TheRide
Ann Arbor Area Transportation Authority

Board of Director's Meeting Agenda

Meeting Date/Time: January 25, 2024 - 6:30 – 9:00pm

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

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

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1. OPENING ITEMS			
1.1 Approve Agenda	D	Mozak	
1.2 Public Comment	O		
1.3 General Announcements	O		
1.2.1 Introduce Jeff Pfeifer			
2. CONSENT AGENDA			
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2.3 Policy Monitoring Schedule Clarification	D		15
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3. OWNERSHIP LINKAGE			
3.1 Open Dialogue Task Force Updates	O	Chang	Verbal
4. MONITORING			
4.1 Ends (Policy 1.0) Monitoring Report	M	Carpenter / Njuki	21
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5.1 ID & Compensation	O	Mozak	60
6. OPERATIONAL UPDATES			
6.1 Zero-Emissions Bus Decision	D	Carpenter	62
6.2 Weather Related Service Disruptions pg 72 PPT	O	Brooks	Verbal
6.3 Audit Update	O	Reed	Verbal
6.4 CEO Report	O	Carpenter	69
7. BOARD EDUCATION/DISCUSSION			
7.1 Introduce Susan Radwan pg 80 PPT	O	Mozak	Verbal
8. EMERGENT ITEMS			
9. CLOSING ITEMS			
9.1 Action Item Recap	O	Carpenter / Holt	
9.2 Topics for Next Meetings Audit Update Financial Conditions (2.5) FY24 Q1 Financial Report		Thursday, February 22, 2024 *Riverside Arts Center, Ypsilanti*	
9.3 Public Comment	O		
9.4 Adjournment			

* 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: December 21, 2023 - 6:30 – 9:00pm

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

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

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

Agenda Item
1. OPENING ITEMS

1.1 Approve Agenda
 	
Mr. Barr motioned to accept the agenda, seconded by Mr. Allemang.
 	
All in favor of approving the agenda:
 	
    Mr. Mike Allemang: Yes
    Mr. Chris Allen: Yes
    Mr. Simi Barr: Yes
    Mr. Rich Chang: Yes
    Ms. Julie Grand: Yes
    Mr. Jesse Miller: Yes
    Ms. Susan Pollay: Yes
    Ms. Kyra Sims: Yes
    Chairwoman Kathleen Mozak: Yes
 	
The approval of the agenda passed unanimously.
 	
1.2 Public Comment
 	
No Public Comment.
 	
1.3 General Announcements
 	
Chairwoman Mozak introduced and welcomed Ms. Julie Grand who was recently appointed to the Board from the City of Ann Arbor.
 	
Mr. Carpenter shared that Mr. Jeffrey Pfeifer will be joining the organization in January as the Public Affairs Manager.

2. CONSENT AGENDA
2.1 Board Meeting Minutes ~~October 19, 2023~~ **November 16, 2023** **2.2 Committee Meeting Summaries** **2.3 Safety Committee Minutes Approval**

Chairwoman Mozak shared that the Consent agenda 2.1 Board Meeting Minutes were erroneously listed as October 19, 2023 instead of November 16, 2023. The correct draft minutes were included in the packet, so no other changes were needed.

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

All in favor of approving the Consent Agenda:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Ms. Julie Grand: 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

Mr. Chang shared that Mr. Carpenter and Chairwoman Mozak attended the December 18th Ann Arbor City Council meeting and Mr. Carpenter provided a brief update to City Council. Plans to meet with Ypsilanti Mayor Brown in the new year are still in progress.

4. MONITORING

4.1 Ends (Policy 1.0) Introduction

Ms. Njuki introduced the Ends (Policy 1.0) monitoring report to the board – the Ends are the Board's strategic goals for the organization and the monitoring period took place during fiscal year 2023 (October 2022 – September 2023). The Board will receive a copy of the monitoring report and accompanying feedback survey over the next few weeks. A decision on compliance level will be determined at the January Board meeting.

Ms. Njuki fielded several board questions regarding clarifying CEO notes made and a board member's request, will be sending out information on sample sized data used within the report.

5. POLICY

5.1 Annual Plan of Work

Chairwoman Mozak introduced suggestions from the Governance Committee for Annual Plan of work topics – after discussion and input of priorities from Board members it was determined that the Current Work Plan would remain the same and General Education Topics were reordered as follows:

Advocacy under Policy Governance
Post Pandemic Trends
Ridership
Multi-jurisdictional consideration (local and regional)
Differences between AAATA communities (POSA's)
Environmental Standards (policy development)
RTA
Policy Development Education

5.2 Annual Policies for Review

Chairwoman Mozak shared that upon the conclusion of the Monitoring Task Force, it was determined that the ongoing work of policy monitoring would include scheduled reviews of policies. The Governance Committee and Ms. Njuki created a multi-year chart outlining a policy review schedule. It was noted that Policy 3.0 Governance Process needed to be added to the chart.

5.3 Policy 3.2.6 (CEO Compensation)

Chairwoman Mozak shared that the Governance Committee had reviewed Policy 3.2.6 (CEO Compensation) and recommended the draft Resolution for proposed adjustment to the CEO's compensation for approval by the Board.

Mr. Miller motioned to accept the Resolution, seconded by Mr. Allemang

All in favor of approving the proposed adjustment to the CEO's compensation:

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

The approval of the proposed adjustment to the CEO's compensation passed unanimously.

6. BOARD EDUCATION/DISCUSSION

7. OPERATIONAL UPDATES

7.1 Long-Range Plan Update

Mr. Yang shared with the Board an overview / update presentation of the Long-Range Plan (Board packet, pg. 65) which was approved by the Board in July 2022. The Long-Range Plan had included a working guideline for future development of projects and Mr. Yang was able to provide status updates for larger projects and service implementations.

7.2 Bond Financing Discussion

At the October and November Board meetings, members had inquired about the use and feasibility of bond financing. Ms. Reed provided information to share key points about bond financing: state law limits financing to only self-liquidating revenue bonds, revenue bonds are secured by operating revenue (fares), creditworthiness would need to be established, and revenues to pay for debt service would require an increase in millage or other funding to balance the budget. Her conclusion was to recommend continuing to pursue other, more accessible sources of funding.

Board members thanked her for the thorough response to the bond financing questions.

7.3 Zero-Emission Bus Discussion

Mr. Carpenter provided an update/ change to his initial Hydrogen Pilot recommendation with the additional information on also buying hybrid diesel / electric bus to replace aging diesel buses (Board Packet, pg. 119). After board requests to consider alternative options to incorporate reductions faster, staff researched and found improved hybrid diesel / electric bus technology. Mr. Carpenter shared that with the Hydrogen Bus Pilot old diesel buses will still need to be replaced and the option of replacing old buses with hybrids would allow for more outside funding and faster emission reductions. Mr. Lundquist responded to Board questions for more detail on the technological and safety improvements related to batteries used in hybrid buses.

7.4 FY23 Q4 Service Report

Mr. Brooks presented the FY23 Q4 Service Report and highlighted an 11% onboarding increase over the past year, a 20% decrease in preventable accidents and fixed ridership at 79% of pre-pandemic levels. Service denials have continued to decrease, and A-Ride and Gold-Ridership is at 86% of pre-pandemic levels. He also shared that on-time performance has reached 82% which is higher than the industry standard of 75-78%. He thanked staff for their continued work in providing quality service to the community.

7.5 CEO Report

Mr. Carpenter presented the monthly CEO report and noted a recent incident of a reported missing child (who returned home) and thanked Operations staff for their efforts to assist.

8. EMERGENT ITEMS

8.1 Alternative Board Meeting Locations

Chairwoman Mozak shared that at the Board's request, staff had investigated alternative locations to hold a board meeting in the Ypsilanti area and were recommending the Riverside Arts Center in Ypsilanti be used for the February Board meeting.

Mr. Chang motioned to accept the recommendation for the February Board meeting to be held at the Riverside Arts Center in Ypsilanti, seconded by Mr. Miller.

All in favor of accepting the recommendation for the February Board meeting to be held at the Riverside Arts Center in Ypsilanti:

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

The recommendation was accepted and passed unanimously.

The meeting location information will be updated on the website and publicly posted.

9. CLOSING ITEMS

9.1 Action Item Recap

Ms. Nuki will be sending more information to the Board about the sample size of some of the surveys used in the Ends report, the annual plan of work was approved, and the annual policies for review will be updated.

9.2 Topics for Next Meetings

Ends (Policy 1.0) Review
Zero-Emission Bus Decisions

9.3 Public Comment

No Public Comment.

9.4 Adjournment

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

All in favor of adjourning the meeting:

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

Chairwoman Mozak adjourned the meeting at 9:16pm.

Respectfully Submitted by Deborah Holt

Governance Committee Meeting Notes

Meeting Date/Time: Thursday, January 4, 2024 – 3:00-5:00pm

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

Staff: Matt Carpenter, Dina Reed, Forest Yang, George Brooks, Deb Holt

Location: REMOTE – Via Zoom

Chairwoman Mozak called the meeting to order at 3:01pm

Agenda Item
1. OPENING ITEMS
1.1 Agenda (Additions, Approval)   No additions or changes were made to the agenda.   **1.2 Communications**   Chairwoman Mozak shared that a long-time Local Advisory Council member, Jody Burton Slowins, recently passed away after many years of service to the community.   Mr. Carpenter shared that the new Public Affairs Manager, Jeffrey Pfeifer will be starting Monday, January 8th and will be attending Board and Committee meetings going forward.
2. BOARD DEVELOPMENT
2.1 Recruitment / Training / Attendance   Chairwoman Mozak noted that the Board is at full capacity with the recent addition of Ms. Grand. She will be participating on the Finance Committee and receiving Board training in mid-January. Chairwoman Mozak also requested staff review the Board webpage and update Board information. Staff members will compile an attendance report and survey participation.   **2.2 Task Force Coordination (ODTF, Procurement, Audit)**   Chairwoman Mozak had no new updates on ODTF and meetings with legal owners and the committee is recommending the task force begin to work with and meet with moral owners. The Governance Procurement Task Force has received 3 RFP and will be interviewing in mid-January. Mr. Carpenter and committee members briefly discussed the federal guidelines for the RFP process. Chairwoman Mozak shared that the Audit Task Force has been formed and met and has a targeted goal of late January to meet again if the audit is completed. Ms. Reed will keep the Audit Task Force and Governance Committee updated.

2.3 Governance Roles & Advocacy

The Committee and Mr. Carpenter discussed the Board's roles and responsibilities in local advocacy efforts and plan to incorporate guidance and education on this subject from the Governance Coach consultant. Mr. Carpenter will also work with the new Public Affairs Manager to create an advocacy agenda as the Board has identified advocacy as a priority on the Board's annual work plan. Conversation will continue for this topic at the next meeting.

3. POLICY MONITORING & DEVELOPMENT

3.1 Annual Plan of Work

The Committee discussed the topics outlined in the Annual Plan of Work. Advocacy was discussed under 2.3. Chairwoman Mozak requested an educational presentation in March on Post-Pandemic trends – Mr. Carpenter noted this can be incorporated into his annual presentation on innovation and trends which is planned for March. Ridership will be discussed at the next Governance Committee meeting.

3.2 Innovation Policy Discussion (2.9.1.5)

The Committee discussed the policy which outlines the CEO's responsibility to present an annual innovation and trends report – Mr. Carpenter is planning to present at the March Board meeting.

3.3 Ends Report Discussion

The Ends monitoring report was introduced in December and the survey has been sent to Board members. Further discussion will occur at the January Board meeting.

3.4 Annual Policies for Review and 3.0 Policies

Chairwoman Mozak requested the Committee review the recommended policies for Governance review and discuss at the next meeting. The committee agreed with her request to defer deciding until the next meeting.

3.5 Board ID / Compensation

Chairwoman Mozak will be working on an issue brief to share with board regarding the usage of ID badge cards.

3.6 Global Executive Limitations (2.0) monitoring deadline (odd years)

Chairwoman Mozak updated the committee regarding the monitoring schedule for Global Executive Limitations – it was listed as a biannual review on the policy monitoring schedule but did not clarify even or odd years. Ms. Njuki confirmed that had already been reviewed in 2023 – so the review will take place in odd years going forward and updated in the policy manual. Board will approve under Consent Agenda.

The committee discussed that the policy itself may need to be reviewed and revised before the next monitoring report is due.

4. STRATEGY & OPERATIONAL UPDATES: CEO

4.1 ZEB Discussion

Mr. Carpenter said that ZEB discussions are continuing at committee level and now include the updated plan provided at the December Board meeting. The Committee discussed how funding impacts.

4.2 CEO Expense Report

Mr. Carpenter's CEO report showed expenses for the 1st quarter of FY 2024 and he noted that expenses would increase with upcoming conferences and travel planned for spring and summer.

5. CLOSING ITEMS

5.1 Committee Agendas

Mr. Miller approved the Service Committee agenda. Mr. Allemang approved the Finance Committee agenda. The Committee reviewed the Board meeting agenda – agenda item 7.1 is a placeholder, add 2.0 Global Executive Limitations housekeeping issue brief under Consent Agenda.

5.2 Action Item Recap

Updates to board webpage and board terms, attendance report and survey participation will be compiled, Chair will discuss expanding ODTF meetings with moral stakeholders with Mr. Chang, add Governance Committee review of Global Executive Limitations 2.0 as a Board agenda item in March, agendas approved with changes noted under 5.1.

5.3 Topics for Next Meeting

Board Annual Plan of Work

5.4 Adjournment

Chairwoman Mozak thanked the committee and staff and adjourned the meeting at 5:19pm

Respectfully Submitted by Deborah Holt

Service Committee Meeting Notes

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

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

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

Location: REMOTE – Via Zoom

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

Agenda Item
1. OPENING ITEMS

1.1 Agenda (Additions, Approval)

No additions or changes were noted to the agenda.

1.2 Communications

1.2.1 Introduce Jeff Pfeifer

Mr. Carpenter introduced to the committee Mr. Pfeifer, the new Public Affairs (formerly Community Relations) Manager.

No other new communications were shared with the committee.

2. POLICY MONITORING & DEVELOPMENT

2.1 Public Safety Policy

Ms. Mercier provided an overview of suggested policy considerations related to personal safety concerns. Committee members discussed the challenge of implementing further safety policies for the traveling public for the CEO to uphold that also relate to the use of outside authority (law enforcement). They determined that the discussion would continue at the February Service Committee meeting.

2.2 Ends Report Discussion

Ms. Njuki shared that the Ends monitoring report was introduced in December and the survey has been sent to Board members and is due January 17th. Ms. Pollay asked for further clarification from the CEO regarding non-compliance for policy 1.2.3. Mr. Carpenter outlined his stricter interpretations for this policy. Further discussion with the Board will take place at the January Board meeting.

3. STRATEGY & OPERATIONAL UPDATES: CEO

3.1 ZEB Discussion

Mr. Carpenter thanked the committee for participating in a robust ZEB discussion at the December Board meeting. He shared that staff are currently working on the grant application process. The committee had no further input to add.

4. CLOSING ITEMS

4.1 Action Item Recap

Public Safety Policy discussion will continue at the February meeting. Ends monitoring survey deadline is January 17th, ZEB will continue at the January Board meeting with staff providing more details on project timeline and grant process.

4.2 Topics for Next Meeting

Public Safety Policy Discussion
ZEB/Grant updates

4.3 Adjournment

Mr. Miller thanked the committee and staff and adjourned the meeting at 10:32am.

Respectfully Submitted by Deborah Holt

Finance Committee Meeting Notes

Meeting Date/Time: January 16, 2024, 3:00 – 5:00pm

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

Staff: Matt Carpenter, Dina Reed, George Brooks, Rosa-Maria Njuki, Jeff Pfeifer, Deb Holt

Location: REMOTE – Via Zoom

Mr. Allemang called the meeting to order at 3:07pm

Agenda Item
1. OPENING ITEMS
1.1 Agenda (Additions, Approval)   No additions or changes noted to the agenda.   **1.2 Communications**   **1.2.1 Introduce Jeff Pfeifer**   Mr. Carpenter introduced to the committee Mr. Pfeifer, the new Public Affairs (formerly Community Relations) Manager.   Mr. Allemang introduced recently appointed Board member Ms. Grand who was in attendance for her 1st meeting as a committee member.
2. POLICY MONITORING & DEVELOPMENT
2.1 Ends Report Discussion   Ms. Njuki updated the committee on the status of the Ends monitoring report. The report was introduced in December with a survey due January 17th by Board members. Further discussion with the Board will take place at the January Board meeting.   Ms. Sims requested clarification on Policy 1.1.1 and low-income definitions – Ms. Njuki provided additional information on the metrics used within the report.
3. STRATEGY AND OPERATIONAL UPDATES
3.1 ZEB Discussion   Mr. Carpenter thanked the committee for participating in a robust ZEB discussion at the December Board meeting. He shared that staff are currently working on the grant application process and shared the next steps with board involvement.   Mr. Allemang shared a brief overview (for Ms. Grand) of staff work and Board discussions related to ZEB from the past 6 months.   The committee had no further input to add.

3.2 Audit Update

Ms. Reed provided the committee with an update on the status of the annual FY2023 audit. Staff are working with the audit team and a consulting team and anticipate presenting the financial statements to the Board at the February Board meeting.

4 CLOSING ITEMS

4.1 Action Item Recap

Committee members were reminded to complete the Ends survey, ZEB discussion will continue at the January Board meeting, Audit update is planned for February.

4.2 Topics for Next Meeting

Audit Update
Financial Conditions (2.5)
FY24 Q1 Financial Report

4.3 Adjournment

Mr. Allemang thanked the committee and staff and adjourned the meeting at 3:53 pm.

Respectfully Submitted by Deborah Holt

Policy Monitoring Schedule Clarification (2.0)

Board of Director's Meeting Date: January 25, 2024

INFORMATION TYPE
Decision

RECOMMENDED ACTIONS
Approve revised Global Executive Limitations review schedule and update in Appendix A of the Board Policy Manual. The board is asked to approve the revised wording of monitoring frequency for Policy 2.0 in Appendix A to be "Biennial – Odd Years."

BACKGROUND
At the March 16, 2023 Board Meeting, the Board approved proposed changes from the Monitoring Task Force involving monitoring frequency / review months for several policies and reports within Appendix A of the Board Policy Manual. One such change was for a biennial review of Policy 2.0 Global Executive Limitation. The suggested revisions were approved by the Board and updated within the Board Policy Manual. Policy 2.0 was due to be reviewed by the Service Committee in January 2024 when the ambiguity of the previously revised monitoring frequency language in Appendix A ("once every two years") was discovered. Policy 2.0 was last monitored in 2023 and after discussion at the Governance Committee level, the committee suggested a wording update be made to Appendix A to reflect that going forward, the policy will be reviewed in odd years. The board is asked to approve changing the revised wording for Policy 2.0 in Appendix A to be "Biennial – Odd Years."

ATTACHMENTS
1. Updated Appendix A

Attachment 1

Appendix A: Monitoring and Informational Report Schedules

Policy	Title	Frequency	Board Review Date (Month)	Pre-Board Review Committee
1.0	Ends	Annual	Dec	N/A
2.0	Global Executive Limitation	Biennial **– Odd Years**	Jan	Service/Bd
2.1	Treatment of Traveling Public	Annual	Nov	Service/Bd
2.2	Treatment of Staff	Annual	June	Service/Bd
2.3	Compensation & Benefits	Biennial – Odd Years	Oct	Finance/Bd
2.4	Financial Planning/Budgeting	Annual	Sep	Finance/Bd
2.5	Financial Condition & Activities	Annual	Feb	Finance/Bd
2.5.12	Fare Policy	Annual	Sept	Finance/Bd
2.6	Investments	Annual	Mar	Finance/Bd
2.7	Asset Protection	Annual	June	Finance/Bd
2.8	Emergency Succession	Biennial – Even Years	Oct	Governance
2.9	Communication & Support	Annual	Mar	N/A
2.10	Construction	Annual	Oct	Service/Bd
2.11	Environmental Sustainability	Annual	April	Service/Bd
3.0	Global Governance Process	Annual	May	Gov/Bd
3.1	Governing Style	Annual	May	Gov/Bd
3.2	Board Job Description	Annual	May	Gov/Bd
3.3	Board Member's Code of Conduct	Annual	May	Gov/Bd
3.4	Agenda Planning	Annual	May	Gov/Bd
3.5	Chair's Role	Annual	Apr	Gov/Bd
3.6	Board Committee Principles	Annual	Apr	Gov/Bd
3.7	Board Committee Structure	Annual	Apr	Gov/Bd
3.8	Cost of Governance	Annual	Apr	Gov/Bd
4.0	Global Board-Mgmt Delegation	Annual	Feb	Gov/Bd
4.1	Unity of Control	Annual	Feb	Gov/Bd
4.2	Accountability of the CEO	Annual	Feb	Gov/Bd
4.3	Delegation to the CEO	Annual	Feb	Gov/Bd
4.4	Monitoring CEO Performance	Annual	Feb	Gov/Bd

FY 2025 State Funding Application

Meeting: Board of Directors

Meeting Date: January 25, 2024

INFORMATION TYPE
Decision (Required Approval)

RECOMMENDED ACTION(S)
That the Board adopt the attached resolution, thereby allowing TheRide to adopt the attached resolution, thereby allowing TheRide to access state funding for transit.

PRIOR RELEVANT BOARD ACTIONS & POLICIES
Policy Governance suggests that when an outside agency requires board approval of an operational decision that is delegated to the CEO, that item will be placed on the consent agenda. • The resolution to authorize FY 2024 state application (adopted in February 2023) • The forecasts presented with FY 2024 Budget (adopted in September 2023)

ISSUE SUMMARY
In order to access state formula funding for transit, TheRide is required to apply to the Michigan Department of Transportation (MDOT) annually in February. This is a routine annual process with the Board-approved budget and forecasts guiding staff's application details. However, MDOT requires that boards, not CEOs, approve the application. A Board resolution is required to authorize the application for financial assistance, and MDOT has a required format for the resolution (attached). The issue is complicated by the long lead times, spread over several years, required by the state funding program.

BACKGROUND
TheRide's FY 2025 application for state funding is a proposal for capital matching funds of federal dollars, as well as annual state operating assistance. The first element of the application is for capital funding. This portion of the application consists of the FY 2025 Capital Plan presented for context with TheRide's adopted FY 2024 Budget, as capital funds requested during FY 2024 will be available to spend on capital projects beginning in FY 2025. Federal formula funds include funding from the Infrastructure Investment and Jobs Act (IIJA) reauthorization. The state capital assistance TheRide will receive will be based ultimately on federal grant project expenditures approved in the fall 2024 Board adoption of TheRide's FY 2025 Budget, and dependent on the availability of matching funds from the State Comprehensive Transportation Fund. While MDOT has historically provided the 20% match required for federal projects, the statutory minimum is 13.33%. MDOT directed agencies to estimate a 20% state match level for applications.

The second element is an operating budget for FY 2025. This portion of the application consists of the FY 2025 Operating Budget Forecast that was presented for context with TheRide's adopted FY 2024 Budget. A proposed budget is required to be submitted with the application, but it is an estimate subject to change before the beginning of the fiscal year with the Board's FY 2025 Budget adoption.

The capital figures will be reconciled with TheRide's federal grant application due in June 2025. The state operating assistance TheRide will receive will be based on our actual expenses next year, rather than on the expenses in the application.

IMPACTS OF RECOMMENDED ACTION(S)

- Budgetary/Fiscal: Approves request for state revenue, including funding for operations and capital investment.
- Social: Supports access to public transportation in the community.
- Environmental: Funds low-emission diesel buses and sustainable transit service.

ATTACHMENTS

1. Resolution of Intent to Apply for Financial Assistance for Fiscal Year 2025 under Act 51 of the Public Acts of 1951, as amended.

Resolution 01/2024

RESOLUTION OF THE BOARD OF DIRECTORS

OF THE

ANN ARBOR AREA TRANSPORTATION AUTHORITY

THE APPROVED RESOLUTION OF INTENT TO APPLY FOR STATE FORMULA OPERATING ASSISTANCE FOR FISCAL YEAR 2025 UNDER ACT 51 OF THE PUBLIC ACTS OF 1951, AS AMENDED

WHEREAS, pursuant to Act 51 of the Public Acts of 1951, as amended (Act 51), it is necessary for the Ann Arbor Area Transportation Authority (AAATA) established under Act 55 of 1955 to provide a local transportation program for the state fiscal year of 2025 and, therefore, apply for state financial assistance under provisions of Act 51; and

WHEREAS, it is necessary for the AAATA, to name an official representative for all public transportation matters, who is authorized to provide such information as deemed necessary by the State Transportation Commission or department for its administration of Act 51; and

WHEREAS, it is necessary to certify that no changes in eligibility documentation have occurred during the past state fiscal year; and

WHEREAS, the performance indicators for this agency have been reviewed and approved by the governing body; and

WHEREAS, the AAATA, has reviewed and approved the proposed balanced budget and funding sources of estimated federal funds $27,082,273, estimated state funds $24,873,183, estimated local funds $44,099,333, with total estimated expenses of $96,054,789.

NOW THEREFORE, be it resolved that the AAATA hereby makes its intentions known to provide public transportation services and to apply for state financial assistance with this annual plan, in accordance with Act 51; and

HEREBY, appoints Matthew Carpenter as the Transportation Coordinator, for all public transportation matters, who is authorized to provide such information as

deemed necessary by the State Transportation Commission or department for its administration of Act 51 for 2025.

_____

Kathleen M. Mozak, Chair

January 25, 2024

I, <u>Jesse Miller</u>, Secretary of AAATA, having custody of the records of the proceedings of AAATA, do hereby certify that I have compared this resolution adopted by AAATA at the meeting of January 25, 2024, with the original minutes now on file and of record in the office and that this resolution is true and correct.

IN TESTIMONY WHEREOF, I have here unto set my hand and affixed seal of said AAATA this 25th day of January 2024.

_____

Jesse Miller, Secretary

Monitoring Report:
Ends (Policy 1.0)
Monitoring Period: FY 23 (October 2022 to September 2023)

Board of Directors Meeting Dates
Introducing Report: December 21st, 2023
Monitoring Report: January 25th, 2023

INFORMATION TYPE
Monitoring

RECOMMENDED ACTION(S)
That the Board review this monitoring report and consider accepting it as one of the levels below: (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

PRIOR RELEVANT BOARD ACTIONS & POLICIES
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: 1. CEO sends Monitoring Report to all board members 2. At Board meeting, board accepts Monitoring Report through majority vote (or if not acceptable, determines next steps)

ISSUE SUMMARY

TheRide's Board of Directors establish policies that define what is to be achieved for who and at what cost, called Ends policies. 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 December. It was introduced to the Board in December and presented for monitoring in January as recommended by the Governance Committee.

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
_____	_12/15/2023_

ATTACHMENTS

1. Monitoring report for Ends (Policy 1.0)

Table of Contents

🟢 Fully Compliant   🟡 Partially Compliant   🔴 Non-Compliant

Ends 1.0
Page **3** of **32**

Preliminary CEO Interpretations and Evidence

POLICY 1.0

AAATA exists so that an increasing proportion of residents, workers and visitors in the Ann Arbor-Ypsilanti Area utilize public transportation options that contribute to the Area's social, environmental and economic vitality at a cost that demonstrates value and efficient stewardship of resources.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement
Compliance with this policy will be demonstrated when
    A. The agency's fixed route ridership grows in line or above national and regional peers.
    B. The agency's fixed route ridership per capita grows in line with or above national and regional peers.
    C. The agency's fixed route cost per trip is in line with or above national and regional peers.
    D. Lower-level policies are compliant.

Rationale
This is reasonable because
    A.-C.
- Fixed route ridership is a good proxy of overall achievement as it makes up 90% of all riders of all our services.
- TheRide's national transit peers are based on similar area population, mode type, total annual vehicle miles operated, annual operating budget, population density and population growth rate and hence creates reasonable context against which to judge TheRide's performance. Regional peers operate within the same state and provide additional context through which performance is compared.

    A. An increase in ridership indicates that an increasing population of our community is using our services
    B. An increase in ridership per capita indicates that the community is increasing its reliance on transit.
    C. Cost per trip in line or above national and regional peers demonstrates cost-effectiveness (cost per hour of service) within the norms of the transit industry over time. This is reasonable because, as a public service, no transit agency breaks-even or turns a profit and all users and services are subsidized. Without a profit motive, financial performance becomes difficult to judge aside from peer benchmarking.
    D. Compliance with this policy constitutes compliance with lower-level policies.

Ends 1.0
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Evidence

Source of Data: Lower-level policies, peer agency data from respective agencies and the National Transit Database.

Date of Data Review: 11/27/23 as verified by the Corporate Strategy & Performance Officer.

Data:

A. Annual Ridership

On average ridership increased among regional peers by 24% from FY22 to FY23. The Ride's ridership increased by 29% within this same period. Since 2019 (pre-pandemic) TheRide has recovered about 68% of its ridership. This is in line with and slightly higher than regional peers who have experienced a 64% recovery. See the graph below for detail.
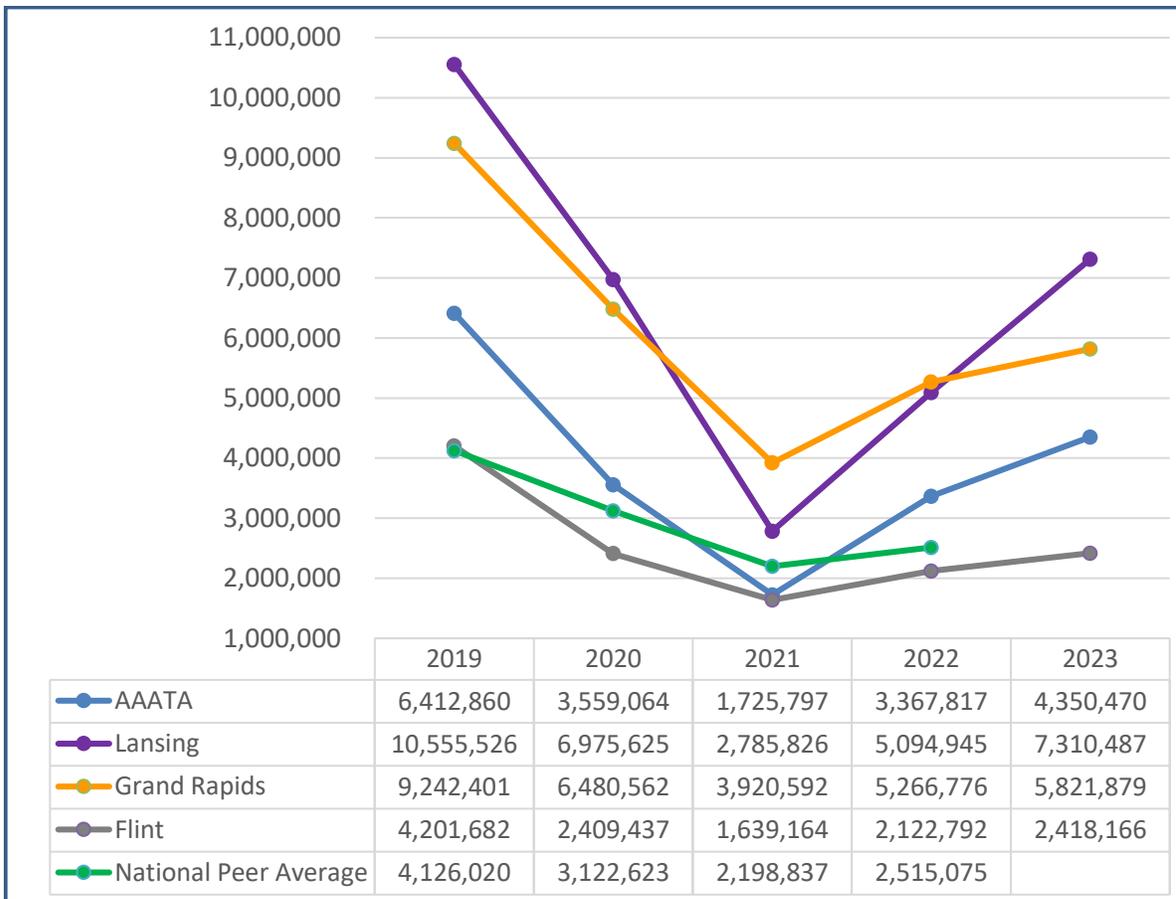
	2019	2020	2021	2022	2023
AAATA	6,412,860	3,559,064	1,725,797	3,367,817	4,350,470
Lansing	10,555,526	6,975,625	2,785,826	5,094,945	7,310,487
Grand Rapids	9,242,401	6,480,562	3,920,592	5,266,776	5,821,879
Flint	4,201,682	2,409,437	1,639,164	2,122,792	2,418,166
National Peer Average	4,126,020	3,122,623	2,198,837	2,515,075	

Source: National Transit Database for FY 2019-2022.
National peer data is currently available until FY 2022.
FY 2023 numbers are collected directly from peer agencies and are preliminary.

B. Ridership per capita

Ends 1.0
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The Ride's ridership per capita increased by 29% in FY 23 from FY22. Based on available data, there was no change in capita during this period. Similar trends are observed among regional peers. See graph below for detail
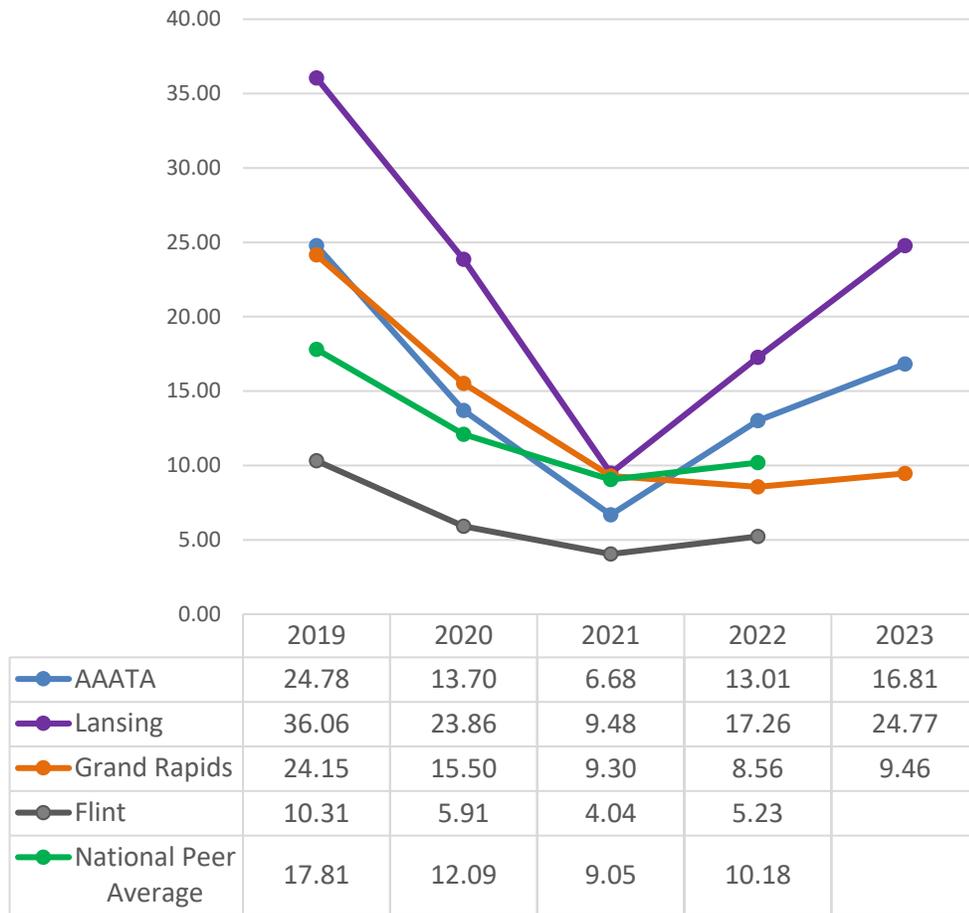
	2019	2020	2021	2022	2023
AAATA	24.78	13.70	6.68	13.01	16.81
Lansing	36.06	23.86	9.48	17.26	24.77
Grand Rapids	24.15	15.50	9.30	8.56	9.46
Flint	10.31	5.91	4.04	5.23	
National Peer Average	17.81	12.09	9.05	10.18	

Source: National Transit Database for FY 2019-2022.
National peer data is currently available until FY 2022.
FY 2023 numbers are collected directly from peer agencies and are preliminary.

C. Cost per trip

During the pandemic, operational costs increased, and ridership significantly decreased leading to high operational costs per trip that peaked in FY21 as shown below. Operational costs per trip are slowly decreasing in the agency and among peers buts still about twice pre-pandemic numbers. Increased inflation may be a contributing factor. See the graph below for that detail.
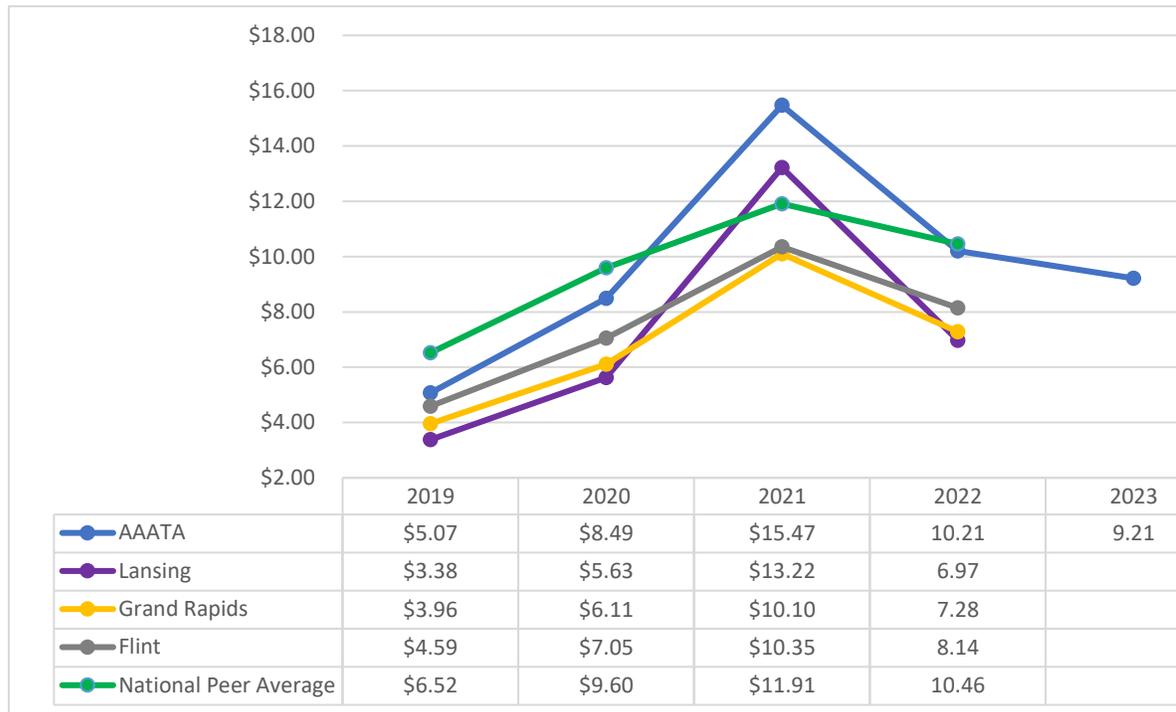
	2019	2020	2021	2022	2023
AAATA	$5.07	$8.49	$15.47	10.21	9.21
Lansing	$3.38	$5.63	$13.22	6.97	
Grand Rapids	$3.96	$6.11	$10.10	7.28	
Flint	$4.59	$7.05	$10.35	8.14	
National Peer Average	$6.52	$9.60	$11.91	10.46	

Source: National Transit Database for FY 2019-2022.
National peer data is currently available until FY 2022.
FY 2023 numbers are preliminary.
FY2023 peer data was not available when authoring this report.

D. Not all lower-level policies are compliant. Therefore, the CEO reports partial compliance with this policy. Compliance timelines are provided in respective policies.

Ends 1.0
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POLICY 1.1

Residents in the area have equitable access to public transportation services that enables full participation in society.

Degree of Compliance: Partially Compliant

Interpretation

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when:

A. At least 80% of the population in the membership area is within 0.25 miles of a fixed route bus stop.
B. There is a bus stop within a 0.25-mile walk of all major service facilities (i.e., Hospitals, grocery stores, post offices. Access to jobs and education institutions is addressed in later policies) in the area.
C. Paratransit serves all destinations within ¾ miles of a bus route.
D. Policy 1.1.1 and 1.1.2 are compliant

Rationale

This is reasonable because

A.-B. As a requirement for service coverage, walking distance standards are the industry norm for setting acceptable limits. A 0.25-mile walking distance is reasonable per industry standards. Accessibility to 80% of the population allows the majority of the residents in the area to use transportation services to access jobs, medical facilities, grocery stores etc., that are also 0.25 miles from a fixed route bus stop. A target of 80% is possible within the agency resources. Fixed route ridership is a good proxy for overall achievement as it makes up 90% of all riders of all our services
C. Federal law requires that ADA complementary paratransit service be provided within 3/4 of a mile of a bus route in order to provide access for persons with disabilities. Congress has determined that this is sufficient.
D. Compliance of this policy constitutes compliance with lower-level policies

Evidence

Source of Data: Lower-level policy compliance, agency planning data
Date of Data Review: 11/06/23 as verified by the Senior Transit Planner
Data:

A. **Residential Coverage**

During the monitoring period, fixed route service covered 82% of the population within a quarter mile. The table below provides an analysis of the quarter mile coverage.

	Population	Target	Target met
Area	199,440	80%	Yes
Quarter mile	163,115		
Quarter mile %	82%		

TheRide
Ann Arbor Area Transportation Authority

B. Service coverage to destinations within 0.25 mile of a bus stop.

1. Fixed route covers all major medical facilities in the membership area. Bus stops are available within a 0.25-mile walk.
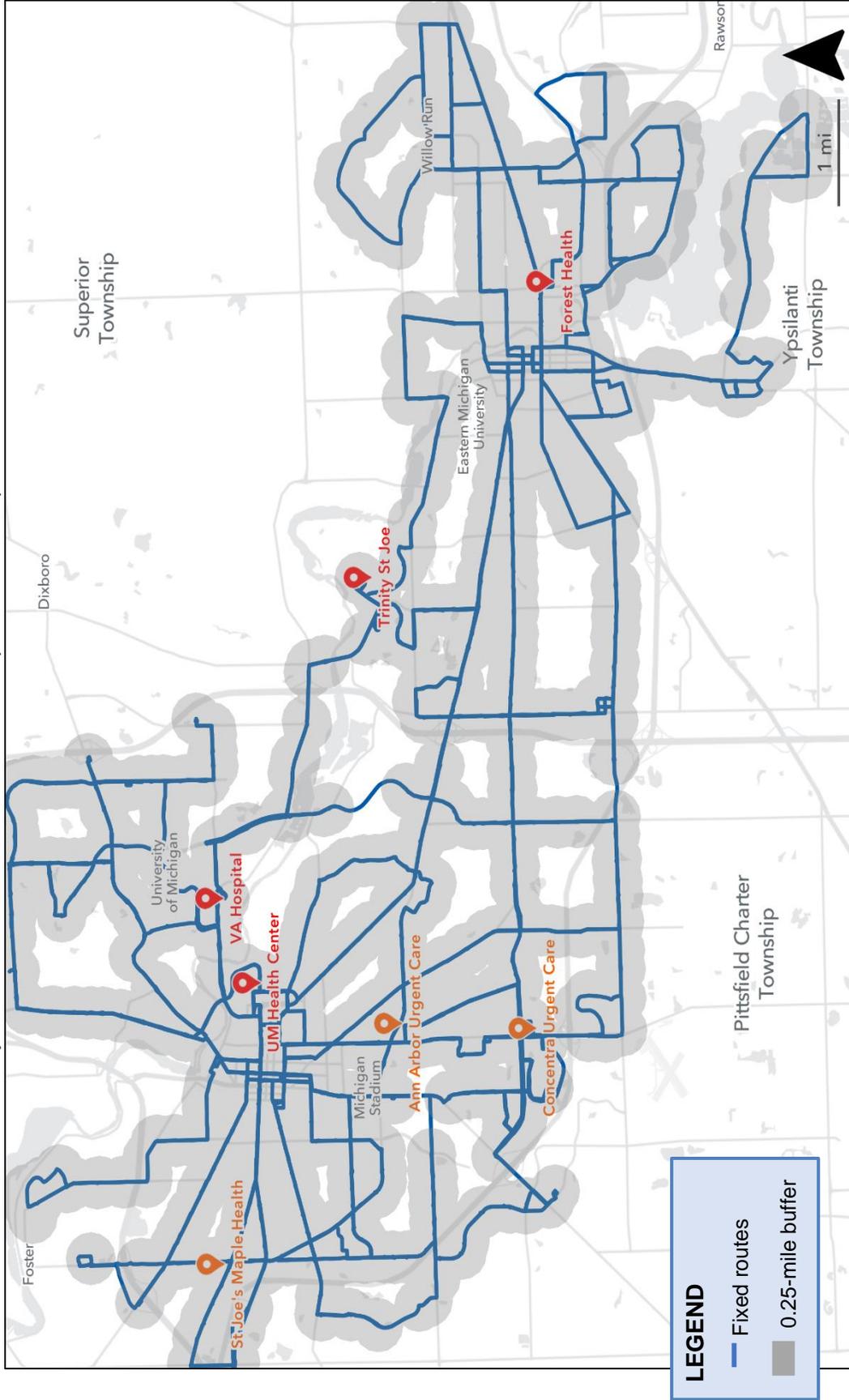
2. Fixed route covers major grocery stores in the membership area. Bus stops are available within a 0.25-mile walk.

Ends 1.0

Ends 1.0
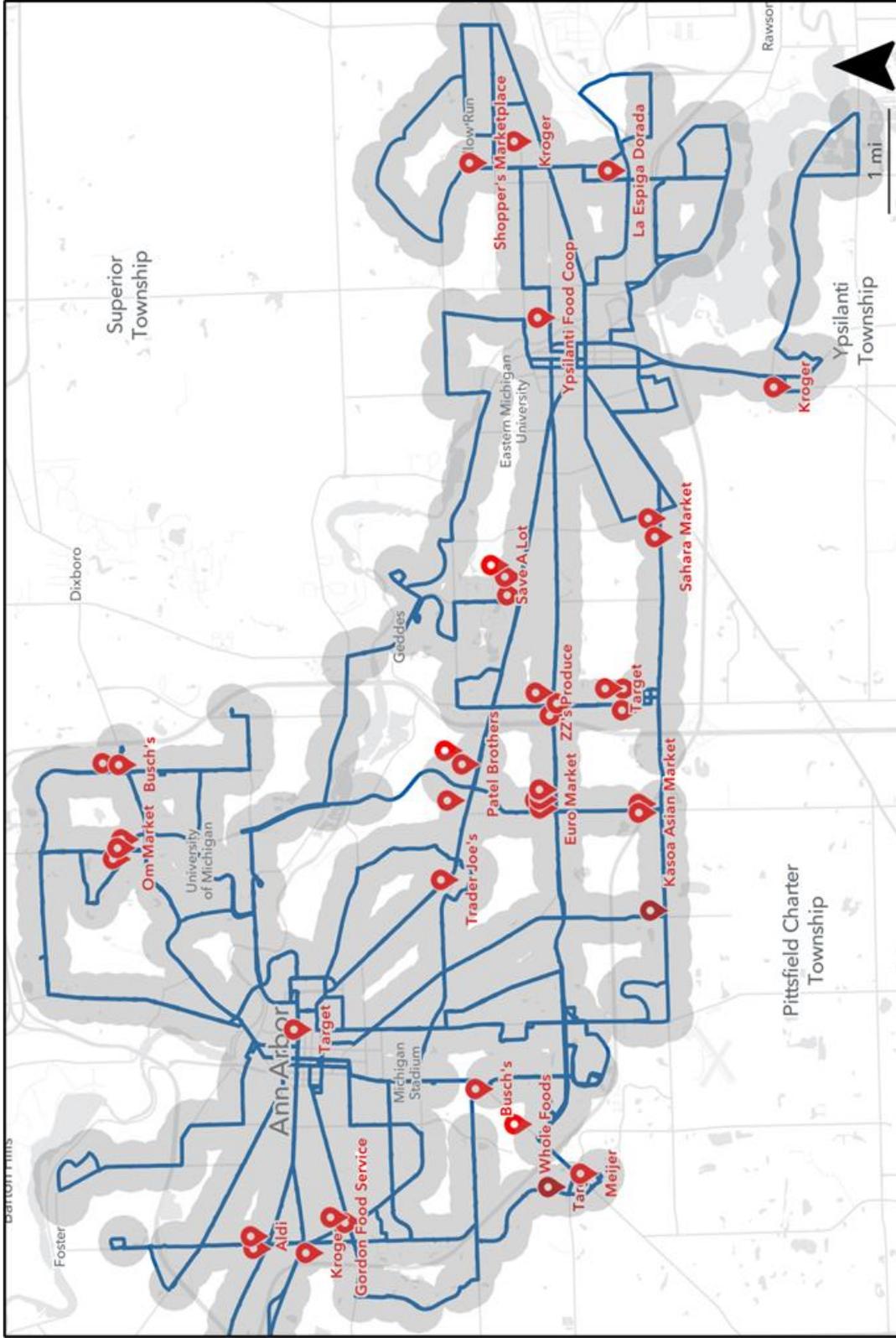
3. Fixed route covers all post offices in the membership area. Bus stops are available within a 0.25-mile walk.

LEGEND

— Fixed routes

▨ 0.25-mile buffer

Ends 1.0
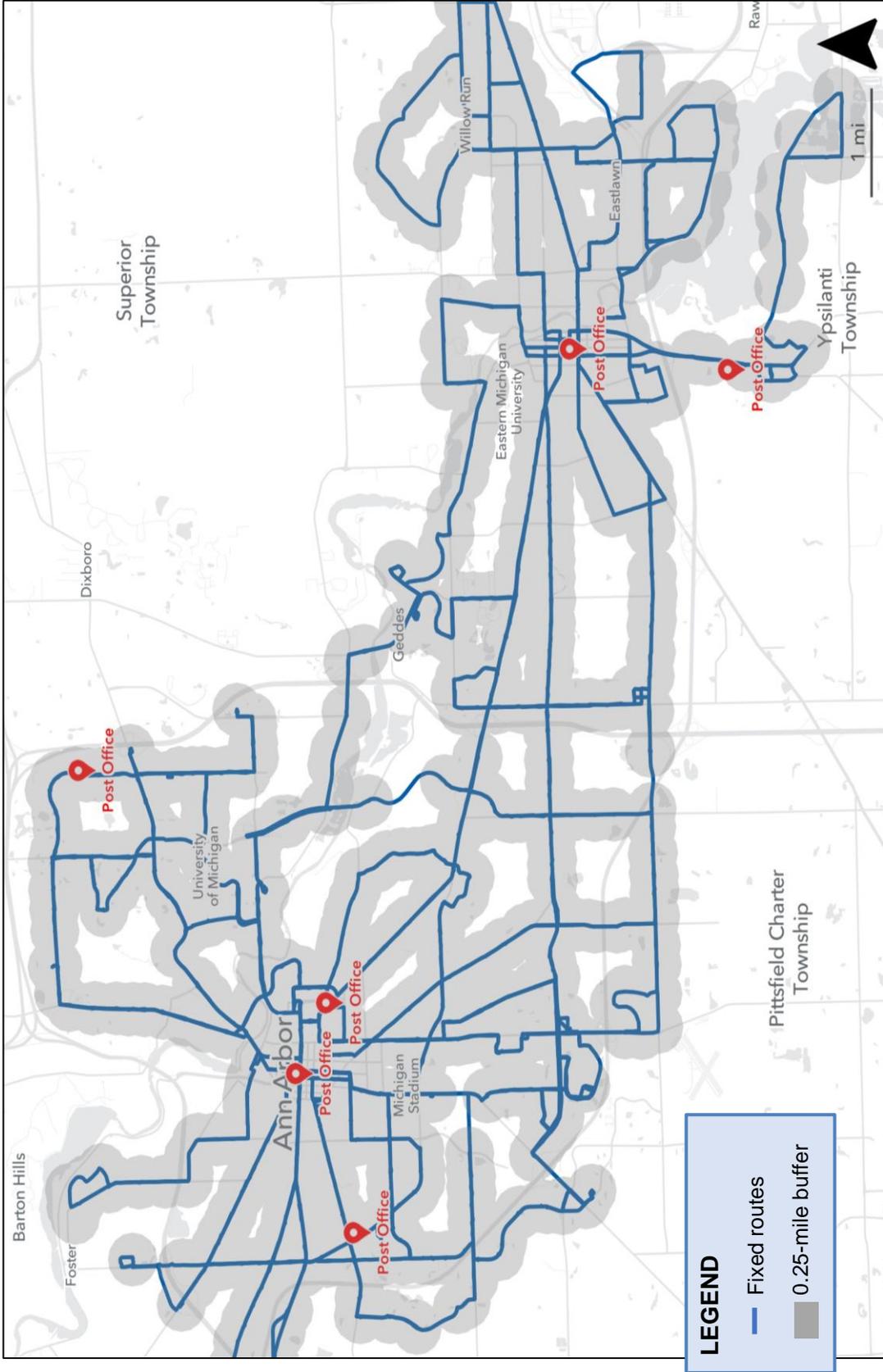
C. Paratransit services
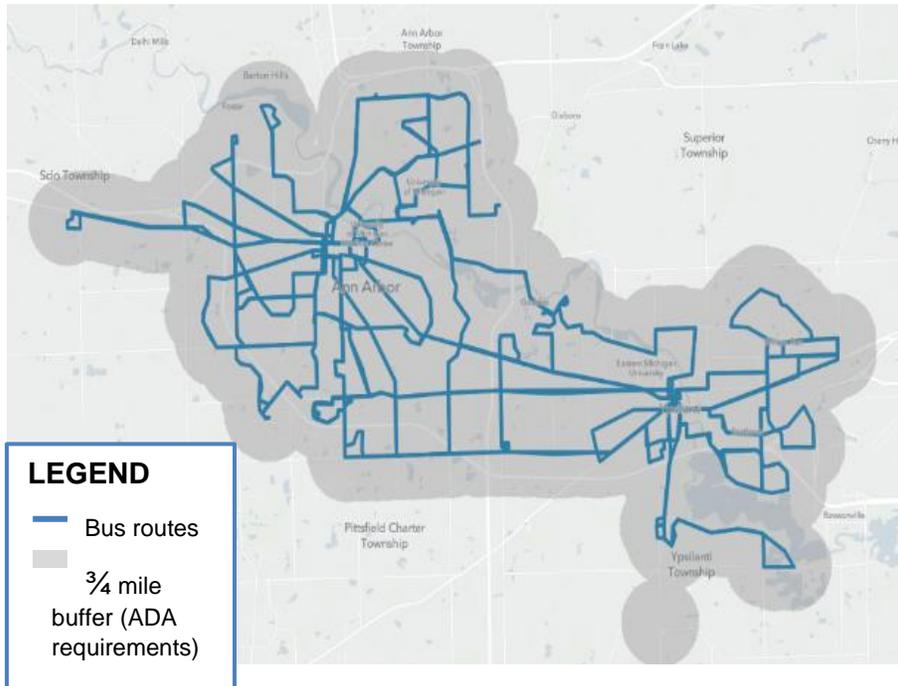
The Americans with Disabilities Act (ADA) requires that paratransit services be offered within ¾ mile from the fixed route service. This area is indicated on the graphic on the left.

LEGEND

— Bus routes

▓ ¾ mile buffer (ADA requirements)
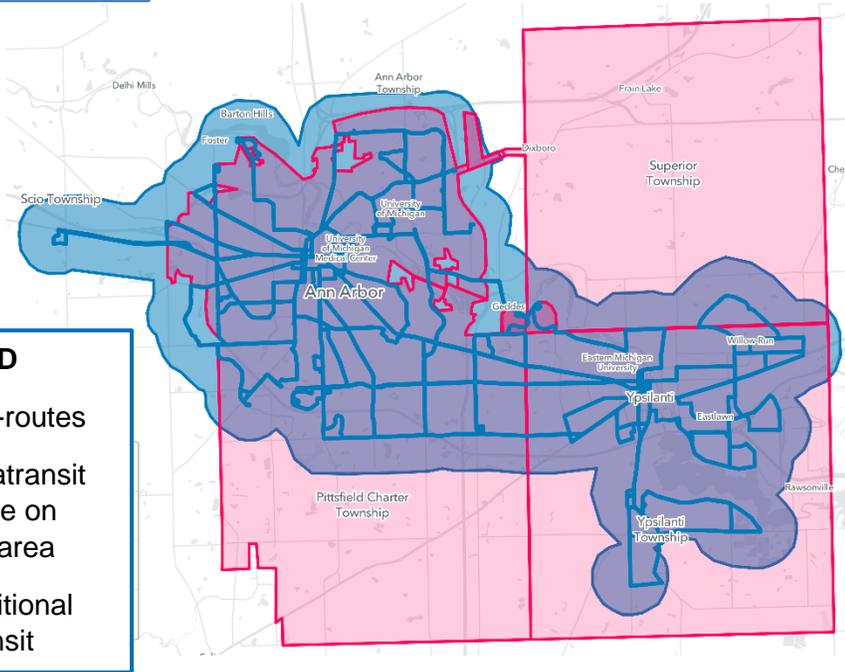
TheRide provides service within the required ¾ mile of the service area and also extends these provisions to Ypsilanti, Superior and Pittsfield townships as shown on the graph on the left.

LEGEND

— Bus-routes

▓ Paratransit coverage on service area

▓ Additional paratransit

D. Policy 1.1.2 is not compliant and hence this policy is partially compliant. See the policy for a compliance timeline.

Ends 1.0
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POLICY 1.1.1
People with economic challenges have affordable public transportation options.

Degree of Compliance: Compliant

Interpretation
<u>Measure/Standards & Achievement</u> Compliance will be demonstrated when the CEO recommends a fare structure that includes a 50% discount of the regular fixed route fare when there is a fare change. <u>Rationale</u> This interpretation is reasonable because the Board has reserved the right to decide on fare changes (3.2.9). The role of the CEO during fare changes is to make a recommendation to the Board (2.5.12). Unless fares are free, there will always be a need to establish a threshold for discounts. A threshold based on income is the most effective way to target the additional subsidy specifically to persons with economic challenges. A 50% discount is reasonable as that is what the Federal Transit Act requires of all transit agencies.

Evidence
Source of Data: Fare structure used during monitoring period **Date of Data Review:** 11/06/23 as verified by Corporate Strategy and Performance Officer **Data:** The fare structure in the monitoring period did not change and includes a 50% discount for low-income passengers. Since there were no changes to fares, the CEO did not make any fare structure recommendation.

POLICY 1.1.2

People with disabilities or mobility impairments, seniors, minors, and non-English speakers have equitable access to opportunities and destinations in the area.

Degree of Compliance: Partially Compliant

Interpretation

Measure/Standards & Achievement

Compliance will be demonstrated when
  A. Anyone using an ADA-compliant wheelchair is able to access all buses and passenger terminals.
  B. All terminals have functional audio and visual departure announcements.
  C. All buses have audio and visual stop announcements.
  D. All accessible bus stops adjacent to sidewalks are wheelchair accessible.
  E. Residents and visitors who are not physically able to use the fixed route service due to a mobility limitation have access to door-to-door paratransit service that meets ADA minimum requirements.
  F. Minors are allowed on the bus, there is no age limit to ride the bus. We do expect that young children, toddlers and infants be accompanied by an adult.
  G. Printed and electronic translations of passenger information are available in Korean, Spanish and Chinese (Mandarin).
  H. TheRide is found to have no deficiencies in the FTA review for all legal requirements that pertain to accommodating anyone with disabilities.

Rationale
  A. This is reasonable because if a wheelchair can be accommodated, most other physical mobility limitations can be accommodated; and because mobility limitations, not age, are the barrier to access. (Other accommodations to non-physical mobility limitations are addressed in other areas of this report).
  B.-C. This is reasonable in order to accommodate passengers who have audio and visual limitations.
  D. This is reasonable because some bus stops have no adjacent sidewalks and the TheRide cannot make them accessible in those circumstances.
  E. This is reasonable as it is consistent with federal law.
  F. This is reasonable because it allows the bus driver to exercise discretion based on circumstance.
  G. Limiting non-English access to the most commonly spoken languages in the area is reasonable because it meets minimum federal requirements and is cost effective.
  H. This is reasonable as it's an external regulation providing an objective review.

In this context I interpret seniors to be a subset of persons with mobility limitations, not a separate group. This is reasonable because it is the mobility limitation, not age, which suggests the need for additional consideration.

Evidence

Source of Data: Operational data for facilities (including bus stops), buses, paratransit and fixed route services

Date of Data Review: 11/06/23 as verified by Mobility Services Manager, DCEO Planning and Innovation, Manager of Fleet and Manager of Facilities

Data:	Current Status	Target	Target achieved
A. % of buses and passenger terminals that are wheelchair accessible	100%	100%	Yes
B. % of buses with audio and visual stop announcements	100%	100%	Yes
C. % of terminals with functional visual departure announcements	100%	100%	Yes
D. % of bus stops with sidewalks that are accessible	34%. See below for more information and a compliance timeline.	100%	No
E. Access to origin to destination paratransit services that meet ADA requirements	Paratransit services are origin to destination and door to door upon request. Meets ADA requirements.	Paratransit services are origin to destination and meet ADA requirements	Yes
F. Age limit	There is no age limit to use the bus. Infants, toddlers, and young children need to be accompanied	No age limit to ride the bus.	Yes
G. Availability and accessibility of travel information in common non-English languages	Printed and electronic travel information is available and easily accessible in Mandarin, Korean and Spanish.	Travel information should be available and accessible in Mandarin, Korean and Spanish.	Yes
H. Paratransit compliance with ADA (determined by FTA)	No ADA-related deficiencies found. *A table with detailed ADA provisions is provided below.*	No ADA-related deficiencies found	Yes

Compliance timeline: During the monitoring period, 10 bus stop permits were issued, and construction completed. Pending the issuance of permits, NEPA studies and funding, TheRide intends to complete this work by 2033. This timeline is realistic within agency resources.

(E) Below is a comparison of ADA minimum requirements for paratransit and what TheRide provides today.

	ADA Minimum Standards	TheRide's Current Level of Service	Comp-liant?
Coverage area	¾ mile from fixed routes	Covers all fixed route service areas beyond ¾ mile. Additionally, paratransit services are extended to parts of Pittsfield, Ypsilanti, and Superior townships beyond the service area.	Yes
Trip denials for advanced booking	None, within one-hour negotiation window	None, within one-hour window.	Yes
Fare	A maximum of 2x the fixed route cost.	Paratransit fares are $3.00, twice the fixed route fare of $1.50.	Yes
Vehicles	All buses are wheelchair accessible.	All vehicles (including paratransit vehicles) are wheelchair accessible.	Yes
Assistance	Personal Care Attendant (PCA) allowed free of charge; guest fare equal to client	PCA free of charge on paratransit vehicles as well as fixed route buses, guest fare equal to client.	Yes
Advance booking	Allow up to 14 days in advanced booking.	TheRide allows up to 3-days in advanced booking.	Yes
Scheduling window	Allow for 30 minutes before or after scheduled time.	Allow for 30 minutes after scheduled time.	Yes
Origin to destination	Origin to destination	Origin to destination and door to door as requested.	Yes
Reservations	Trip reservation services should be available during administration's office hours.	Administration hours are 8:00AM-5:00PM. Trip reservation services are provided beyond service hours. i.e., Mon-Fri at 8:00AM – 5:30PM and on Weekends at 8:00AM-5:00PM	Yes
Reasonable modification	Reasonable modification at customer request.	Reasonable modification at customer request.	Yes
Will-call return trips	No stipulation provided	Medical trips, Secretary. of State, Dept. Human Services and Social Security office they can call to activate the will-call return.	Yes
Service Animals	Service animals are permitted to accompany service users.	Service animals are permitted to accompany service users.	Yes
Trip Purpose	There are no restrictions or priorities based on trip purpose.	There are no restrictions or priorities based on trip purpose.	Yes

Ends 1.0

POLICY 1.2

Public transportation positively impacts our environment.

Degree of Compliance: Partially Compliant

Interpretation

Measure/Standards & Achievement
Compliance with policy will be demonstrated when policies 1.2.1 through 1.2.4 are compliant.

Rationale
The Board has fully interpreted this policy in lower-level policies. Achievement of those policies constitutes achievement of this policy.

Evidence

Source of Data: Lower-level policies
Date of Data Review: 11/30/2023 as verified by Corporate Strategy and Performance Officer
Data:
Not all lower-level policies are compliant. See that detail and respective compliance timelines in the policies below.

POLICY 1.2.1

Public transportation options are increasingly chosen over use of a personal car.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement
Compliance with this policy will be demonstrated when data reported by SEMCOG indicates increased transit use from year to year as compared to driving alone options.

Rationale
This is reasonable because mode share(similar to market share) is an industry-standard measure of how people travel and can be consistently measured over time. Data collected by a third party (SEMCOG) provides objective measures.

Evidence

Source of Data: SEMCOG data
Date of Data Review: 11/06/23 as verified by the Corporate Strategy and Performance Officer
Data:
Transit use increased between 2021 and 2022 from 2.34% to 3.44%. Between the same years, less people chose to drive alone and that may be attributed to an increase of people working from home. The other category includes walking, use of taxi cabs, bicycling and van pool.
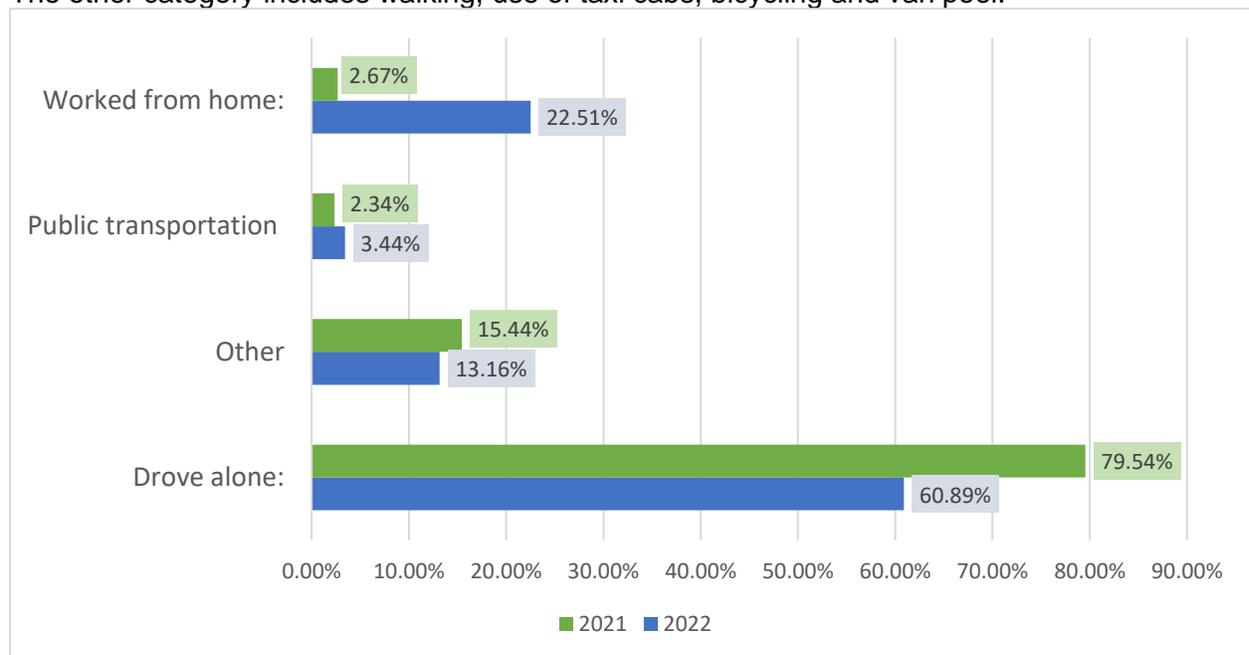
Category	2021	2022
Worked from home:	2.67%	22.51%
Public transportation	2.34%	3.44%
Other	15.44%	13.16%
Drove alone:	79.54%	60.89%

POLICY 1.2.2

Public transportation options produce conditions favorable to more compact and walkable land development.

Degree of Compliance: Partially Compliant

Interpretation

Measure/Standards & Achievement

Compliance during this period will be demonstrated when the frequency of fixed route services on suitable corridors achieves set targets which make them competitive to personal automobiles. Suitable corridors are ones where high frequency service is already somewhat viable and where intensification of land development is possible. Specifically, this corridors are Washtenaw Avenue, Plymouth Road, Huron, State Street, Main Street, Packard.

Rationale

This is a reasonable interpretation because (a) increasing the frequency of services is the most important step TheRide can take to encourage land-development decisions that do not rely on cars and parking and (b) only certain corridors have the combination of potential land development and increasing frequency.

Evidence

Source of Data: Route information
Date of Data Review: 11/06/23 by Senior Transit Planner

Data:	Targets	Current Frequencies (Evidence)	Compliant?
Washtenaw Ave	**Weekdays** Peak: 10 minutes or better Mid-day: 20 minutes or better Evenings: 30 minutes or better **Weekends**: 30 minutes or better	**Weekdays** Peak: 8 minutes Mid-day: 15 minutes Evenings: 30 minutes **Weekends**: 30 minutes	Yes
Plymouth Road	**Weekdays** Peak: 15 minutes Mid-day: 15 minutes Evenings: 30 min **Weekends**: 30 minutes or better	**Weekdays** Peak: 15 minutes Mid-day: 15 minutes Evenings: 30 minutes **Weekends**: Saturdays: 30 minutes; Sundays: 60 minutes	Partially since Sunday does not meet target
	Targets	**Current Frequencies**	**Compliant?**

Ends 1.0
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		(Evidence)	
Huron	**Weekdays** Peak: 15 min or better Mid-day: 30 min or better Evenings: 30 min or better **Weekends**: 30 min or better	**Weekdays** Peak: <10 minutes Mid-day: <10 minutes Evenings: 30 minutes **Weekends:** 30 minutes	Yes
State Street	**Weekdays** Peak: 15 min or better Mid-day: 30 min or better Evenings: 30 min or better **Weekends:** 30 min or better	**Weekdays** Peak: <10 minutes Mid-day: <15 minutes Evenings: 30 minutes **Weekends:** 30 minutes	Yes
Main Street	**Weekdays** Peak: 30 min or better Mid-day: 30 min or better Evenings: 30 min or better **Weekends**: 30 min or better	**Weekdays** Peak: 15 minutes Mid-day: 30 minutes Evenings: 30 minutes **Weekends:** 30 minutes	Yes
Packard	**Weekdays** Peak: 15 min or better Mid-day: 15 min or better Evenings: 30 min or better **Weekends**: 30 min or better	**Weekdays** Peak: 15 minutes Mid-day: 15 minutes Evenings: 30 minutes **Weekends:** Saturdays: 30 minutes; Sundays:60 minutes	Partially since Sunday does not meet target.

Since Packard and Plymouth Road Sunday services do not meet targets, the CEO notes partial compliance to this policy.

Compliance timeline: Per the Long-Range Plan timeline and pending funding, **all** fixed routes will have 30-minute frequencies on the daytime by 2024. And by 2030, the night time schedule for all routes will also be at a 30-minute frequency.

POLICY 1.2.3

Relevant public policy is transit supportive.

Degree of Compliance: Not Compliant

Interpretation

<u>Measure/Standards & Achievement</u>
Compliance will be demonstrated when
   A. the CEO annually shares with the Board an advocacy agenda for the coming year detailing general goals and objectives for policies changes as well as the outside bodies responsible for changing the policies (e.g. local, state, or federal governments). The agenda must explain how its goals and targets will further the advancement of Board policies or the Long-Range Plan.
   B. meaningful efforts are made to affect change in these outside policies.

<u>Rationale</u>
This is reasonable because TheRide cannot control the decisions of outside actors, but it can demonstrate organization, focus, and effort towards advancing relevant goals. Meaningful effort is defined by action or progress made by policy-making bodies in relation to agendas that TheRide has influenced/advocated for.

Evidence

Source of Data: Board meeting minutes. Staff and board member travel itineraries and meeting appointments.
Date of Data Review: 11/06/2023 as verified by the CEO

Data: The CEO did not present an advocacy agenda to the Board during the monitoring period, although the agency did undertake efforts (with board member participation) at the local, state and federal levels.

Compliance Timeline: TheRide plans to present the Board with a clear advocacy agenda by June 2024.

POLICY 1.3
Public transportation positively impacts the economic prosperity of the area.

Degree of Compliance: Compliant

Interpretation
Measure/Standards & Achievement Compliance will be demonstrated when policy 1.3.1 to 1.3.4 are compliant. Rationale The Board has fully interpreted this policy in policies 1.3.1 through 1.3.4 below.

Evidence
Source of Data: Lower-level policies **Date of Data Review:** 11/16/23 as verified by Corporate Strategy and Performance Officer **Data:** Policies 1.3.1 through 1.3.4 are compliant

Ends 1.0
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POLICY 1.3.1

Public transportation facilitates labor mobility.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when:

  A. Riders can access 80% of jobs in the service area within 0.25 miles walk from a bus stop.
  B. Transit mode share (percent of people commuting to work by transit) in the Ann Arbor-Ypsilanti area ranks top five as compared to other cities and townships in the South Eastern Michigan region.
  C. Vanpool options are available outside the fixed route service area and operational during the monitoring period.

Rationale

The interpretation is reasonable because

  A. As a requirement for service coverage, walking distance standards are the industry norm for setting acceptable limits. A 0.25-mile walking distance is reasonable per industry standards. Providing accessibility of 80% to all essential jobs is reasonable within the agency resources.
  B. Comparing the percentage of people who use transit to commute with other cities and townships provides context and a reasonable benchmarking platform. Being top five indicates TheRide's desires to be a leader in facilitating labor mobility in the region. This target is reasonable with the agency's resources.
  C. The availability of Vanpool services provides additional job accessibility based on market demand.

Evidence

Source of Data: SEMCOG data and agency planning and ridership data.
Date of Data Review: 11/06/2023 as verified by the Senior Transit Planner and the Corporate Strategy and Performance Officer

Data:
  A. Job Accessibility
The traveling public can access 82% of jobs within 0.25 miles of fixed route. See evidence for 1.1A for more information.
  B. Commute to Work by Transit, Southeast Michigan Region
    Based on SEMCOG data that ranked percent commute by transit, Ypsilanti ranked second and Ann Arbor fourth. See graphs below for detail.

Ends 1.0
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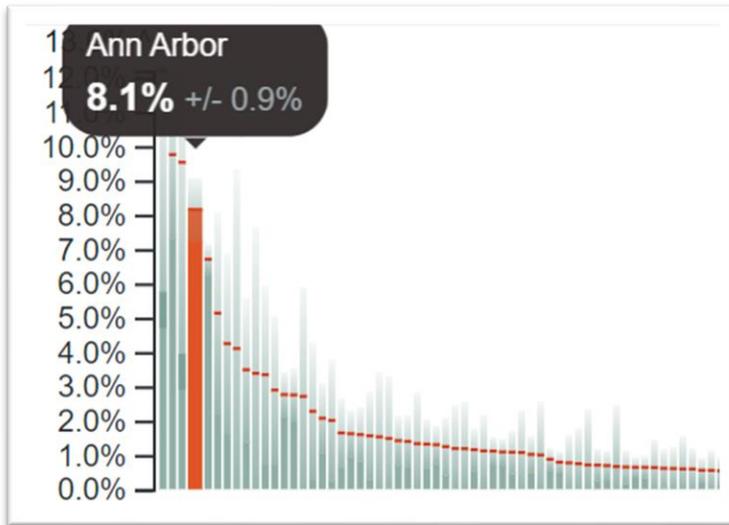
Ann Arbor is fourth after Highland Park (13.6%), Ypsilanti (9.7%) and Royal Oak (9.5%).

Source: SEMCOG, Community Explorer, **2023.**
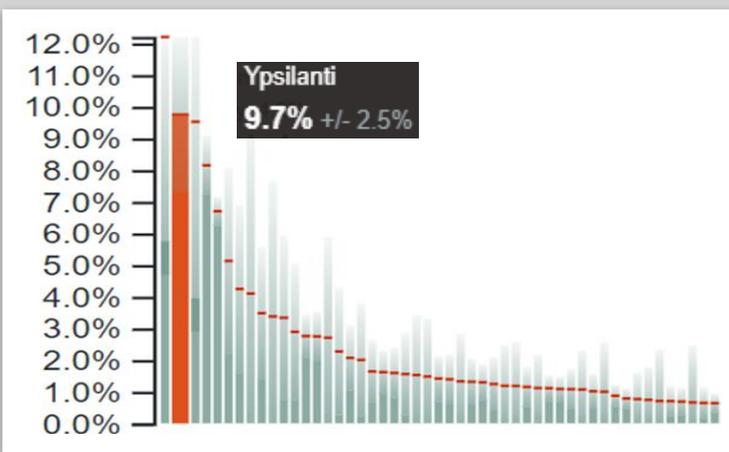
Ypsilanti had the second highest average transit mode share (commute to work) rate after Highland Park (13.6%)

Source: SEMCOG, Community Explorer, **2023.**

C. Van Pool Availability

TheRide's vanpool program was available to any group making regular trips in our service area. TheRide has vanpools originating from Toledo, Detroit, and other distant points.

![TheRide - Ann Arbor Area Transportation Authority logo]

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POLICY 1.3.2

Students can access education opportunities without need of a personal vehicle.

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Degree of Compliance: Compliant

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Interpretation

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Measure/Standards & Achievement
Compliance will be demonstrated when riders can access all post-secondary educational campuses in the Ann Arbor, Ypsilanti, and Ypsilanti Twp. areas within a reasonable walk from a bus stop (0.25 miles) using fixed route services.

Rationale
This is a reasonable interpretation because 1) mode share data for student travel is not available, 2) fixed route access to campuses is a reasonable proxy for ability to use the service, and 3) these targets are realistic within our existing resources. Access to high schools is not included in this interpretation because those trips are the responsibility of the local school board. However, TheRide does incidentally transport many riders to high school.

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Evidence

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<tr><td>

Source of Data: Route information
Date of Data Review: 11/06/2023 as verified by the Senior Transit Planner.

</td></tr>
</table>

	Adjacent Routes	**Campus within 0.25 miles of a bus stop? Yes/No**
UM Main Campus	3, 4, 5, 6, 23, 24, 61, 62, 63, 64, 65	Yes
UM North Campus	3, 22, 66	Yes
EMU	3, 4, 5	Yes
WCCC	3, 24	Yes
Concordia	3	Yes

POLICY 1.3.3

Visitors use public transportation in the area.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement

Compliance with this policy during the monitoring period will be demonstrated when:

    A. People arriving in the membership area via inter-city carriers (i.e., Detroit Metro Airport, intercity rail, or bus) have reasonable access to fixed route and paratransit services.

    B. Availability of temporary eligibility provisions for visiting paratransit service users.

    C. Fixed-route service between Ann Arbor and Metro Detroit Airport.

Rationale

This interpretation is reasonable because we have no way of knowing whether passengers are visitors to the area and therefore cannot directly measure the number of riders who are visitors. These targets are realistic within the agency's existing resources.

Evidence

Source of Data: Route information
Date of Data Review: 11/06/2023 as verified by the Senior Transit Planner.
Data: A. Connections with Inter-City Carriers

	Target	Service during monitoring period (Evidence)	Compliant?
Amtrak (Ann Arbor on Fuller St.)	Accessible via fixed route or paratransit.	Served by Routes 22, 33, and Paratransit	Yes
Greyhound (Ann Arbor on Fuller St.)	Accessible via fixed route or paratransit.	Served by Routes 22, 33, and Paratransit	Yes
Greyhound & other bus (Ypsilanti Twp. on Huron Road)	Accessible via fixed route, FlexRide, or paratransit.	Served by Route 46 and Paratransit	Yes
Detroit Metro Airport	Accessible via AirRide.	Served via AirRide	Yes

(B) Temporary eligibility for visiting paratransit service users,

TheRide's paratransit service, ARide, does allow temporary eligibility for visitors with disabilities that are eligible for ADA paratransit in other jurisdictions.

(C) Connection between Ann Arbor and Detroit Metro Airport.
Service between Ann Arbor and Detroit Metro Airport was fully operational during the monitoring period.

Ends 1.0
Page **26** of **32**

POLICY 1.3.4

Public transportation connects the area to the Metro Detroit region.

Degree of Compliance: Compliant

See CEO Notes

Interpretation

Measure/Standards & Achievement
Compliance with this policy will be demonstrated when a scheduled transit service exists between Ann Arbor and Metro Detroit.

Rationale
This is reasonable because that's what the policy calls for.

Evidence

Source of Data: Operational records
Date of Data Review: 11/06/2023 as verified by Manager of Operations
Data:
Detroit-to-Ann Arbor (D2A2) service was operational during the monitoring period.

POLICY 1.4

Passengers are highly satisfied with public transportation services.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when

    A. 85% or more of passengers participating in onboard surveys that take place every other year indicate that they are satisfied with the services offered.

    B. TheRide achieves a quality-of-service composite score of service 1 or better.

Rationale

    A. High numbers of passengers indicating satisfaction is a proxy for passengers being highly satisfied with our services This is reasonable because the survey does not ask for the level of satisfaction and instead asks if they are satisfied, neutral or dissatisfied with TheRide's services. Conducting the survey once every two year is reasonable because customer satisfaction does not change a lot within a short period of time to warrant more frequent surveys. Given that the surveys responses are subjective, 85% is a realistic target per agency resources.

    B. The composite score provides a snapshot of the leading indicators for quality-of-service components that address reliability of service, safety and courtesy. It is based on a weighted average with pre-pandemic numbers as baseline targets or other preferred/already established targets e.g., those in the Transit Asset management Plan. A score of 1 (100%) indicates that we have achieved our target in aggregate.

Evidence

Source of Data: Operational performance data
Date of Data Review: 11/16/2023 as verified by Corporate Strategy and Performance Officer
Data:
A. 92% of passengers who participated in the onboard survey in April 2022 indicated that they were satisfied with the services offered.
B. The customer service composite score for FY23 was 1.111 (111.1%)

	Baseline or preferred target	FY23 performance	% of target achieved	Weight	Weighted
Reliability: On-time performance	Above 80%	78%	97%	0.3	29.1%
Miles between road calls	Above 28,500*	28786	101%	0.2	20.2%
Average age of fleet	6-8 years	7.31	100%	0.1	10.0%
Safety: Preventable accidents per 100k passengers	Below 1.85*	0.99	146%	0.2	29.2%
Courtesy: Complaints per 100k passengers	Below 2*	1.77	113%	0.2	22.6%
*-pre pandemic baseline.				**Total:**	**111.1%**

A target of 80% for on-time performance is a stretch target as the industry average is 75%. However, TheRide is committed to providing the best services to its customers and intends to have service on all fixed routes be on time at least 80% of the time. Last year overall on-time performance was at 78%, at the writing of this report (November 2023), it was at 82%.

POLICY 1.5

Residents of the area recognize the positive contributions of public transportation to the area's quality of life.

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement
Compliance with this policy will be demonstrated when:
- (A) Within two years, service area residents (riders and non-riders) respond to an anonymous telephone survey conducted by a third party and 60% or more express generally positive impressions of TheRide.
- (B) Approval of transit favorable millage requests by more than 60% of the participating resident voters every five years.

Rationale
These interpretations are reasonable because both provide objective measures (or proxies) of resident's appreciation for transit and TheRide. A 60% target is realistic as it is more than half of participating service area residents. Conducting the telephone surveys every two years is reasonable within the resources of the agency. Additionally resident perceptions do not change significantly within shorter periods to warrant annual surveys.

Evidence

Source of Data: Telephone survey results and millage results
Date of Data Review: 11/06/23 as verified by DCEO, Planning and Innovation.
Data:
- A. A telephone survey was conducted in December 2021 to January 2022, and 81% of participating residents indicated having a favorable/positive impression of TheRide.
- B. Resident voters approved TheRide's request to expand and improve transit services with a majority of 61% in August 2022.

Policy Trendlines

Policy	FY23	FY24 (preliminary)
1	🟨	🟨
1.1	🟨	🟨
1.1.1	🟩	🟩
1.1.2	🟨	🟨
1.2	🟨	🟨
1.2.1	🟥	🟩
1.2.2	🟨	🟨
1.2.3	🟨	🟥
1.3	🟨	🟩
1.3.1	🟨	🟩
1.3.2	🟩	🟩
1.3.3	🟩	🟩
1.3.4	🟩	🟩
1.4	🟩	🟩
1.5	🟩	🟩
	🟩	🟩

LEGEND	
🟩	Policy is compliant
🟨	Policy is partially compliant
🟥	Policy is not compliant

CEO Notes

Policy 1.3.4 may be more appropriate as an advocacy item as TheRide cannot force the creation of such a service. Inter-County services is the responsibility of the RTA.

Ends 1.0
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Guidance on Determining "Reasonableness" of CEO Interpretations

Are the interpretations reasonable?
An interpretation is reasonable if the following are provided,
1. a measure or standard,
2. a defensible rationale for the measure or standard,
3. a level of achievement necessary to achieve compliance and
4. a rationale for the level of achievement.
Is evidence verifiable?
Evidence is verifiable if there is
1. actual measurement/data,
2. the source of data and
3. the date when data was collected is provided.

Board's Conclusion on Monitoring Report

Board's conclusion after monitoring the report.
Following the Board's review and discussion with the CEO, the Board finds that the CEO:

   (A) a reasonable interpretation for **all** policy items and that the evidence demonstrates compliance with the interpretations.

   (B) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations, except for the CEO's stated non-compliance with item(s) x .x, which the Board acknowledges and accepts the proposed dates for compliance.is making reasonable progress towards compliance.

   (C) 1. For policy items x.x.x – there is evidence of compliance with a reasonable interpretation
2. For policy items x.x.x – the interpretation is not reasonable
3. For policy items x.x.x – the interpretation is reasonable, but the evidence does not demonstrate compliance
4. For policy items x.x.x – the Board acknowledges and accepts the CEO's stated non-compliance and the proposed dates for compliance

Board Notes: (If Applicable)

Ends 1.0
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WORKSHEET RESULTS:

Ends (Policy 1.0)

Participants: 8 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**
Policy 1.0 AAATA exists so that an increasing proportion of residents, workers and visitors in the Ann Arbor-Ypsilanti Area utilize public transportation options that contribute to the Area's social, environmental and economic vitality at a cost that demonstrates value and efficient stewardship of resources.	88%	100%	• Note: The policy for 1.0 is shaded yellow but the label "Degree of Compliance - Compliant" seems to be inaccurate. I believe it should read 'Non-Compliant' • The interpretation specifies growth "in line or above national and regional peers," indicating negative growth would be in compliance as long as it matched national trends whereas the policy specifies "increasing proportion." • I believe the color code correctly indicates partial compliance, but the word stated compliant. • Note - the lines on the graph are no labelled in this monitoring report.
Policy 1.1 Residents in the area have equitable access to public	100%	100%	

transportation services that enables full participation in society.			
Policy 1.1.1 People with economic challenges have affordable public transportation options.	88%	88%	• The interpretation is not reasonable because it doesn't link the 50% discount with economic challenges.
Policy 1.1.2 People with disabilities or mobility impairments, seniors, minors, and non-English speakers have equitable access to opportunities and destinations in the area.	100%	100%	
Policy 1.2 Public transportation positively impacts our environment.	100%	100%	
Policy 1.2.1 Public transportation options are increasingly chosen over use of a personal car.	88%	88%	• Is the SEMCOG data specific to the AAATA ridership/region, or just in general regarding SE Michigan? Also, this is compliant even if there is a 0.0001 increase in public transportation ridership... Seems we might want to consider setting a minimum target, especially since increasing ridership is a big focus/goal of ours.

Worksheet Results: Ends (Policy 1.0)

2

(1.2.1 Cont.)			• The interpretation is unclear to me: "increased transit use from year to year as compared to driving alone options". The percent using public transportation increased. However, I'm not sure what the "compared to" means in this context. Why not just address public transportation? • The data provided showed only a micro increase in the percentage of people using public transportation from 2021 to 2022 (3.44% vs 2.34%) whereas driving alone remained far & away the greatest mobility choice, despite a decrease from 79% to 61%. At best, the data provided would only suggest partial compliance - certainly not total compliance.
Policy 1.2.2 Public transportation options produce conditions favorable to more compact and walkable land development.	100%	100%	
Policy 1.2.3 Relevant public policy is transit supportive.	88%	88%	• Agree reasonable interpretation/verifiable evidence AND non-compliant. • Its not clear why this is shown as noncompliant. In the city of A2, there have been a number of transit-supportive changes in public policy (eg Transit-friendly zoning changes on major corridors, the elimination of parking requirements for private developments, plus increasing amounts of funds for new and repaired sidewalks). Its not clear

Worksheet Results: Ends (Policy 1.0)

3

(1.2.3 Cont.)			why these changes are not included as evidence of compliance.
Policy 1.3 Public transportation positively impacts the economic prosperity of the area.	75%	88%	• Interpretations for 1.2.3 and 1.2.2 are not reasonable. • If only 3.4% of people use public transportation it isn't clear how public transportation is positively impacting the economic prosperity of the area. The data provided doesn't support this policy. The service is being provided, but the actual use / ridership data is weak.
Policy 1.3.1 Public transportation facilitates labor mobility.	100%	100%	• Again - the data provided shows the service being provided. But amount of actual ridership is very, very small.
Policy 1.3.2 Students can access education opportunities without need of a personal vehicle.	88%	88%	• It's not reasonable to exclude high school students from "students". Community High students rely on AAATA to attend classes at other high schools.
Policy 1.3.3 Visitors use public transportation in the area.	88%	88%	• I'd not reasonable to say that there is "no way of knowing whether passengers are visitors". Surveys could and should be done. • What does ridership look like from those who use inter-city transportation to arrive in Ann Arbor and Ypsilanti from other metro areas and the airport? Does the public use public transportation to arrive and then utilize other modes of transportation for "last mile" needs or do they continue to utilize AAATA routes? • Again, what is being shown as evidence is the service that's available. What's missing is the

Worksheet Results: Ends (Policy 1.0)

4

(1.3.3 Cont.)			ridership data that demonstrates that visitors are actually using public transportation available to them. EG why not provide the ridership data for the football shuttles as evidence? Do we have any data for the ridership associated with those going to/from the Amtrak & Greyhound stations?
Policy 1.3.4 Public transportation connects the area to the Metro Detroit region.	100%	100%	• There is also on-street staging for AirRide adjacent to the BTC - this kind of coordination would also be valuable evidence of public transportation connecting to the Detroit metro area.
Policy 1.4 Passengers are highly satisfied with public transportation services.	100%	100%	
Policy 1.5 Residents of the area recognize the positive contributions of public transportation to the area's quality of life.	100%	100%	

5

Worksheet Results: Ends (Policy 1.0)

Additional context questions

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

   Responses – 8 - 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 – YES

   2 – NO

   - 1.2.2 - Compliance timeline indicates achievement "by 2024". Please provide an update.

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 – YES

   - 1.2.3 - Even if we were compliant with the policy based on the interpretation and evidence, public policy may not be transit supportive. Like the rationale indicates, TheRide can't control decisions of outside actors. We might consider rewording the policy so it is more inline with the actions TheRide can take.
   - For policy 1.1.2, it seems that "D. % of bus stops with sidewalks that are accessible" is not going to be compliant for quite a long time, especially due to factors outside of our control. For ease of tracking policy 1.1.2 and to not 'ding' the other data points being tracked in this comprehensive policy, maybe we should consider splitting this out to be a sub-sub-policy or a separate policy?
   For policy 1.2.1, maybe we should set a target? For example, "... an increase in ridership of at least 10%"

Worksheet Results: Ends (Policy 1.0)

6

(Response continued)

For policy 1.2.2, I think there should be a sub-policy in regards to location of bus stops in relationship to jobs, shopping (e.g. grocery stores), services (e.g. child care), and housing (sub-divisions and high density). Maybe policy 1.3.1 covers this a bit, so maybe this should reference that as also needing to be compliant?

For policy 1.3, I think we need to consider a bit more granularity. Being able to have economic prosperity involves more tha labor mobility and education access. There are wrap around services that are needed, especially for maternal endeavors (child care, super markets, etc). Separate from all the above, I think the ability to provide ease of trip chaining is a metric we should also start tracking.

- 1.3.4 deserves reconsideration. The board should determine to what extent they believe the agency should integrate with other regions and transit agencies
- I agree with the CEO's note about 1.3.4.
- There are policies where the provision of transit service is being shown as evidence - which isn't the same thing as demonstrating value by showing ridership increases. Only 3.4% of respondents said they used public transit. This is a microscopic portion of our community versus working from home, or using their car, etc. It's not clear if the policies need to be tweaked to get more data and focus on ridership versus the provision of services.

3 - NO

- Note: Matt states that "Policy 1.3.4 may be more appropriate as an advocacy item as TheRide cannot force the creation of such a service. Inter-County services is the responsibility of the RTA." The board may wish to have some discussion on this thought.

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

Responses –

50, 30, 40, 20, 30, 60, 20, 25

Worksheet Results: Ends (Policy 1.0)

Board ID / Compensation

Board of Director's Meeting Date: January 25, 2024

INFORMATION TYPE
Procedural

RECOMMENDED ACTIONS
That the board be aware of the conditions by which the Board ID card may be used as a bus pass for Board business.

PRIOR RELEVANT BOARD ACTIONS AND POLICIES
3.0 Global Governance Processes "(b) avoid unacceptable actions and situations." 3.1 GOVERNING STYLE "The Board will govern lawfully, observing the principles of the policy governance, with an emphasis on (a) the best interests of the entirety of the ownership and stewardship of the agency…" 3.2 BOARD JOB DESCRIPTION "Specific job outputs of the Board, as an informed agent of the ownership, are those that ensure appropriate organizational performance. Accordingly, the Board has direct responsibility to create: 3.2.1 The authoritative linkage between the ownership and the operational organization." 3.3 BOARD CODE OF CONDUCT "The Board commits itself and its members to ethical, businesslike, and lawful conduct…" 3.8 COST OF GOVERNANCE "Because poor governance costs more than learning to govern well, the Board will invest in its governance capacity. Accordingly: 3.8.1.3 Outreach mechanisms will be used as needed to ensure the Board's ability to listen to owner viewpoints and values." ARTICLE IV/GOVERNING BODY OFFICERS Section 2 Members of the Board shall serve without compensation but may be reimbursed for expenses.

BACKGROUND
All AAATA Board appointees have been issued an ID card which acts as a bus pass that allows for free rides on AAATA vehicles. Board members are encouraged to ride AAATA buses to interact with the travelling public and AAATA staff as well as observe the service provided. It is in this way Board members are being reimbursed for

expenses incurred while performing services on behalf of the AAATA. However, the ID card may not be used for personal reasons as this would then be considered "receipt" of compensation, which is violation of Article IV Section 2 of the Articles of Incorporation.

IMPACTS OF RECOMMENDED ACTIONS

Budgetary: N/A
Social: Engaging with moral owners
Environmental: N/A
Governance: Board member conduct

ATTACHMENTS

None

Grant Applications Approval

Board of Directors Meeting Date: January 25, 2023

INFORMATION TYPE
Decision
RECOMMENDED ACTION(S)
By motion authorize the CEO to submit grant applications and funding requests for low and zero emissions bus propulsion systems.
ALTERNATIVE OPTION(S)
Withold or defer authorization. Note: grant deadlines are anticipated in the spring.
ISSUE SUMMARY
The Board has directed the CEO to operate in ways consistent with achieving carbon neutrality (policy 2.11.2 (Environmental Sustainability). In an effort to begin reducing emissions from the bus fleet the CEO is seeking Board authorization to submit grant applications and other funding requests to help purchase: • 2 hydrogen fuel cell buses and associated equipment, • 1 outdoor hydrogen fueling station, • Workforce training for staff, and • Up to 8 Hybrid buses per year to replace conventional diesel buses. If successful, grants may be able to defray most costs for bus replacements over several years. Purchase of low and no-emissions buses is not affordable without outside grant funding. This vote also tests the presence of consensus among the Board on this matter. The CEO expects to bring the Board another approval, a federally required Transition Plan, in February or March. If both are approved by the Board, the decision will be finalized, and staff will submit funding applications without returning to the Board. This issue brief provides the information requested by the Board in policy 2.10 (Construction) when considering a grant application for construction (i.e., need, scope, cost, risks, etc.). Board approval of this item will be used as evidence of compliance with 2.10 in future monitoring reports.

1

BACKGROUND
There are three relevant Board policies shaping this authorization request: • Policy 2.10 (Construction) requires staff to receive Board authorization before submitting funding requests or grant applications, due to the implied financial commitment, but only for construction projects. The hydrogen propulsion system includes a small construction element: the outdoor fueling station. • Policies 3.2.12 (Board Job Description) and 2.5.7 (Financial Activities and Conditions) require Board authorization to use funds from the Capital Reserve. Although a formal request to use the Reserve may not come until 2025, the CEO anticipates needing to use the Capital Reserve and wants to ensure the Board is aware of this before proceeding with authorizing this funding request. The CEO is already empowered to seek grant funding for hybrid buses without further authorization (4.3.3). However, since the hydrogen and hybrid components are being packaged together for Board discussion and grant applications, and the entire grant will likely rely on future transfers from the Capital Reserve, the CEO is bundling them both together for Board authorization today. If approved, staff will seek any grant or other funding opportunity to pay for these projects. The initial application will be to the federal Low-No Emissions program in mid-2024.
IMPACTS OF RECOMMENDED ACTION(S)
• Budgetary/Fiscal: If successful, the grant will pay for about 80% of capital costs. TheRide will need to pay for 10%-20% of capital and 100% of operation costs (detail provided in the attachment). Access to new outside funding can free up other funds for other capital projects. • Social: Low and zero emissions buses create less pollution and are quieter, benefiting local communities. • Environmental: Eliminating all emissions from bus operations will eliminate about 7,000 tons of carbon emissions (0.5% of regional totals). The buses from this grant could start that process. • Governance: Goal of reducing emissions (2.11.2) from operations. Board authorization required from: construction grant applications (2.10) use of Capital Reserve (2.5.7).
ATTACHMENTS
1 – Scope of Project and Authorization

Attachment 1: Scope of Project and Authorization

The Board's Construction policy (2.10) lays out the information the Board wants to see before authorizing a grant application. The CEO's interpretation then groups that information into categories. Although only one small sub-element of this larger project involves construction (hydrogen fueling station), the CEO is addressing all elements (i.e. hydrogen and hybrids) in this section to present a single, consolidated decision for the Board's consideration. The information requested by the Board is presented below:

A. *Scope of project, Rationale, Alignment with Ends* –

What is the nature of the project? What are the most important elements? Description of how the project will advance specific goals identified by the Board.

In mid-2023 the Board clarified their policies to provide clear direction that TheRide should be looking for ways to reduce its own emissions (policy 2.11 Environmental Sustainability). Since October 2023, staff and the Board have been discussing how to begin transitioning TheRide's bus fleet to less polluting propulsion systems. The CEO's initial proposal was amended in December and now includes two elements:

1. **Zero-Emissions:** Initial "learning" deployment of two hydrogen fuel cell buses (for testing and learning purposes). This element is expected to take about 4-5 years. The purpose is to learn how best to use and incorporate hydrogen fuel-cell technology in the future. Major components of this element include:
   a) 2 hydrogen fuel cell buses and associated equipment,
   b) 1 outdoor fueling station,
   c) Workforce training, and
   d) 12 months of operations in all seasons

   This element is anticipated to be completed around 2029. When complete, TheRide will be better prepared to transition the entire fleet to zero-emissions fuel-cell technology.

2. **Low-Emissions:** TheRide intends to use grant funding to purchase up to 8 hybrid diesel-electric buses per year in place of conventional diesel buses. This will allow us to reduce emissions sooner while the fuel-cell learning work is ongoing.

   This element will also increase TheRide's financial benefits from the federal grant by providing access to new funds and allow us to redeploy existing funds to other projects. This request is for the Board to authorize staff to submit funding requests of up to 8 buses per year for a maximum of 5 years. Staff are working to determine the optimum number of hybrids buses to request (likely between 4-8) and will share that figure with the Board before grant submission.

Both elements are 'implementation' work under the CEO's interpretation.

This approach advances emissions reduction goals policy 2.11.1 and 2.11.2 (Environmental Sustainability). The largest source of GHG emission from TheRide's operations are from our fleet of 103 diesel and legacy hybrid bus fleet. Today this fleet creates about 7,000 tons of emissions annually, although it saves even more by reducing automobile traffic.

If outside funding can be secured, TheRide's bus fleet will evolve along the lines outlined in the graph below. This graph illustrates how diesel buses will be replaced with hybrids starting in

3

2025/2026, how the two initial fuel cell buses will be expanded to eventually replace all fossil-fuel buses as well as be used for expansion of the bus fleet.

Bus Fleet by Propulsion Type (Example)
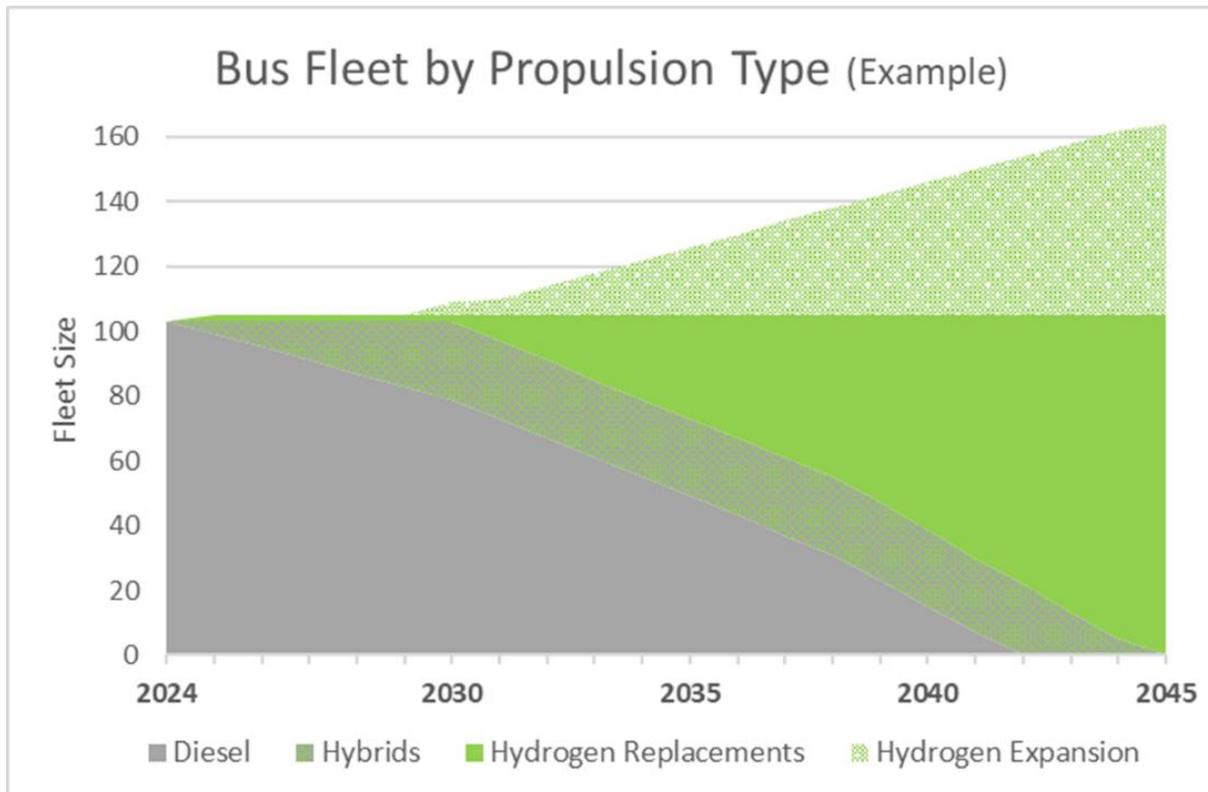
B. _**Public Involvement –**_
How has the public been engaging in the development of the proposal thus far? How will the public be engaged going forward?
There is no public involvement planned for grant applications. However, members of the public have participated in zero emissions discussions since 2022, with considerable feedback received since October 2023. So far feedback has been collected through webforms, emails, and board meetings. Feedback will continue to be accepted through February 2024.

In the future, more public engagement is expected when new buses arrive and are put into service. This will be focused on passenger feedback as part of the learning process.

C. _**Relative Priority** –_
What is this project's priority in relation to other capital needs? How would this project affect the 10-Year Capital Plan?

If accepted by the FTA as proposed, this bundled hydrogen/hybrid grant proposal will result in enough additional funding coming to TheRide to offset the agency cost-share for the grant, and free up existing capital funds for other priorities. This would provide more resources for other projects in the 10-Year Capital Plan.

This project represents a significant innovation and investment by the agency in reducing emissions. The CEO suggests that the priority of this effort is high, but slightly lower than other

4

capital projects intended to increase ridership (e.g., new terminals, garage, BRT, etc.) or maintain a state-of-good-repair of existing assets (e.g., new garage roof, etc.).

The CEO has shared with the Board that although the agency does not have enough local funding to pay for our entire list of aspirational capital projects, this situation is normal at the beginning of a long-term capital program. Ongoing efforts to find additional outside funding, such as grants and earmarks, will be key to maintaining momentum. Approaching each project cautiously and with aggressive pursuit of outside funding is the best approach.

D. Fiscal Responsibility –
i.   *What are the anticipated capital and operating costs during the life of the project?*
ii.   *How will the capital and operating costs of the projects be paid for during the lifespan of the project?*
iii. *What assumptions are made regarding outside grant funding, funding from the Capital Reserve, or local millage funds?*
iv.   *How would the approval of this project impact the agencies' ability to maintain existing services and infrastructure, or afford other projects?*

i.   Cost Estimates

Below are the anticipated costs and funding sources.

	Hydrogen bus project	Hybrid bus project	Total
Costs *(in thousands)*			
Capital Costs	$8,891	$47,920	$56,811
Additional Operating Costs*	$452	$0	$452
Total Costs	**$9,343**	**$47,920**	**$57,263**
Funding sources *(in thousands)*			
Federal Grant	$7,113	$38,336	$45,449
State Grants**	TBD	$4,792	$4,792
TheRide	$2,230	$4,792	$7,022
Total Funding Sources	**$9,343**	**$47,920**	**$57,263**

*TheRide pays all operating costs. Listed costs do not reflect the impact of state funding for eligible operating expenses.

**Staff is pursuing more state funding for both projects and these numbers may increase and hence reducing the costs coming from the Capital Reserve.

Hybrid buses are expected to last 12-14 years. They have no operating costs as they are replacing older diesels, with no net increase in operating expenses. The life of the fuel-cell bus project is 4-5 years, although we hope to use the buses for 12-14 years and the fueling station for decades.

ii-iii.: Funding Assumptions

1. **Federal Capital Grants:** We anticipate that the Low-No Grant will fund 80% of both the hydrogen fuel-cell bus project and hybrid diesel-electric buses. We will be pursuing other federal funding sources as well.

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2. State Capital Grants: <u>T</u>heRide anticipates a 10% match for the hybrid buses from the state and are working to see if that's also possible for the hydrogen buses.

3. TheRide's Capital Reserve: TheRide intends to seek federal and state grants to cover most of the capital costs. <u>However, as all grants require local cost-sharing to various degrees, approving this request implies a future commitment for TheRide to spend capital and operation funds, should the grant application be successful.</u> We expect a total cost to TheRide's Capital Reserve of $7.022 million. Per policy 3.2.12, the Board must approve the use of Capital Reserve funds. If the grant application is approved, staff will request Board authorization to use the Capital Reserve. The final amount of local funding can only be determined after the grant has been accepted. Approval will likely be bundled into the upcoming FY2025 Budget. Initial cost estimates are provided in the table above.

4. General Budget Implications: These two projects will result in the use of approximately $5-$7 million from the capital reserve which could free up $21-$23 million dollars in other funds that would then be available for other capital projects (e.g., YTC, the garage, BRT). However, these reserve funds would not be available to act as the local cost-share for other projects. As previously mentioned, TheRide will continue to work to reduce the local share even further by going after other funding sources.

5. Millage Funds: None.

<u>iv. Impact on other services and infrastructure.</u>

As discussed with the Board, this proposal minimizes financial risks by relying heavily on proven technologies (hybrids) in the near-term and moving cautiously towards zero-emissions technologies (fuel-cells).

We do not anticipate significant risks to existing services or infrastructure. Financial risks are eliminated by tapping more outside funding. Risks from hydrogen fuel are minimized by storing and fueling outside the garage. If any operational challenges arise (e.g. excessive hydrogen fuel costs), the purchase or use of new technologies can be slowed or delayed until those risks can be mitigated. The largest risk of *irrevocably committing* to an expensive and unproven technology is not present in this proposal.

E. <u>***Risks***</u> -

What social, environmental, financial, operational, or other risks have been identified? Are there ways to mitigate risks?

Once the grant is submitted, all the risks applicable to the project are implicitly accepted. To mitigate these risks staff will employ the following strategies.

1. **Financial:** The use of $5-$7 million of the capital reserve funds is substantial but is offset by larger outside funds. Staff will continue working for more funding sources in order to use less funds from the Capital Reserve.
2. **Operational:** No operating risks are anticipated with hybrids. Because fuel-cells is new technology, steep learning curves for mechanics and drivers are anticipated. Staff training is the chief mitigation here.

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3. **Socio-political/Environmental:** This is an environmentally friendly project and hence no risks are anticipated in that regard. If hydrogen gas were to escape, it would naturally disperse harmlessly into the atmosphere.

4. **Other**: Regulations of hydrogen tanks is an emerging field, but local officials have assured us that the City is not preparing any such regulations and our operations are unlikely to be impacted in any event.

F. *Timeline* – *What are the expected dates of major milestones?*

Below is a tentative* timeline of the project. The underlining denotes the Board's responsibility. This timeline is specific to the application of the Low-No grant, although other funds will also be pursued. This approach will result in lesser funds being required to come from the capital reserve.

- **Jan 2024: Approve zero/low emission grant applications**

  Board authorization to apply for outside funds.

- **Feb/Mar 2024: Approve Transition Plan and final project proposal**

  Board approval of "Transition Plan" required by FTA as part of grant application.

- **March/April 2024**

  Staff submits grant application between March and April.

- **July- October 2024: Winning Grants announced**

  The federal government will announce selected winners of the Low-No Grant.

- **October 2024-Mar 2025: Initiate procurement**

  If successful, staff will begin procurement for the hydrogen fuel cell buses, the hybrid diesel-electric buses, and for the construction of the fueling station.

- **Early 2025-Mid 2028: Bus production and delivery**

  Delivery timelines for all buses have increased in the last few months. The timelines are now 24-36 months from date of order. This is due to the exit of one of three manufacturers from the US market and demand increasing for the remaining two, and a general shortage of battery components.

- **2027-2028: Project begins**

  Buses will be placed in service as soon as they are delivered and commissioned – tentatively early 2027. However, these timelines will continue to change and may get better or worse.

- **2029: Operational analysis report to Board and the public**
  After 12 months of operating the project (2028-2029), an operational analysis report will be shared with the Board and members of the public.

This completes the responses to the information the Board has requested when considering authorizing a funding request for construction projects per policy 2.10.1. This proposal is specific to the bus fleet only. Future efforts will address emission reductions from other aspects of agency operations.

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CEO Report

Meeting: Board of Directors

Meeting Date: January 25, 2024

INFORMATION TYPE

Other

LONG-RANGE PLAN STATUS UPDATES

YPSILANTI TRANSIT CENTER PLANNING
DLZ, HDR, and AAATA spent time reviewing the feedback received during the project kickoff the week of November 13, 2023. We received feedback from the technical working group, which includes internal and City of Ypsilanti representatives, and from employees throughout the organization. After visiting the current YTC site, the project management team toured the BTC to see and learn about how that building functions today. The team also moved into validating and updating the work from the 2018 Passenger Terminal Needs Assessment, including facility programming, confirming the site, and working with the FTA to ensure we are following all federal guidelines. We have developed a Stakeholder and Public Engagement Plan and will begin planning the spring 2024 engagement opportunities.

MDOT WASHTENAW AVENUE and US-23 STUDIES
A joint public open house on the US-23 Corridor Improvement and M-17 (Washtenaw Avenue) Planning and Environmental Linkages (PEL) studies is scheduled on Thursday, February 1st from Noon-2 p.m. and 4-8 p.m. at the Morris Lawerence Building at Washtenaw Community College. This Open House will include updates on both studies, as well as an opportunity to ask questions and provide comments.

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 issued an RFP on December 12, 2023 to attract a co-developer to provide additional design support for the project. Proposals are due in early February 2024. 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. Some City and AAATA staff have reviewed the second phase of the design, and reviews will continue in 2024. The 4th Ave project team is shifting into a slower place so that we can understand and potentially align with the timeline for the Y-Lot project. This will help DDA and AAATA staff plan better for 4th Ave funding, document submittals, bidding, construction, and budgeting. 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's CEO updated the recommendation for Zero Emissions Bus Propulsion at the December Board Meeting to support the addition of hybrid buses to the plan in addition to the hydrogen fuel-cell bus project. TheRide continues to welcome public participation and comments through February regarding the CEO's recommendation. Staff completed multiple

Peer to Peer site visits including, Champaign Urbana, Flint MTA (Hydrogen) Peer to Peer site visit complete., SEPTA, U of M, DDOT, SARTA. Staff have also reached out to WCC and EMU about a potential partnership in developing a work force development plan for hydrogen technology.

OPERATIONAL UPDATES

WEATHER EVENT &TEMPORARY SERVICE DISRUPTION
On January 12, 2024 the first severe snow storm of the season arrived and significantly disrupted bus service in the afternoon. The storm arrived quickly and snarled traffic throughout the area. Operational staff had prepared ahead of time and all hands were on deck to assist in snow removal and bus rescue. TheRide's services persevered until about 9pm by which time about 30 buses had become stuck and safety was of increasing concern. Operations and Safety staff made the decision to suspend service at 9:30pm, which was communicated to customers. An after-action debrief occurred the following week to identify lessons learned. Although challenging, the agency's response was seen as successful, with no injuries and only minimal damage to equipment. Full service was restored the following morning.

STOPGAP BUS REPLACEMENT
In FY2019 the Board authorized the CEO to award a 5-year replacement bus contract, which initially was awarded to NovaBus. The contract was partially filled before NovaBus announced its decision to exit to US market due to pandemic impacts (2023). TheRide and NovaBus are working on a mutually satisfactory end to this contract, but Nova will not be providing any more buses.

To ensure that passengers continue to receive new buses, that the average age of the fleet does not grow unacceptably, and the agency does not fall behind on state-of-good-repair goals, which could increase costs and breakdowns, the CEO has awarded the remainder of the FY2019 contract to Gillig, another prominent manufacturer. This was done through a process known as "piggybacking" where TheRide has agreed to buy option buses off another agency's contract, in this case Washington State. Piggybacking is a common stopgap tactic in the industry and is acceptable to the FTA. We anticipate delivery in about 12 months. As per the 2019 authorization these replacement buses will be conventional clean diesels (as were the Novas) and are not a part of the ZEB or Low-No discussions. This is a temporary measure. Staff anticipate a new procurement process in the future, including ZEB decisions, that will resume our own contract process.

LOCAL ADVISORY COMMITTEE (LAC)
Andrea Henry was voted in as the new Chair of the LAC. The LAC reviewed vehicle accessibility plans for TheRide, Jewish Family Services, WAVE(Western Washtenaw Area Value Express), and Peoples Express

TRANSPORTATION COMMISSION (ANN ARBOR)
The Commission met on January 17th. The most substantive item was discussion and approval of their legislative agenda. TheRide's representative, CEO Carpenter, suggested the following amendments which were accepted:

"Advocate for public transit becoming an increasingly competitive alternative to the car by supporting TheRide's long-range plan for improved services (TheRide 2045) through policies/actions including:
- *Continued advocacy for local level policy and land use investments that encourage opportunities for transit supported development along high-frequency transit corridors.*
- *Encouragement of all new municipal facilities for the public to be sited along existing transit routes.*
- *Increasing on-time travel on bus routes with transit-only lanes, signals and other priority measures that prioritize buses. This may include restricting certain streets to transit,*

pedestrian, and bicycle travel only.

- *Striving to make transit-commuting faster, more convenient, and cheaper than car-commuting by restructuring parking fees and increasing bus frequency on routes at the busiest times of day.*
- *As bus stops are a public good and a key element in achieving several City goals, removal of permitting fees to TheRide for the installation/modification of bus stops within City rights of way and expedition of the permitting approval process.*
- *Continued coordination for installation of leadwalks/other concrete amenities at bus stop locations affected by City road or sidewalk reconstruction projects.*
- *Collaboration with the City public works group to remove, or avoid creating, piles of snow (ie windrows) along the curbs in front of bus stops as they can become impassible to riders and buses."*

The Commissions agenda was approved and will be forwarded to City Council for their consideration. A discussion regarding bus lanes is tentatively scheduled for June.

WATS POLICY COMMITTEE UPDATE
The January 2024 WATS Policy Committee meeting was cancelled.

STAFFING UPDATES
Jeffrey Pfeifer has joined TheRide as the Manager of Public Affairs. Staff are working to hire additional employees in Fleet to help support the service improvements as part of the Long-Range Plan and approved millage.

Today's Discussion

MAIN POINTS

- Overview of the Snow Event

- Escalation and Challenges

- Decision to Cancel

- Experience the Severity of the Snow Event (Video)

Overview of the Snow Event

- Date: January 12, 2024
  - Storm Center opened at noon
  - Hourly review of storm conditions
  - MULTIPLE Routes affected by 3 PM
  - 35 mph winds, 1-inch snow accumulation
  - Increasing delays, snow detours initiated

Escalation and Challenges

- 4 PM: 2.5 inches of snow
- Routes experiencing up to 20-minute delays
- Buses stuck, towing service initiated
- Increasing snow accumulation led to worsening conditions
- Challenges faced between 4 PM and 9 PM
- Freezing rain and ice accumulation by 8:15 PM
- Multiple accidents, service cancellations

Decision to Cancel Service

- Decision made at 9:30 PM
- Concern for safety of customers and employees
- 31 buses rescued or stuck, 4 accidents reported
- Canceled service on six routes
- AAATA team worked overnight to rescue buses
- Full service restored the next morning
- Three buses out of service for accident damage
- No reported injuries
- Rare cancellation due to unique and severe conditions

Route 22 Bus 513

During Rescue Bus Slides into Another Bus While Trying to Get Unstuck

**Route 6
Bus 501**

**Accident
January, 12th, 2024
Bus Slides into Car**

Experience the Severity of the Snow Event: Routes 22 & 23

Ann Arbor Area Transportation Authority

INTRODUCTORY COMMENTS

SUE RADWAN, AAATA'S GOVERNANCE CONSULTANT

Governing

Seeing to it that the organization achieves what it should and avoids unacceptable situations.

Holding the whole of your organization as your primary concern.

- Optimize the parts to maximize the whole.

# Governing Well Requires Perspective

# Governing Role

Work **ON** the organization

Check **ON** the organization

Governance is NOT Management
Management is NOT Governance
Management is working IN the organization

GOVERNING BY PRINCIPLES

Theory

Context

Policies

Practice

AN APPROACH TO UNLEASH THE POWER OF POLICY GOVERNANCE®

By Eric Craymer and Susan Radwan
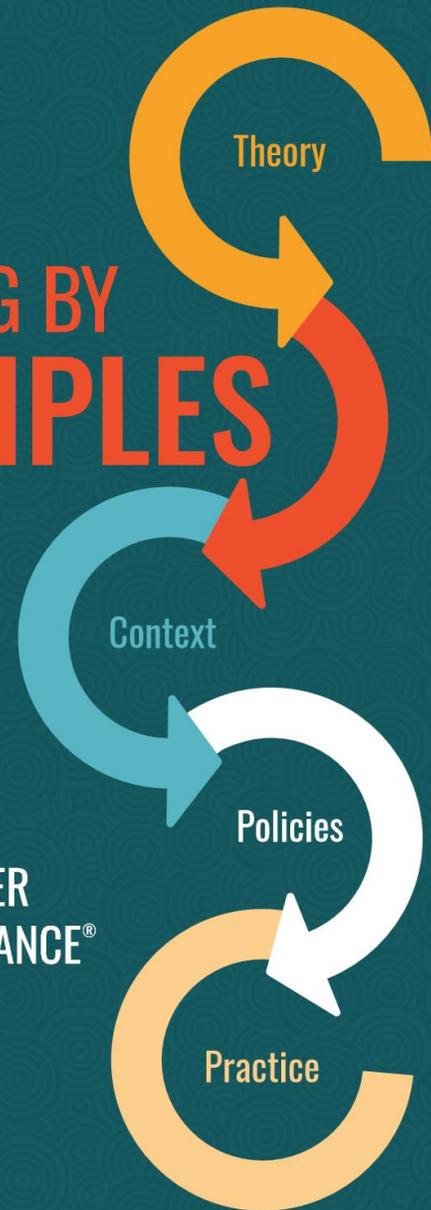
Policy Governance Principles: Three Buckets of Concern

Ownership
Governance Position
Board Holism

Ends
Board Means
Executive Limitations
Policy Size

Clear, Coherent Delegation
Reasonable Interpretation
Monitoring

Board
Culture

Structure

Board/CEO
Relationship

*Delegation &
Accountability*
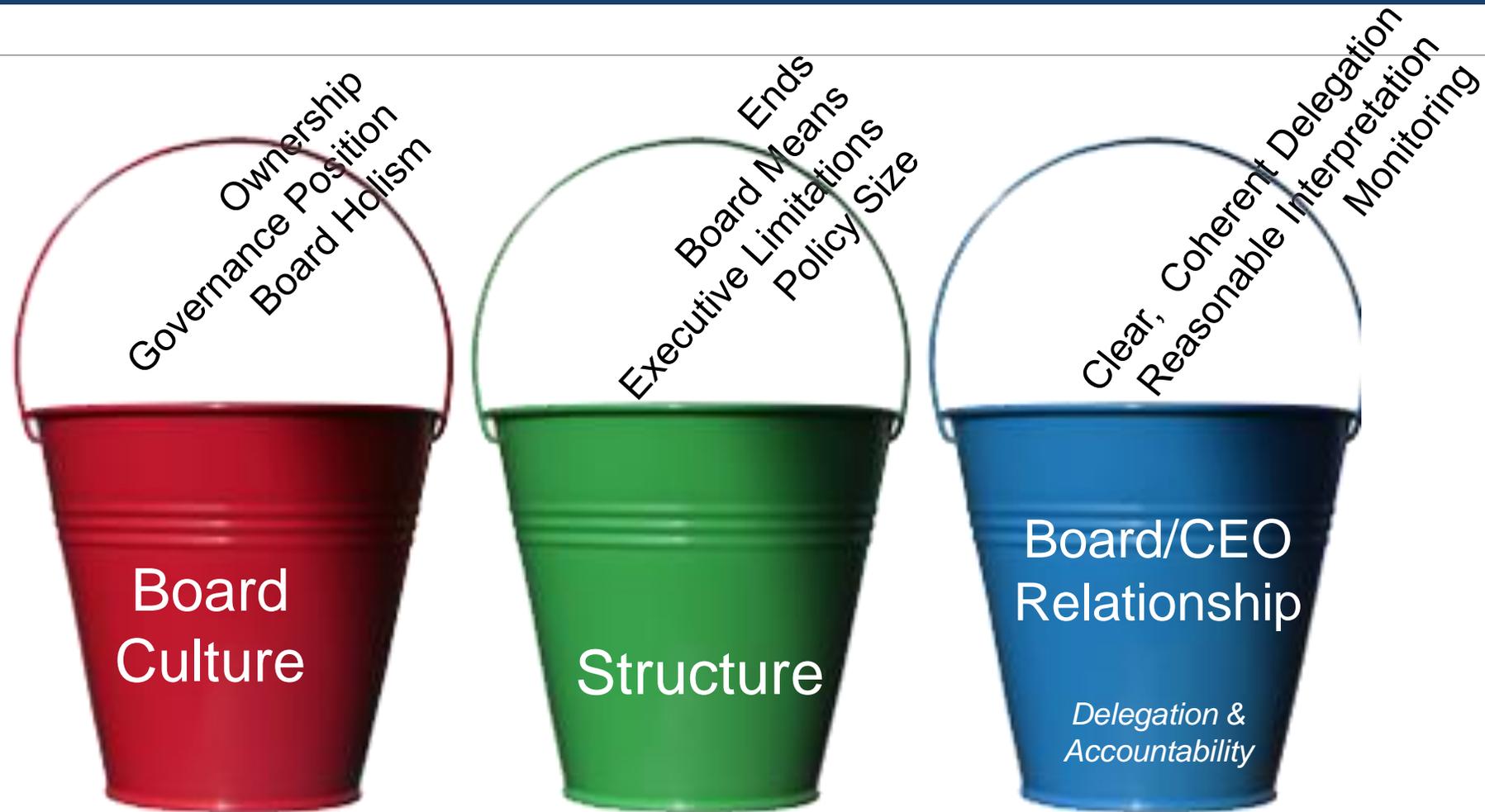
3 Board Job Products: Ownership Linkage   Policy Development   Assurance of Performance