

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 showed as 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