

Board of Director’s Meeting Agenda

Meeting Date/Time: March 21, 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

Agenda Item	Info Type	Details	Page #
1. OPENING ITEMS			
1.1 Approve Agenda	D	Mozak	
1.2 Public Comment	O		
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2. CONSENT AGENDA			
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3. OWNERSHIP LINKAGE			
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4. MONITORING			
4.1 Financial Conditions & Support to the Board (2.5)	M	Reed	32
4.2 Cash & Investments (2.6)	M	Reed	57
5. POLICY			
6. BOARD EDUCATION / DISCUSSION			
6.1 Innovation Presentation	O	Carpenter	72
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8. EMERGENT ITEMS			
9. CLOSING ITEMS			
9.1 Action Item Recap	O	Carpenter / Holt	
9.2 Topics for Next Meetings ZEB Updates Communication & Support to the Board (2.9) Environmental Sustainability (2.11) April: Telephone Survey Results, Transition Plan May: Whistleblower Procedure June: Advocacy Agenda		Thursday, April 18, 2024	
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: February 22, 2024 - 6:30 – 9:00pm

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

Location: Riverside Arts Center, Ypsilanti (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 amended agenda, seconded by Mr. Miller

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. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

The approval of the amended agenda passed unanimously.

1.2 Public Comment

Ryan Hunter, former board member, thanked the Board for having their meeting in Ypsilanti and encouraged them to continue to find opportunities to meet in the broader ridership area.

Jim Mogensen commented on the ridership presentation information in the board packet and how it can be related to public transit agencies contracting services for publicly funded universities.

Adam Goodman shared he is an organizer of Trains not Lanes to advocate against MODT's proposed expansion of US-23. He commended the organization's willingness to work with MDOT to study a transit alternative.

1.1 General Announcements

No general announcements.

1.3.1 Introduce Jeff Pfeifer

Mr. Carpenter introduced Mr. Pfeifer, the new Manager of Public Affairs and Engagement (formerly Community Relations). Mr. Pfeifer thanked the Board and staff for their welcome to the organization.

2. CONSENT AGENDA

2.1 Board Meeting Minutes January 25, 2024

2.2 Committee Meeting Summaries

Mr. Allemang had suggested a proposed amendment to the January 25, 2024 Board Meeting Minutes ([Packet page 6](#)) as follows:

Mr. Allemang motioned to authorize the CEO to submit grant applications and funding requests for low and zero emissions bus propulsion systems as outlined in the information provided to the board today ~~attachment presented today and provide the Board monthly updates on project status and what was given to the board today~~, seconded by Allen.

All in favor of authorizing the CEO to submit grant applications and funding requests for low and zero emissions bus propulsion systems as outlined in the information provided to the board today ~~attachment presented today and provide the Board monthly updates on project status~~.

Mr. Miller motioned to approve the proposed amendments to the January 25, 2024 Board Meeting Minutes, seconded by Mr. Chang.

All in favor of approving the proposed amendments to the January 25, 2024 Board Meeting Minutes:

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. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

The approval to accept the proposed amendments passed unanimously.

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

All in favor of approving the amended 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. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

The approval of the amended Consent Agenda passed unanimously.

3. SPECIAL ITEMS

3.1 Audit Presentation & Acceptance

Ms. Reed introduced auditors Yilka Manushi and Michael Santicchia from UHY – they provided the FY23 audit presentation ([Packet page 15](#)).

Highlights from the audit included the following:

- The report was issued as “Unmodified” which is the highest rating for the audit
- Assets increased from the prior year by \$10.0 million (10.2%)
- Total net position increased by \$10.2 million (11.1%)
- Operating revenues increased by \$1.3 million (44.2%)
- Operating expenses increased \$4.5 million (7.8%) primarily due to resuming full operations.
- No findings for the single audit
- One significant deficiency (lowest level) finding in the financial statement related to several normal adjusting entries that were not all completed at the beginning of the audit process.
- No deficiencies in internal control over compliance.

Mr. Carpenter noted the Board did not need to motion to approve the audit report, rather they needed to motion that they had received the report.

Mr. Miller motioned to receive the audit report, seconded by Mr. Allen.

All in favor of receiving the audit report:

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. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

The motion to receive the audit report passed unanimously.

4. MONITORING

4.1 Board-Management Delegation (Policies 4.0-4.4)

Chairwoman Mozak shared that the Board-Management Delegation policies were a review of how the Board sees the work they are doing. Survey responses from board members were positive overall with general satisfaction with their work. Board members briefly discussed if the survey questions might be reviewed and revised for better response clarity. Chairwoman Mozak noted that the survey questions can be reviewed when the Governance Committee meets with the Governance Consultant in early March.

5. OWNERSHIP LINKAGE

5.1 Open Dialogue Task Force Updates

Mr. Chang shared that he and Chairwoman Mozak met with the Governance Coach to discuss a plan of approach in developing relationships and meeting with moral owners. He will be working with the ODTF to formulate the plan further before presenting it to the Board. There are also plans to have Mr. Hugh Clark provide a presentation in April regarding a 2021 phone survey that garnered relevant information on ridership.

6. BOARD EDUCATION / DISCUSSION

6.1 Building Ridership: Opportunities & Challenges

Mr. Carpenter provided the Board a presentation ([Packet page 95](#)) on transit ridership and ridership growth as an introduction to a planned March presentation on innovation. His presentation provided historical ridership data and trends, noting that area ridership is strong locally and compared nationally to other transit agencies of the same size / population density. The organization has plans in place to address ridership supply and demand along with the Board specifying ridership growth be included in its Annual Plan of work.

Board members discussed continuing to expand and grow relationships with local schools (specifically, Ypsilanti Community Schools) and focus on student riders, and expanding the use of park and rides.

7. POLICY

8. OPERATIONAL UPDATES

8.1 FY24 Q1 Financial Report

Ms. Reed shared highlights from the FY24 Q1 Financial report with fares/contracts and revenue from property taxes shown as two favorable budget variances on the income statement. These variances are expected to continue through the year. There was an increase in investment interested in the CDARS and ICS accounts.

Salaries/wages/benefits expenses are currently under budget but will be increasing over the remainder of the year as hiring increases to accommodate service expansions.

Pandemic relief funds continue to be used and are projected to be depleted at the end of Q3 – this will be when millage funding is received. Capital reserves are slightly above \$33 million and operating reserve targets are being met.

8.2 ZEB Updates

Mr. Carpenter shared that shortly after the January Board meeting, the FTA had released the Notice of Funding Opportunity and Ms. Reed is currently working with a grant writing team on the No-Lo Grant which has a submission deadline of April 25th. The team is still working on the number of buses to include in the grant proposal and looking at other funding opportunities to pursue. He noted to the Board that even if/when funding is secured, with only 2 bus manufacturers in North America, delivery timelines are longer. Staff will also be working on a Transition Plan to present to the Board.

8.3 CEO Report

Mr. Carpenter shared that outside of the items within the report, the organization has been involved in the discusses with MDOT and US-23 expansion plans.

Board members had inquired about staffing with upcoming services increases and Mr. Brooks and Mr. Carpenter shared an update on hiring plans in progress.

9. EMERGENT ITEMS

No emergent items noted.

10. CLOSING ITEMS

10.1 Action Item Recap

Mr. Hugh Clark will be presenting an overview of the 2021 phone survey in April, add to Governance Committee agenda a discussion on survey questions for Policy 4.0-4.4, also add to Governance Committee discussion that board members are interested in learning more about park and ride.

10.2 Topics for Next Meetings

Communication & Support to the Board (2.9)
Financial Conditions (2.5)
Cash & Investments (2.6)
Innovation Presentation
FY24 Q1 Service Report
ZEB Updates

10.3 Public Comment

Mr. Mogensen briefly outlined subsidized ridership opportunities and the impact of increased fares on paratransit. He also asked the organization to consider how park and rides can impact service routes for those that are transit dependent.

10.4 Adjournment

Mr. Chang 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. Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

Chairwoman Mozak adjourned the meeting at 9:16 pm.

Respectfully Submitted by Deborah Holt

Governance Committee Meeting Notes

Meeting Date/Time: Monday, February 26, 2024 – 10:00am-Noon

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

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

Location: REMOTE – Via Zoom

Chairwoman Mozak called the meeting to order at 10:04am

Agenda Item
<p>1. OPENING ITEMS</p> <p>1.1 Agenda (Additions, Approval)</p> <p>No changes or additions noted for the agenda.</p> <p>1.2 Communications</p> <p>No new communications noted.</p>
<p>2. BOARD DEVELOPMENT</p> <p>2.1 Recruitment / Training / Attendance</p> <p>Chairwoman Mozak shared that three board members are up for re-appointment in May.</p> <p>2.2 Task Force Coordination (ODTF)</p> <p>Chairwoman Mozak shared that Mr. Chang is moving forward with connecting with community moral owners as he had discussed during the Board meeting.</p> <p>2.3 Conferences for Board Members</p> <p>Mr. Carpenter shared information about two upcoming conference opportunities in DC and Lansing –four board members will be attending along with staff. He also noted that APTA has additional upcoming conferences / meetings opportunities throughout the year that Board members are welcome to attend.</p> <p>There will be a Policy Governance Bootcamp in June that board members are encouraged to attend as it relates to policy governance educational development.</p>

2.4 Board Meeting Location Debrief

The committee discussed the February Board meeting that was held at the Riverside Arts Center – they noted some technical challenges had occurred during the meeting and how they might be addressed at future meetings. They requested staff explore possible alternative venues in Ypsilanti for a future meeting to have a comparison of locations. They also asked staff to consider methods of better publicizing Board meetings to garner more public participation. Discussions will continue next month.

3. POLICY MONITORING & DEVELOPMENT

4. STRATEGY & OPERATIONAL UPDATES: CEO

4.1 ZEB Updates

Mr. Carpenter shared a brief update with no notable new information beyond what had been shared at the Board meeting. Staff are working on the grant request and finalizing details along with exploring additional funding opportunities. Committee members and staff also discussed that it would be helpful if staff shared a brief overview of information to board members as grant applications and funding requests are submitted. This would be included with ZEB updates.

5. CLOSING ITEMS

5.1 Committee Agendas

Mr. Miller had no changes or updates to the Service Committee agenda. Mr. Allemang had no changes or updates to the Finance Committee agenda. Committee members reviewed the March Board meeting agenda noted to add “procedure” after whistleblower under upcoming discussion items. The Vehicle Accessibility Plan approval will also be added to the Consent Agenda.

5.2 Action Item Recap

Mr. Carpenter will send out information to Board about PG Bootcamp and upcoming email conferences, staff will continue exploring alternative meeting locations in Ypsilanti and return for discussion, Policy Governance consultant will be invited to the Service Committee meeting.

5.3 Topics for Next Meeting

ZEB Updates
Annual Plan of Work
Parliamentary Procedure
May: Whistleblower Procedure

5.4 Adjournment

Chairwoman Mozak thanked the committee and staff and adjourned the meeting at 11:29 am.

Respectfully Submitted by Deborah Holt

Service Committee Meeting Notes

Meeting Date/Time: March 5, 2024, 9:30-11:00am

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

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

Location: REMOTE – Via Zoom

Mr. Miller called the meeting to order at 9:30am

Agenda Item
<p>1. OPENING ITEMS</p> <p>1.1 Agenda (Additions, Approval)</p> <p>There were no new additions or changes to the agenda.</p> <p>1.2 Communications</p> <p>No new communications.</p>
<p>2. STRATEGY & OPERATIONAL UPDATES: CEO</p> <p>2.1 FY24 Q1 Service Report</p> <p>Mr. Brooks shared the FY24 Q1 Service Report with positive highlights including an 8% increase in boarding (compared to FY23 Q1) with increases in fixed route ridership which lowers the average cost of boarding. Fixed route on-time performance is slightly over 85%. Paratransit has an on-time performance of 98%. It was noted that VanPool and FlexRide have had slight decreases. D2A2 ridership has maintained similar trends to the previous year.</p> <p>2.2 Millage Service Updates</p> <p>Mr. Brooks shared that the next class of MCO's has (13) new hires – these additional staff place Operations on track with the staffing needs necessary for the millage service implementations for August. He also noted that the first service expansions will begin to take place in May.</p> <p>2.3 ZEB Updates</p> <p>Ms. Reed shared that the Lo-No Application is in progress and a first draft of the application materials will be ready soon. The team has been working toward finalizing the number of buses to be requested in the application as well as continuing to explore additional funding opportunities.</p>

3. POLICY MONITORING & DEVELOPMENT

3.1 Public Safety Policy

Governance Consultant Sue Radwan joined the meeting and shared example language for potential policy drafting for a new policy 1.1.4. Her suggestion included a revision of current Ends policies and would center on language that would be defined as riders feeling protected from unsafe conditions (physically or psychologically). She also suggested exploring language for the addition of Executive Limitation 2.6.7.

Committee members discussed ways a safety policy (via Ends or Executive Limitation policies) could be measured by staff.

Ms. Radwan also suggested that ODTF might consider using the proposed creation of new Ends related to safety and incorporate it into community outreach discussions. Committee members discussed and determined the topic would be further explored at their next meeting.

Mr. Miller will be providing a report status at the March Governance Committee and seeking their input on next steps.

4. CLOSING ITEMS

4.1 Action Item Recap

Add public safety status update to Governance Committee meeting agenda for March.

4.2 Topics for Next Meeting

ZEB Updates
Environmental Sustainability (2.11)
Public Safety Policy

4.3 Adjournment

Mr. Miller thanked the committee and staff and adjourned the meeting at 11:02am.

Respectfully Submitted by Deborah Holt

Finance Committee Meeting Notes

Meeting Date/Time: March 12, 2024, 3:00 – 5:00pm

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

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

Location: REMOTE – Via Zoom

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

Agenda Item
1. OPENING ITEMS
<p>1.1 Agenda (Additions, Approval)</p> <p style="padding-left: 20px;">No additions or changes noted to the agenda.</p> <p>1.2 Communications</p> <p style="padding-left: 20px;">No new communications.</p>
2. POLICY MONITORING & DEVELOPMENT
3. STRATEGY AND OPERATIONAL UPDATES
<p>3.1 Financial Conditions (2.5)</p> <p>Ms. Reed shared an overview of the Financial Conditions monitoring report (2.5) and survey and noted all policies were in compliance. She shared a survey comment for policy 2.5.4.1 regarding the \$250k being the limit set for suspected fraud notification for the board. The amount was selected in conjunction with another policy which uses that amount as the threshold allowed for the CEO to approve contracts.</p> <p>The committee discussed the interpretation and if the amount is too high. Ms. Reed noted that policy 2.5.4.1 also states that significant impacts include service impacts, embezzlement, or agency credibility. Ms. Reed will note the committee is recommending the Board discuss this threshold amount for policy 2.5.4.1.</p> <p>Mr. Carpenter also shared several notes he had made within the monitoring report.</p> <p>The committee determined they will recommend the monitoring report be accepted as (A) a reasonable interpretation and would like further discussion from the Board regarding policy 2.5.4.1.</p>

3.2 Cash & Investments (2.6)

Ms. Reed provided a brief overview of the monitoring report for Cash & Investments (policy 2.6) and noted all policies were in compliance. There were no additional comments for discussion from the survey. She also shared that the monitoring period had been updated from twice a calendar year to once every fiscal year.

The committee determined they will recommend the monitoring report be accepted as (A) a reasonable interpretation.

3.3 ZEB Updates

Mr. Carpenter shared recent ZEB updates – Ms. Reed is working with consultants with grant preparation. A transition plan approval is planned for April and the grant submission is due April 25th. Additional funding opportunities are also being explored.

4 CLOSING ITEMS

4.1 Action Item Recap

The committee will recommend to the Board Policy 2.5 and Policy 2.6 monitoring reports be accepted as “A” and further discussion needs to be made regarding the \$250k threshold for policy 2.5.4.1.

4.2 Topics for Next Meeting

ZEB Updates

Mr. Allemang noted the agenda is light for the April meeting and several staff members will be attending a conference - the committee decided to cancel the meeting.

4.3 Adjournment

Mr. Allemang thanked the committee and staff and adjourned the meeting at 3:59pm:

Respectfully Submitted by Deborah Holt

Vehicle Accessibility Plan Approval

Board of Directors Meeting Date: March 21, 2024

INFORMATION TYPE
Decision
RECOMMENDED ACTION(S)
By motion approve the Vehicle Accessibility Plan which is submitted to the Michigan Department of Transportation.
ISSUE SUMMARY
The Vehicle Accessibility Plan process is developed by agency staff with review/input from the AAATA Local Advisory Council. A final draft plan is then approved by the Board of Director's before submission to the Michigan Department of Transportation. Board approval is required for MDOT to finalize the submitted documents. This is a routine required approval.
ATTACHMENTS
<ol style="list-style-type: none"> 1. LAC May 2023 Minutes 2. AAATA Accessibility Plan

Local Advisory Committee

Draft Meeting Summary

May 9, 2023

Time: 1:30 to 3:00 pm

Chair: Cheryl Weber Chair, Andrea Henry Co-Chair

Members: Clark Charnetski
Larry Keeler
Jody Slowins
Rebecca Burke
Stephen McNutt
Elizabeth Aldridge(Not Present)

AAATA Staff: George Brooks, Deputy CEO, Operations
Robert Williams, Manager, Mobility Services
Leo Pittman, Assistant Manager of Bus Operations
Yvette Washington, Manager, Bus Operations
Janessa Freeman, Supervisor of Call taking and Paratransit Scheduling
Latonya Hargrave, Customer Service Officer
Kevin Zelazny, Executive Administrative Assistant

Guests: Kathleen Mozak, Board Liaison and AAATA Board Chair
John Wallace, Mobility Services Manager, WAVE
Eddie Hemp, General Manager, MV
Robert Pawlowski, RTA Citizens Advisory committee Wayne County resident

Agenda Item

1. CALL TO ORDER AND OPENING ITEMS

1.1 General Introductions and Announcements

Co-chairperson Henry called the Meeting to order at 1:35 pm.

Mr. Charnetski informed the group that the City of Ann Arbor Transportation Commission will hold its monthly meeting on Wednesday May 17, 2023, at 7:00pm.

Review and Approval of May Agenda

Mr. Charnetski motioned to approve the agenda as presented. Mr. Keeler seconded. May Agenda was approved as presented.

1.2 Review and Approval of April Meeting Minutes

Mr. Keeler moved to approve the minutes. Ms. Burke seconded. April minutes were approved with noted corrections.

1.4 Public Comment

No public comment at this time.

2. POLICY FEEDBACK TO BOARD

2.1 Board Liaison Report

Ms. Mozak reported that, although there was no Board meeting in April, the board did have their board retreat on April 26th at the Dawn Gabay Operations Center. The retreat involved Policy governance training with Rose Mercier. The April Board meeting could not be held due to not having a Quorum. The Next Board meeting will be held on May 18th at the Ann arbor downtown library.

2.2 WAVE 5 Year VAP

Mr. Wallace gave an update on the WAVE 5-year Vehicle accessibility plan and asked for feedback from the LAC.

2.3 AAATA 5 Year VAP

Mr. Williams gave an update on the AAATA 5-year Vehicle accessibility plan and asked for feedback from the LAC

3.1 Paratransit Service Update

Mr. Williams reported 6804 A ride trips for the month of April. with an on-time performance of 95%. Mr. Williams also that. TheRide is currently interviewing to hire a 1 new call taker.

3.2 Fixed Route Update

Mrs. Hargrave reported that refresher training for MCOs has been completed, which will include Active shooter training. Mrs. Hargrave mentioned a new class of 10 drivers began May 2nd. Mr. Charnetski inquired about the YTC configuration.

3.3 Customer Service update

Mrs. Hargrave mentioned 5 valid complaints and 4 compliments for fixed route for the month of April. Mrs. Hargrave also mentioned that there were 10 valid complaints and 1 compliment for A-ride for the month of April.

4.1 Public Comment and Staff Response

Chairperson weber inquired about a prompt on the A-ride reservation line regarding technical difficulties. Mr. Pawlowski commented on the positive feedback coming into the Authority. Mr. Pawlowski also commended AAATA for providing active shooter training. Mr. Pawlowski inquired about policies and procedures AAATA uses to mitigate bus driver's speeding.

4.2 Action Item Recap and Topics for Next Agenda

Suggested items for the next agenda.
YTC Configuration/Renovation Update

4.3 Adjourn

Mr. Keeler moved to adjourn the meeting. Ms. Burke seconded. The meeting was adjourned at 2:46 pm.

Respectfully Submitted; AAATA Staff



Attachment 2

**Ann Arbor Area Transportation Authority
2700 South Industrial Hwy
Ann Arbor MI, Michigan 48104**

Transmittal Email

2-21-2023(REVISED 2-13-2024)

Deanna Donahoo
Office of Passenger Transportation
Michigan Department of Transportation
P.O. Box 30050
Lansing, MI 48909

Dear Deanna:

Attached to this email please find Ann Arbor Area Transportation Authority (AAATA) updated Accessibility Plan, as reviewed by the agency's Local Advisory Council on 5-9-2023 (see enclosed minutes of LAC meeting), and by the agency's governing body on (6-13-2023).

Please contact me at your convenience if you have any questions.

Sincerely,

Robert Williams
Manager, Mobility Services
Ann Arbor Area Transportation Authority

/Enclosures

AAATA ACCESSIBILITY PLAN

**Accessibility Plan
Ann Arbor Area Transportation Authority
2700 South Industrial Hwy
Ann Arbor, Michigan 48104**

1. Purpose

This accessibility plan is submitted in compliance with Section 10e(18) of the Michigan Transportation Fund Act (MCL 247.660e) (hereinafter “the Act”) and the official administrative rules for administration of Michigan’s Comprehensive Transportation Fund. The purpose of this accessibility plan is to describe the demand-response service provided by Ann Arbor Area Transportation Authority (AAATA) to senior persons and individuals with disabilities. This accessibility plan demonstrates it is the policy of AAATA to comply with the following requirements of Section 10e(18):

- A. That demand-response service is provided to persons 65 years of age or older and individuals with disabilities residing in AAATA’s entire service area. (See attached map defining the service area.)
- B. That as a minimum, demand response service is provided to people 65 years of age or older and individuals with disabilities during the same hours as service is provided to all other persons in AAATA’s service area.
- C. That the average time required for demand response service to persons 65 years and older and individuals with disabilities, from the initiation of a service request to arrival at the destination, is equal to the average time period required for demand response service provided to all other persons in AAATA’s service area.
- D. That AAATA has established a Local Advisory Council with not less than 50 percent of its membership representing persons 65 years of age or older and individuals with disabilities in AAATA’s service area. At least one member (or 12 percent of membership has been appointed jointly with the area agency on aging. The Local Advisory Council has had an opportunity to review and comment on this plan before its submission to the Michigan Department of Transportation. (See attached AAATA Local Advisory Council minutes)

All rules cited below refer to the official administrative rules for the administration of the Comprehensive Transportation Fund. These rules are found in the Michigan Administrative Code, beginning at Rule 241.4101, et seq.

2. Definition of Senior and Individual with a Disability - Rule 201 (2) (c)

As used in this Accessibility Plan

(a) “individual with a disability” means an individual who has a physical or mental impairment that substantially limits one or more of the major life activities of such individual, a record of such impairment, or being regarded as having such an impairment. See Michigan Administrative Code Rule 247.4101(1)(m).

(b) “senior” means an individual 65 years of age or older.

3. Number of Senior and Individuals with Disabilities in Service Area - Rule 201 (2) (c)

AAATA estimates that a total of 48,080 persons fitting the above definitions reside in the agency’s defined service area.

4. Description of Plan Development Process and Local Advisory Council Involvement - Rule 201(2) (e)

AAATA developed this plan using the following process:

- a. Agency staff drafted a plan, incorporating all information required by R 247.4201 and R247.4202 of the Michigan Administrative Code
- b. The draft plan content was reviewed at a meeting of the AAATA Local Advisory Council, held on 5-9-2023, wherein the Local Advisory Council was given opportunity to review and comment on the content of the plan. In accordance with Sec. 10e(18)(d) of the Act, all comments on the plan received at this meeting by Local Advisory Council members are contained in a separate section of this plan, below.
- c. A final draft plan was submitted to and approved by AAATA’s governing body.

5. Local Advisory Council Composition - Rule 202

AAATA’s Local Advisory Council is currently comprised of 7 members, which meets or exceeds the required minimum of three members. In accordance with Rule 202, no member of the Local Advisory Council is an employee, executive committee member, or governing board member of AAATA. AAATA ensures that at least 50 percent of its Local Advisory Council membership represents persons who are 65 years of age or older and persons who have disabilities within the agency’s defined service area. AAATA further ensures that at least one member of its Local Advisory Council (or one of every eight members, whichever is larger) is approved jointly with the area agency on aging. AAATA further ensures that its Local Advisory Council membership will include people who have diverse disabilities and the senior who are users of public transportation. AAATA’s Local Advisory Council is, at the time of adoption and submission of this plan, composed of the following members:

1. LAC Chairperson Name Cheryl Weber

This Member is a:

- Person with Disabilities
- Person 65 years and older
- Neither of the above groups
- Represents one of the above

AFFILIATION

(name of organization if any)

This member is:

- Jointly appointed by the area agency on aging
- A user of public transportation
- Neither of the above

2. Andrea Henry (Co-Chair)

NAME

This Member is a:

- Person with Disabilities
- Person 65 years and older
- Neither of the above groups
- Represents one of the above

Center for Independent living

AFFILIATION

(name of organization if any)

This member is:

- Jointly appointed by the area agency on aging
- A user of public transportation.
- Neither of the above

3. Jody Slowins

NAME

This Member is a:

- Person with Disabilities
- Person 65 years and older
- Neither of above groups
- Represents one of the above

AFFILIATION

(name of organization if any)

This member is:

- Jointly appointed by the area agency on aging
- A user of public transportation
- Neither of the above

4. Clark Charnetski

NAME

This Member is a:

- Person with Disabilities
- Person 65 years and older
- Neither of above groups
- Represents one of the above

Area Agency on Aging 1B

AFFILIATION

(name of organization if any)

This member is:

- Jointly appointed by the area agency on aging
- A user of public transportation
- Neither of the above

5. Larry Keeler

NAME

This Member is a:

- Person with Disabilities

AFFILIATION

(name of organization if any)

This member is:

Person 65 years and older
 Neither of above groups
 Represents one of the above

Jointly appointed by the area agency on aging
 A user of public transportation
 Neither of the above

6. Rebecca Burke
NAME

AFFILIATION
(name of organization if any)
This member is:

This Member is a:
 Person with Disabilities

Person 65 years and older
 Neither of above groups
 Represents one of the above

Jointly appointed by the area agency on aging
 A user of public transportation
 Neither of the above

7. Elizabeth Aldridge
NAME

AFFILIATION
(name of organization if any)
This member is:

This Member is a:
 Person with Disabilities

Person 65 years and older
 Neither of above groups
 Represents one of the above

Jointly appointed by the area agency on aging
 A user of public transportation
 Neither of the above

7. Stephen McNutt
NAME

AFFILIATION
(name of organization if any)
This member is:

This Member is a:
 Person with Disabilities

Person 65 years and older
 Neither of above groups
 Represents one of the above

Jointly appointed by the area agency on aging
 A user of public transportation
 Neither of the above

6. Present Vehicle Inventory – Rule 201 (2) (a)

AAATA's demand response vehicle inventory presently in service is as follows:

a. Number of demand response vehicles presently in service purchased using Comprehensive Transportation Fund monies = 35

b. Number of accessible demand response vehicles presently in service purchased using Comprehensive Transportation Fund monies = 35

7. Anticipated Vehicle Inventory – Rule 201 (2) (b)

AAATA’s anticipated demand response vehicle inventory is as follows:

- a. Number of demand response vehicles in agency’s anticipated fleet which will be purchased using Comprehensive Transportation Fund monies = 35
- b. Number of accessible demand response vehicles in agency’s anticipated fleet which will be purchased using Comprehensive Transportation Fund monies = 35

8. Narrative Summary of Vehicles Requested – Rule 201 (2) (l)

As indicated above, the agency currently operates or plans to operate a total of 35 demand response vehicles. Of these vehicles, the total number that will be fully accessible to seniors and individuals with disabilities is 35 vehicles. The reason for operating or planning to operate this number of accessible vehicles is: (All revenue vehicles owned by AAATA are fully accessible due to vehicles providing paratransit service.)

9. Fare Structure - Rule 201 (2) (d)

AAATA’s fare structure that is in use for seniors, individuals with disabilities, and the general public for demand response and fixed route service is as follows:

	General Public	Seniors/Disabled Peak	Seniors/Disabled Non-Peak
Demand Response	Flexride East/West \$1.00 – Flexride Night/Holiday \$5.00	Flexride East/West Free (all day) – Flexride Night/Holiday -\$2.50 Flexride Gold - \$20.00	Flexride East/West Free (all day) – Flexride Night/Holiday -\$2.50 Flexride Gold - \$20.00
Fixed Route	\$1.50	Free (all day)	Free (all day)

10. Map and Narrative Description of Service Area – Rule 201 (2) (f)

For fixed route and demand-response service, AAATA’s Service Area is: Ann Arbor City, Ypsilanti City, Portions of Pittsfield Township, Ypsilanti Township, Superior Township, and Scio Township.

Refer to the attached map of AAATA service area, depicting AAATA service area and routes.

11. Service Schedule – Rule 201 (2) (g)

AAATA's current service schedules, including hours of day and days per week for fixed route and demand response service is as follows:

Fixed Route: Monday thru Friday 6:00am – 12:30am, Saturday 7:15am – 10:45pm, Sunday 8:00am-7:00pm

Paratransit: Monday thru Friday 6:00am – 12:30am, Saturday 7:15am – 10:45pm, Sunday 8:00am-7:00pm

Goldride Senior Service: Monday thru Friday 6:00am – 12:30am, Saturday 7:15am – 10:45pm, Sunday 8:00am-7:00pm

Flexride East Micro transit: Monday thru Friday 6:00am – 10:00pm, Saturday 8:00am – 9:00pm, Sunday 9:00am-7:00pm

Flexride West Micro transit: Monday thru Friday 7:00am – 7:00pm, no Saturday or Sunday Service

12. Schedules in Alternative Formats – Rule 201 (2) (h)

AAATA has made arrangements to produce copies of its current service schedule in an alternative format that can be utilized by persons who are blind or have other disabilities.

13. Vehicle Availability On Other Than Regular Service Hours and Days – Rule 201 (2) (i)

AAATA owned vehicles do not make demand-response service vehicles available for use during hours or days other than regular service hours and days. AAATA confirms that accessible transit vehicles are available for use by the senior and individuals with disabilities to the same extent as the general public.

14. Advance Requests for Demand Actuated Service – Rule 201 (2) (j)

AAATA does not require that the seniors, people with disabilities, and general public must make an advance request to obtain demand response service (Paratransit service does require advance requests). For paratransit, the required advance request time period is 1 to 3 days.

15. Constraints on Capacity and Restrictions on Trip Purpose – Rule 201 (2) (k)

AAATA has no constraints on capacity or restrictions on trip purposes.

16. Local Advisory Council Comments on this Plan – Rule 201(2) (m)

AAATA's Local Advisory Council members made the following comments about this plan:

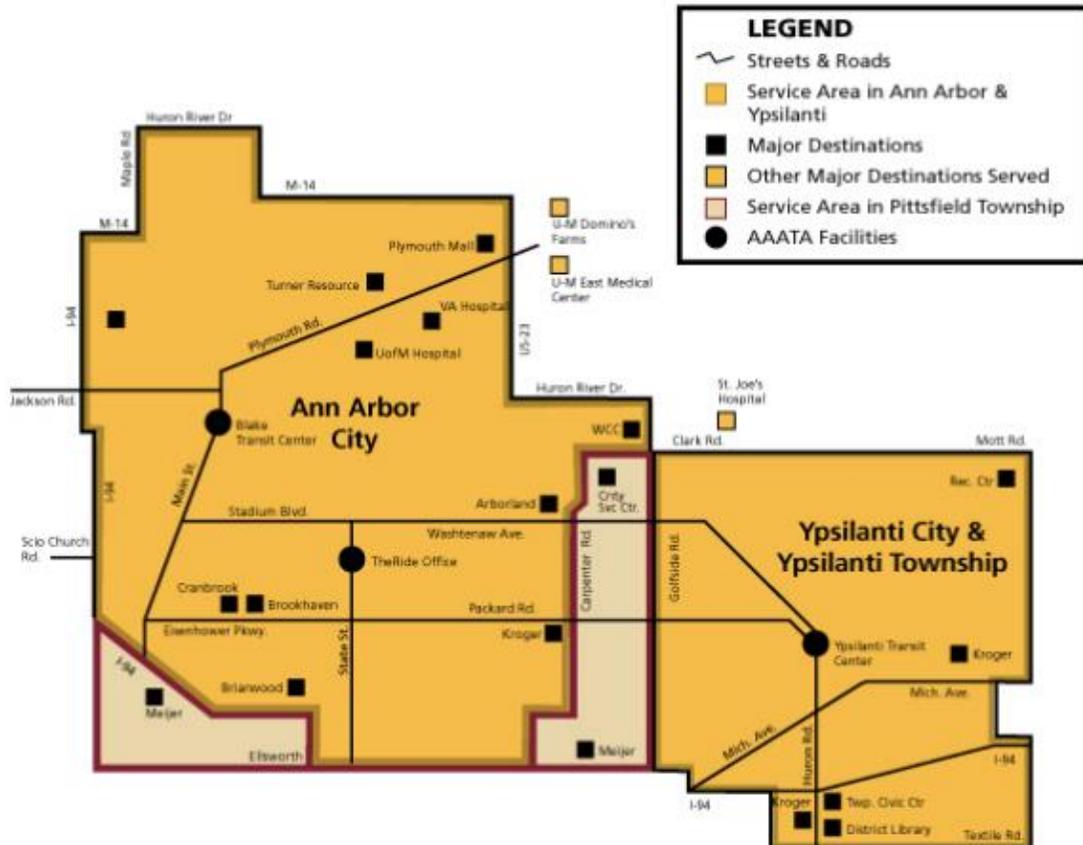
Grammatical corrections to document. Ensure LAC members have corrected affiliations and identifications. Detailed distinction of service fares to ensure clarity.

**17. Agency Response to Local Advisory Council Comments on the Plan
– Rule 201 (2) (n)**

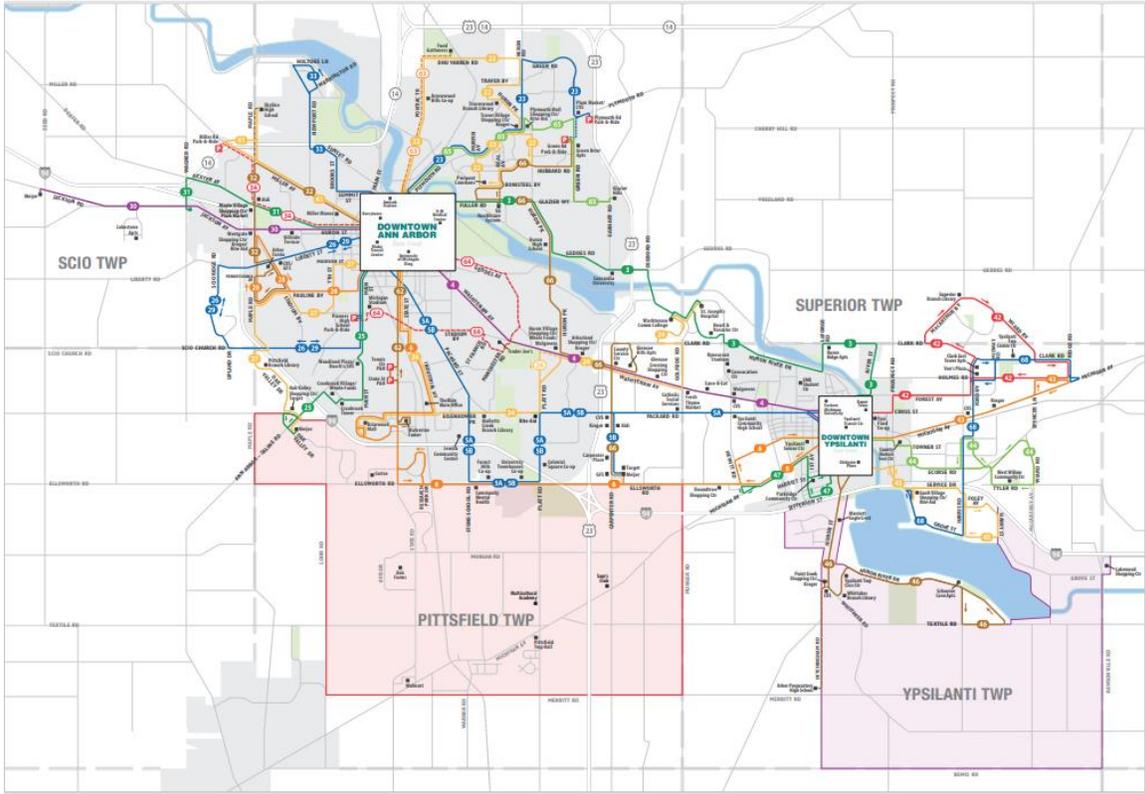
AAATA made the following response to its Local Advisory Council regarding the above comments:

Noted corrections would be made.

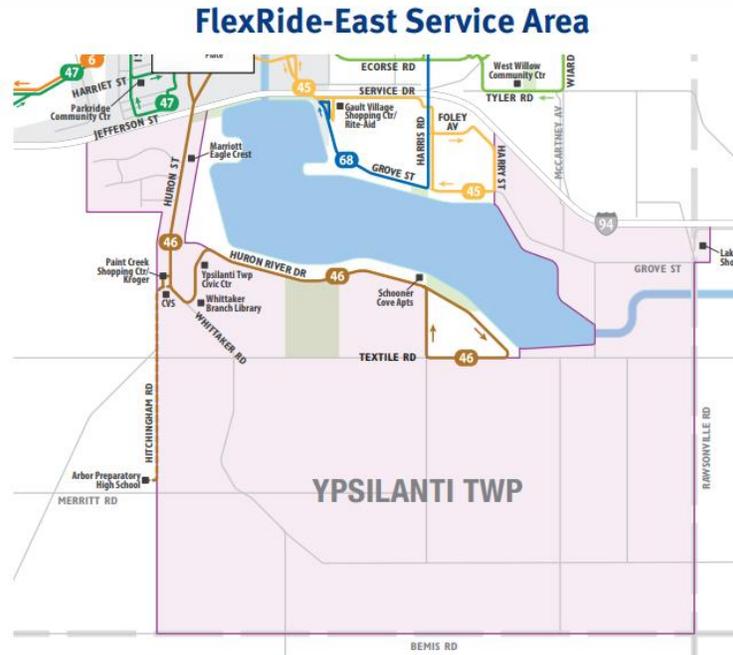
Service Area Map



AAATA Fixed route Service area



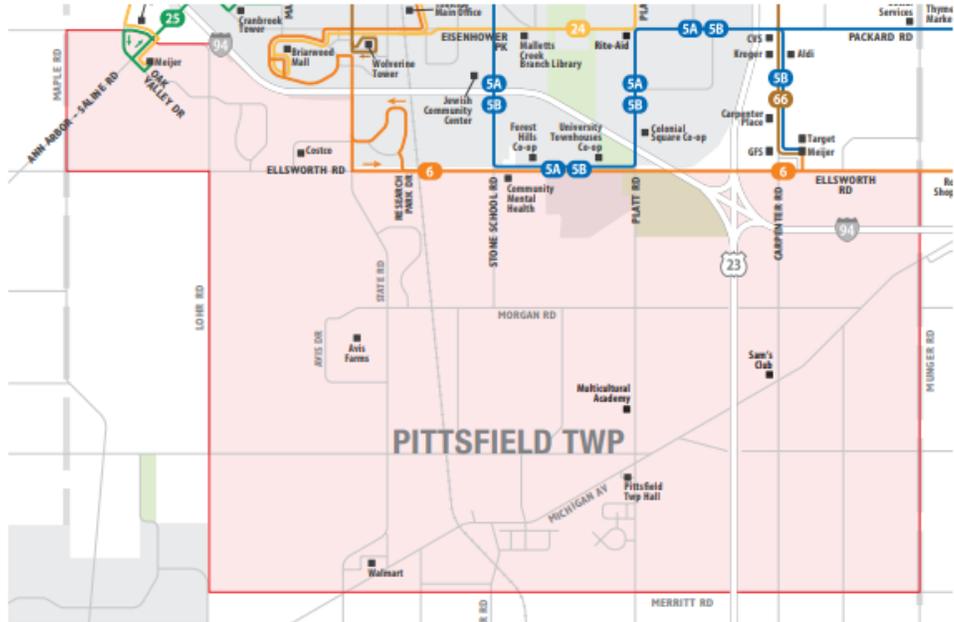
Flexride east service Area



Effective 1/23/22 Winter 2022

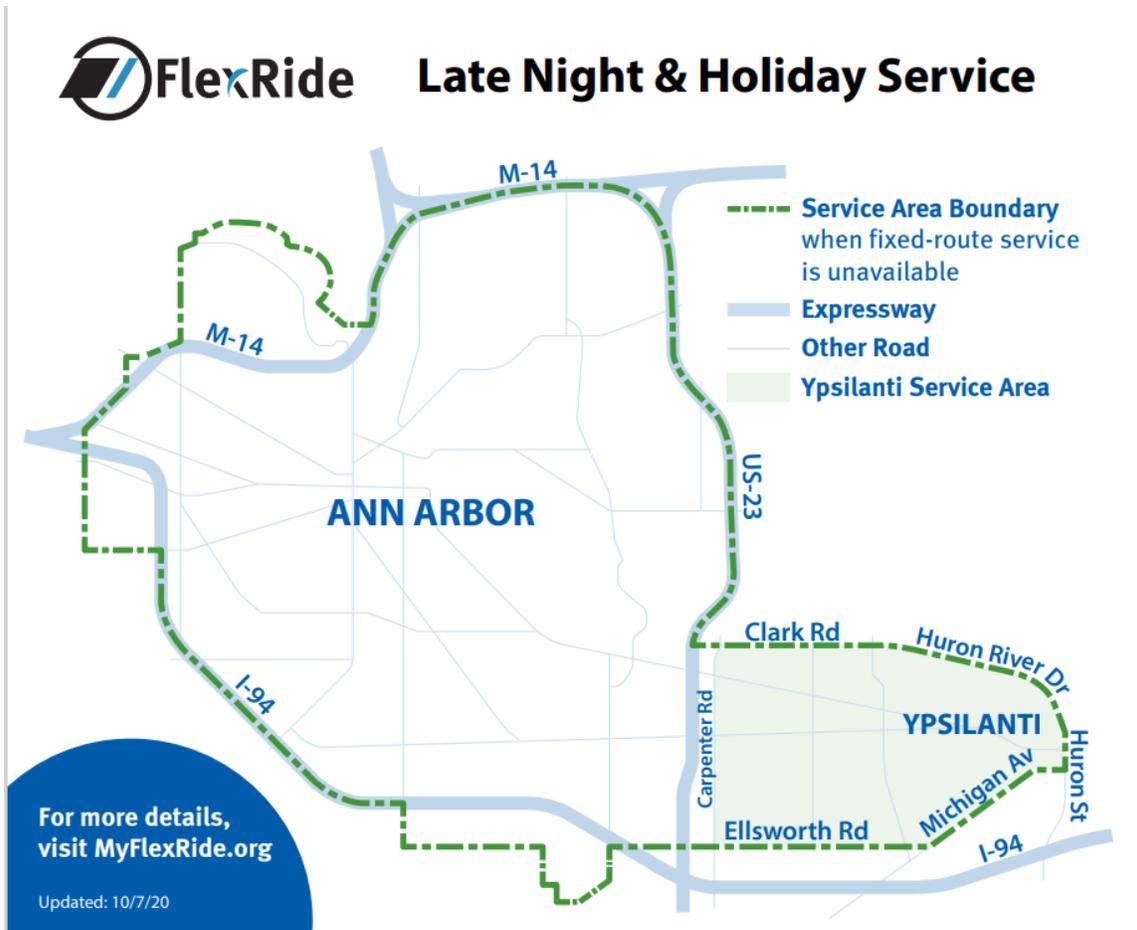
Flexride West

FlexRide-West Service Area



Effective 1/23/22 Winter 2022

Late Night/Holiday service area



**Financial Conditions & Activities (Policy 2.5)
Monitoring Period: Fiscal Year 2023**

Finance Committee Meeting Review Date: March 12, 2024

Board of Directors Meeting Review Date: March 21, 2024

INFORMATION TYPE
Monitoring
RECOMMENDED ACTION(S)
<p>That the Board review this monitoring report and consider accepting it as:</p> <p>(A) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations.</p> <p>(B) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations, except for the CEO’s stated non-compliance with item(s) x .x, which the Board acknowledges and accepts the proposed dates for compliance.is making reasonable progress towards compliance.</p> <p>(C) 1. For policy items x.x.x – there is evidence of compliance with a reasonable interpretation 2. For policy items x.x.x – the interpretation is not reasonable 3. For policy items x.x.x – the interpretation is reasonable, but the evidence does not demonstrate compliance 4. For policy items x.x.x – the Board acknowledges and accepts the CEO’s stated non-compliance and the proposed dates for compliance</p>
PRIOR RELEVANT BOARD ACTIONS & POLICIES
<p>Monitoring Reports are a key Policy Governance tool to assess organizational/CEO performance in achieving Ends (1.0) within Executive Limitations (2.0). A Policy-Governance-consistent Monitoring Process is:</p> <ol style="list-style-type: none"> 1. CEO sends Monitoring Report to all board members 2. At Board meeting, board accepts Monitoring Report through majority vote (or if not acceptable, determines next steps)
ISSUE SUMMARY
<p>TheRide’s Board of Directors establish policies that define what methods are unacceptable to use to achieve expected results, called Executive Limitations. This monitoring report provides the CEO’s interpretations of those policies, evidence of</p>

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 June and was submitted in June.

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

2/27/2024

ATTACHMENTS

1. Monitoring report for Financial Condition & Activities (Policy 2.5)

Table of Contents

POLICY TITLE: ASSET PROTECTION:	Page #	Compliance
2.5 With respect to the actual, ongoing financial condition and activities, the CEO will not cause, allow or fail to address the development of fiscal jeopardy or deviation of actual expenditures from Board priorities established in Ends policies. Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:	5	
2.5.1 Operate without policies, processes and procedures that are necessary to meet generally accepted standards for financial management, cash handling, and accounting.	6	
2.5.2 Operate in a manner that would jeopardize federal and state funding, including an up-to-date procurement manual.	7	
2.5.3 Receive, process or disburse funds under controls that are insufficient to meet the Board-appointed auditor's standards.	8	
2.5.4 Compromise the independence the Board's audit or other external monitoring or advice.	9	
2.5.4.1 Fail to provide the Board with timely information regarding fraud, suspected fraud or financial mismanagement.	10	
2.5.4.2 Fail to provide the Board with information and access to internal controls that allows Board review of fraud, suspected fraud or financial mismanagement.	12	
2.5.5 Allow expenditures that exceed the overall Board-approved budget.	12	
2.5.5.1 Allow cost overruns on capital projects.	13	
2.5.6 Authorize contracts not anticipated in the current budget with a value greater than \$250,000.	13	
2.5.6.1 Split purchases or contracts into smaller amounts in order to avoid the above limit.	14	
2.5.7 Use funds from the Capital Reserve	15	
2.5.8 Operate without a reserve policy that covers near-term core operating expenses in case of funding shortages.	15	
2.5.9 Adjust tax rates assessed by the Authority.	17	
2.5.10 Acquire, encumber, or dispose of real estate.	17	
2.5.11 Encumber the agency with financial debt without previous authorization from the Board.	18	

 Fully Compliant
  Partially Compliant
  Non-Compliant

Financial Conditions & Activities (Policy 2.5)

Preliminary CEO Interpretations and Evidence

POLICY 2.5
With respect to the actual, ongoing financial condition and activities, the CEO will not cause, allow or fail to address the development of fiscal jeopardy or deviation of actual expenditures from Board priorities established in Ends policies. Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:
Degree of Compliance: Compliant
Interpretation
<p><u>Measure/Standard & Level of Achievement</u> Compliance with policies 2.5.1 – 2.5.11.2 will demonstrate compliance with this policy.</p> <p><u>Rationales</u> This is reasonable because the Board has fully articulated its expectations in the policies below.</p>
Evidence
Policies 2.5.1 through 2.5.11.2 are compliant, and hence this policy is compliant.

POLICY 2.5.1
Operate without policies, processes and procedures that are necessary to meet generally accepted standards for financial management, cash handling, and accounting.
Degree of Compliance: Compliant
Interpretation
I interpret this to mean that we are required to 1) have policies and procedures in place and 2) that they are followed.
<p><u>Measure/Standard & Level of Achievement</u> Compliance will be demonstrated when:</p> <ol style="list-style-type: none"> 1. TheRide maintains a financial <i>Internal Control System Manual (ICSM)</i> which is consistently reviewed, updated and followed. 2. Within six months after the end of each fiscal year, an external audit firm completes an independent audit report and single audit review of TheRide’s financial statements using

auditing standards generally accepted in the United States of America, and Board policies, and which achieves the following:

- a. “Unmodified” opinion of the financial statements presented in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and Government Auditing Standards for internal control and compliance.
- b. No repeat findings and no compliance findings in the financial statement findings.

Rationales

This is reasonable because:

1. The ICSM includes detailed financial management, cash handling, and accounting policies and procedures that are compliant with GASB and Government Auditing Standards. Staff are required to follow the ICSM. The ICSM is updated as processes are updated.
2. Six months is reasonable because the State of Michigan Office of Management and Budget requires a completed audit be provided by six months after the end of the fiscal year.
3. An “Unmodified” opinion indicates that financial statements are accurate and complete as presented with the audit.
4. No repeat findings indicates that any weaknesses are promptly resolved in a manner that was satisfactory with the independent auditor.
5. No compliance findings indicate that any audit findings did not result in misreporting or compliance issues with regulatory agencies.

Evidence

1. A review of records (Reed, 2/16/2024) found that TheRide’s *Internal Control System Manual* was adopted by the CEO in 2019 and was updated in October 2021 by Finance staff to reflect routine process and terminology changes.
2. The external audit firm of UHY, LLC. Completed an independent financial audit of TheRide’s financial statements and internal control and compliance testing for FY2023 and provided a completed audit document with financial statements on February 20, 2024. As indicated in the Summary of Auditor’s Results (Audit 2023, pp. 59-61), the auditors issued an “Unmodified” report, which is the highest rating for the audit. While there was one significant deficiency reported, the finding was not a repeat finding and the finding did not result in misreporting or compliance issues with regulatory agencies. A detailed explanation is provided in the audit report.

POLICY 2.5.2

Operate in a manner that would jeopardize federal and state funding, including an up-to-date procurement manual.

Degree of Compliance: Compliant

Interpretation

Measure/Standard & Level of Achievement

Compliance will be demonstrated when TheRide operates in compliance with the following regulatory requirements:

1. Within six months after the end of each fiscal year, an external firm provides an independent audit report indicating an “Unmodified” opinion of TheRide’s major federal programs using generally accepted accounting standards and audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
2. The FTA Triennial Review is completed as indicated with a closeout letter from the FTA.
3. Michigan Department of Transportation (MDOT) agreements are executed as required, as follows:
 - a. Master Agreement, executed every five (5) years, and
 - b. Annual grant agreements are executed annually.
4. TheRide maintains an approved *Procurement Manual* that is accepted by the FTA as determined in the Triennial Review.

Rationales

This is reasonable because:

1. Generally accepted accounting principles in the United States and standards applicable to financial audits contained in *Government Auditing Standards* are issued by the Comptroller General of the United States. Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is the Uniform Guidance (set of standards) provided by the Federal Government pertaining directly to agencies receiving federal awards.
2. TheRide’s largest source of grant funding is the Urbanized Area Formula Grant program. Compliance with this and other capital programs are monitored by the FTA primarily through the Triennial Review Process. Compliance with the Triennial Review process is required to maintain access to grant funding. FTA is responsible for conducting oversight activities to ensure that recipients of grants use the funds in a manner consistent with their intended purpose and in compliance with regulatory and statutory requirements. A satisfactory closeout letter demonstrates any review issues have been resolved and TheRide is compliant with FTA grant program requirements.
3. A signed master agreement must be on file with the Michigan Department of Transportation (MDOT) Office of Passenger Transportation (OPT) must be on file before any federal or state grant funds can be made available to the agency. Further, the OPT master agreement contains all the information that is required for purchasing, billings, payments, audits,

budget adjustments, revisions, and amendments that the transit agency needs to maintain compliance with MDOT.

4. Procurement thresholds established in federal regulations and Board policy provide the framework for processes and procedures described in detail in TheRide’s *Procurement Manual*. The Procurement Manual complies with federal and state requirements and is followed by staff as verified through the FTA Triennial Review process.

Evidence

1. The external audit firm of UHY, LLC. completed an independent financial audit of TheRide’s major federal programs for FY2023 and provided a completed audit document with financial statements on February 20, 2024. The audit report provided an “Unmodified” opinion and stated that AAATA “complied, in all material respects, with the types of compliance requirements ... that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023” (Audit, p. 54).
2. The FTA FY2022 Triennial Review closeout letter was provided on January 3, 2023 and indicated that all deficiencies identified in the FTA FY2022 Triennial Review were resolved and the report is closed. The next triennial review will be in FY2025.
3. The Master Agreement with MDOT OPT was executed on April 7, 2022 and is effective for program years 2022 through 2025. Annual grant agreements from the Michigan Department of Transportation are fully awarded and executed for FY2023 and for FY2024. The FY2025 grant application was submitted to MDOT timely on February 1, 2024. Approval is anticipated in April 2024.
4. TheRide’s Procurement Manual was updated and adopted by the CEO in FY2021. Procurement thresholds established in federal regulations and Board policy were updated to reflect improved processes and procedures, and current terminology and references. The Board was provided information regarding the updated manual in the CEO Report of the September 23, 2021 Board Meeting. There have been no further updates to the Procurement Manual. The FTA FY2022 Triennial Review indicated no open issues with the Procurement Manual; the document is FTA compliant.

POLICY 2.5.3

Receive, process or disburse funds under controls that are insufficient to meet the Board-appointed auditor’s standards.

Degree of Compliance: Compliant

Interpretation

Measure/Standard & Level of Achievement

I interpret this to mean that internal controls, policies and procedures are in place and followed to provide reasonable assurance that funds are collected, managed and spent for purposes and in a

manner that is consistent with Board policies and are found by an auditor to prevent deficiencies in internal control over compliance.

Compliance will be demonstrated when:

1. TheRide maintains a financial *Internal Control System Manual (ICSM)* which is consistently reviewed and followed and includes receipt, processing, and disbursement of funds control procedures.
2. Internal controls are reviewed and tested by an external audit firm annually as described in Policy 2.5.1, and the independent audit report identifies no deficiencies in the audit report.

Rationales

This is reasonable because the ICSM includes detailed financial management, cash handling, and accounting policies and procedures that are compliant with GASB and Government Auditing Standards and are followed by Finance staff.

Evidence

A review of records (Reed, 2/16/2024) confirmed that TheRide’s *Internal Control System Manual* was updated and adopted by the CEO in FY2019. Subsequent updates by staff had no material impact on controls that required additional CEO approval.

Internal controls regarding internal controls were reviewed and tested as described by the FY2023 Audit report and no findings or repeat findings were identified. The section of the report “Report on Internal Control over Compliance” states that “...during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weakness...” (Audit 2023, p. 56).

POLICY 2.5.4

Compromise the independence of the Board’s audit or other external monitoring or advice.

Degree of Compliance: Compliant

Interpretation

Measure/Standard & Level of Achievement

Compliance will be demonstrated when groups the Board uses to assist them with oversight or advice (e.g. auditors, legal counsel, governance consultants, etc) provide written confirmation of the following:

1. The Board has direct and unfettered access to the auditing firm through the firm’s pre-audit communication and a post-audit communication, and
2. The auditor provides an independent audit report in writing and through presentation to the Board at a public meeting.
3. The CEO or staff have not interfered with the relationship of other groups providing independent monitoring or advice to the Board.

Rationales

This is reasonable because the independent confirmation from the outside groups is conclusive, and because these groups are hired by the Board itself, the CEO is unable to unduly influence their response.

Evidence

A review of records (Reed, 2/22/2024) indicates that the following firms have provided written confirmation indicating agreement with the points outlined in the interpretation, as applicable:

- The Governance Coach (Mercier, February 2024) – Governance consultant
- UHY, LLC. (Beach, February 2024) – Auditors
- Dykema (Muskovitz, February 2024) - Corporate Counsel

POLICY 2.5.4.1

Fail to provide the Board with timely information regarding fraud, suspected fraud or financial mismanagement.

Degree of Compliance: Compliant

Interpretation

I interpret this to mean the Board wants to quickly be notified regarding *significant* instances of actual or suspected financial fraud, embezzlement, or staff errors.

Measure/Standard & Level of Achievement

Compliance will be demonstrated when the Board, Governance Committee or Treasurer are notified of a significant incident within five business days after the CEO or Deputy CEO becomes aware.

I define *significant* to mean impacts that:

1. Jeopardizes, or could jeopardize, continuity of services to customers,
2. Causes significant financial harm (defined as over \$250,000),
3. Involves a person in a position of authority and involves embezzlement for personal reasons, and/or
4. Could harm public credibility for the organization.

Rationales

These interpretations are reasonable because:

1. Low-level fraud and attempted fraud are an unfortunate reality and are too numerous or unimportant to spend Board time on. Most are addressed through disciplinary or law enforcement measures.
2. Minor staff errors are addressed through HR processes for performance management.

3. The definition of significance ensures that the Board will be notified of incidents that are truly serious.
4. \$250,000 represents a significant amount of funds but only 0.45% of the FY2023 operating budget.
5. Five business days is an appropriate time for senior staff to confirm the nature of an incident and prepare information for the Board.
6. Depending on the issue it may be appropriate to notify the Chair (policy 3.5), Governance Committee (3.7.1), or Treasurer (Bylaws, Art II, sec 5) prior to notifying the full Board.
7. Staff immediately take steps to stop any financial losses without further direction from the Board so losses are minimized.

Evidence

A review of records by the CEO and CFO (Carpenter, Reed; 2/20/2024) verified that there were no significant instances of fraud, attempted fraud, or financial mismanagement within the fiscal year.

POLICY 2.5.4.2

Fail to provide the Board with information and access to internal controls that allows Board review of fraud, suspected fraud or financial mismanagement.

Degree of Compliance: Compliant

Interpretation

Measure/Standard & Level of Achievement

Compliance will be demonstrated by providing any financial information requested by the Board including internal controls.

Rationales

This is reasonable because the Board already has power to directly inspect any agency record at any time.

Evidence

A review of records by the CEO and CFO (Carpenter, Reed; 2/20/2024) confirms that there have been no requests from the Board for access to this information. There are no motions or resolutions on-record requesting such information.

POLICY 2.5.5

Allow expenditures that exceed the overall Board-approved budget.

Degree of Compliance: Compliant

Interpretation

I interpret this to mean that the total of actual operating and capital expenses (excluding depreciation) for the fiscal year will not exceed total budgeted operating expenses as approved by the Board.

Measure/Standard & Level of Achievement

Compliance will be demonstrated when audited financial statements demonstrate that the actual expenses in the operating and capital budgets at the end of the fiscal year do not exceed the total operating (net of depreciation) and capital expenses set forth in the Board approved budget, including any budget amendments for the fiscal year.

Rationales

This is reasonable because audited financial statements are the accepted record of actual expenses for the fiscal year and a budget resolution approved by the Board explicitly provides authorized budgeted operating and capital expenses for the fiscal year. Note: Budgeted operating expenses do not include depreciation.

Evidence

Operating

- For FY2023, the board approved operating expenditures of \$55,983,138 (Resolution 07/2022).
- As provided in the FY2023 Financial Statements on page 40, total actual operating expenses (before depreciation) are \$55,261,041, which is less than budgeted operating expenses. (Note: Total operating expenses were \$61,821,074 when \$6,560,033 in depreciation expenses were included; the adopted operating budget does not include depreciation).

Capital

- For FY2023, the Board adopted a capital budget with a program of projects totaling \$17,186,000 (Resolution 07/2022).
- As provided in the FY2023 Financial Statements on page 11, total actual capital expenses, which are stated in the "Acquisition and construction of capital assets" line are \$6,366,075, which is less than budgeted capital expenses.

POLICY 2.5.5.1

Allow cost overruns on capital projects.

Degree of Compliance: Compliant

Interpretation

I interpret this to mean that I cannot spend more money on capital projects than the amount approved by the Board in annual budgets, including budget amendments. I interpret this policy to apply to projects in the capital budget/amended budgets.

Measure/Standard & Level of Achievement

Compliance will be demonstrated when a comparison of actual expenses that match reporting in financial statements for capital projects listed in the capital plan does not exceed the capital budget approved by the Board, including any budget amendments.

Rationales

This is reasonable because audited financial statements are the accepted record of actual expenses for the fiscal year and a budget resolution approved by the Board explicitly provides authorized budgeted capital expenses for the fiscal year.

Evidence

The following table (next page) illustrates that all capital expenditures in FY2023 were within budget for the fiscal year.

FY2023 Capital Budget and Expenditures

Type of Capital Project	Line No.	Capital Projects	FY2023 Approved Budget	FY2023 Actual Expenditures	Budget Variance Over/(Under)	Cost Overruns?
State of Good Repair	1	Vehicles	\$ 5,520,000	\$ 5,465,389	\$ (54,611)	No
	2	Equipment	419,000	199,874	(219,126)	No
	3	Existing Facilities	8,772,000	149,720	(8,622,280)	No
	4	Information Technology	235,000	181,236	(53,764)	No
	5	Technology Upgrades	250,000	122,183	(127,817)	No
Value Added	6	Bus Stop Improvements	280,000	145,129	(134,871)	No
	7	Transit Priority	300,000	99,284	(200,716)	No
	8	Ypsilanti Transit Center Planning	585,000	3,789	(581,211)	No
Expansion	9	Blake Transit Center Planning	250,000	-	(250,000)	No
	10	Bus Rapid Transit Planning	150,000	-	(150,000)	No
	11	Bus Garage Planning	100,000	-	(100,000)	No
	12	Customer Experience Technology	100,000	3,826	(96,174)	No
	13	Operational Innovations	200,000	-	(200,000)	No
R&D	14	Research and Development	25,000	-	(25,000)	No
Total			\$17,186,000	\$ 6,370,428	\$(10,815,572)	No

Note: Capital projects typically span more than one fiscal year. Costs for some large capital purchases were delayed in FY2023 causing actual expenses to be significantly under budget. Approximately \$7 million of the budget variance is attributable to delays for one major project, facilities rehabilitation. The largest facilities rehabilitation project, new HVAC units and a new roof for the maintenance area of the Dawn Gabay Operations Center was delayed due to inflationary cost pressures. The project was moved to the following year and is included in the approved budget for FY2024.

POLICY 2.5.6

Authorize contracts not anticipated in the current budget with a value greater than \$250,000.

Degree of Compliance: Compliant

Interpretation

I interpret this policy to mean that staff must obtain Board approval for single expenditures with a value greater than \$250,000 that are not authorized by the Board in an approved budget document.

Flexibility for smaller unplanned purchases is provided to allow the CEO to deal with emergencies or urgent needs. The policy does *not* give the CEO permission to exceed the total budget amount

authorized by the Board. Staff can also accept revenue contracts (incoming funds) at any value without Board approval.

Measure/Standard & Level of Achievement

Compliance will be demonstrated when a review of procurement records demonstrates that no unbudgeted/unauthorized contracts over \$250,000 were awarded during the fiscal year without the Board’s approval.

Rationales

This interpretation is reasonable because procurement records are the definite source of all purchases or services over \$10,000, and any contract award over \$250,000 would appear in these records. The purchase of goods and services without proper authorization, as described in the Procurement Manual, is strictly prohibited.

Evidence

A review of procurement records by the Procurement Manager (Whitlow, February 21,2024) found no unbudgeted (i.e. Board-approved) contracts greater than \$250,000 were awarded in FY2024.

POLICY 2.5.6.1

Split purchases or contracts into smaller amounts in order to avoid the above limit.

Degree of Compliance: Compliant

Interpretation

I interpret this policy to mean that staff cannot attempt to avoid the requirements of Policy 2.5.6 by splitting expenditures into smaller amounts less than \$250,000.

Measure/Standard & Level of Achievement

Compliance will be demonstrated when a review of procurement records demonstrates that no split contracts (contracts to the same vendor or for the same scope of work) were awarded and exceeded the \$250,000 limit.

Rationales

This interpretation is reasonable because procurement records are the definite source of all purchases or services over \$10,000. The purchase of goods and services without proper authorization, as described in the Procurement Manual, is strictly prohibited.

Evidence
A review of procurement records by the Procurement Manager (Whitlow, February 21, 2024) found no split contracts (contracts to the same vendor or for the same scope of work) to avoid compliance with this policy.
POLICY 2.5.7
Use funds from the Capital Reserve.
Degree of Compliance: Click or tap here to enter text.
Interpretation
I interpret this policy to mean that the CEO cannot authorize the use of funds from the capital reserve without Board approval.
<u>Measure/Standard & Level of Achievement</u> Compliance will be demonstrated when annual audited financial statements indicate that spending from capital reserve funds does not exceed an amount approved by the Board.
<u>Rationales</u> This is reasonable because audited financial statements are the accepted record of actual expenses for the fiscal year and a budget resolution approved by the Board explicitly provides authorized budgeted operating and capital expenses for the fiscal year.
Evidence
For FY202 the Board did not approve the use of capital reserve funds for any purpose.
A review of the Schedule of Revenues in the audited FY2023 Financial Statements (Audit, p. 39) indicates that no capital reserve funds were used during the fiscal year.

POLICY 2.5.8
Operate without a reserve policy that covers near-term core operating expenses in case of funding shortages.
Degree of Compliance: Compliant

Interpretation

I interpret this policy to mean that I must establish appropriate level of operational reserve funding that would insulate the AAATA from financial disruptions or emergencies, and that this reserve fund must remain fully funded and ready to be used if needed.

Measure/Standard & Level of Achievement

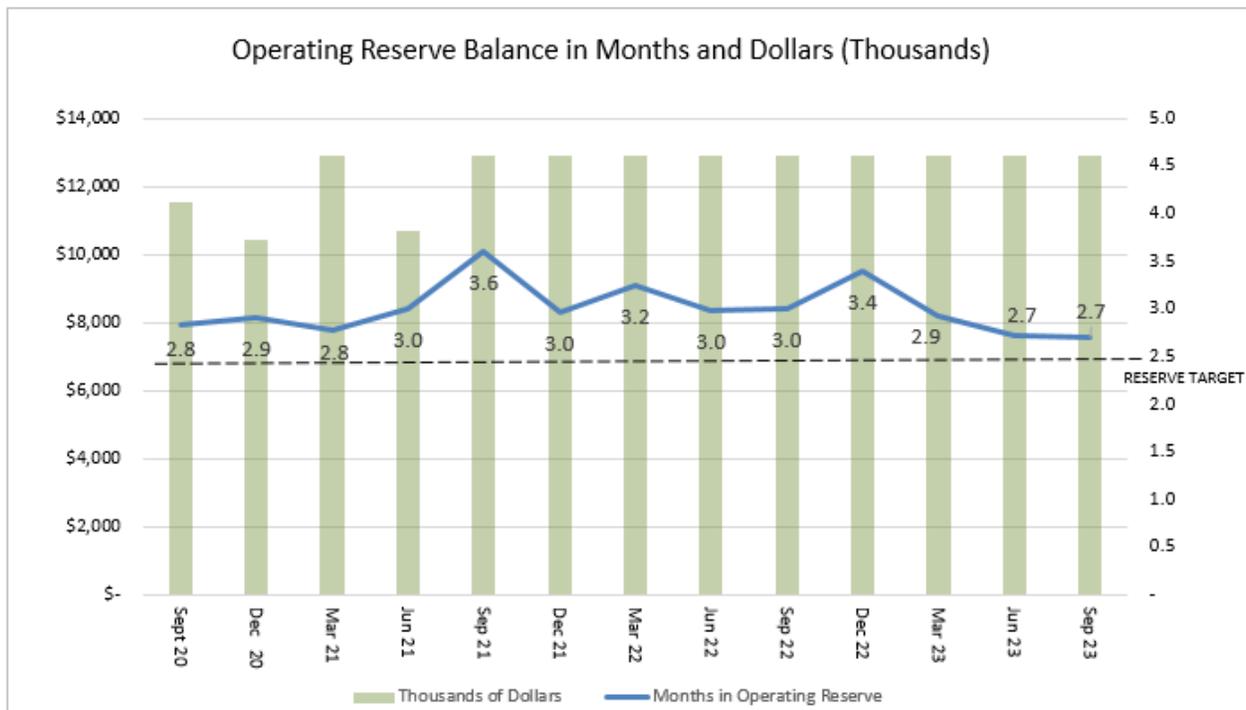
Compliance will be demonstrated when quarterly financial statements demonstrate a reserve balance of at least 2.5 months of quarterly operating expenses for each quarter of the fiscal year.

Rationales

This is reasonable because the Government Finance Officers Association (GFOA), an independent third-party organization that sets industry best practices in public finance, confirms that 2.5 months is a reasonable standard and quarterly financial statements are an accurate representation of the amount of funding available.

Evidence

According to the balance sheet as of September 30, 2023, AAATA ended the year with a reserve balance of \$12.9 million, capital sufficient to support 2.7 months of operations. As demonstrated in the table below, the reserve was above 2.5 months at the end of the fiscal year and has consistently been above the target for 36 continuous months. This information is consistent with all quarterly reports during the period.



POLICY 2.5.9
Adjust tax rates assessed by the Authority.

Degree of Compliance: Compliant

Interpretation

Measure/Standard & Level of Achievement
Compliance will be demonstrated when the annual L-4029 form submitted to taxing collection authorities reflects the rate approved by the Board and voters and is compliant with all tax laws including the Headlee Amendment.

Rationales
This is reasonable because in Michigan taxes may be changed only with signature of the Board Chair and Secretary on Michigan Form L-4029, which is the form that instructs municipality assessors to levy taxes in accordance with millages approved by voters. Tax proposals and renewals must be approved by boards and voters. The CEO is not legally capable of changing the tax rate by themselves but does ensure the information on the form is correct.

Evidence

A review of records by the CFO (Reed, February 2024) confirms that property taxes levied to support operations in FY2023 were consistent with Board approved millage rates of 0.7 mills, which were authorized in April 2018 (Resolution 8/2018) and effective from 2019 through 2023.

Note: The Board of Directors approved a rate change beginning in FY2024 at a rate of 2.380 mills, which will replace the expiring 0.700 millage levy. The millage was approved by voters on August 2, 2022. However, the new rate will not take place or be monitored until FY2024.

POLICY 2.5.10
Acquire, encumber, or dispose of real estate.

Degree of Compliance: Compliant

Interpretation

I interpret this policy to mean that staff are prohibited from purchasing or selling land without prior Board authorization. Furthermore, prohibited encumbrances include saddling real estate with debt or mortgages, leasing or selling rights to AAATA-owned property, and making encumbrances to real estate which would limit or restrict its use by the AAATA.

This policy does not apply to renting property, buildings or facilities needed to facilitate AAATA operations or implementation of agency plans.

Measure/Standard & Level of Achievement

Compliance will be demonstrated when a review of land and transfer records indicates there are no records of real estate transactions that have not been approved by the Board. Compliance will also be demonstrated when a review of audited financial statements confirms real estate has not been encumbered with leasing or selling rights.

Rationales

This is reasonable because acquisition and disposal of real estate is a matter of public record and can be verified through the Washtenaw County Clerk’s Office. Further, governmental accounting standards require agencies to disclose and auditors to verify any encumbrances or leases impacting the value of any asset in the financial statements.

Evidence

A search of the online register found no real estate change records to date for the Ann Arbor Area Transportation Authority. Additionally, the following alias names do exist in the register:

- ANN ARBOR TRANSIT AUTHORITY
- ANN ARBOR TRANSPORATION AUTHORITY
- ANN ARBOR TRANSPORTATION AUTHORITY AND
- ANN ARBOR TRANSPORTATION AUTHORITY ET AL

A search of the online register using the alias names produced no change records beyond 2003. (Reed, February 2024)

Additionally, a review of the audited financial statements (Reed, 2/20/2024) confirms no encumbrances or leases to AAATA-owned real estate exist.

POLICY 2.5.11

Encumber the agency with financial debt without previous authorization from the Board.

Degree of Compliance: Compliant

Interpretation

I interpret this policy to mean that I am prohibited from issuing bonds, which is the only legal form of debt financing available to AAATA under Act 55, without Board approval, or acquiring any other means of indebtedness such as bank loans on behalf of the Authority. I understand that this policy does not apply to trade payables or credit card expenses, which are necessary transactions resulting from day-to-day operations.

Measure/Standard & Level of Achievement

Compliance will be demonstrated when the audited financial statements demonstrate no new debt exists during the fiscal year. If debt does appear, compliance will be demonstrated with a Board resolution approving the issuance of bonds in that fiscal year.

Rationales

This is reasonable because audited financial statements are the accepted record of reporting for liabilities, which would include any debt owed by AAATA.

Evidence

As indicated in the FY2023 Audited Financial Statements on page 9, there is no debt reported in financial statements (Statements of Net Position, a.k.a. "balance sheet").

Policy Trendlines

Policies	FY 20	FY 21	FY 22	FY 23
2.5	2	2	2	3
2.5.1	3	3	3	3
2.5.2	3	3	3	3
2.5.3	3	3	3	3
2.5.4	3	3	3	3
2.5.4.1	3	3	1	3
2.5.4.2	3	3	3	3
2.5.5	3	3	3	3
2.5.5.1	3	2	3	3
2.5.6	3	3	3	3
2.5.6.1	3	3	3	3
2.5.7	1	3	3	3
2.5.8	3	3	3	3
2.5.9	3	3	3	3
2.5.10	3	3	3	3

LEGEND	
	Policy is not compliant
	Policy is partially compliant
	Policy is compliant

CEO Notes

Policy 2.5.4, 2.5.4.1 and 2.5.4.2 do not appear to have any relationship. Perhaps each should be policies of the same rank.

Policy 2.5.3 appear to overlap with 2.7.2. This may be a recent error stemming from changes to 2.7. We are suggesting the two be consolidated under policy 2.5.

2.5.4.2 is redundant with policy 4.4.2 because the Board already has the power to directly inspect any element of agency operations. The CEO cannot withhold any information if the Board requests it.

Board's Conclusion on Monitoring Report

Board's conclusion after monitoring the report.

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

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

Board Notes: (If Applicable)

WORKSHEET RESULTS:

Financial Conditions & Activities (Policy 2.5)

Participants: 6 Board Members

Performance on reasonable interpretation and verifiable evidence			
	% of Board members that find the interpretation reasonable	% of Board members that find the evidence verifiable	Additional comments if NO stated
<p>Policy 2.5 With respect to the actual, ongoing financial condition and activities, the CEO will not cause, allow or fail to address the development of fiscal jeopardy or deviation of actual expenditures from Board priorities established in Ends policies. Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:</p>	100%	100%	
<p>Policy 2.5.1 Operate without policies, processes and procedures that are necessary to meet generally accepted standards for financial management, cash handling, and accounting.</p>	100%	100%	

<p>Policy 2.5.2 Operate in a manner that would jeopardize federal and state funding, including an up-to-date procurement manual.</p>	100%	100%	
<p>Policy 2.5.3 Receive, process or disburse funds under controls that are insufficient to meet the Board-appointed auditor's standards</p>	100%	100%	
<p>Policy 2.5.4 Compromise the independence the Board's audit or other external monitoring or advice.</p>	100%	100%	
<p>Policy 2.5.4.1 Fail to provide the Board with timely information regarding fraud, suspected fraud or financial mismanagement.</p>	83%	100%	<ul style="list-style-type: none"> I don't believe it's reasonable to interpret this policy to only require board notification in instances above \$250,000. I agree there should be a threshold, but this number seems high to me. If instances of fraud are "too numerous" for the board to spend time on, I'm be concerned that those could add up to the threshold for significant financial harm, though each individual instance might be below that threshold. Comment: I Don't agree that \$250,000 should be the threshold for fraud to be "significant", even though it's .45% of budget. The board should hear about fraud at a significantly lower level.

<p>Policy 2.5.4.2 Fail to provide the Board with information and access to internal controls that allows Board review of fraud, suspected fraud or financial mismanagement.</p>	100%	100%	
<p>Policy 2.5.5 Allow expenditures that exceed the overall Board-approved budget.</p>	100%	100%	
<p>Policy 2.5.5.1 Allow cost overruns on capital projects.</p>	100%	100%	
<p>Policy 2.5.6 Authorize contracts not anticipated in the current budget with a value greater than \$250,000.</p>	100%	100%	
<p>Policy 2.5.6.1 Split purchases or contracts into smaller amounts in order to avoid the above limit.</p>	100%	100%	
<p>Policy 2.5.7 Use funds from the Capital Reserve.</p>	100%	100%	
<p>Policy 2.5.8 Operate without a reserve policy that covers near-term core operating expenses in case of funding shortages.</p>	100%	100%	

Policy 2.5.9 Adjust tax rates assessed by the Authority.	100%	100%	
Policy 2.5.10 Acquire, encumber or dispose of real estate.	100%	100%	
Policy 2.5.11 Encumber the agency with financial debt without previous authorization from the Board.	100%	100%	

Additional context questions

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

Responses – No – 6
- 2. If the CEO has indicated NON-COMPLIANCE with any aspect of this policy, is there a commitment as to when the Board can expect to see compliance and is the proposed time-frame acceptable?**

Responses - No – 1
N/A – 5
- 3. Having reviewed the monitoring report, does anything you have learned make you consider whether the POLICY ITSELF should be amended? (Policy amendment is not monitoring, but should be addressed as a board decision.)**

Responses – No – 5
Yes - 1

 - The CEO raises some valid points in the CEO Notes of the monitoring report. The Board may wish the Finance Committee for review.

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

15, 20, 25, 30, 7, 15

Cash and Investments (Policy 2.6)
Monitoring Period: January 2023 – September 2023

Finance Committee Meeting Review Date: March 12, 2024
Board of Directors Meeting Review Date: March 21, 2024

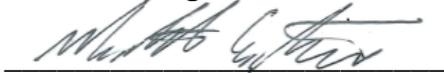
INFORMATION TYPE
Monitoring
RECOMMENDED ACTION(S)
<p>That the Board review this monitoring report and consider accepting it as:</p> <p>(A) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations.</p> <p>(B) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations, except for the CEO’s stated non-compliance with item(s) x .x, which the Board acknowledges and accepts the proposed dates for compliance.is making reasonable progress towards compliance.</p> <p>(C) 1. For policy items x.x.x – there is evidence of compliance with a reasonable interpretation 2. For policy items x.x.x – the interpretation is not reasonable 3. For policy items x.x.x – the interpretation is reasonable, but the evidence does not demonstrate compliance 4. For policy items x.x.x – the Board acknowledges and accepts the CEO’s stated non-compliance and the proposed dates for compliance</p>
PRIOR RELEVANT BOARD ACTIONS & POLICIES
<p>Monitoring Reports are a key Policy Governance tool to assess organizational/CEO performance in achieving Ends (1.0) within Executive Limitations (2.0). A Policy-Governance-consistent Monitoring Process is:</p> <ol style="list-style-type: none"> 1. CEO sends Monitoring Report to all board members 2. At Board meeting, board accepts Monitoring Report through majority vote (or if not acceptable, determines next steps)

ISSUE SUMMARY

TheRide’s Board of Directors establish policies that define what methods are unacceptable to use to achieve expected results, called Executive Limitations. This monitoring report provides the CEO’s interpretations of those policies, evidence of achievement, and an assertion on compliance with the Board’s written goals. As with other monitoring reports, the Board decides whether the interpretations are reasonable, and the evidence is convincing.

Per Appendix A of the Board Policy Manual, this report was scheduled for monitoring in March and was submitted in March. Previously, this policy was monitored twice a calendar year, mostly recently in December 2022. At that point the Board changed the monitoring frequency to once per year. This report is now with the fiscal year calendar (Oct-Sept), to be similar to other financial reporting schedules. This accounts for the nine-month duration of this monitoring period.

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**2/27/2024**ATTACHMENTS**

1. Monitoring report for Cash and Investments (Policy 2.6)

Table of Contents

POLICY TITLE: CASH AND INVESTMENTS	Page#	Compliance
2.6 The CEO will not fail to hold cash for short-term operations or surplus capital for investment according to the Board’s investing priorities: first ensuring safety of principal, next providing adequate liquidity, and third, returning the highest yield compatible with prudent investing. Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:	4	
2.6.1 Hold AAATA operating cash or surplus capital in insecure instruments, including federally uninsured checking accounts or non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.	5	
2.6.2 Deviate from the “Investment Policy to Comply with Michigan PA 20 of 1943” as stated in the Appendices, invest in instruments other than those so authorized, or invest unlawfully with respect to state and federal laws, including Michigan PA 20 of 1943.	6	

 Fully Compliant
  Partially Compliant
  Non-Compliant

Preliminary CEO Interpretations and Evidence

POLICY 2.6

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

Degree of Compliance: Compliant

Evidence

Compliance with this policy will be demonstrated when compliance with policies 2.6.1 and 2.6.2 are achieved.

POLICY 2.6.1

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

Hold AAATA operating cash or surplus capital in insecure instruments, including federally uninsured checking accounts or non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.

Degree of Compliance: Compliant

Interpretation

Measure/Standard & Level of Achievement

I interpret this policy to apply to the agency's approach to short-term cash management. I further interpret this to mean that agency funds should be kept safe to protect the agency and customers from loss and organization instability, while at the same time maintaining adequate liquidity to transact normal business and generate some degree of investment return. However, safety is the priority not investment returns, and we consequently have a low risk tolerance for investments.

Compliance with this policy will be demonstrated when statements for all accounts from the most recent financial quarter illustrate that all funds held in checking and money market savings accounts:

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

I further interpret this policy to allow funds to be unsecured and not generate revenue if liquidity and cash-flow needs require them for transactions such as payroll.

Rationales

This is a reasonable interpretation because:

- A. Account statements are legally required tallies of each account produced by the institution. Account statements are generated by the financial institution (not AAATA staff), reflect all cash transactions in reported accounts, and a true representation of accounts, transactions, interest earned, fees and balances for the reporting period.
- B. All funds needed for immediate operations (e.g. payables, payroll, etc.) are included and our funds are safe (financial institutions backed by the FDIC provide guaranteed insurance up to \$250,000 per depositor and protects insured depositors). The level of necessary cash in these accounts varies based on projected operating and capital expenses, timing of deposits generated from revenue, and investment transfers. Approximately one month's projected operating expenses *plus* projected capital expenditures are required for managing the cash flow. Excess funds are transferred to CDARS-ICS accounts, fully federally insured

accounts, or longer-term investment accounts. At times, investment transfers require placing funds in money market accounts for up to 24 hours.

C. All these accounts generate some interest.

Evidence

A review of all account statements (Reed, 02/09/2024) from all financial institutions holding AAATA monies as of September 30, 2023 disclose that:

1. All accounts holding AAATA funds produce interest.
2. Cash held in accounts that exceed federally insured limits were required to facilitate ease of transactions. At the end of Q4 FY 2023, there was \$3.8 million in cash, checking and money market balances (excluding CDARS-ICS money market funds). Operating expenses during this time period were approximately \$4.8 million per month. All uninsured balances were required to facilitate ease of financial transactions.

As of September 30, 2023 total cash, checking, and money market account balances were \$35.9 million and distributed as shown below in Table 2.6A.

Table 2.6A

Cash, Checking and Money Market Balances (\$ in thousands)	
Cash, Checking or Money Market Account	As of 09/30/2023
Imprest	\$ 210
Operating	688
Payroll	448
Changers/Petty Cash	4
Passes and Tokens	31
Capital	603
Money Market Savings	1,469
Flex Spending	58
GetDowntown	264
Sub-Total (Insured up to \$250,000)	3,775
CDARS-ICS (Insured up to \$75,000,000)	32,127
Total Cash, Checking & Money Market	\$ 35,902

All monies held in bank accounts and investments are in deposit at The Bank of Ann Arbor, which is an FDIC insured bank with FDIC insured accounts. Additionally, based on information reported by the Federal Financial Institutions Examination Council (FFIEC), in the Uniform Bank Performance Report (UBPR), Deposit Accounts by Lending Tree, an unbiased evaluator of banking institutions, gave Bank of Ann Arbor a B+ rating as of September 30, 2023 for overall bank health. Rating summaries are provided below.


Health

B+

Data as of Q3 2023

[Learn why bank health matters](#)

Health Grade Components

A+ Texas Ratio ▲ **C+** Texas Ratio Trend ▼ **D** Deposit Growth ▼ **A+** Capitalization ▼

The Texas Ratio is an indicator of how much capital a bank has available compared to the total value of loans considered at risk. As of September 30, 2023 Bank of Ann Arbor had \$16.21 million in non-current loans and owned real-estate with \$417.08 million in equity and loan loss allowances on hand to cover it. This gives Bank of Ann Arbor a Texas Ratio of 3.89% which is excellent. Any bank with a Texas Ratio near or greater than 100% is considered at risk.

OVERALL

FDIC Certificate #	34120
Year Established	1996
Employees	334
Primary Regulator	FDIC

PROFIT MARGIN

Return on Assets - YTD	1.69%
Return on Equity - YTD	13.88%
Annual Interest Income	\$113MM

ASSETS AND LIABILITIES

Assets	Q3 2023	\$3.08B
	vs Q3 2022	\$3.22B
Loans	Q3 2023	\$2.34B
	vs Q3 2022	\$2.11B
Deposits	Q3 2023	\$2.58B
	vs Q3 2022	\$2.77B
Equity Capital	Q3 2023	\$386.1MM
	vs Q3 2022	\$347MM
Loan Loss Allowance	Q3 2023	\$30.9MM
	vs Q3 2022	\$34.2MM
Unbacked Noncurrent Loans	Q3 2023	\$15.9MM
	vs Q3 2022	\$6MM
Real Estate Owned	Q3 2023	\$344K
	vs Q3 2022	\$381K

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

Health

B+

Data as of Q3 2023

[Learn why bank health matters](#)

Health Grade Components

A+ Texas Ratio ▼ **C+** Texas Ratio Trend ▲ **D** Deposit Growth ▼ **A+** Capitalization ▼

The Texas Ratio for Bank of Ann Arbor experienced no significant changes from 1.68% as of September 30, 2022 to 3.89% as of September 30, 2023, resulting in a negative change of 131.90%. This indicates that the balance sheet and financial strength for Bank of Ann Arbor has had no significant changes in recent periods.

OVERALL

FDIC Certificate #	34120
Year Established	1996
Employees	334
Primary Regulator	FDIC

PROFIT MARGIN

Return on Assets - YTD	1.69%
Return on Equity - YTD	13.88%
Annual Interest Income	\$113MM

ASSETS AND LIABILITIES

Assets	Q3 2023	\$3.08B
	vs Q3 2022	\$3.22B
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Real Estate Owned	Q3 2023	\$344K
	vs Q3 2022	\$381K

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

POLICY 2.6.2

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

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

Degree of Compliance: Compliant

Interpretation

Measure/Standards & Achievement

I interpret this policy to apply to the agency’s approach to longer-term investments. Compliance will be demonstrated when:

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

Rationale

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

Evidence

A review of account statements from financial insitutions and reconciliations as of September 30, 2023, (Reed, 2/9/2024), verified the following:

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

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

Bank accounts, CDs, and Money Market accounts are FDIC insured. Other investments were held in U.S. Agency Bonds, which are federally insured direct obligations of the U.S. government.

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

(c) Highest Yield Compatible with Prudent Investing: Yields on investments (0.23% to 5.50%) are the highest rates available considering the limited investment options due to policy and regulatory limits and the priorities for safety and liquidity. AAATA has followed the advice of its expert trust consultant at Bank of Ann Arbor in making prudent investing decisions according to the Board's policy and priorities.

3. A review of monthly Board meeting agendas and minutes (Reed, 2/9/2024) indicates that the required disclosure of investment accounts, balances, maturity dates, and interest rates was provided in quarterly financial reports presented to the Board since this policy was last monitored in April 2023. Investments for quarters 2, 3, and 4 for FY2023 were reported in May, August and November 2023, respectively, and FY2024 Q1 investments were presented in February 2024.

As of September 30, 2023 investment account balances totalled \$19.9 million and are distributed as shown below in Table 2.6B.

Table 2.6B

Investments Summary

(\$ in thousands)

Investment Instrument	Date of Maturity	Interest Rate	Total as of 6/30/2023	Transactions	Total as of 09/30/2023
U.S. Agency Bond	9/23/2024	0.50%	\$ 2,000	\$ -	\$ 2,000
U.S. Agency Bond	3/28/2025	2.83%	2,500	-	2,500
U.S. Agency Bond	3/28/2025	3.10%	2,000	-	2,000
U.S. Agency Bond	6/27/2025	3.25%	2,000	-	2,000
U.S. Agency Bond	8/8/2025	4.10%	1,400	-	1,400
U.S. Agency Bond	11/6/2023	0.25%	2,000	-	2,000
U.S. Agency Bond	2/24/2025	3.75%	200	-	200
U.S. Agency Bond	4/8/2024	0.38%	1,000	-	1,000
U.S. Agency Bond	9/15/2024	0.50%	2,500	-	2,500
U.S. Agency Bond	1/19/2024	0.23%	750	-	750
U.S Treasury Notes	6/30/2024	3.00%	2,000	-	2,000
U.S Treasury Notes	11/24/2025	5.50%	1,800	-	1,800
Money Market Funds	n/a	5.21%	132	96	228
Mark-to-Market Adjustment			(629)	110	(519)
Total Investments			\$ 19,653	\$ 206	\$ 19,859

The financial data presented as of September 30, 2023, demonstrates compliance with Policy 2.6 and the Board’s Investment Policy at a single point in time. A review of account statements and quarterly financial reports (Reed, 2/9/2024) confirms that cash and investments were held in compliance with this policy throughout the monitoring period. Additionally, quarterly financial reports are presented at Board meetings and monthly account statements are available for direct inspection.

Policy Trendlines

Policy	FY 20	FY 21	FY 22 (March)	FY 22 (August)	FY 22 (April)	FY23
2.6	3	3	3	3	3	3
2.6.1	3	3	3	3	3	3
2.6.2	3	3	3	3	3	3

LEGEND	
	Policy is not compliant
	Policy is partially compliant
	Policy is compliant

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

WORKSHEET RESULTS:

Cash & Investments (Policy 2.6)

Participants: 5 Board Members

Performance on reasonable interpretation and verifiable evidence			
	% of Board members that find the interpretation reasonable	% of Board members that find the evidence verifiable	Additional comments if NO stated
<p>Policy 2.6 The CEO will not fail to hold cash for short-term operations or surplus capital for investment according to the Board's investing priorities: first ensuring safety of principal, next providing adequate liquidity, and third, returning the highest yield compatible with prudent investing. Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:</p>	100%	100%	•
<p>Policy 2.6.1 Hold AAATA operating cash or surplus capital in insecure instruments, including federally uninsured checking accounts or</p>	100%	100%	

<p>non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.</p>			
<p>Policy 2.6.2 Deviate from the “Investment Policy to Comply with Michigan PA 20 of 1943” as stated in the Appendices, invest in instruments other than those so authorized, or invest unlawfully with respect to state and federal laws, including Michigan PA 20 of 1943.</p>	<p>100%</p>	<p>100%</p>	

Additional context questions

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

Responses – No - 5

2. If the CEO has indicated **NON-COMPLIANCE** with any aspect of this policy, is there a commitment as to when the Board can expect to see compliance and is the proposed time-frame acceptable?

Responses – N/A - 5

3. Having reviewed the monitoring report, does anything you have learned make you consider whether the **POLICY ITSELF** should be amended? (Policy amendment is not monitoring, but should be addressed as a board decision.)

Responses – No - 5

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

15, 10, 16, 4, 5

CEO Innovation Presentation

Meeting: Board of Directors

Meeting Date: March 21, 2024

INFORMATION TYPE
Other
RECOMMENDED ACTION(S)
Receive for information. No action is being sought or required.
PRIOR RELEVANT BOARD ACTIONS & POLICIES
Policy 2.9.1.5 (H) requires the CEO to make an annual presentation to the Board about “...relevant trends and technologies with applicability to the transit authority and its services, and innovations trialed or introduced to Authority operations over the past year.”
IMPACTS OF RECOMMENDED ACTION(S)
<ul style="list-style-type: none"> • Budgetary/Fiscal: N/A • Social: N/A • Environmental: N/A • Governance: N/A
ATTACHMENTS
1. CEO Presentation: Trends and Innovation

Trends & Innovation

TheRide Board of Directors
Matt Carpenter, CEO



ANN ARBOR AREA TRANSPORTATION AUTHORITY

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Agenda

Board requires incidental information including a presentation on trends and innovations (policy 2.1.9.5 H)...

“a presentation about relevant trends and applicable technologies ... and innovations trialed or introduced ... over the past year.”

- *Trends*
- *Innovation & Examples*
- *Roles & Assessing New Ideas*
- *Next Steps*

Context & Trends

Opportunities & Challenges

- Demographics
- Social Trends
- Technology
- Macro-economics
- Politics & outside decisions
- Pandemics
- Agency Condition and Actions

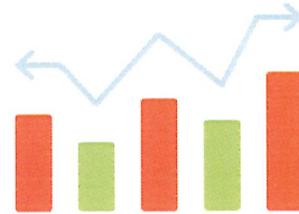


TheRide is sensitive to changing opportunities and challenges created in several key areas.

Some of the most important are discussed below...

Trends

- **Demographic:** *Modest* growth, or decline
- **Land Development:** Sprawl. Some infill, gentrification pressure
- **Social/Economic:** Labor shortage, housing affordability
- **Pandemic Hangover:** Inflation, economic dislocation, lingering fear
- **Outside Politics:** Polarization, uncertain opportunities, pros/cons, new money/new costs



Forecasted population growth is strongest in Ann Arbor, but still only 3% from 2020-2030 (SEMCOG). Between 2022 and 2023 Washtenaw County lost about 900 people (US Census). The size of the overall market in the urbanized area is barely growing.

Land development still often greenfield sprawl, which can be lower cost but impossible for transit to serve cost-effectively. Infill development in Ann Arbor is occurring slowly and at higher costs. Gentrification of Ypsilanti is occurring as people are priced out of Ann Arbor creating social tensions as well as opportunities. Pre-pandemic challenges such as labor shortages and housing affordability have become more acute. Economic impacts have destabilized several sectors that matter to public transit. Federal priorities such as climate action and support for organized labor are affecting funding programs and regulations. Impacts not yet clear.

Trends

Travel Market: Significant Changes

- Work/Class from home = fewer commuters
- Market for riders got smaller, but for how long?
- Should transit adjust? How?



Work-from-Home trends have undercut a traditional market for transit – daily commuters. While it is clearly here to stay, the extent and future is less clear.

- Key adaptations have included remodeling office buildings into housing (potential limited due to costs)
- Some advocates are demanding business and government force workers to return to offices, but labor shortages make this difficult.
- Transit agencies traditionally built around a 9-to-5 commuting patterns are trying to pivot to provide more services at other times. But they face diminishing returns in pursuing small numbers of riders, cannot reduce existing services, and face rising costs in most areas. The lack of economies of scale reduce the efficiency of mass transit and are better served with individual services that often cannot be provided cost-effectively by government. The industry is still trying to figure out how to best serve this shifting landscape. TheRide’s long-range plan already includes elements that respond to many of these factors (e.g. greater hours of operation, increase off-peak frequency, grid network for non-downtown travel, etc).

WFH further isolates Americans who have fewer places to interact with each other. This may create greater emphasis on place-making and local identity.

Trends

Technology Ups and Downs

- App-enabled tech + venture capital = new options
- Interest rates, need for profit are deflating tech bubble
- Bus manufacturers struggling



New smart-phone apps and a venture capital backed by low interest rates created many new options before the pandemic.

However, higher rates and inability to generate profits have deflated many of these ventures. Many remaining businesses (e-scooters, etc) are struggling financially or raising rates.

Innovation = Novelty That Works

- New, New-ish, or New-to-you
 - Can be tech, process, mindset, etc
- Must be effective, provide benefit
 - *What, For Whom, At What Cost*



Successes (Recent Years)

- Driver safety doors
- FlexRide (ride hailing)
- Recruitment processes
- Long-Range Plan & Millage
- D2A2 – running since Oct 2021
- Customer service agents at YTC
- Computer system off-site back-ups
- VOIP replaced cell phones (ARide)
- Office door actuators (for wheelchair users)
- Security Partners (Ozone House, Neutral Zone)
- Enterprise software: payroll, operations management
- Alignment tools: Policy Governance, Business Plan, Capital Plan, etc



Some new, effective ideas introduced recently.

In Trial or Near Deployment

- NARCAN –available at terminals
- Snow tires – in trial
- Bus shelters - new allocation formula
- In-field quality inspections
- Bus stop construction - shifted to contractor
- Off-site staff restrooms (late 2024)
- Staff Emergency Notification System



Some new ideas recently or soon-to-be introduced.

Authorized or in Planning



- Zero-Emission Buses
- Zero-emissions vans and facilities
- Transit Signal Priority
- Driver uniforms
- Advocacy Agenda (June)
 - Road pricing
 - Land development...
- Regional park n ride services
- Bus Lanes
- Advanced Fare Collection
- Next-generation real-time/trip planning software
- Attractive bus w/: USB, wi-fi, infotainment, etc
- Transit Hubs (4), BRT



ANN ARBOR AREA TRANSPORTATION AUTHORITY

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Many new ideas were authorized in the long-range plan (TheRide2045) and are now in planning or in a work plan for future efforts.

Some other initiative that are in progress are not directly part of the LRP.

Under Consideration/Observation

- Mobility as a Service/Shared Mobility/First Mile/Last Mile
- Non-emergency Medical Transportation
- On-Line chatbot for customer services (AI)
- Unarmed crisis response
- Free fares
- CAVNUE



TheRide is watching the evolution of several outside ideas that could be considered here in the future.

Other Ideas

Some Didn't Work

- Automatic wheelchair securements
- Bikeshare
- NovaBuses (specific manufacturer issue)



Not Under Consideration

- Autonomous Buses
- Facial Recognition



Some earlier ideas haven't worked out and have been abandoned.

Other ideas do not warrant serious consideration as the technology is too far from ready, ethically controversial, or with a poor cost/benefit.

Board Innovation

- Policy Expectations to agency:
 - Enviro Sustainability
 - Relation to Local Advisory Council (LAC)
 - Labor negotiations
 - Fares
 - Construction
 - Public Safety (ongoing)
- Ownership Linkage (ongoing)
- Orientation
- Monitoring Improvements (fiduciary oversight)
- Meetings in Ypsilanti



The Board also innovates in how it gives direction and conducts its own work: high-level directions and control of TheRide.

Key tools for the Board in innovating are Ownership Linkage (inspiration), Agenda Planning (3.4), and the Annual Plan of Work (3.4.2).

In many ways the Board's job is more difficult as it deals exclusively with abstract concepts (the future, risks, values, etc) rather than tangible technologies or management processes, and it must do so as a group of peers.

Culture & Continuous Improvement

- Agency culture has shifted from hesitancy, to greater confidence in incremental change
- Much more empowered staff/delegation (never finished)
- Board is more confident making change
- Results in numerous incremental improvements



Creating a safe, stable corporate culture where innovation by staff is encouraged (within reason) can help create a culture of continuous improvements, many small innovations, and help staff to become more engaged and personally connected to the work.

As with all cultural elements, this will always be ongoing work.

Evaluating Effectiveness

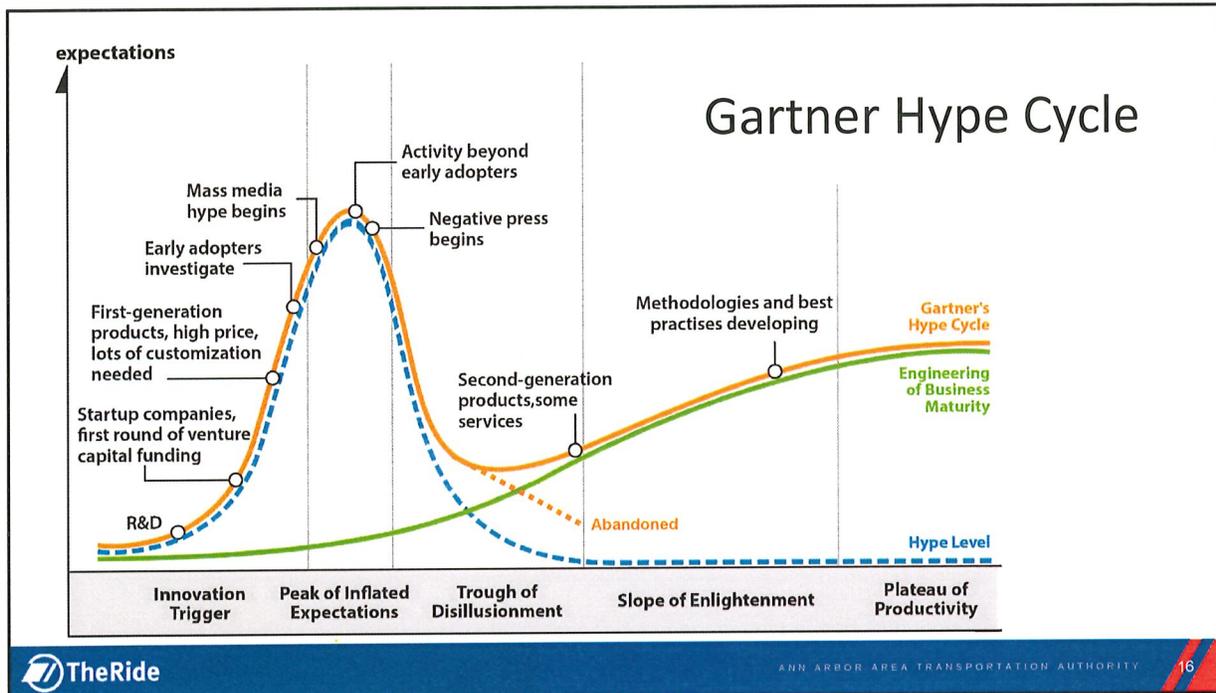
- Effective
 - Advances agreed-upon goals
 - More cost-effective than alternatives
- Evaluation Criteria (examples)
 - Mission Alignment
 - Benefits/ROI
 - Priority
 - Tradeoffs/Affordability
 - Roles, Risks, Capacity, Sequence & Readiness...



TheRide does not have enough resources to accommodate every new suggestion. Ideas must be vetted and evaluated against Board policies and staff's professional judgment. Priorities must be set. Low-yield ideas *should* be abandoned. Only the best are brought forward. TheRide tries not to allow popularity or political factors distract from judging efficacy. The Corporate Business Plan includes numerous examples of how staff make Means decisions and judge various options (Appendix).

The CEO feels strongly that we should do a few things well, rather than many things poorly. After delivering daily service and advancing the agreed-upon approach of the long-range plan, there is only a little additional attention to spread to new ideas. We work to make sure that remaining attention is well used too.

Policy Governance asks the Board to use similar questions: *What are we doing, For Whom, and At What Cost?*

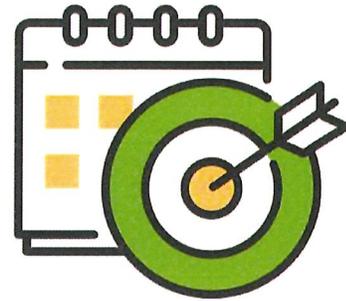


The Gartner Hype Cycle was developed to help Silicon Valley investors distinguish good start-up companies from risky bets.

The Hype Cycle reminds us that we need to look past emotional excitement with new ideas to judge on merit.

In Closing

- Socio-economic trends present opportunities and challenges
- TheRide has introduced, are introducing, and will continue to introduce innovations in technology, processes, culture, and other areas that help advance the Board's goals



Trends & Innovation

TheRide Board of Directors
Matt Carpenter, CEO



ANN ARBOR AREA TRANSPORTATION AUTHORITY

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FY24 Q1 Service Report

Service Committee Meeting Date: March 5, 2024

Board Meeting Date: March 21, 2024

RECOMMENDED ACTION(S)
<p>Receive as CEO Operational Update.</p>
PRIOR RELEVANT BOARD ACTIONS & POLICIES
<ul style="list-style-type: none"> • 2.11.1.5 CEO shall not...Let the Board be unaware of...operational... [and] customer satisfaction metrics... • Appendix A: Informational Reports schedule specifies quarterly Customer Satisfaction and Service Performance reports in Dec, March, June, Sept
ISSUE SUMMARY
<p>In accordance with the Board’s Policy Manual, I present the Quarterly Satisfaction and Service Report. I certify that the information is true and complete with exceptions noted, and I request that the Board accept this as an operational update.</p> <p>This report is populated with currently available and reportable data / targets for Fixed Route, A-Ride / Paratransit, VanRide, and FlexRide services.</p> <p>The impact of the COVID-19 Emergency, which emerged in the latter part of Q2 of FY2020, has significantly influenced the collection and reporting of data. Therefore, the comparison of Q1 figures from FY2024 with those of FY2019 serves as a benchmark to gauge performance metrics in a pre-pandemic context. Moreover, juxtaposing the data between Q1 of FY2024 and Q4 of FY2023 provides valuable insights into our journey through the pandemic and subsequent stages of recovery. This analysis allows us to discern the trajectory of progress amid the evolving landscape of these challenging times.</p> <p>The data from Q1 of FY2024 illustrates a system that is still recuperating from reduced services, which were marked on January 29th due to labor shortages. These services were gradually reinstated between October and December 2023. Nationally, the resurgence of public transit usage has been slow as remote work continues to shape post-pandemic work culture. Simultaneously, labor shortages persist in service sector jobs, further impacting the recovery process.</p> <p>Please note that the numbers reported at the end of the quarter have undergone validation and confirmation required through the NTD process. Some numbers were quarterly estimates based on reported financial and operating data. Historic numbers presented in this document have been updated to reflect the validated data submitted to NTD.</p>
ATTACHMENTS
<ol style="list-style-type: none"> 1. Highlights Brief 2. FY 2024 Q1 Service Report

Fixed Route

Fixed Route Measure	FY 2024	FY 2024	FY 2024	FY 2024	FY 2024	Q1 20 -	Q1 21 -	Q1 22 -	Q1 23 -
	Q1	Q2	Q3	Q4	Q1 24				
Revenue Miles	873,224					1%	58%	1%	0%
Revenue Hours	67,800					-19%	41%	-1%	-2%
Operational Cost	\$9,597,310					49%	42%	1%	5%
Boardings	1,205,355					-26%	266%	50%	8%
Boardings/Revenue Hour	17.8					-8%	207%	51%	10%
Cost/Revenue Hour	\$141.55					23%	17%	2%	7%
Cost/Boarding	\$7.96					104%	-62%	-33%	-3%
Preventable Accidents Injury/100,000 miles	1.0					-48%	11%	-34%	1%
On-time Performance	83%					16%	8%	NA	NA
Percent of Passengers on an On-time Bus	NA					NA	NA	NA	NA
Avg Miles Between Road Calls	28,754					-24%	-57%	274%	21%
Average Age of Fleet	7.52					7%	30%	14%	8%
Complaints/100,000 Boardings	1.2					78%	-41%	399%	98%
Compliments/100,000 Boardings	1.3					-26%	11%	77%	64%



Avg Miles Between Road Calls shows a 21% increase in reliability when compared to Q1 of 23



Boardings were up 8% when compared to Q1 of 23



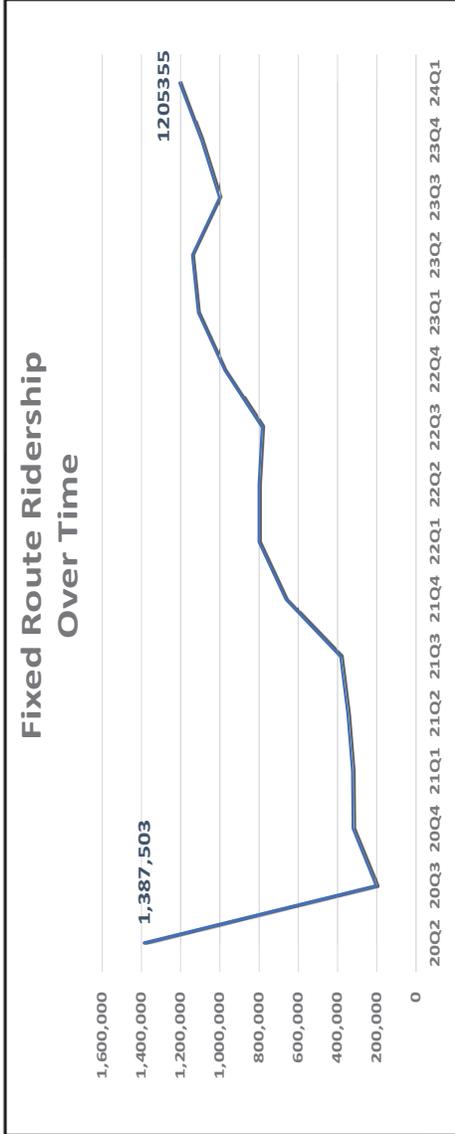
Cost/Boarding for Fixed Route is down 3% compared to Q1 of 23

Boardings Compared

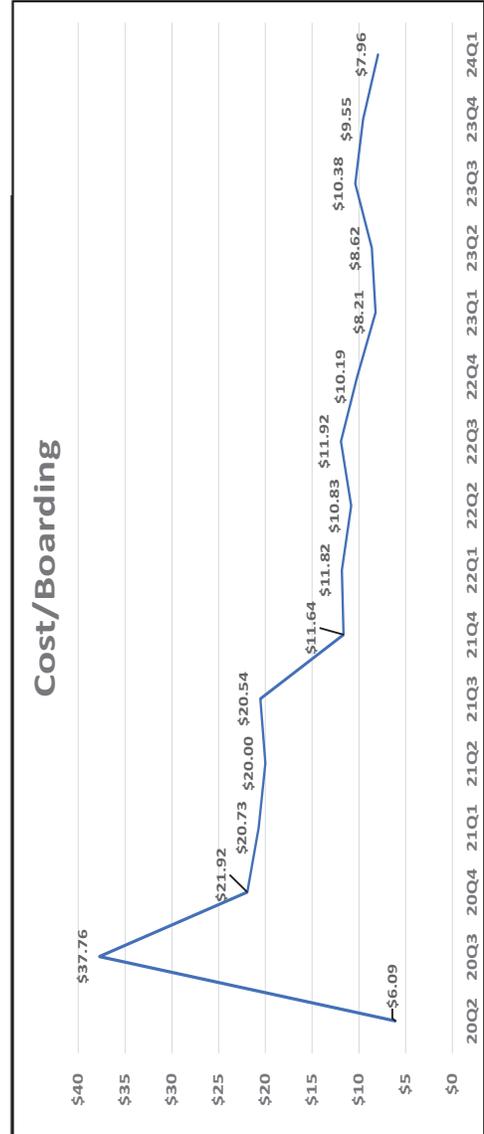
Q1 of 2023 compared to Q1 of 2024 saw an 8% rise in ridership for TheRide

Boardings Q1 2024	9,597,310
Boardings Q1 2023	9,124,272
DIFFERENCE	473,038

Fixed Route Ridership Comparison

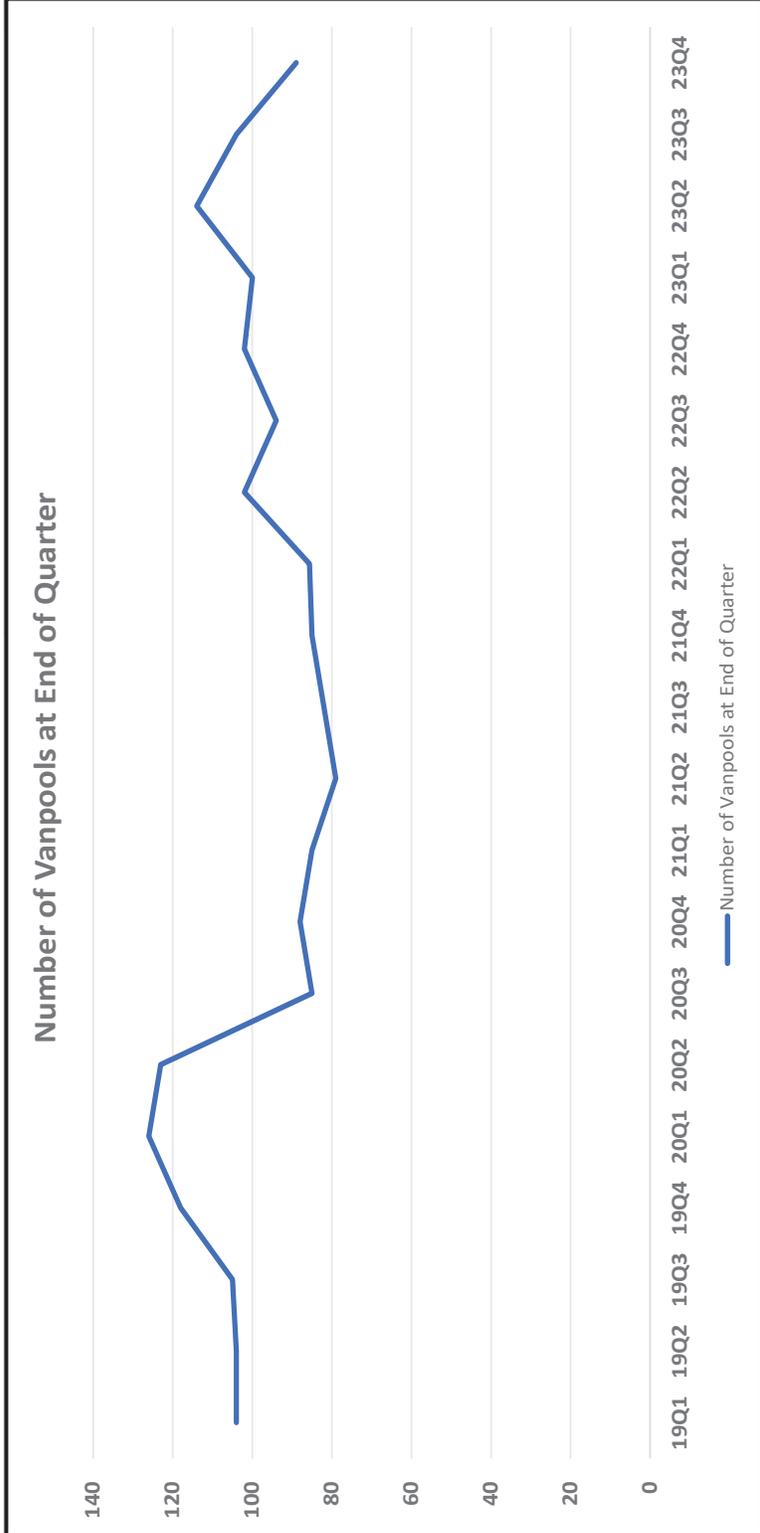


Fixed Route Cost Per Boarding



Vanpool

VanPool Measure	FY 2024			FY 2024			FY 2024		Q1 20 - Q1 24		Q1 21 - Q1 24		Q1 22 - Q1 24		Q1 23 - Q1 24	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	%	%	%	%	%	%	%	%
Number of Vanpools at End of Quarter	94								-25%	11%	11%	10%	10%	10%	10%	-6%
Number of Rider Trips Taken	42,590								-35%	31%	31%	22%	22%	22%	22%	13%
Avg Fuel Cost to Rider	\$64.50								108%	108%	108%	9%	9%	9%	9%	74%
Avg Monthly Rider Miles	160,701								146.03	142.36	142.36	0.19	0.19	0.19	0.04	0.04
Federal Subsidy/Rider Trip	\$3.68								30%	-11%	-11%	18%	18%	18%	11%	11%
Rider Miles/Gallon	18.07								-79%	-75%	-75%	-33%	-33%	-33%	76%	76%



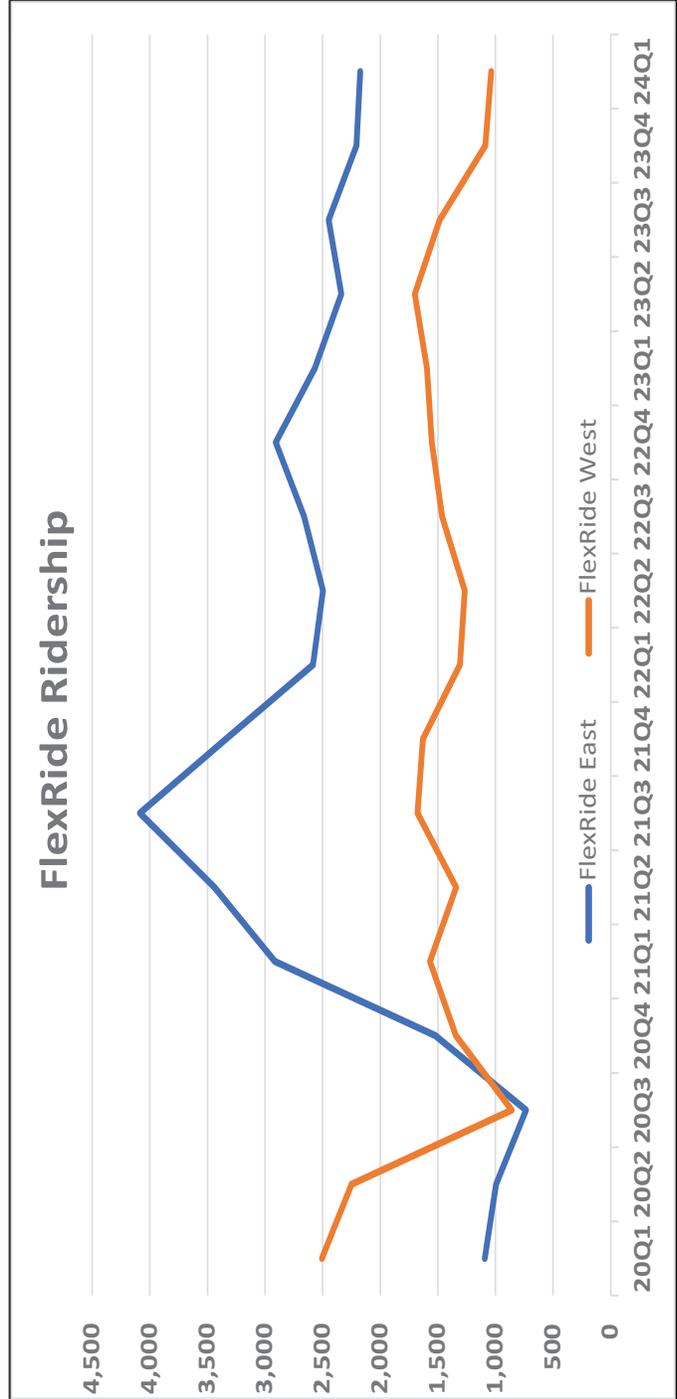
Operations Report

For the Period Ended December 31, 2023

FlexRide

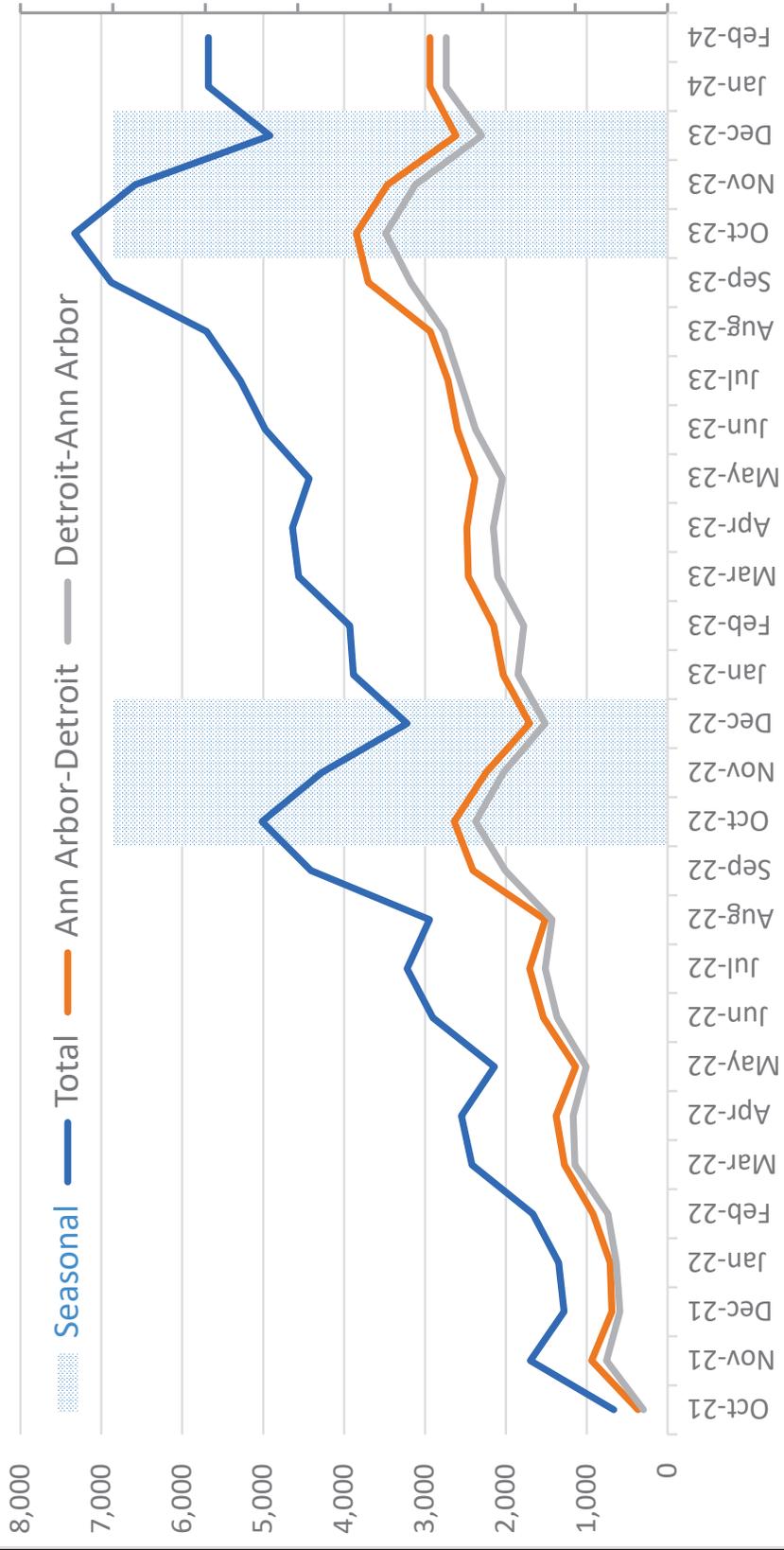
Golden - FlexRide Measure	FY 2023		FY 2024		FY 2024		FY 2024		FY 2024		Q1 20 - Q1 24		Q1 21 - Q1 24		Q1 22 - Q1 24		Q1 23 - Q1 24	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	#DIV/0!	99%	1%	41%	41%	-16%	-100%	
Operational Cost (Contractor)	\$99,050	\$200,307	\$217,978															
Trips - East Service Area	2,448	2,207	2,173															
Trips - West Service Area	1,484	1,089	1,037															
FlexRide - Late Night	2,729	2,646	2,555															
Cost/Boarding	\$25.19	\$60.77	\$67.91															
Complaints	2	1	3															
Compliments	0	0	0															
Denials East	29	9	8															
Denials West	3	0	0															
Denials Late Night/Holiday	36	34	26															
Boardings	6,661	5,942	5,765															
Trip Denials	68	43	34															

Data for Q1 of FY23 is unavailable as it was not requested or measured until Q2 of FY23



D2A2

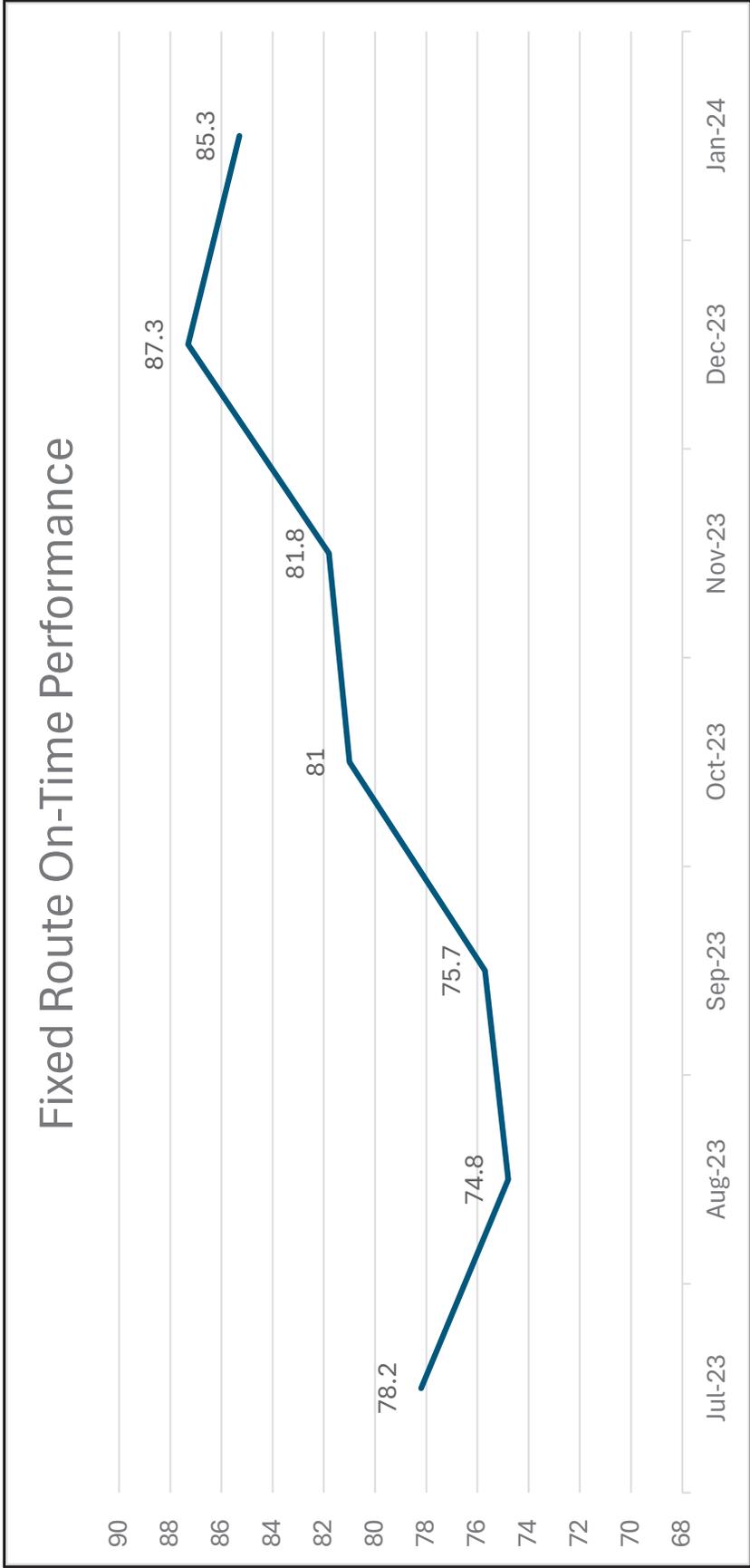
D2A2 Ridership



Operations Report

For the Period Ended December 31, 2023

Fixed Route On-Time Performance Trend



CEO Report

Meeting: Board of Directors

Meeting Date: March 21, 2024

INFORMATION TYPE: Other/Incidental

LONG-RANGE PLAN STATUS UPDATES

UPCOMING MILLAGE SERVICE

The AAATA continues to work on the planning of the “Washtenaw Express” 104 route that was part of the recent millage. This route will offer limited stops, will allow riders to get between Ann Arbor and Ypsilanti faster. AAATA staff is finalizing the development of marketing materials that will be used to promote the expansion route *that will begin operating in early May*. AAATA staff have begun working on a press event highlighting the new route.

YPSILANTI TRANSIT CENTER PLANNING

The DLZ, HDR, and AAATA team continues their work to validate and update the 2018 Passenger Terminal Needs Assessment, including facility programming, confirming the site, conceptual alternatives, and working with the FTA through the planning, environmental documentation, and design processes. We have also developed a Stakeholder and Public Engagement Plan and are actively planning *public engagement activities in late April through mid-May 2024*. TheRide planning team will also formally introduce the project at the Ypsilanti City Council Meeting on March 19, 2024.

MDOT WASHTENAW AVENUE and US-23 STUDIES

Staff are meeting with staff from MDOT in the coming weeks to discuss the possibility of MDOT looking at an additional options on the ongoing US-23 project that would use park and rides and coach buses to transport people into downtown Ann Arbor. This could provide progress towards the plan’s vision for regional park n ride.

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 received seven (7) responses to its RFP for a co-developer, and the evaluation team has completed their review. Interviews with the top proposers are in progress, and we hope to move into contract negotiations before the end of March. 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. 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

Guidelines for the federal Low or No Grant Program (Low-No) were made available earlier this month. Staff have begun working on the grant application with assistance from consultant Calstart. The grant application deadline is April 25th. AAATA staff are working on two related earmark submissions, from Senator Gary Peters and Representative Debbie Dingell.

In January, the Board approved proceeding with 2 hydrogen and up to 40 Hybrid grants. 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.

AAATA staff was given a demonstration of Gillig's Allison eGen Flex bus on March 13th. The hybrid bus has features such as an engine stop-start, and geofencing EV operations that allow for full-electric use at some points in a route.

LEGISLATIVE UPDATES

Federal: Last week, President Biden's FY (Fiscal Year) 25 budget was released, notably, Biden has proposed \$16.8 billion for public transit, a \$198 million raise from the FY 24 budget. The budget will now go through congressional review and the appropriations process in the House and the Senate. From there they will go to the conference committee, where a compromise will be negotiated on the different version of the bill. Once Congress has passed all appropriations bills, they will be sent to President Biden for approval.

State: In Michigan, House of Representatives is currently in a 54-54 split, as two former sitting members won mayoral elections in their respective districts and vacated their seats, leaving the House in a split. Committee meetings are still being held and some bill votes are being taken. Special elections for the two seats, which heavily favor democrats, are being held on April 16th. November election season is rapidly approaching, and control of Lansing is expected to be competitive.

Governor Whitmer announced the FY 25 budget in February, but there has not been substantial movement on the process. There has been heightened attention to financial pressures for the Local Bus Operating funds in the draft state budget. As operating costs rose throughout the state, the funding in the proposed budget did not keep pace, leading to a paper-only shortfall. In unresolved, this could lead to less state operating funds available for all agencies across the state. AAATA is working with the Michigan Public Transit Association and others to highlight this challenge to state lawmakers. Staff have met with Rep. Morgan and he is very focused on this issue. Final decisions are several weeks away and this matter may be resolved before the budget is finalized.

Ann Arbor: CEO Carpenter presented to the Ann Arbor City Council on the ongoing US-23 project and MDOT. The AAATA asked the Ann Arbor City Council to adopt a resolution, endorsing TheRide's suggestions to MDOT. The CEO and staff have been working with City Council member Erica Briggs on a draft resolution expected to be voted on and adopted at the Ann Arbor City Council meeting on March 18th.

OPERATIONAL UPDATES

EMPLOYEE ENGAGEMENT

Transit Employee Appreciation Day is March 18th. Staff have developed plans to celebrate the day, including food and gifts that will be given out to employees.

STOPGAP BUS REPLACEMENT

TheRide is currently working on a mutual cancellation agreement with NovaBus, as reported last month, NovaBus is departing the US market. The remainder of the contract has been awarded to Gillig, a prominent manufacturer. Delivery of the new buses is set to take place in about 12 months. As per the 2019 authorization, the replacement buses will be conventional clean diesels (same as the Novas) and are not part of the ZEB or Low-No discussions. Staff anticipate a new procurement process in the future, which will include ZEB decisions.

LOCAL ADVISORY COMMITTEE (LAC)

CEO Carpenter met with the LAC and decided that 1) In-person meetings would resume immediately and 2) LAC meetings would be moved from monthly to bi-monthly. Additional changes are anticipated. Staff provided an update on the AAATA Long-Range Plan, and monthly service updates were provided for paratransit, fixed route, and customer service. The next LAC meeting will be taking place on April 23rd.

TRANSPORTATION COMMISSION (ANN ARBOR)

The Commission is set to meet on Wednesday, March 20, 2024. CEO Matt Carpenter is set to give brief remarks, focusing on the current developments with MDOT and the US-23 project.

WATS POLICY COMMITTEE UPDATE

The February 2024 WATS Policy Committee meeting is being held on Wednesday, March 20th at 9:30am.

STAFFING UPDATES

Earlier this month, Mark Nonis, a mechanic, celebrated his 40th work anniversary with AAATA. We also welcomed Krystal Hull, Grants and Capital Planning Program Manager, to AAATA last month. This month, we welcomed a class of 12 new MCO's as part of our service expansion.

