establish a formal safety risk management program. The SRM program managed by the contracted service provider shall comply with the tenets of the FTA requirements for SMS and SRM as well as the expectations of this ASP.

The Chief Safety Officer shall designate the Manager of Mobility Services or other member of staff to monitor the safety programs and activities of the transit contractors for compliance with all facets of this ASP and FTA SMS requirements. This shall include receiving regular reports of safety activities, safety events and the review of the SRM policies and processes of the contracted agency. To ensure success, the Safety Officer and the appointed member of staff shall work with the contracted agencies to ensure that they are well informed of these requirements and expectations.

The contractor’s SRM program shall identify hazards, their consequences and the mitigation efforts taken and their monitoring.

This shall include::

- Accident/Incident Reporting
- Hazard Identification
- Hazard/Risk Assessments
- Hazard/Risk Mitigation Process
- Employee Safety Training

- Established applicable safety programs
- Tracking of NTD reportable information
- Other

## **2.6 Documentation - SRM**

The SRM component of the ASP and SMS involves key processes that are essential to the success of safety management by AAATA. The identification, assessment, prioritization, and mitigation of identified hazards/risks facing the agency are individual measures that when managed properly will lead to an effective level of safety management.

The organization will make use of the “Hazard/Risk Assessment Log” to document and track its efforts and results that are related to SRM. This process and this log establish a level of priority for each identified hazard/risk and shall serve as a guide to the agency in terms of how it will proceed.

Additionally, the AAATA will also implement the use of the “Hazard/Risk Mitigation Log” to monitor and document its activities that are put into action to tackle the identified hazards. This document shall be updated as is necessary to ensure continual progress towards the reduction of the hazards/risks. This will assist in tracking the process for further monitoring and evaluation (safety assurance) of the effectiveness of mitigation efforts taken by the agency. The management of these two logs shall be the responsibility of the safety officer who will utilize this information to provide the Chief Safety officer with updates on the performance and use of the SRM process.

## SECTION 3

## SAFETY ASSURANCES

The agency's SRM process calls for the identification and analysis of hazards faced by its operations. These identified hazards shall be assessed as a priority based upon the level of risk that is assigned to each, with the mitigation plans establishing the goals and objectives to be achieved. After these goals and objectives have been determined safety assurance is the next phase in the SRM process.

Safety assurance is a continuous process of the SMS that is constantly interacting with the SRM function by providing essential data and information necessary to monitor progress. To be effective, safety assurance requires that a clear understanding be established as to how safety performance will be evaluated. The AAATA will determine what metrics will be used to assess system safety and determine if the safety management system is working properly and serve as an indicator of our safety efforts. The successful management of safety will mean that these metrics, goals, and objectives will be used for ongoing performance monitoring and improvement.

### 3.1 Safety Assurance Key Terms

The establishment of agency safety goals and objectives is a key part of strategic planning and formulation of safety policy for AAATA. To create a successful safety performance measurement system, these safety goals must first be clearly defined, understood, and communicated. Below please find key terms directly related to SMS, this ASP and the safety assurance process:

- **Safety Assurance:** The process within the SMS that functions to ensure the implementation and effectiveness of safety risk mitigation, and to ensure that safety objectives are met or exceeded.
- **Safety Performance Indicator (Metrics):** Means data-driven, quantifiable parameter or measure that is used for monitoring and assessing safety performance
- **Safety Performance:** The safety effectiveness and efficiency of the organization as defined by its safety performance indicators and targets, when measured against its safety goals.
- **Safety Performance Monitoring (SPM):** Agency activities aimed at measuring the safety effectiveness and efficiency during service delivery operations, using safety performance indicators, targets, and objectives
- **Safety Performance Target (SPT):** A specific level of performance for a given performance measure over a specified timeframe related to safety management activities.

- **Safety goals** are general descriptions of desirable long-term impacts.
- **Safety objectives** are more specific statements that define measurable results.

### 3.2 Safety Performance Measures

Performance measurement is the systematic collection, analysis and reporting of data that tracks resources used, work produced and whether specific outcomes were achieved. It is a tool to measure and improve upon operational performance, to identify and correct behavioral performances as necessary to reduce accidents and incidents. The essential functions of performance measurement include the monitoring and evaluation of progress achieved.

For the purposes of SMS and this ASP, the identified safety goals and objectives will be measured by defining a specific level of safety performance. This shall include the establishment of both baseline and achievable/reasonable targets, for the operations of AAATA.

AAATA understands that it must not only identify but also define its safety performance measures using related safety metrics. The safety metrics used to measure performance may be both general in nature and specific to the organization, while being applicable to actual operations. The AAATA looks to identify standards of measurement that will allow for performance and progress towards the selected goals to be assessed.

The table below is an examples of potential performance target areas and metrics for a bus agency:

**Examples of Performance Area Targets and Safety Measures/Metrics**

<b>PERFORMANCE TARGET AREAS</b>	<b>METRICS</b>
<i>Casualties/Incidents:</i>	Number of fatalities and fatal crashes per specified period Number of injuries and injury crashes per specified period Fatal accidents per million passenger-miles/vehicle-miles traveled Injury accidents per million passenger-miles/vehicle-miles traveled
<i>Operations:</i>	Employee workdays lost to injuries per specified period Work-related fatalities per specified period Percent of positive drug/alcohol tests per specified period Percent of buses exceeding the speed limit per specified period
<i>Systems and Equipment:</i>	Number of vehicle defects reported by operators per specified period Number of vehicle defects reported during maintenance inspections Percent of preventative maintenance inspections completed within 10% of scheduled mileage
<i>Safety Culture:</i>	Number of training hours for all staff per specified period Number of safety audits, assessments or inspections completed per specified

### 3.3 Safety Performance Targets

#### Safety Performance Targets

The Ann Arbor Area Transportation Authority has specified its SPT's based upon the safety performance measures established under the National Public Transportation Safety Plan. Performance targets are set by the Safety Officer and Chief Safety Officer with the approval of the Chief Executive Officer

The agency reviews the safety performance data as reported to the NTD for the previous 5 years as it sets its future targets. The absolute goal of zero is taken into consideration as part of this review of actual values as the agency works to create realistic attainable targets. The agency seeks to obtain a 10% annual change in the number of injuries, safety events and major mechanical failures affecting its operations.

Mode of Transit Service		Fatalities (total)	Fatalities Per 100 K VRM	Injuries (total)	Injuries Per 100 K VRM	Safety Events (total)	Safety Events Per 100 K VRM	System Reliability (miles) VRM / Failures
2020	Fixed Route Bus	0	0	5.8	.16	13.0	.36	33627
2020	Non-Fixed Route	0	0	.78	.048	.78	.04	142198
2021	Fixed Route Bus	0	0	3.92	.15	12.6	.36	37188
2021	Non-Fixed Route	0	0	1.16	.05	1.55	.06	97585
2022	Fixed Route Bus	0	0	5.6	.16	10.1	.29	42476
2022	Non-Fixed Route	0	0	1.08	.06	1.44	.06	111493
2023	Fixed Route Bus	0	0	5.04	.16	9.09	.25	46723
2023	Non-Fixed Route	0	0	.972	.06	1.296	.06	122642

### 3.4 Performance Monitoring and Evaluation

The SRM process and its safety assurance component call for AAATA to monitor its safety performance and the effectiveness of the implemented mitigation efforts.

The agency will utilize its “Safety Performance Outline” that summarizes its desired safety goals and objectives. The AAATA will create and reference its “Safety Performance Matrix” to monitor the measures established to reach the identified goals and objectives. These tools and the information collected will provide the agency with the means to monitor and evaluate its own safety performance, and the results, which are a direct reflection on the established agency safety goals, objectives, and measures.

The Chief Safety Officer, Safety Officer and Safety Committee shall meet annually to review collected data that coincides with the identified safety goals and objectives of the agency. This group is tasked with the review and analysis of identified safety assurance activities, determining the responsibilities and specific timelines to ensure continuous monitoring, evaluation and updating of safety performance documentation.

The monitoring of safety risk mitigations taken by the agency is a key factor in the SRM process. It is imperative to the success of the SRM process that continuous monitoring of safety risk mitigations is conducted to identify those that are incomplete, ineffective, or not yet implemented as intended. Such items shall be subject to further review and assessment, until such time that the identified hazard has been addressed to an acceptable level. The “Hazard/Risk Mitigation Log” shall be used to track the assignment of responsibilities and timelines, also to implement new mitigations and eliminate mitigations that are no longer required or effective.

The safety performance monitoring and measurement activities, such as Accident/Incident Investigations and the resulting information related to all safety events will help identify causal factors. It is these causal factors that result in safety failures, defects and conditions that can negatively impact the fleet and operations safety.

The AAATA will utilize safety performance monitoring activities that may include internal functions such as those listed below to measure the effectiveness of existing mitigations.

- Service delivery monitoring
- Review of operational and maintenance functions and data monitoring
- Accident/Incident Report tracking and monitoring
- Monitoring the “Employee Safety Reporting Program”
- Assessment of available and applicable external safety information
- Review and evaluation of the SMS
- Regular review of Fleet Service functions for compliance with established procedures
- Review of Hazard/Risk Mitigation Plans and Results
- Review of internal and external safety audits, and inspections
- Safety Investigations
- Other

The agency shall review, investigate, and monitor safety information and actions taken resulting from internal activities, to determine that the actions taken address and reduce the risk factor to

an acceptable level. If the actions taken are not considered effective, then the matter shall be subject to the SRM process for further review and analysis.

The requirement to establish and meet the Safety Assurances element and activities of SMS are extended to the contracted agencies of AAATA. As stated previously the AAATA Safety Officer and the appointed staff member shall work to provide the contracted agencies with the necessary information to allow for success and compliance with all ASP and FTA requirements. The contracted agencies shall be able to show and document compliance with this section as with all SMS elements. This information shall be maintained on file by the Safety Officer and used to update the CSO.

### **3.5 Performance Results and Agency Decision-Making**

The Ann Arbor Area Transportation Authority with the development of this ASP and the SMS is dedicated to the effective management of safety through performance-based results. It is critical to this process that performance information obtained or generated is shared with the Chief Safety Officer to be passed along to the Accountable Executive and others as is necessary. The agency is committed to using the data collected and information learned, to provide for informed decision making and instill positive change for its operations. The main objective of these processes is the continuous improvement of overall system safety and its effects on the traveling public and our employees.

When established performance goals are not met, AAATA will work to identify why such goals were not met and what actions are necessary to be taken to minimize the gap in achieving the defined goals. Also, when goals are easily achieved, actions will be taken to exceed expectations and re-establish a reasonable performance baseline.

Uses of Performance Results may include some of the following examples:

- Focus attention on performance gaps and trigger in-depth investigations of what performance problems exist
- Help make informed resource allocation decisions
- Identify needs for staff training or technical assistance
- Help motivate employees to continue making program improvements
- Support strategic planning efforts by providing baseline information for tracking progress
- Identify best practices
- Establish a standard for accountability

### **3.6 Safety Performance Target Coordination**

The Accountable Executive for AAATA has given his/her authorization for this ASP, including the identified safety performance targets to be shared with the local Metropolitan Planning

Organization (MPO) in our service area, Southeast Michigan Council of Governments (SEMCOG), as well as the local Transportation Study, Washtenaw Area Transportation Study (WATS), each year after its certification. The AAATA Accountable Executive also ensures that a copy of this certified plan will be provided to the Michigan Department of Transportation (MDOT) as required.

It is the understanding of this agency that the Washtenaw Area Transportation Study (WATS) is responsible with sharing the safety performance information with the regional Southeast Michigan Council of Governments (SEMCOG) and state agencies. Agency personnel are available and shall work with both MDOT and WATS in the selection and coordination of safety performance targets upon request.

<b>Safety Performance Targets Transmitted To:</b>	<b>State Agency</b>	
	<b>Michigan Department of Transportation</b>	<b>Date:</b>
	<b>Transportation Study</b>	
	<b>Washtenaw Area Transportation Study</b>	<b>Date</b>
	<b>Metropolitan Planning Organization</b>	
	<b>Southeast Michigan Council of Governments</b>	<b>Date</b>

### 3.7 Management of Change

The performance monitoring and evaluation of agency goals and objectives often lead to the determination that changes to the organization and its operations are necessary. When these determinations are made it is recognized through the SMS that the process of implementation of the changes must be managed in a manner that will lead to the desired positive outcome. The management of change is the process implemented by the agency to ensure that the change does not introduce new negative hazards or impacts upon the safety performance of operations.

The AAATA also recognizes that information obtained from other parts of SMS may also lead to the determination that changes in operations or facilities may be necessary. It is because of this that the agency acknowledges that the process to manage change is one that involves and applies to all elements of the entire agency to address new and or existing operations and facilities.

The agency shall utilize existing procedures and protocols to identify and assess how the changes will affect operations and the level of risk associated with the change. It is the overall impact

upon AAATA's ability to manage its safety performance that must always be kept in mind when addressing changes such as:

- Long term or permanent service changes
- Major procurements
- New or moved infrastructure
- New or moved amenities
- Major Organizational Changes
- Changes to applicable regulations, laws, policies, and directives

As part of the management of changes such as those listed above and others the Project Manager will be required to complete a Hazard Risk Analysis. It is this assessment that will identify that the change will meet with the agency's desires to keep identified hazards to the lowest acceptable level.

The Hazard Risk Analysis identifies and documents all hazards associated to the desired change such as,

- the severity of the potential hazard,
- the likelihood of the hazard,
- measures necessary to mitigate the risk.

The Project Managers are required to complete the Hazard/Risk Analysis and mitigation plan and submit it to the Safety Officer for review and approval prior to implementation. The Safety Officer shall include/inform the Chief Safety Officer of the intended mitigation plan prior to approval. The Safety Officer shall also document and track the mitigation plan and monitor for any compliance, training, and/or next steps that need completed prior to and throughout the implementation of the change.

The requirement to establish and have in place a process to manage change, is an important part of this ASP and thereby is extended to the contracted agencies of AAATA. These agencies shall report to AAATA that they have an established process to identify and assess all organizational changes that may introduce new hazards or impact transit safety performance. It shall be understood that the requirement for these changes to be evaluated as part of the SRM process, is the same as it is for the AAATA.

As stated previously the AAATA Safety Officer and the appointed staff member shall work to provide the contracted agencies with the necessary information to allow for success and compliance with this ASP and FTA requirements. These agencies shall be able to show and document compliance with this section as with all SMS elements.

### **3.8 Continuous Improvement**

Continuous improvement of all things safety related is not only a desire of the Ann Arbor Area Transportation Authority it is a SMS function that calls for the agency to audit its operations to allow AAATA to:

- Assess the effectiveness of the existing SMS to determine if it is performing as intended
- Assess adherence to the written and intended SMS policy, procedures, and processes for effectiveness
- Identify the causes of ineffective areas of performance
- Develop corrective action plans to address the sub-standard performance

Successful implementation of the SMS will require a measured approach by the agency. During the first three years of SMS implementation the focus will be on the measures necessary to get the SMS completely installed and functioning within the organization.

The Chief Safety Officer, the Safety Officer and Safety Committee shall audit the sections of the ASP at a designated interval (semiannually or annually) to monitor plan progress, timeliness, documentation and other efforts related to the success of the plan. Areas of the ASP that shall be reviewed may include the following subjects:

- SRM
- Operations and Maintenance procedure monitoring activities
- Safety Risk Mitigation Activities
- Employee Safety Reporting Program
- Safety Communication Activities
- Safety Training

Should the audits identify the need for corrective actions that require a change to the ASP, they shall be added as an addendum to reflect the revision and documented accordingly for review the following year. These identified deficiencies and the necessary corrective actions shall be communicated by the CSO, to and carried out via the direction of the Accountable Executive. Implementation shall be the responsibility of the affected department manager(s), or other as directed by the CSO or his/her designee.

## **SECTION 4 RISK REDUCTION PROGRAM**

### **4.1 Purpose**

This program is designed to improve safety by reducing the number and rates of accidents, injuries, and assaults on transit workers, based on data submitted to the National Transit Database. This program will go into effect when the FTA updates the National Transportation Safety Plan with the three-year average and goals.

### **4.2 Process**

The risk reduction program will include a reduction of vehicular and pedestrian accidents involving buses. As part of this program, AAATA will address measures to reduce visibility impairments for bus operators that contribute to accidents, including retrofits to existing buses, and specifications for future procurements that reduce visibility impairments. This program will also address the mitigation of assaults on transit workers.

This program will be performed by the Safety Committee through a risk analysis process. This process will be evaluated in an “as needed” basis but no less than semi-annually. The focus will be on the deployment of recommendations on assault mitigation infrastructure and technology on buses when a risk analysis performed by the safety committee determines that such measures would reduce assaults on transit workers and injuries to transit workers.

## **SECTION 5 CONTAGIOUS VIRUS RESPONSE PLAN**

### **5.1 Purpose**

The purpose of the Contagious Virus Response Plan (CVRP) is to provide the leadership and staff of Ann Arbor Area Transportation Authority (AAATA) with guidance that will be both necessary and critical to contain and minimize the organizational impact of an outbreak of disease. Contagious virus or infectious disease emergencies can range from the naturally occurring illnesses to emerging infectious diseases (e.g., SARS, avian influenza) or intentional acts of bioterrorism (e.g., anthrax). The circumstances of these emergencies vary by type, magnitude of exposure, and means of transmission. Planning and preparing in advance are essential activities to deliver an effective response to this type of emergency.

### **5.2 Scope**

This plan and its resulting actions are intended to align with guidelines put forth by the Centers for Disease Control and Prevention (CDC) and the State of Michigan to minimize exposure to infectious diseases. The goal of this plan is to ensure that there is an understanding of the contagious virus and then to curtail the negative effects upon the organization, and the health of its personnel and customers.

### **5.3 Mitigations and Strategies**

In the event of an outbreak of disease, AAATA will follow the guidelines put forth by the State of Michigan and Washtenaw County. We will also utilize the strategies and mitigations outlined in the AAATA Contagious Virus Response Plan. This plan is updated annually. AAATA is committed to the health and safety of our employees and passengers. To ensure we meet these efforts, the agency shall adhere to the following actions:

- *Supply employees with necessary PPE like masks and gloves at all AAATA facilities, and actively encourage their use during working hours.*

- *Immediately convene the Safety Committee in the event of a pandemic or global health emergency as defined by the CDC or State Health Authorities to discuss mitigation recommendations based on the threat of the contagious virus.*
- *Continue, indefinitely, enhanced housekeeping practices. This includes elevating the frequency and rigor of cleaning and disinfection activities, targeting high-touch surface areas like handrails, ticket machines, and other communal equipment.*

## **SECTION 6 DRIVER ASSAULT PREVENTION**

### **6.1 Purpose**

The purpose of the Driver Assault Prevention Section is to provide the leadership and staff of Ann Arbor Area Transportation Authority (AAATA) with guidance that will be both necessary and critical to reduce the occurrences of driver assaults. AAATA is aware that Driver Assaults are continuing to rise nationwide and committed to reducing the occurrence and/or likelihood of assaults through engineering and administrative controls. Planning and preparing in advance are essential activities to deliver an effective prevention and if necessary, response to this type of emergency.

### **6.2 Process**

The Safety Committee will review all driver assault incidents to develop and implement recommended mitigations to leadership. The committee will also look for any and all areas in which driver security can be increased to discourage the likelihood of assault incidents occurring.

### **6.3 Mitigations and Strategies**

As these mitigations and strategies are implemented and developed, they will be added to the ASP as addendums. To date, the committee has implemented the following mitigations:

- Deescalation training has been enhanced and delivered to all Motor Coach Operators and Fleet Maintenance Technicians. It will be provided to all new Motor Coach Operators, Fleet Maintenance Personnel and Call Takers as part of on-boarding training. It will also be delivered as an annual refresher training.
- Signs have been placed on all buses to discourage the public from assaulting drivers. The signs encourage kindness and warn of penalties should an operator assault occur.
- Fire Extinguishers have been relocated to behind the driver's seat, so they are not accessible to use as weapons by passengers.
- Driver Barriers have been installed on all buses and will be installed on all future bus procurements. Prior to procuring any buses without a Driver Barrier or selecting a new Driver Barrier, the Safety Committee shall conduct a hazard risk assessment that will be presented to Leadership for consideration. Additionally, the Safety Committee shall be involved in any process leading up to the procurement of new Driver Barrier systems.
- An assault response SOP for supervisors and Motor Coach Operators and a reporting form specific to assaults is being finalized. (In progress)

- The Safety Committee will conduct a quarterly review of all driver assault incidents to look for mitigations and/or trends. We will also assess effectiveness and data collected, incorporate best practices from government regulators, other transit systems and law enforcement authorities, and develop and implement new strategies that work to reduce assaults.

#### 6.4 **Actions**

The Agency is committed to the following:

- Operations Departmental Leadership will ensure all dispatchers and other headquarters staff are trained on the proper response to reports of assaults across the transit system; this training shall include reinforcing the urgency of responding to reported assaults, proper protocols for connecting with law enforcement and crisis management.
- The Assault Task Force will continue in engaging in public information initiatives that inform passengers and deter acts of violence by clear commitments to assist law enforcement with prosecution of offenders.
- Providing the victim with the resources necessary to fully recover and return to work. This includes using resources from our Workers Compensation Program and Employee Assistance Program.
- The agency will provide law enforcement with data and materials necessary to pursue assailants, including video surveillance.

## **SECTION 7            APPENDICES**

### **7.1    KEY TERMS**

**The Ann Arbor Area Transportation Authority supports and incorporates the following FTA Public Transportation and Safety Management System key terms and their definitions.**

- **Accident** means an Event that involves any of the following: A loss of life; a report of a serious injury to a person; a collision of public transportation vehicles; a runaway train; an evacuation for life safety reasons; or any derailment of a rail transit vehicle, at any location, at any time, whatever the cause.
- **Accountable Executive** means a single, identifiable person who has ultimate responsibility for carrying out the Public Transportation Agency Safety Plan of a public transportation agency; responsibility for carrying out the agency's Transit Asset Management Plan; and control or direction over the human and capital resources needed to develop and maintain both the agency's Public Transportation Agency Safety Plan, in accordance with 49 U.S.C. 5329(d), and the agency's Transit Asset Management Plan, in accordance with 49 U.S.C. 5326.

- **Chief Safety Officer** means an adequately trained individual who has responsibility for safety and reports directly to a transit agency's chief executive officer, general manager, president, or equivalent officer. A Chief Safety Officer may not serve in other operational or maintenance capacities, unless the Chief Safety Officer is employed by a transit agency that is a small public transportation provider as defined in this part, or a public transportation provider that does not operate a rail fixed guideway public transportation system.
- **Consequence** means the potential outcome(s) of a hazard.
- **Equivalent Authority** means an entity that carries out duties similar to that of a Board of Directors for a recipient or subrecipient of FTA funds under 49 U.S.C. Chapter 53, including sufficient authority to review and approve a recipient or subrecipient's Public Transportation Agency Safety Plan.
- **Event** means any Accident, Incident, or Occurrence.
- **Hazard** means any real or potential condition that can cause injury, illness, or death; damage to or loss of the facilities, equipment, rolling stock, or infrastructure of a public transportation system; or damage to the environment.
- **Hazard Analysis** means the formal activities to analyze potential consequences of hazards during operations related to provision of services
- **Incident** means an event that involves any of the following: a personal injury that is not a serious injury; one or more injuries requiring medical transport; or damage to facilities, equipment, rolling stock, or infrastructure that disrupts the operations of a transit agency.
- **Investigation** means the process of determining the causal and contributing factors of an accident, incident, or hazard, for the purpose of preventing recurrence and mitigating risk.
- **Lagging Indicators** provide evidence, through monitoring, which intended safety management outcomes have failed or have not been achieved.
- **Leading Indicators** provide evidence, through monitoring, that key safety management actions are undertaken as planned.
- **National Public Transportation Safety Plan** means the plan to improve the safety of all public transportation systems that receive Federal financial assistance under 49 U.S.C. Chapter 53.
- **Near miss** means a safety event where conditions with potential to generate an accident, incident, or occurrence existed, but where an accident, incident, or occurrence did not occur because the conditions were contained by chance or by existing safety risk mitigations
- **Occurrence** means an Event without any personal injury in which any damage to facilities, equipment, rolling stock, or infrastructure does not disrupt the operations of a transit agency.
- **Operator** of a public transportation system means a provider of public transportation as defined under 49 U.S.C. 5302.

- **Passenger** means a person other than an operator who is on board, boarding, or alighting from a vehicle on a public transportation system for the purpose of travel.
- **Performance measure** means an expression based on a quantifiable indicator of performance or condition that is used to establish targets and to assess progress toward meeting the established targets.
- **Performance target** means a quantifiable level of performance or condition, expressed as a value for the measure, to be achieved within a time required by the FTA.
- **Public Transportation Agency Safety Plan (or Agency Safety Plan)** means the documented comprehensive Agency Safety Plan for a transit agency that is required by 49 U.S.C. 5329 and Part 673.
- **Risk** means the composite of predicted severity and likelihood of the potential effect of a hazard.
- **Risk mitigation** means a method or methods to eliminate or reduce the effects of hazards.
- **Safety** means the state in which the potential of harm to persons or property damage during operations related to provision of services is reduced to and maintained at an acceptable level through continuous hazard identification and SRM activities.
- **Safety Assurance** means processes within a transit agency's Safety Management System that function to ensure the implementation and effectiveness of safety risk mitigation, and to ensure that the transit agency meets or exceeds its safety objectives through the collection, analysis, and assessment of information.
- **Safety Deficiency** means a condition that is a source of hazards and/or allows the perpetuation of hazards in time.
- **Safety Management Policy** means a transit agency's documented commitment to safety, which defines the transit agency's safety objectives and the accountabilities and responsibilities of its employees regarding safety.
- **Safety Management System** means the formal, top-down, organization-wide approach to managing safety risk and assuring the effectiveness of a transit agency's safety risk mitigation. SMS includes systematic procedures, practices, and policies for managing risks and hazards.
- **Safety Objective** means a high-level, global, generic, and non-quantifiable statement regarding conceptual safety achievements to be accomplished by an organization regarding its safety performance.
- **Safety Performance Indicator** means a data-driven, quantifiable parameter used for monitoring and assessing safety performance.
- **Safety Performance Measurement** means the assessment of non-consequential safety-related events and activities that provide ongoing assurance that safety risk mitigations work as intended.
- **Safety Performance Monitoring** means the activities aimed at the quantification of an organization's safety effectiveness and efficiency during service delivery

operations, through a combination of safety performance indicators and safety performance targets.

- **Safety Performance Target** means a specific level of performance for a given performance measure over a specified timeframe related to safety management activities.
- **Safety Promotion** means a combination of training and communication of safety information to support SMS as applied to the transit agency's public transportation system.
- **Safety Reporting Program** means a process that allows employees to report safety conditions to senior management, protections for employees who report safety conditions to senior management, and a description of employee behaviors that may result in disciplinary action.
- **Safety Risk** means the assessed likelihood and severity of the potential consequence(s) of a hazard, using as reference the worst foreseeable, but credible, outcome.
- **Safety Risk Assessment** means the formal activity whereby a transit agency determines SRM priorities by establishing the significance or value of its safety risks.
- **SRM** means a process within a transit agency's Agency Safety Plan for identifying hazards and analyzing, assessing, and mitigating safety risk.
- **Safety Risk Likelihood** means the likelihood that the consequence might occur, taking as reference the worst foreseeable-but credible-condition.
- **Safety Risk Severity** means the anticipated effects of a consequence, should it materialize, taking as reference the worst foreseeable-but credible-condition.
- **Serious injury** means any injury which: (1) Requires hospitalization for more than 48 hours, commencing within 7 days from the date when the injury was received; (2) Results in a fracture of any bone (except simple fractures of fingers, toes, or noses); (3) Causes severe hemorrhages, nerve, muscle, or tendon damage; (4) Involves any internal organ; or (5) Involves second- or third-degree burns, or any burns affecting more than 5 percent of the body surface.
- **Transit Agency** means an operator of a public transportation system.
- **Transit Asset Management Plan** means the strategic and systematic practice of procuring, operating, inspecting, maintaining, rehabilitating, and replacing transit capital assets to manage their performance, risks, and costs over their life cycles, for the purpose of providing safe, cost- effective, and reliable public transportation, as required by 49 U.S.C. 5326 and 49 CFR Part 625.

## 7.2 KEY ACRONYMS

<b>ACRONYM</b>	<b>WORD OR PHRASE</b>
AAATA	Ann Arbor Area Transportation Authority
ANPRM	Advanced Notice of Proposed Rule Making
ASP	Agency Safety Plan
CAP	Corrective Action Plan
CDC	Centers for Disease Control and Prevention
CEO	Chief Executive Officer
CRM	Customers Relations Management
CSO	Chief Safety Officer
CVRP	Contagious Virus Response Plan
ESRP	Employee Safety Reporting Program
FTA	Federal Transit Administration
MAP-21	Moving Ahead for Progress in the 21 <sup>st</sup> Century
MPO	Metropolitan Planning Organization
NPRM	Notice of Proposed Rule Making
OJI	On-The-Job Injury
SEMCOG	Southeast Michigan Council of Governments
SMP	Safety Management Policy
SMS	Safety Management System
SOP	Standard Operating Procedure
SPM	Safety Performance Monitoring
SPT	Safety Performance Target
SRM	Safety Risk Management
TSI	Transportation Safety Institute
VCC	Vehicle Condition Card
VRM	Vehicle Revenue Miles
WATS	Washtenaw Area Transportation Study

# Zero-Emissions Bus Propulsion

CEO Recommendation

November 2023

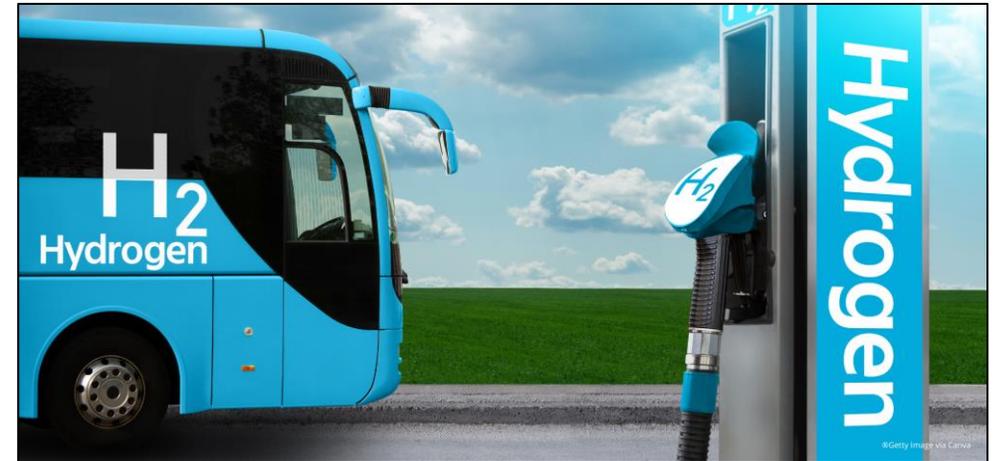
# Agenda

- I. Recap
- II. Responses to October Questions
- III. Further Discussion
- IV. Closing & Next Steps



# Recap: Hydrogen Pilot Project

- Pilot project (4-5 years)
- 2 hydrogen fuel-cell buses
- 1 outdoor tank/fueling station
- Workforce Training
- If successful, full transition starting 2030



# Underlying Themes

## Priorities & Limited Resources

- Which investments?

## Risk Tolerance (Action and Inaction)

- How much? How fast?

***What we Do, For Whom, At What Cost?***

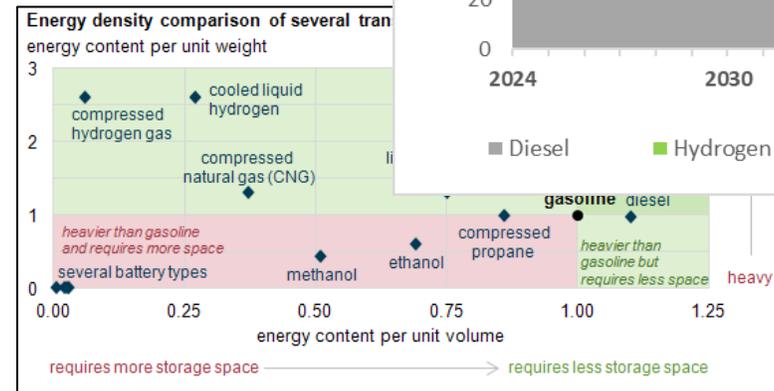
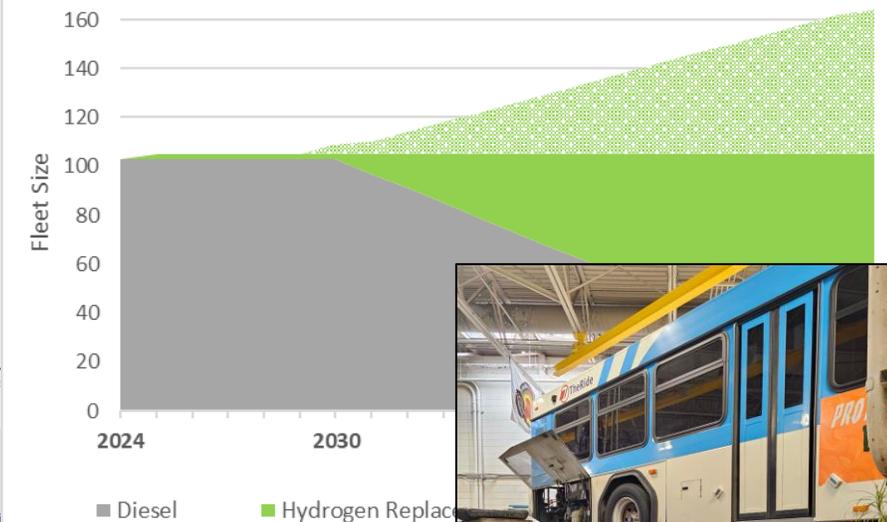


# Key Concepts

- Customers before Equipment
- Carbon savings
- Fuel Energy Density & Travel Range
- Full deployment
- Fleet Management



Fleet Change: Size & Propulsion





# Board Questions

- Board/CEO roles
- Financial: Details, side-by-side w/BEB, bonding, grant competitiveness, equity implications
- Emissions from energy generation
- Risks: Mining, battery disposal, fire risks
- Mixed pilot?
- Transition plan, what if H doesn't work?
- Other agencies



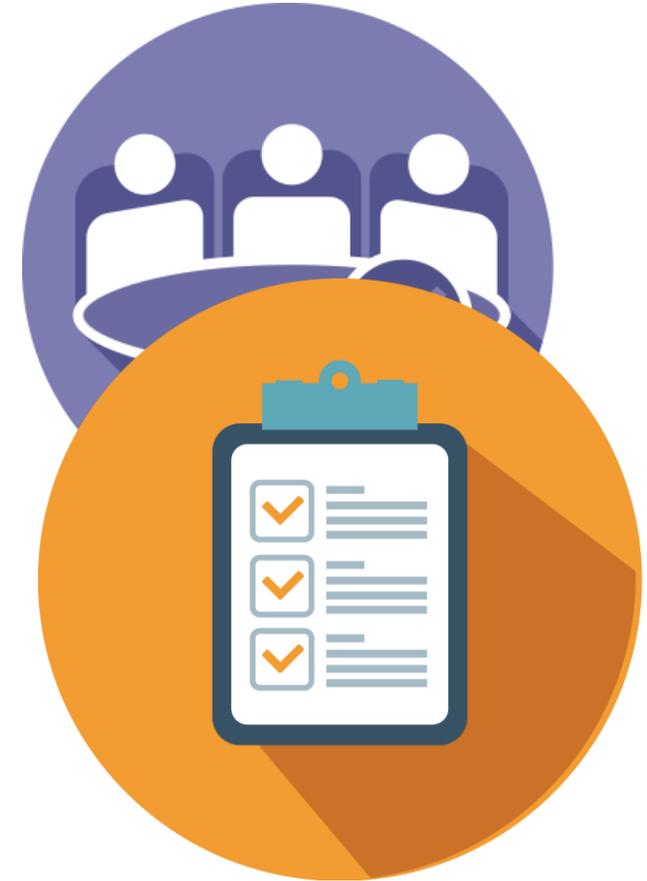
# Board's Role

## **Sets collective expectations (policies)**

- Identify Goals (Ends)
- Delegate to CEO (Exc Limitations)
- Oversight (monitoring)

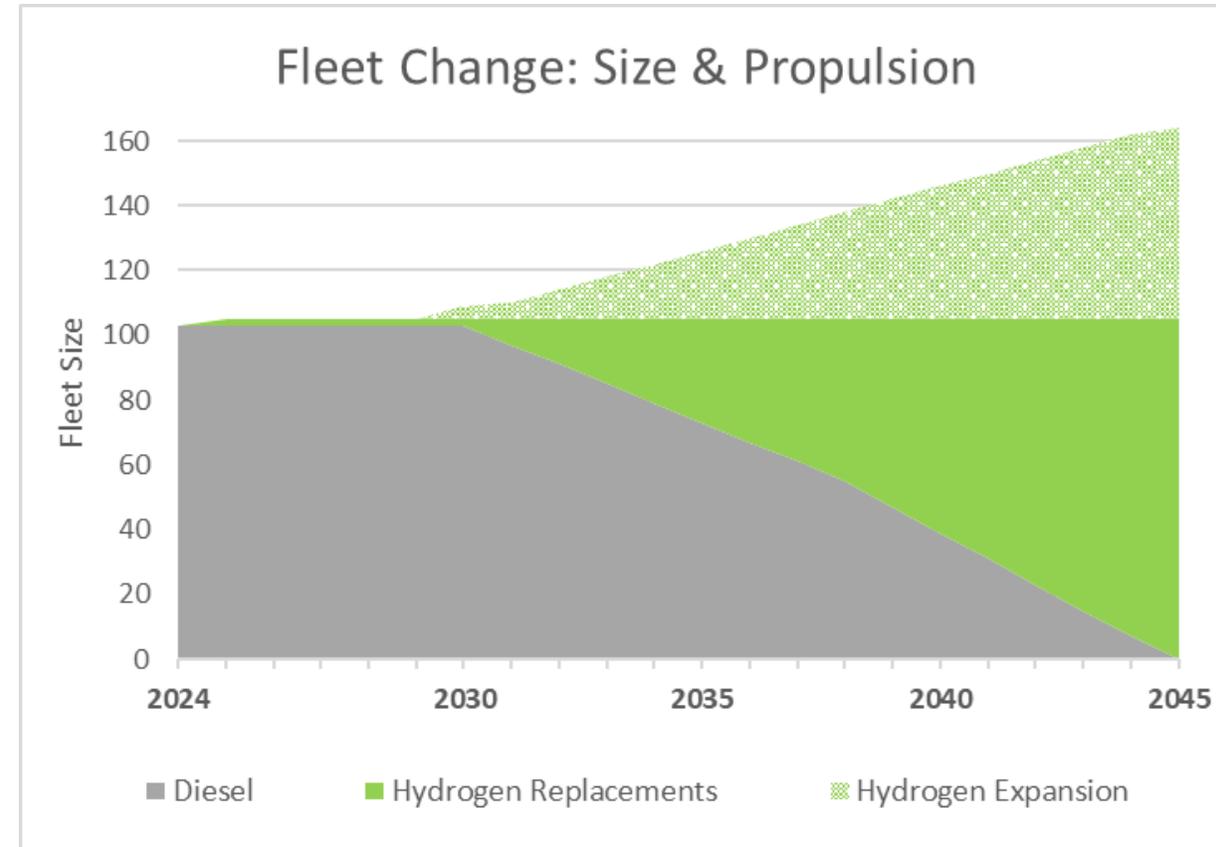
## **For ZEBs**

- Receive CEO Recommendation
- Approve, reject, direct CEO to go different direction, use your own
- FTA requires board approval



# Full Deployment if Successful

- Detailed financial proposal by staff
  - Increase future capital expenses
  - Dependent on funding
- Board approval 2029/2030
- Training, retooling, renos, construction
- Bus purchases (pace TBD)

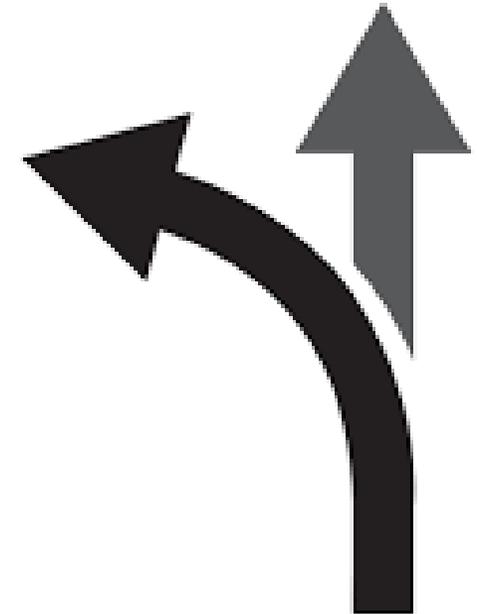


# What is Pilot is not Successful?

- Insurmountable mechanical challenges
- Markets for affordable fuel don't emerge
- Emissions from generation too high

## What would we do?

- Pause
- Reassess technologies and markets
- Move in new direction



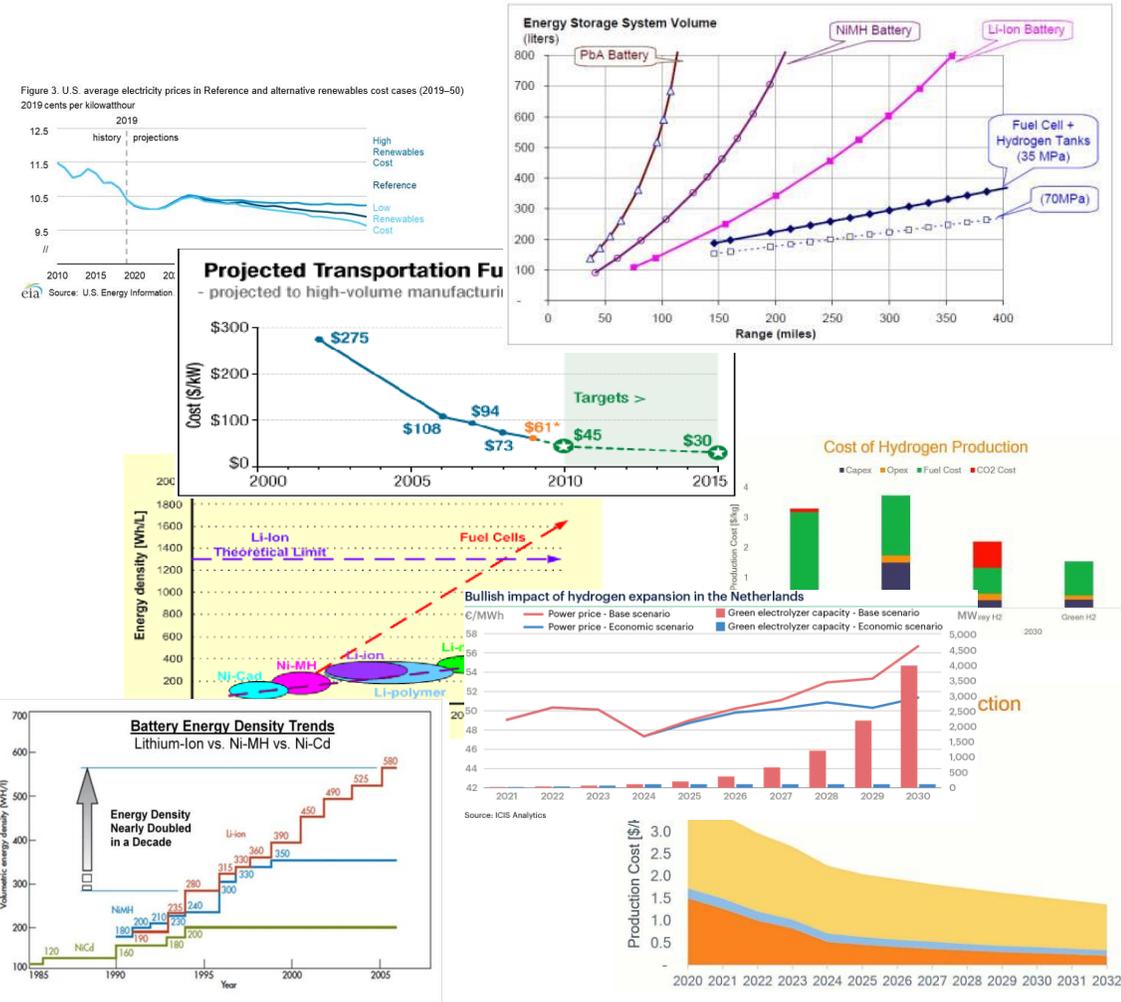
# Impact on Emissions (Exec Limits 2.11)

- Hydrogen requires more energy than it produces
- Greater energy density helps heavy duty vehicles operations, fleet size



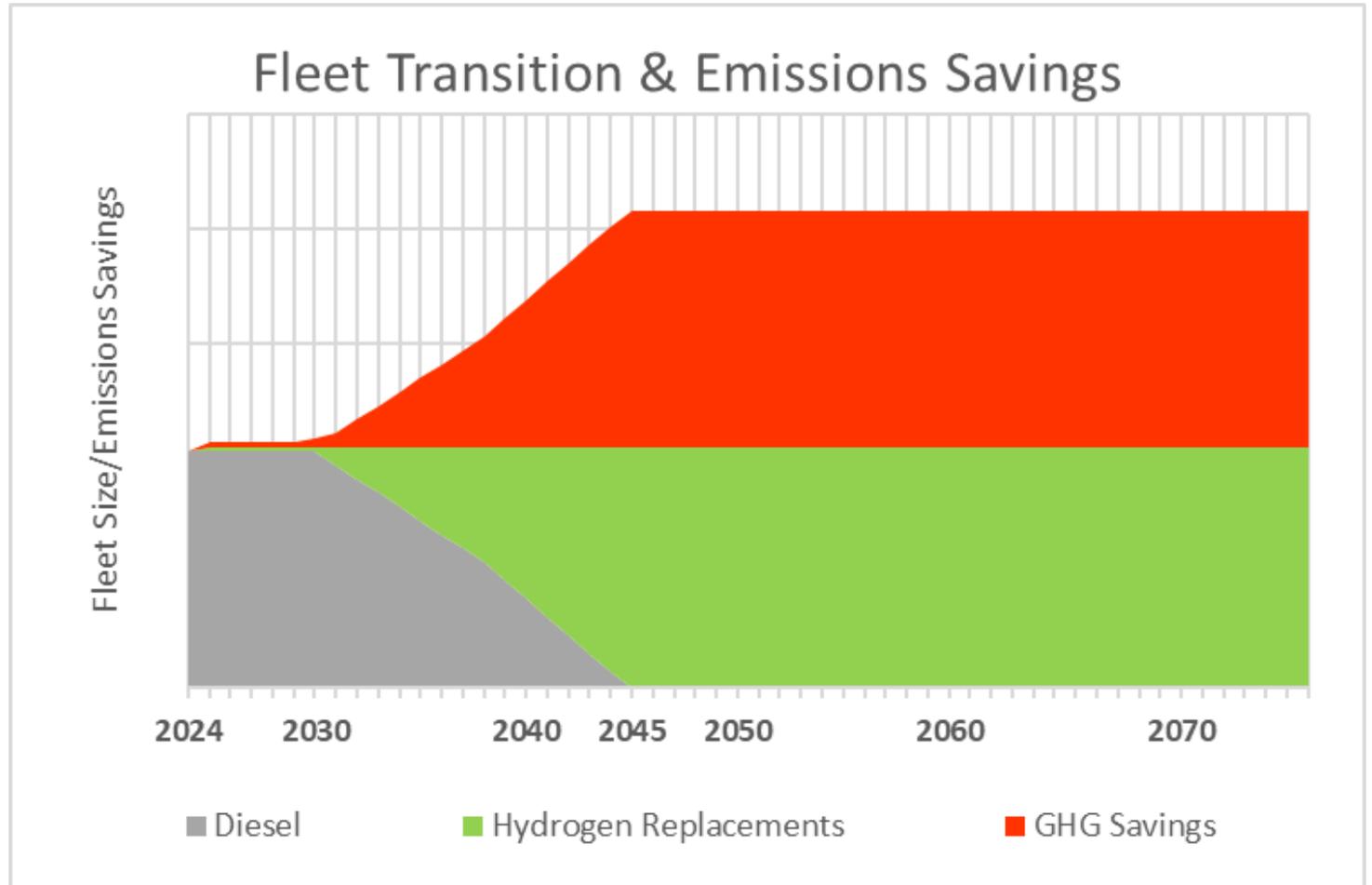
# Impact on Emissions (Exec Limits 2.11)

- Fair Comparisons Difficult
  - Grey and Blue burn fossil fuels
  - DTE is 54% coal today
  - Both are evolving, could become 100% green
  - Future is uncertain



# Impact on Emissions (Exec Limits 2.11)

- Future years matter more than early years
- Want certainty about future tech, pricing, emissions
- TheRide = 7,000 tons (<0.5%)



# Impact of Fire risk (EL 2.1, 2.2, 2.7)

<u>POLICY</u>	<u>DIESEL</u>	<u>BATTERY</u>	<u>HYDROGEN</u>
<b>Asset Protection</b>			
Risk of fire damage (2.7)	○	●	◐
<b>Treatment of the Traveling Public</b>			
Potential safety risks to passengers (2.1)	○	○	○
<b>Treatment of Staff</b>			
Potential safety risk to staff (2.2)	○	◐	◑

- Not enough data to compare rates
- Anecdotally BEBs are source of concern
- Battery fires likely more dangerous

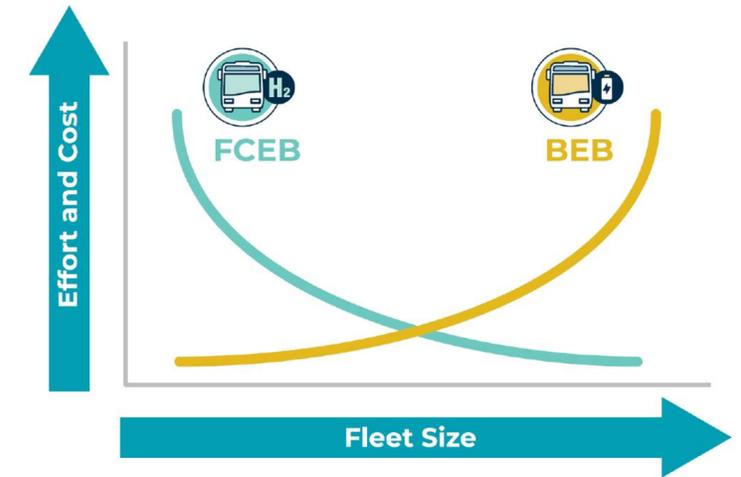


# Impact on Financials (EL 2.4, 2.5)

<u>POLICY</u>	<u>DIESEL</u>	<u>BATTERY</u>	<u>HYDROGEN</u>
<b>Financial Planning &amp; Budgeting &amp; Considerations</b>			
Potential financial <i>risk</i> to passenger service, Ends, agency (2.4)	○	●	◐
-Potential for fleet growth, unfunded obligations (2.4.8)	○	●	◑
-Need for expensive garage modifications (2.2, 2.7)	○	●	●
-Expense of charging/fueling system (2.4.2)	○	●	◐
-Potential need for new garage (2.4.2)	○	●	○
-Potential Impact on other capital priorities/projects (2.4.2)	○	●	◐
-Potential for higher operating costs (2.4.2)	○	◐	◐
-Likelihood of cost overruns or delays from complexity (2.4.2, 2.5.5)	○	●	◑
-Potential for higher taxes (2.5.9), service reductions (1.0)	○	●	◑
Risk from future mandates or grant limitations (2.5.5)	●	○	○
Risk to full deployment while meeting ridership and emissions goals (comprehensive, strategic) (2.4.2)	◑	●	◐

# Details and Side-by-Side (p. 66)

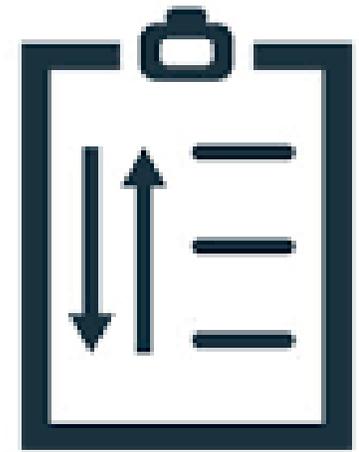
- Summaries of details
  - 2 hydrogen & 2 battery buses
- Detail ~~≠~~ certainty
  - Revisions
  - Does not include fleet growth, cost of large hydrogen station
- Hydrogen pilot is more expensive than battery pilot
- As fleet grows, economies of scale favor hydrogen



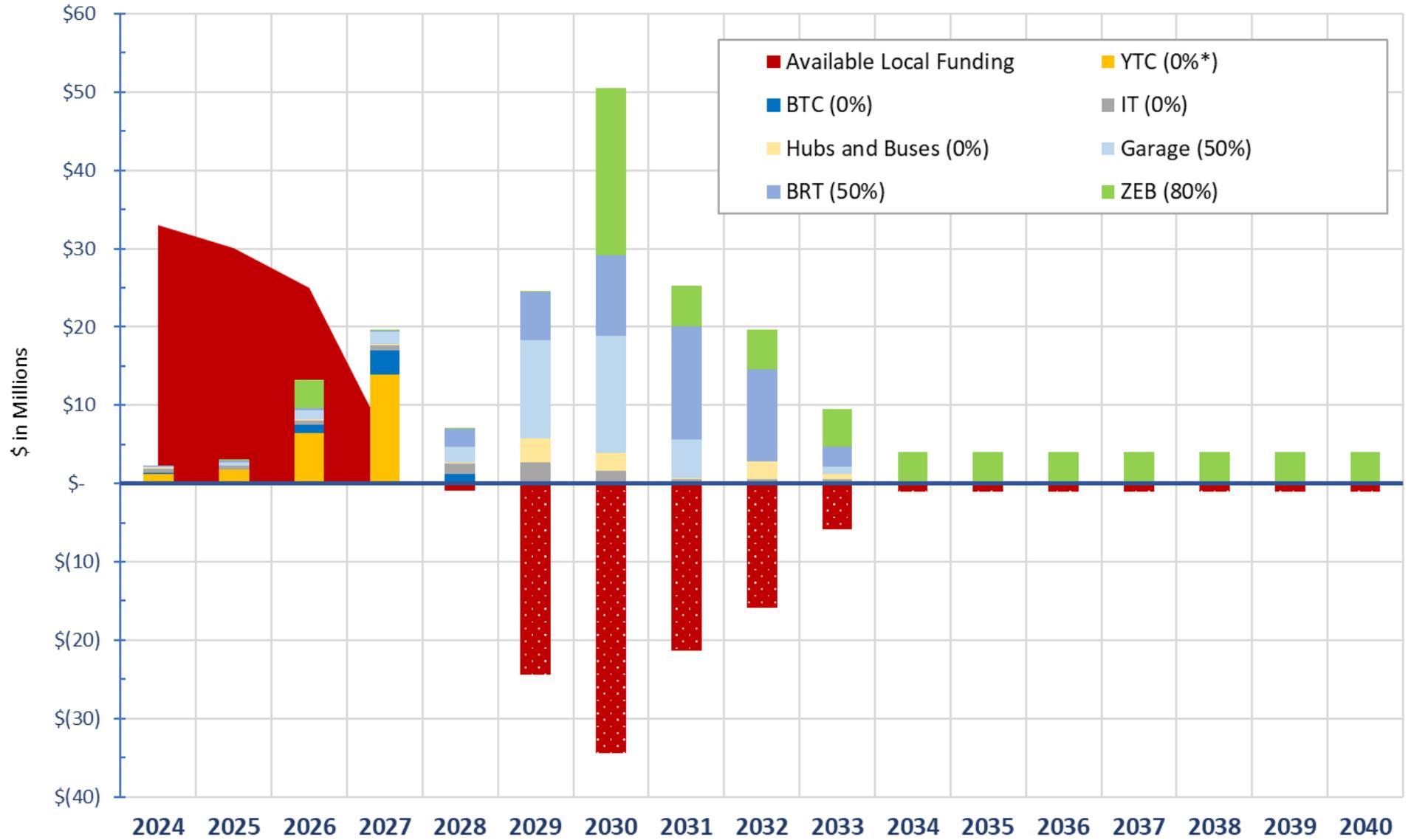
Source: TCRP; CTE

# Priorities & Equity

- Resources are limited (Capital Reserve)
- Several priorities: LRP, YTC, BTC, BRT, garage...
- Spending more on 1 may mean less for others
- Staff are working to stretch dollars
  
- Equity concerns from selecting capital projects, not ZEB itself



## Local Funding for Major Expansion Projects



Note: Percentages noted for each project indicate assumed percent of federal funding allocated to each project. \*YTC percentage does not include earmarks.

# Other questions...

## **Bonding**

- May have some utility, very complex, better financial options may exist
- Finance Committee for more discussion

## **Which is faster to deploy BEB or hydrogen?**

- Delivery, facility timelines are similar
- BEB has more complications for full deployment
- Faster start up or faster completion?

## **How competitive are the federal grants?**

- Very. We need to score A+



# Mixed Pilot Fleet?

- No operational benefit
  - Duplicates pilot costs/staff energy
  - UM running BEB, seems happy to share results
- Only room for two buses outdoors
- Hedging bets with pilot
- Success not likely to depend on our direct experience



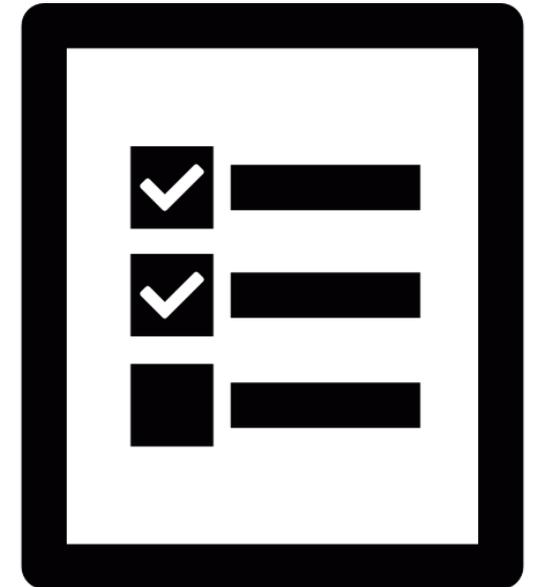
# Lessons from other agencies

- Email with case studies: Foothills, AC Transit (CA)
- Stantec report includes case studies and meta studies
- Most are tentative, small deployments (<10), pilots
- Only one has transitioned entire fleet
  - Antelope Valley Trans Auth, CA, battery electric
  - 87 buses including, 27% coaches



# Still Working on...

- Emissions from energy generation
- Mining and battery disposal impacts
- “*What We’ve Heard...*” report
- Final cost figures



# Recap: Hydrogen Pilot Project



<u>POLICY</u>	<u>DIESEL</u>	<u>BATTERY</u>	<u>HYDROGEN</u>
Global Executive Constraint: Shall not allow "imprudent" decisions (2.0)			
Overall potential risk/consequences (ie prudence) (2.0)	🕒	●	◐

# 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. **Feb-March 2024:** Final Approval, grant preparation
5. **March/April 2024:** Anticipated grant deadline
6. **Oct/Nov 2024:** Anticipated grant awards



# Board Authorizations

## By January 2024:

- A vote to authorize the CEO to submit a grant (clear scope and costs)
- Using Construction policy (2.10)
- Authorization to use Capital Reserve to fund pilot (2.5.7)

## Feb/March 2024:

- Approve “Transition Plan” – a formal document required for the grant which articulates our approach, timelines, and commitments

## FY2024-FY2029:

- If successful, committed to budget commitments



# Public Feedback

- Visit [www.TheRide.org](http://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

November 2023