Board of Director's Meeting Minutes

Meeting Date/Time: August 21, 2025 - 6:30pm – 9:00pm
Location: Ann Arbor District Library (4th Floor - Virtual via Zoom

Members Present: Kathleen Mozak (Chair), Mike Allemang (Treasurer), Jesse Miller (Secretary), Chris Allen, Rich Chang, Julie Grand, Susan Pollay, Georgia Valentine
Members Absent: Simi Barr (Excused), Praveena Ramaswami (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.

Ms. Grand motioned to approve the agenda, seconded by Mr. Miller.

No discussion on the motion.

All in favor of approving the agenda:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Rich Chang: 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 commenters.

1.3 General Announcements

No general announcements.

2. CONSENT AGENDA

2.1 Board Meeting Minutes: July 24, 2025

2.2 Committee Meeting Summaries

2.3 Board of Director's Meeting Run Times

2.4 Add Determining Reasonableness Document to Board Policy Manual Appendix

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

No discussion on the motion.

All in favor of accepting the Consent Agenda:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Rich Chang: 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

Mr. Chang shared that a meeting has been scheduled in late September with the Ypsilanti Township. Meetings with the City of Ypsilanti and Ann Arbor Council member Briggs are also being coordinated.

4. MONITORING / DEVELOPMENT

4.1 Recommendation to Not Monitor Policy 2.5.12

In January, the Board adjusted monitoring of policy 2.5.12 to be “as needed.” The annual monitoring is scheduled for September and after discussing this with staff, Mr. Allemang shared that the Finance Committee determined that no monitoring was necessary, and they would bring a recommendation forward to the Board for a vote at the August Board meeting.

Mr. Allen motioned not to monitor Fare Policy 2.5.12 as it is monitored *as needed* as no fare policy changes took place during the previous year, seconded by Ms. Grand.

There was no discussion on the motion.

All in favor of not monitoring Fare Policy 2.5.12:

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

The motion not to monitor Fare Policy 2.5.12 passed unanimously.

4.2 Governance Process Policies (3.0-3.4)

The Board reviewed and discussed responses from the Governance Process Policies (3.0-3.4). It was noted that the language in policy 3.3.3.3 is difficult to comply with as it prohibits board members from commenting on staff performance. The Governance Committee will review the policy and explore recrafting the wording, so the policy is less punitive and more reflective of the board's intent.

5. POLICY DEVELOPMENT

5.1 Policy Language Discussion (if needed)

5.1.1 Policy 3.2 Job Description

Chairwoman Mozak shared that in reviewing the Governance Process Policies there were other board job duties that had not been clearly defined. She introduced a proposed policy that would better define the board's participation in the procurement process for the General Legal Counsel, Auditing Firm and Governance consultant.

Ms. Grand motioned to accept the addition of policy 3.2.13 *Participate in the procurement process of both General Legal Counsel and Auditing Firm alongside staff. Be the definitive decision maker in the procurement of a Governance Consultant*, seconded by Mr. Miller.

There was no discussion on the motion.

All in favor of accepting the addition of policy 3.2.13:

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

The motion of accepting the addition of policy 3.2.13 passed unanimously.

Staff will update the Boad Policy Manual to include the new policy.

6. BOARD EDUCATION / DISCUSSION

7. OPERATIONAL UPDATES

7.1 Draft Budget

Ms. Reed introduced the Board to the draft FY2026 Budget (Board packet, page 120), noting that the Operating Budget is balanced at $71.3M, but with lower state operating assistance, higher property tax revenues. and inflation and insurance pressure impacts. She discussed impacts of state LBO funding; however the organization has an overall stable financial outlook through the current millage period.

The Capital Budget is fully funded at $30.6M for capital projects that include funding for State of Good Repair (vehicles, equipment, existing facilities, IT), Value Added (bus stop improvements, Existing facilities/T, transit properties, transit signal priorities, emergent research/development), and Expansion (YTC, BTC, Bus Rapid Transit, Bus Maintenance/Storage Facility, IT, Transit Hubs).

Board members also discussed the implications of a state government shutdown and the use of capital and operating reserves should the State budget not pass.

7.1.1 Public Hearing RE: Budget

Chairwoman Mozak stated that in accordance with Budget Hearings of Local Government Act, local units are required to hold a public hearing on proposed budget.

Ms. Pollay motioned to suspend the regular board meeting and move into the public hearing, seconded by Mr. Chang.

There was no discussion on the motion.

All in favor of suspending the board meeting to move into the public hearing:

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

The motion to suspend the regular board meeting to move into the public hearing passed unanimously.

No public commenters.

Chairwoman Mozak requested a motion to close the public hearing and resume the regular board meeting.

Ms. Pollay motioned to close the public hearing and resume the regular board meeting, seconded by Ms. Valentine.

There was no discussion on the motion.

All in favor of closing the public hearing and resuming the regular board meeting:

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

The motion to close the public hearing and resume the regular board meeting passed unanimously.

The final budget will be presented at the September Board meeting for Board approval.

7.2 BTC Authorizations

Ms. Reed and Mr. Yang updated the Board on the status of the BTC expansion project and the need for Board approval to proceed with grant applications and funding requests.

Mr. Chang motioned to authorize the CEO to submit grant applications and funding requests as necessary to fund the project for the proposed BTC expansion, seconded by Ms. Pollay.

There was no discussion on the motion.

All of favor of authorizing the CEO to submit grant applications and funding requests as necessary to fund the project for the proposed BTC expansion:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Rich Chang: 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 submit grant applications and funding requests as necessary to fund the project for the proposed BTC expansion passed unanimously.

7.3 FY25 Q3 Financial Report

Ms. Reed presented an overview of the FY25 Q3 financial report noting the organization is operating within budgeted operating expenses. There is currently a net surplus but an increase in 4th quarter expenses is expected as project spending is ramped up before the end of the fiscal year. Investments remain steady and performing well, with little change.

Mr. Allemang highlighted the solid financial shape of the organization and thanked the Finance department for their continued good work in providing clear and concise reports to the Board.

7.4 CEO Report & Legislative Updates

Mr. Pfeifer discussed the ridership campaign and highlighted the multi-pronged approach for marketing and the positive feedback that has been received. He also provided legislative updates on the state budget process and federal funding opportunities in progress**.**

Mr. Carpenter shared that the trademark process has been completed successfully and he congratulated the Planning team for their work on NEPA approvals for the YTC projects. He also noted that Operations has been working diligently to keep up with continued route changes with road work around the area.

8. EMERGENT ITEMS

Chairwoman shared that she had neglected to share under General Announcements that the annual Audit Task Force is being assembled. Three to four board members are needed for the task force and board members can contact her directly if they are interested.

9. CLOSING ITEMS

9.1 Action Item Recap

- Update Board Policy Manual to include reasonableness guidance document and new policy 3.2.13
- Clerical update July Governance notes to reflect the change from “secured” to “pursuing” for the State Street project discussion
- Governance Committee review 3.3.3.3 policy wording and propose revisions
- Provide future board education on the responsibility of board members for ownership linkage and coordinated advocacy.

9.2 Topics for Next Meeting

Budget Approval
FY25 Q3 Service Report
Financial Planning & Budgeting (2.4)
Officer Elections

Future:
State Funding (Education)

9.3 Public Comment

No public commenters.

9.4 Adjournment

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

There was no discussion on the motion.

All in favor of adjourning the meeting:

Mr. Mike Allemang: Yes
Mr. Chris Allen: Yes
Mr. Rich Chang: 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 7:58pm.

Respectfully Submitted by Deborah Holt