

Board of Director's Meeting Minutes

Meeting Date/Time: May 15, 2025 - 6:30pm – 9:00pm

Location: Riverside Arts Center (4th Floor)

Virtual attendance available via Zoom

Members Present: Kathleen Mozak (Chair), Mike Allemang (Treasurer), Jesse Miller (Secretary), Chris Allen, Simi Barr, Julie Grand, Susan Pollay, Georgia Valentine

Members Absent: Rich Chang (Excused)

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

Agenda Item
1. OPENING ITEMS
1.1 Approve Agenda
No additions or changes noted to the agenda.
Mr. Miller motioned to approve the agenda, seconded by Ms. Grand.
No discussion on the motion.
All in favor of approving the agenda:
Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Ms. Julie Grand: Yes
Mr. Jesse Miller: Yes
Ms. Susan Pollay: Yes
Ms. Georgia Valentine: Yes
Chairwoman Kathleen Mozak: Yes
The motion to approve the agenda passed unanimously
1.2 Public Comment
No public comments.
1.3 General Announcements
Chairwoman Mozak congratulated Mr. Allemang after the City of Ann Arbor recently reappointed him to a 5-year term with the Board. She also shared that there has been no announcement yet about an appointment for the recent Board seat vacancy.

2. CONSENT AGENDA

2.1 Board Meeting Minutes April 17, 2025

2.2 Committee Meeting Summaries

Ms. Valentine motioned to accept the Consent Agenda, seconded by Mr. Allemang

No discussion on the motion.

All in favor of accepting the Consent Agenda:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Ms. Julie Grand: Yes
Mr. Jesse Miller: Yes
Ms. Susan Pollay: Yes
Ms. Georgia Valentine: Yes
Chairwoman Kathleen Mozak: Yes

The motion to accept the Consent Agenda passed unanimously.

3. OWNERSHIP LINKAGE

3.1 Ownership Linkage Task Force Updates

Chairwoman Mozak provided a brief update on behalf of Mr. Chang: OLTF has been in communication with Ann Arbor City Council members Erica Briggs and Dharma Amon and are planning to meet in June.

4. MONITORING

4.1 Environmental Sustainability (2.11)

Mr. Carpenter presented the monitoring report for Environmental Sustainability (Policy 2.11) with highlights that this is the second year of monitoring and noted full compliance and 80% agreement from the Board survey.

Mr. Barr motioned to accept the Environmental Sustainability (2.11) monitoring report as (A) Compliant, seconded by Mr. Miller.

No discussion on the motion.

All in favor of accepting Environmental Sustainability (2.11) monitoring report as (A) Compliant:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Ms. Julie Grand: Yes
Mr. Jesse Miller: Yes
Ms. Susan Pollay: Yes
Ms. Georgia Valentine: Yes
Chairwoman Kathleen Mozak: Yes

The motion to accept the Environmental Sustainability (2.11) monitoring report as (A) Compliant, passed unanimously.

5. POLICY DEVELOPMENT

5.1 Policy Language Discussion (if needed)

Board members expressed a desire for more explicit policy language related to the parameters of emission scope – Governance Committee are slated to review the policy to determine if it is an End or an Executive Limitation. The emission scope discussion will be tabled until that determination has been made.

6. BOARD EDUCATION / DISCUSSION

7. OPERATIONAL UPDATES

7.1 YTC Update

Ms. Gretchen Johnson provided Ypsilanti Transit Center reconstruction updates ([Board Packet, page 36](#)) which included information on site development plans, public engagement opportunities, NEPA update and next steps in the development process.

She fielded several questions from Board members related to design concepts, security concerns, and the environmental review process.

7.2 BTC Update

Mr. Raymond Hess provided an update on the Blake Transit Center improvement project that had been included in the Board-approved capital plan. AAATA staff have been working with AAHC, City of Ann Arbor and the DDA to incorporate additional bus loading space with Y-Lot redevelopment planning. Policy 2.10.1 requires the CEO to request and receive Board authorization before proceeding with detailed facility design.

Ms. Pollay motioned to authorize the CEO to move forward with detailed design and engineering for the proposed BTC expansion pursuant to Policy 2.10.1, seconded by Mr. Barr.

No discussion on the motion.

All in favor of authorizing the CEO to move forward with detailed design and engineering for the proposed BTC expansion pursuant to Policy 2.10.1:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Ms. Julie Grand: Yes
Mr. Jesse Miller: Yes
Ms. Susan Pollay: Yes
Ms. Georgia Valentine: Yes
Chairwoman Kathleen Mozak: Yes

The motion to authorize the CEO to move forward with detailed design and engineering for the proposed BTC expansion pursuant to Policy 2.10.1 passed unanimously.

7.3 Capital Budget Amendment Proposal

Ms. Reed shared that in conjunction with the Board approval to move forward with detailed design and engineering for the BTC expansion projection, the Board also needed to approve a budget amendment. In accordance with Policy 2.5.5.1, the Board must approve additional funds for capital projects that have already been approved in the annual budget. Although the total overall cost of the BTC expansion project is not increasing, the Board needed to approve spending funds earlier than originally anticipated. The proposed amended budget decreases planned expenditures for the Transit Priorities Project by \$220,000 to offset the increase needed for the BTC Project in FY2025.

Mr. Allemang motioned to approve the amendment to the FY2025 Capital Budget and allow for detailed design for Blake Transit Center improvements, seconded by Ms. Pollay

No discussion on the motion.

All in favor of approving the amendment to the FY2025 Capital Budget to modify BTC project expenses:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Ms. Julie Grand: Yes
Mr. Jesse Miller: Yes
Ms. Susan Pollay: Yes
Ms. Georgia Valentine: Yes
Chairwoman Kathleen Mozak: Yes

The motion to approve the amendment to the FY2025 Capital Budget to modify BTC project expenses passed unanimously.

A clerical error was noted in the final paragraph of the amendment resolution – staff will update the resolution and change “Attachment A” to “Attachment 2.”

7.4 FY2025 Q2 Financial Report

Ms. Reed presented the FY25 Q2 Financial Report with revenues and expenses trending close to budget as planned. She noted that staff are monitoring subrecipient pass-throughs for expenditures are trending higher than anticipated – revenue is received from state or federal funding which matches the expense but is noted on the income statement. Assets continue to be strong with good interest rates on investments.

7.5 Budget Timeline Preview

Ms. Reed provided a brief timeline for the start of the budget planning season. She noted that the timeline and process has been consistent the past few years. The draft FY26 Budget will be presented at the August Board Meeting, and the final FY26 Budget approval will be at the September Board Meeting.

7.6 Legislative Updates

Mr. Pfeifer shared that he, Mr. Carpenter, Ms. Reed and Mr. Miller will be attending the upcoming APTA Legislative Conference in Washington, DC and have plans to meet with several elected officials. The State budget process is still in progress and staff are monitoring plans for LDL funding.

7.7 CEO Report

Mr. Carpenter shared construction updates which include the roofing replacement project and the installation of a sidewalk at the DGOC facility. He also shared recent safety/security incidents and that staff are moving forward to hire a consultant to provide insight into improving security measures. The Low-No Grant process for funding obligations was also discussed as staff are waiting for final approval.

8. EMERGENT ITEMS

8.1 Board Meeting Run Time

Chairwoman Mozak shared that the Governance Committee was presenting several options for consideration to better improve the length of Board meetings.

- Increase meetings from 2.5 to 3 hours
- Add time markers to the agenda
- Speaking time constraints for Board members (i.e. 3 minutes per member / per agenda item)
- Videos of some reports/presentations ahead of Board meeting in place of in-person presentations
- Policy monitoring reports with 100% approval responses are moved to the Consent Agenda.

After a thorough discussion, Chairwoman Mozak requested staff create a survey to send to Board Members to determine which suggestions might move forward into practice. The topic will be discussed at the June Board meeting.

8.2 Approve CEO Contract

Chairwoman Mozak shared her appreciation for the Governance Committee's hard work with the organization's attorney and other agencies as they gathered information for the CEO contract negotiation. A draft agreement between Mr. Carpenter and the Governance Committee was agreed upon with a request for the Board to vote and approve before it is finalized.

Mr. Allemang motioned to approve the 5-year CEO Contract, seconded by Mr. Miller.

No discussion on the motion.

All in favor of approving the 5-year CEO Contract:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Ms. Julie Grand: Yes
Mr. Jesse Miller: Yes
Ms. Susan Pollay: Yes
Ms. Georgia Valentine: Yes
Chairwoman Kathleen Mozak: Yes

The motion to approve the 5-year CEO Contract passed unanimously.

9. CLOSING ITEMS

9.1 Action Item Recap

- Environmental Sustainability Monitoring Report was accepted as (A) Compliant
- Governance Committee will be discussing Environmental Sustainability policy language and provide updates to the Board.
- The Budget Amendment resolution will be updated to correct "Attachment A" to "Attachment 2" wording.
- Staff will be working with the Chair to create a survey to send to Board members for Board meeting run time input.

9.2 Topics for Next Meeting

Governance Process Policies (3.5-3.8)

Intro to Draft Budget

Future:

Determining Reasonableness

State Funding (Education)

9.3 Public Comment

No public comment.

9.4 Adjournment

Ms. Pollay motioned to adjourn the meeting, seconded by Mr. Allemang.

There was no discussion on the motion.

All in favor of adjourning the meeting:

Mr. Mike Allemang: Yes

Mr. Chris Allen: Yes

Mr. Simi Barr: Yes

Ms. Julie Grand: Yes

Mr. Jesse Miller: Yes

Ms. Susan Pollay: Yes

Ms. Georgia Valentine: Yes

Chairwoman Kathleen Mozak: Yes

The motion to adjourn the meeting passed unanimously.

Chairwoman Mozak adjourned the meeting at 8:10pm.

Respectfully Submitted by Deborah Holt

Attachment 1

Resolution 02/2025

AMENDMENT OF FY 2025 CAPITAL BUDGET

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

WHEREAS, the Ann Arbor Area Transportation Authority (AAATA) Board of Directors (Board) is required by the Michigan Uniform Budgeting and Accounting Act of 1968 to adopt a balanced operating budget for each fiscal year, and

WHEREAS, on September 19, 2024, the Board adopted the FY2025 Budget by resolution (Attachment 2, Resolution No. 03/2024), and

WHEREAS, AAATA intends to increase capital expenses in FY2025 for the Blake Transit Center Project by \$220,000, and

WHEREAS, AAATA intends to decrease capital expenses in FY2025 for the Transit Priorities Project by \$220,000, and

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby approves an amendment to the FY2025 Capital Budget to modify project expenses (Attachment 2).


Kathleen M. Mozak, Chair
May 15, 2025


Jesse Miller, Secretary
May 15, 2025

Attachment 2

ILLUSTRATED AMENDMENT OF FY 2025 CAPITAL BUDGET

(\$ in thousands)					
Category		Project Description	FY2025 Approved Budget	FY2025 Amended Budget	Variance
STATE OF GOOD REPAIR		Vehicles	\$ 8,435,890	\$ 8,435,890	\$ -
		Equipment	1,360,000	1,360,000	-
		Existing Facilities	12,359,150	12,359,150	-
		Information Technology	2,161,759	2,161,759	-
		Category Total	24,316,799	24,316,799	-
VALUE ADDED		Bus Stop Improvements	402,000	402,000	-
		Facilities Parking Lot Renovation	895,000	895,000	-
		Transit Priorities	2,413,800	2,193,800	(220,000)
		Low & Zero-Emission	1,743,697	1,743,697	-
		Category Total	5,454,497	5,234,497	(220,000)
RESEARCH & DEVELOPMENT		Emergent R&D	25,000	25,000	-
		Category Total	25,000	25,000	-
EXPANSION	Ypsilanti Transit Center	Land Acquisition	1,000,000	1,000,000	-
		Planning, NEPA, & Design	1,240,000	1,240,000	-
		Construction	-	-	-
		YTC Subtotal	2,240,000	2,240,000	-
	Blake Transit Center	Planning, NEPA, & Design	100,000	320,000	220,000
		Construction	-	-	-
		BTC Subtotal	100,000	320,000	220,000
	Bus Rapid Transit	Planning, NEPA, & Design	500,000	500,000	-
		Construction & Vehicles	-	-	-
		BRT Subtotal	500,000	500,000	-
	Bus Maintenance & Storage Facility	Land Acquisition	-	-	-
		Planning, NEPA, & Design	1,200,000	1,200,000	-
		Construction	-	-	-
		Garage Subtotal	1,200,000	1,200,000	-
	Information Technology	New Fare Technology	-	-	-
		Customer Experience Technology	100,000	100,000	-
		First and Last Mile Solutions	80,000	80,000	-
		Operational Innovations	350,000	350,000	-
		Information Technology Subtotal	530,000	530,000	-
		Transit Hubs	500,000	500,000	-
		Additional Vehicles for Service Expansion	-	-	-
	Category Total	5,070,000	5,290,000	220,000	
EXPENSE TOTAL			\$ 34,866,296	\$ 34,866,296	\$ -

Funding Sources	FY2025 Approved Budget	FY2025 Amended Budget	Variance
FORECASTED:			
5307 Federal + State Match	\$ 24,282,511	\$ 24,282,511	\$ -
5339 Federal + State Match	4,049,728	4,049,728	-
CMAQ Federal + State Match	4,033,257	4,033,257	-
5310 Federal + State Match	-	-	-
STBG Flex Federal + State Match	377,000	377,000	-
State Initiatives (TSP)	883,800	883,800	-
Congressionally Directed Spending	1,240,000	1,240,000	-
Local Capital Reserve	-	-	-
UNIDENTIFIED:			
Other	-	-	-
REVENUE TOTAL	\$ 34,866,296	\$ 34,866,296	\$ -