Board of Director's Meeting Agenda

Meeting Date/Time: November 20, 2025 - 6:00pm – 8:30pm

Location: Ann Arbor District Library (4th Floor - Virtual via [Zoom]() Passcode: 983308

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

Agenda Item	Info Type	Start Time	Details	Page #
1. OPENING ITEMS				
1.1 Approve Agenda	D	6:00	Mozak	
1.2 Public Comment	O			
1.3 General Announcements	O			
2. CONSENT AGENDA				
2.1 Board Meeting Minutes: October 16, 2025	D			3
2.2 Committee Meeting Summaries	D			8
2.3 Contract Award Authorization	D			15
3. OWNERSHIP LINKAGE				
3.1 Ownership Linkage Task Force Updates	O	6:05	Chang	Verbal
4. MONITORING / DEVELOPMENT				
4.1 Treatment of the Traveling Public (2.1)	M	6:15	Carpenter	17
5. POLICY				
5.1 Policy Language Discussion (if needed)	O	6:30	Mozak	Verbal
6. BOARD EDUCATION / DISCUSSION				
6.1 Flex Ride Updates	O	6:35	Carpenter	Verbal
7. OPERATIONAL UPDATES				
7.1 Downtown Ann Arbor – Construction Updates	O	6:50	Yang	Verbal
7.2 FY2025 Q4 Financial Report	O	7:05	Reed	37
7.3 Legislative Updates	O	7:20	Pfeifer	Verbal
7.4 CEO Report	O	7:30	Carpenter	40
8. EMERGENT ITEMS				
9. CLOSING ITEMS				
9.1 Action Item Recap	O	7:35	Holt	
9.2 Topics for Next Meeting FY2025 Q4 Service Report State Funding Closed Session: Labor Negotiations Future: UM-2050 (January), Policy 3.3.3.3 policy language discussion			Thursday, December 18, 2025 *Ann Arbor District Library*	
9.3 Public Comment	O			
9.4 Closed Session (Pursuant to 8(c) of OMA)	D	7:40		
9.5 Adjournment		8:30		

* 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: October 16, 2025 - 6:00pm – 8:30pm

Location: Ann Arbor District Library (4th Floor - Virtual via Zoom

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

No discussion on the motion.

All in favor of approving the agenda:

Mr. Mike Allemang: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Susan Pollay: Yes
Ms. Praveena Ramaswami: 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: September 18, 2025

2.2 Board Retreat Minutes: October 2, 2025

2.3 Committee Meeting Summaries

2.4 Emergency Succession (Policy 2.8)

2.5 Construction (Policy 2.10)

2.6 Annual Public Transit Agency Safety Plan Approval

Mr. Chang 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. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Susan Pollay: Yes
Ms. Praveena Ramaswami: 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 scheduling a meeting with the City of Ypsilanti is in progress and that staff will be presenting their bi-monthly updates to the Ann Arbor City Council on October 20th. He will also be putting together a recap of a recent meeting with Ypsilanti Township.

4. MONITORING / DEVELOPMENT

5. POLICY

5.1 Policy Language Discussion (if needed)

No policy language discussion.

5.2 Ends Retreat Debrief

The board had no additional discussion on the October 2nd Ends Retreat. The Board will have a retreat to discuss Ends Policy Review on December 4th.

6. BOARD EDUCATION / DISCUSSION

7. OPERATIONAL UPDATES

*** Meeting briefly paused when staff discovered the first minutes of the meeting had not been broadcasting with audio over Zoom.*

7.1 Legislative Updates

Mr. Pfeifer provided federal and state budget updates. The FTA and DOT are still working during the Federal shutdown, although the status of obligating the Low-No Grant remains uncertain and no updates are expected during this period.

Mr. Pfeifer and Ms. Reed shared an overview of the final approved State budget which increased LBO funding to $271M, which increased previously planned LBO funding from 26% to a new 5-year baseline of 29%. While this helps with funding stability, staff are continuing to monitor information released and final impacts are not yet known.

7.2 CEO Report

Mr. Carpenter provided an overview of the CEO report with a note that the Mechanic Rodeo is taking place at 2700 S. Industrial on Sunday, October 19th and is open to the public. He shared that the work of MPTA continues to increase visibility for public transportation and thanked Mr. Pfeifer and his team for their work behind the scenes.

8. EMERGENT ITEMS

9. CLOSING ITEMS

9.1 Action Item Recap

Staff provided a recap of motions and approvals for agenda items as that information was not captured in the Zoom recording due to the earlier audio issues. No other action items were noted.

9.2 Topics for Next Meeting

Treatment of the Traveling Public (2.1)
FY2025 Q4 Financial Report
Closed Session: Labor Negotiations

Future:
State Funding (Education)

9.3 Public Comment

No public commenters.

9.4 Closed Session (Pursuant to 8(c) of OMA)

Chairwoman Mozak took a roll call vote to go into Closed Session pursuant to 8(c) of the Open Meetings Act, the closed session is for strategy connected with the negotiation of a collective bargaining agreement.

Vote to go into closed session (Yes/No response):

Mr. Mike Allemang: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Susan Pollay: Yes
Ms. Praveena Ramaswami: Yes
Ms. Georgia Valentine: Yes
Chairwoman Kathleen Mozak: Yes

The Board unanimously voted to go into closed session at 6:20pm.

Vote to go move out of closed session (Yes/No response):

Mr. Mike Allemang: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Susan Pollay: Yes
Ms. Praveena Ramaswami: Yes
Ms. Georgia Valentine: Yes
Chairwoman Kathleen Mozak: Yes

The Board voted unanimously to move out of closed session at 9:11pm.

9.5 Adjournment

Ms. Valentine motioned to adjourn the meeting, seconded by Ms. Pollay.

There was no discussion on the motion.

All in favor of adjourning the meeting:

Mr. Mike Allemang: Yes
Mr. Rich Chang: Yes
Mr. Jesse Miller: Yes
Ms. Susan Pollay: Yes
Ms. Praveena Ramaswami: Yes
Ms. Georgia Valentine: Yes
Chairwoman Kathleen Mozak: Yes

The motion to adjourn the meeting passed unanimously.

Chairwoman Mozak adjourned the meeting at 9:12pm.

Respectfully Submitted by Deborah Holt

Resolution 04/2025

PUBLIC TRANSPORTATION AGENCY SAFETY PLAN

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

WHEREAS, the Public Transportation Agency Safety Plans (PTASP) regulation (49 CFR Part 673) requires certain operators of public transportation systems that receive federal funds under the FTA Urbanized Area Formula Grants to develop an Agency Safety Plan (ASP) that includes the processes and procedures to implement a Safety Management System (SMS), a comprehensive, collaborative, and systematic approach to managing safety, and

WHEREAS, the Federal Transit Administration requires the Board of Directors of the Ann Arbor Area Transportation Authority to annually approve a Public Transit Agency Safety Plan, and

WHEREAS, the Chief Executive Officer (the AAATA Accountable Executive) has signed the 2025 Public Transit Agency Safety Plan, as approved by staff at the Safety Committee.

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Ann Arbor Area Transportation Authority hereby approves the 2025 Public Transit Agency Safety Plan and directs the Chief Executive Officer to submit it to the Federal Transit Administration by the end of the calendar year.

I hereby certify that the following Resolution was duly approved and adopted by the Board of Directors of the Ann Arbor Area Transportation Authority at a meeting held on October 16, 2025, at which a quorum was present and acting throughout.

Kathleen M. Mozak, Chair
October 16, 2025

Jesse Miller, Secretary
October 16, 2025

Governance Committee Meeting Notes

Meeting Date/Time: Thursday, October 23, 2025 – 3:00 – 5:00pm

Members Present: Kathleen Mozak (Chair), Mike Allemang, Rich Chang

Staff: Matt Carpenter, Dina Reed, Forest Yang, Rosa-Maria Kamau, Deb Holt

Location: REMOTE – Via Zoom

Chairwoman Mozak called the meeting to order at 3:02pm

Agenda Item
1. OPENING ITEMS
1.1 Agenda (Additions, Approval) No additions or changes noted to the agenda. **1.2 Communications** Chairwoman Mozak had forwarded email communications from the Governance consultant to the committee and noted they would be referenced during the meeting. She also shared that she had attended the Fleet Rodeo and thanked staff for putting on the event.
2. BOARD DEVELOPMENT
2.1 Ends Development & Priorities Chairwoman Mozak shared communication from the Governance consultant in preparation for a Board retreat in December. They decided, if there was additional time, to discuss the agenda item at the end of the meeting to determine how they choose to move forward. **2.2 Recruitment / Training / Attendance** Chairwoman Mozak shared updates related to upcoming reappointments in 2026, and proactive recruitment plans for any potential board vacancies. Two new board members are attending a Policy Governance Boot Camp at the end of the month. The committee will review data related to attendance and monitoring report participation. **2.3 OLTF (Further discussion – Mozak)** Mr. Chang noted that he and Mr. Pfeifer attended the October 20th Ann Arbor City Council meeting – he also has scheduled a time to meet with an Ann Arbor City council member at the end of the month.

Chairwoman Mozak introduced and the committee discussed if it would be beneficial to move beyond an OLTF taskforce by creating an OLTF committee as the need for board/community strategic communication is an ongoing need. The committee will discuss it again at the November meeting.

3. POLICY MONITORING & DEVELOPMENT

3.1 Policy 3.3.3.3 Re: Complimenting Staff

Chairwoman Mozak shared communication from the Governance consultant related to Policy 3.3.3.3. Board members had expressed concern with the policy during a review of Governance Process policies as the policy reads as limiting Board members from expressing appreciation to the staff and sought guidance from the Governance consultant.

The committee discussed the nuances of interpretation and adding additional clarification language: They determined they will recommend for committee discussion the addition of *in an attempt to exert individual authority* to policy 3.3.3.3.

4. STRATEGY & OPERATIONAL UPDATES: CEO

4.1 Legislative Updates

Mr. Carpenter and Ms. Reed provided updates on the federal shutdown, funding impacts, and delays due to staff reductions with the FTA.

They also shared additional impacts from the passed State budget which favored public transportation and details continue to be released from MDOT.

5. EMERGENT ITEMS

5.1 Negotiation Goal Discussion

Mr. Carpenter briefly provided information on goals related to upcoming labor union negotiations.

6. CLOSING ITEMS

6.1 Committee Agendas

Chairwoman Mozak noted that the Service Committee is being led by 2 co-chairs, and the Governance Committee may want to discuss/reevaluation committee structures according to current needs.

Service Committee agenda – No changes noted to the agenda. Add future discussion in December: Policy 3.3.3.3 policy language discussion

Finance Committee agenda – No changes noted the agenda. Add future discussion in December: Policy 3.3.3.3 policy language discussion

Board Meeting agenda – No changes noted, and time points will be added.

6.2 Action Item Recap

- Staff will assist in scheduling an in-person 2-hour Governance Committee meeting to discuss Ends review and committee structure – after November 10th
- Staff will assist with reserving meeting space at the BTC for an OLTF meeting on October 30th.
- Chairwoman Mozak will create an issue brief on the addition of clarifying language for policy 3.3.3.3 – will be added to December Service & Finance Committee agendas before going to the Board.

6.3 Topics for Next Meeting

Attendance/Monitoring Summary FY25
Ownership Linkage Task Force or Committee?

Future:
Executive Committee + OM Act, (Dykema), Ownership Linkage Education, Policy Manual Mock-Up

6.4 Adjournment

Chairwoman Mozak thanked the committee and staff and adjourned the meeting at 4:47pm.

Respectfully submitted by Deborah Holt

Service Committee Meeting Notes

Meeting Date/Time: November 4, 2025, 3:00pm – 5:00pm

Members Present: Simi Barr (Interim Chair), Susan Pollay, Rich Chang, Praveena Ramaswami
Members Absent: Jesse Miller (Excused)

Staff: Matt Carpenter, Dina Reed, Forest Yang, Yvette Washington, Jeff Pfeifer, Rosa-Maria Kamau, Deb Holt

Location: REMOTE – Via Zoom

Mr. Barr called the meeting to order at 3:00pm

Agenda Item
1. OPENING ITEMS
1.1 Agenda (Additions, Approval) No additions or changes noted on the agenda **1.2 Communications** No new communications.
2. POLICY MONITORING & DEVELOPMENT
2.1 Treatment of the Traveling Public (2.1) Mr. Carpenter shared an overview of the monitoring report – he noted that while the report was compliant overall, one area of non-compliance was with policy 2.1.1. This was due to FTA staffing challenges which delayed NEPA reviews to clear installing bus stop pads at bus stops. The committee discussed the long-term impact with FTA staffing and NEPA reviews - Mr. Carpenter noted that the review process may be longer going forward and he may need to adjust project completion timelines for future reports. The Service Committee will recommend to the Board that the report be approved as (*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 2.1.1 which the Board acknowledges and accepts the proposed dates for compliance.is making reasonable progress towards compliance.* **2.2 OLTF** Mr. Chang updated the committee on a recent OLTF meeting with Ann Arbor Council member Briggs. They met with her to discuss coverage vs. ridership within the community, challenges with construction and technology notifications for riders, and dedicated bus lanes.

3. STRATEGY & OPERATIONAL UPDATES: CEO

3.1 Flex Ride Discussion

Staff and committee members discussed the high demand challenges with Flex Ride services. Mr. Yang presented information on the history of flex ride and how services have changed in the last few years. Many of the service challenges have been experienced by other transit agencies as demand has continued to increase. Staff are currently reviewing the cancellation/no show policies and finding ways to best optimize resource utilization/system efficiency with fixed-route and Flex-Ride. They will continue to monitor and provide communication.

3.2 Legislative Update

Mr. Pfeifer provided an update on the continued Federal shut-down. Staff are also continuing to await clarification on several areas of funding related to transportation within the State budget.

4. EMERGENT ITEMS

4.1 Negotiation Goal Discussion

Mr. Carpenter briefly provided information on goals related to upcoming labor union negotiations.

5. CLOSING ITEMS

5.1 Action Item Recap

- The Service Committee reviewed the Treatment of the Traveling Public monitoring report and will recommend the Board accept the report as (B) a reasonable interpretation except for policy 2.1.1 as noted within the report.
- Mr. Barr will provide a brief update on Flex Ride at the November Board Meeting

5.2 Topics for the Next Meeting

FY25 Q4 Service Report
Policy 3.3.3.3 policy language discussion

Future:

5.3 Adjournment

Mr. Barr thanked the committee and staff and adjourned the meeting at 4:32pm.

Respectfully submitted by Deborah Holt

Finance Committee Meeting Notes

Meeting Date/Time: Thursday, November 13, 2025 - 3:00 – 5:00pm

Members Present: Mike Allemang (Chair/Treasurer), Chris Allen, Julie Grand, Georgia Valentine
Staff: Matt Carpenter, Dina Reed, Forest Yang, Andy Huber, Jeff Pfeifer, Rosa-Maria Kamau, Deb Holt

Location: REMOTE – Via Zoom

Mr. Allemang called the meeting to order at 3:02pm

Agenda Item
1. OPENING ITEMS
1.1 Agenda (Additions, Approval) No changes or additions noted on the agenda. **1.2 Communications** No new communications.
2. POLICY MONITORING & DEVELOPMENT
3. STRATEGY AND OPERATIONAL UPDATES
3.1 FY2025 Q4 Financial Report Ms. Reed provided an overview of the Q4 Financial Report which provides a preliminary look at the entire fiscal year with end-of-year adjustments still in progress. The organization is still operating with planned budgeted operating expenses. There is a projected $5.6M favorable net variance which includes $1.5M favorable in operating revenues and $4.1M favorable in operating expenses. The committee also discussed the impact of vacant positions and lower-than-anticipated benefits costs. Reserve balances are stable and operating reserve balance is maintained right above the reserve target. Cash flow has been adequate to cover expenses with $83M in cash and investments at the end of FY2025 Q4. She also pointed out that property tax funds (from the millage) arrive at the end of the fiscal year and is then spent down in the next fiscal year. Ms. Reed outlined the planned audit process with the final presentation due to the Board in February. Ms. Reed fielded questions from the committee related to calculating the operating reserve and investment interest rates.

3.2 Legislative Updates

Mr. Pfeifer provided a brief update on the state budget - details of transportation funding are still in progress. The federal government shutdown ended after 43 days – a funding resolution has been passed which will last until the end of January. He also noted that earmark funding had been included within several small appropriation bills that passed.

4. EMERGENT ITEMS

4.1 Negotiation Goal Discussion

Mr. Carpenter briefly provided information related to upcoming labor union negotiations.

4.2 Penny Update

Mr. Carpenter shared that the federal government recently decided to stop minting the penny which may cause shortages in circulation. Staff are working on communication for customers to navigate how this may impact cash transactions.

5. CLOSING ITEMS

5.1 Action Item Recap

No action items.

5.2 Topics for Next Meeting

Policy 3.3.3.3 policy language discussion

Future Meeting:
Gas Tax information update

5.3 Adjournment

Mr. Allemang thanked the committee and staff and adjourned the meeting at 3:52 pm.

Respectfully submitted by Deborah Holt

Agenda Item: 2.3

Labor and Employment Legal Services

Meeting: Board of Directors

Meeting Date: November 20, 2025

INFORMATION TYPE
Decision
RECOMMENDED ACTION(S)
That the Board, by vote or motion, authorize the CEO to re-award a contract for Labor and Employment Legal Services beyond the CEO's authority of $250,000 to maintain Legal Services.
ISSUE SUMMARY
Recently, the agency exercised its right to cancel the contract with a Labor and Employment Legal Services provider. A new firm has been selected through a new competitive process. Although annual costs will continue to be incorporated into annual budgets, the duration of this new contract may exceed previous Board authorizations. To be procedurally safe, the CEO is seeking the Board's approval of a new contract for legal service (employment). This is an update to an earlier authorization from FY2023.
BACKGROUND
AAATA includes costs for legal advice in its annual budgets and selects legal firms through a competitive procurement process, most recently in FY2023. Costs for these multi-year contracts can exceed the CEO's signing authority. We address such large authorizations by bundling the costs for all such contracts together as part of the annual budget approval, along with the authority for the CEO and staff to make the awards of these contracts without returning to the Board. This process works well although it can become confusing if a previously awarded contract has been terminated mid-contract, and the contract needs to be re-awarded to a new vendor. In most cases the CEO still has authority to re-award these funds. However, in cases of multi-year contracts the roles can become less clear. The FY 2023 budget adoption included a contract for Labor and Employment Legal Services with a five (5) year contract term and an estimated value of $250,000 for the five-year term. In mid-2025, AAATA exercised its right to cancel the contract with the previously chosen provider, and a solicitation was issued for a new contractor. Through competitive solicitation, staff have selected a new vendor. The new contract term is for three (3) years, with two (2), two-year renewal options, which could result in maximum seven (7) year contract with an estimated value of $225,000 for the first three years and up to $500,000 if all option years are exercised. As the duration of

this new contract will extend beyond the duration of the previously authorized funding, it may be that the Board should authorize this award. The CEO feels this is a safe decision as we will always need such services and we would have re-bid this contract in 2028 under normal circumstances.
PRIOR RELEVANT BOARD ACTIONS & POLICIES
Policy 2.5.6 and sub-policy 2.5.6.1 of the AAATA Board Policy Manual states that the CEO shall not: 1. Authorize contracts not anticipated in the current budget with a value greater than $250,000 …
IMPACTS OF RECOMMENDED ACTION(S)
• Budgetary/Fiscal: None. Costs will be incurred as needed and will be limited to budgeted amounts for these services in any budget year • Social: N/A • Environmental: N/A • Governance: N/A
ALTERNATIVE OPTION(S)
Failure to award this contract will result in the agency being without legal services for employment and labor matters.

Agenda Item: 4.1

Monitoring Report: Treatment of the Traveling Public
Monitoring Period: FY 2025 (Oct 1st, 2024-Sept 30th, 2025)

Service Committee Meeting Review Date: November 4th, 2025

Board of Directors Meeting Review Date: November 20th, 2025

INFORMATION TYPE
Monitoring
RECOMMENDED ACTION(S)
The Service Committee has reviewed the report and recommends that the Board consider accepting it as (B): (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) 2.11, which the Board acknowledges and accepts the proposed dates for compliance.is making reasonable progress towards compliance.** (C) 1. For policy items x.x.x – there is evidence of compliance with a reasonable interpretation 2. For policy items x.x.x – the interpretation is not reasonable 3. For policy items x.x.x – the interpretation is reasonable, but the evidence does not demonstrate compliance 4. For policy items x.x.x – the Board acknowledges and accepts the CEO's stated non-compliance and the proposed dates for compliance
PRIOR RELEVANT BOARD ACTIONS & POLICIES
Monitoring Reports are a key Policy Governance tool to assess organizational/CEO performance in achieving Ends (1.0) within Executive Limitations (2.0). A Policy-Governance-consistent Monitoring Process is: 1. CEO sends Monitoring Report to all board members 2. At Board meeting, board accepts Monitoring Report through majority vote (or if not acceptable, determines next steps)
ISSUE SUMMARY
TheRide's Board of Directors establish policies that define what 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 November and was submitted in November. 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** __________________ __10/23/2025__
ATTACHMENTS
1. Monitoring report for Treatment of the Traveling Public (Policy 2.1)

Table of Contents

Fully Compliant Partially Compliant Non-Compliant

Preliminary CEO Interpretations and Evidence

POLICY 2.1

With respect to the agency's operations and interactions with riders, potential riders, pedestrians, cyclists, other road users, and the general public the CEO shall not cause, allow or fail to address conditions, procedures, or decisions that are unsafe, undignified, disrespectful, unclear, or overly intrusive.

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

Degree of Compliance: Not Compliant

Interpretation

Operational Details
I interpret this policy to mean that the agency must create a safe and attractive traveling environment for transit users, potential travelers, and others in public rights of way such as roads.

Measure/Standards & Achievement
Compliance with this policy will be demonstrated when all lower policies are compliant.

Rationale
The Board has fully defined its intent in lower-level policies as follows

- **Safety:** Policy 2.1.3 addresses safety of the public including pedestrians, cyclists and other road users.
- **Dignified and Respectful Service:** Policy 2.1.3 addresses customer service
- **Clarity of expectations:** Policy 2.1.2 addresses passenger code of conduct
- **Non-intrusive procedures**: Policy 2.1.4 and 2.1.4.1 addresses collection of customer information

Evidence

Source of Data: Lower-level policies
Date of Data Review: 10/13/2025 as verified by Corporate Strategy and Performance Officer
Data:
All lower-level policies are compliant except for policy 2.1.1.

POLICY 2.1.1

Allow facilities, bus stops, vehicles, or services to lack reasonable accessibility for potential riders regardless of mobility limitations.

Degree of Compliance: Not Compliant

Interpretation

Operational Definition

I interpret this policy to mean that all aspects of TheRide's operations, buses, bus stops, and facilities, will comply with the Americans with Disabilities Act (ADA) requirements for accessibility or a plan is in place to reach compliance within a reasonable timeline.

Measure/Standards & Achievement

Compliance with will be demonstrated when during operations (in service) the following conditions are met

A. All fixed-route buses are wheelchair accessible with functioning ramps or lifts and appropriate tie-down equipment,
B. All fixed-route buses have functional visual and auditory stop announcements,
C. All contracted service vehicles are wheelchair accessible,
D. All buildings, park n ride lots and other general structures are wheelchair accessible, and
E. Financial and staff resources are available to ensure that all bus stops near sidewalks are made wheelchair accessible by 2033.

Rationale

This is reasonable because

Using ADA minimum requirements as the "floor" and definition of "reasonable accessibility" in this interpretation is reasonable because:

1. As federal legislation, the ADA represents our society's agreed-upon standard for accommodating most persons with disabilities.
2. The FTA audits the agency's compliance with these rules every three years.
3. All generally available vehicles and equipment are built to meet ADA standards. Using these standards allows us to buy from readily available and cost-effective sources.
4. Exceeding ADA minimum requirements is possible but would be arbitrary, create precedents and expectations that could be hard to manage in the future, and expose the agency to higher costs and other risks. It would be unreasonable to expect the CEO to take such risks without clear Board direction.

A-D. These measures address all elements necessary for passengers to be able to use transit services, are within the AAATA's financial resources to afford, and align with legal accessibility requirements found in the ADA which can be objectively determined by an outside authority (FTA). For contracted services, the start and stop points are predetermined and hence no audio, visual stop announcements are necessary.

Note: This policy interpretation addresses only in-service operations. It is reasonable to expect that when out of service accessibility requirements may not always be met e.g., a bus with a failed ramp in the maintenance shop.

E. Financial and staff resources are within the agency's ability to control. Additionally, only bus stops near sidewalks can be made wheelchair accessible.

Evidence

Source of Data: Operational and planning records
Date of Data Review: as noted below
Data: During the monitoring period:

A. 100% of buses were wheelchair accessible with ramps or lifts, wheelchair spaces, and appropriate tie-down equipment. An inspection of maintenance procedures and records indicate that ramps, lifts, and ties downs were functional before a bus was put into or returned to public service. Verified by Manager of Fleet 9/18/2025
B. An inspection of fleet inventory records confirms that all fixed-route buses had auditory announcements and visual signs indicating stops which were functional during the monitoring period. Verified by Manager of Fleet 9/18/2025
C. An inspection of all facilities (i.e., two bus terminals, two park n ride lots, and one office building) confirmed that all buildings were accessible to wheelchairs. All buildings had automatic doors which were functional or repaired promptly. Verified by Manager of Facilities 9/24/2025
D. A review of our contracted services i.e., A-Ride, GoldRide and FlexRide confirm that all vehicles in service were wheel chair accessible. Verified by Manager of Mobility Services 9/18/2025
E. A review of the FY25 Budget confirms that there were funds dedicated to the construction of bus stop bus pads and lead walks. During the monitoring period, 6 bus stops near sidewalks were made accessible. Verified by Manager of Facilities 9/24/2025

Year	Target (# of completed bus-stops).	Actual bus stops completed.	Target achieved
2022	New construction: **5** (1.3%)	**3** (0.8%)	**No. O**nly 3 permits were issued in this monitoring period.
2023	New construction: **8** Total complete: **13** (3.4%)	**10** **Total 13** (3.4%)	**Yes**. 2 more stops completed. On target to have 3.4% complete at this time.
2024	New construction: **12** Total complete: **25** (6.6%)	**12** **Total 25** (6.6%)	**Yes**. Completed 12 stops as scheduled.
2025	New construction: **18** Total complete: **43** (11.4%)	**10 new** **Total 35** (9.2%)	**No.** Construction activities started late due to a delayed NEPA review caused by staffing shortages at FTA Region 5. See below for more info.

2026	New construction: **25** Total complete: **68** (18%)		
2027	New construction: **30** Total complete: **98** (26%)		
2028	New construction: **35** Total complete:**133** (35.3%)		
2029	New construction: **40** Total complete: **173** (45.9%)		
2030	New construction:**45** Total complete: **218** (57.8%)		
2031	New construction: **50** Total complete: **268** (71.1%)		
2032	New construction: **54** Total complete: **322** (85.4%)		
2033	New construction**: 55** Total complete: **377** (100%)		

Non-Compliance Explanation, Timeline of Compliance & Mitigation Strategies:

All construction projects that use federal funds must be preceded by a National Environmental Policy Act (NEPA) review. During the monitoring period, FTA Region 5 experienced staffing shortages, resulting in several months of delay in completing the NEPA review. This setback postponed subsequent construction activities, leading to the agency making only **10** of the bus stops near sidewalks accessible i.e., **8** short of the target. The remaining **8** stops are scheduled for construction and should be completed by the end of **November 2025.**

To avoid future delays, TheRide will begin the NEPA review earlier. This will give Region 5 sufficient time to complete its assessment and allow construction to begin on schedule.

TheRide Ann Arbor Area Transportation Authority

POLICY 2.1.2 Operate without providing effective, comprehensible, accessible, and timely information with respect to services offered and safe, respectful conduct.
Degree of Compliance: Compliant
Interpretation

Operational Definition

I interpret this policy to mean that accurate information on the following matters is easily accessible and user friendly:

1. How to use our services (i.e., fixed route timetables and maps, paratransit information, staff contact information) and general information about the agency is available prior to travel,
2. Expected conduct of the traveling public (i.e., Passenger Code of Conduct).

Measure/Standards & Achievement

Compliance with this policy will be demonstrated by:

A. Availability of:
   a. **Printed Material:** Printed RideGuides available in English, Spanish, Arabic, and Mandarin (per federal requirements).
   b. **On-Line:** TheRide's website with features allowing use for persons with sight limitations and in non-English languages.
   c. **Real-Time Information**: Available on TheRide's website and as a live feed for use in third-party apps
   d. **Personal Responses:** Staff are available by phone or at the terminal during regular business hours.

B. TheRide publishes a Code of Conduct or riding rules and policies on all buses, terminals, website, and on the printed RideGuide.

C. Compliance with policy 2.1.2.1

Rationale

The interpretations are reasonable because

A. These sources of information are easily accessible measurable, falls within the agency's operational control, satisfies federal mandates under the ADA and Title VI, is cost-effective based on available resources, and meets the primary needs of the public for trip planning and special accommodations.

B. This is reasonable because the code of conduct or riding rules and policies outline expectations for public behavior on agency property and in buses. Publishing written material in transit centers, on all buses, in the Ride Guide, and on the website is reasonable as those are the areas that the public can readily access/see them.

C. The Board defines each policy in descending levels of detail to the point it is willing to accept ANY reasonable interpretation. Therefore, compliance with policy 2.1.2.1 constitutes compliance with this policy.

Evidence

Source of Data: Public Affairs and Community Engagement documents
Date of Data Review: 9/17/25 as verified by Manager of Public Affairs and Community Engagement, Manager of Mobility Services.
Data:

A. Evidence of availability and quality of service information is provided below.

	Available during the monitoring period? Y/N
○ Printed material	Y
○ On-line material	Y
○ Real-time information	Y
○ Staff were available throughout the monitoring period as follows:	
Via Phone: ○ 6:30AM to 10:00PM on weekdays ○ 7:00AM-6:00PM on weekends In Person ○ Blake Transit Center 7:00AM to 7:00PM on weekdays 8:00AM-5:45PM on weekends. ○ Dawn Gabay Operations Center: 8:00am to 5:00pm on weekdays. And 7:00AM- 6:00PM on the weekends.	

B. The code of conduct was posted at transit centers, buses, available online and in printed in the RideGuides
C. Policy 2.1.2.1 is compliant

TheRide
Ann Arbor Area Transportation Authority

POLICY 2.1.2.1
Permit unfair, inconsistent, or untimely responses to questions or complaints from the traveling public.

Degree of Compliance: Compliant

Interpretation

Operational Definition
I interpret this policy to mean that the agency will consistently acknowledge and respond to customer inquiries as determined by pre-determined guidelines that include the timeline of acknowledgement, response, and resolution.

Measure/Standards & Achievement
Compliance with this policy will be demonstrated when:

A. Acknowledgement:

i. All written inquiries and concerns received through the customer service website are acknowledged within 2 business days
ii. All phone calls entered in the customer concern tracking database are acknowledged within 5 days.

B. Waiting times:

i. Waiting time for responses to general phone inquiries about how to use AAATA services during business hours is less than 2 minutes.

C. Resolution:

Open cases are reviewed, solved and closed within the following timelines:

i. 90% of inquiries and concerns are resolved within 20 business days
ii. 99% of inquiries and concerns are resolved within 30 business days.

Rationale
These standards are reasonable because they provide a consistent way of addressing most concerns in a timely fashion. These timelines are also within the limits of resources available.

Evidence

Source of Data: Customer service records
Date of Data Review: 10/09/2025 as verified by Manager of Mobility Services and Customer Service Officer

	Target	FY 25 average Performance	Target achieved (Y/N)
A. Acknowledgment of inquiries (in business days)			
i. written inquiries and concerns	=/< 2	Same day	Y
ii. phone calls	=/< 5	3	Y
B. Wait time of phone calls on general inquiries (in minutes)	=/< 2	0.36	Y
C. Resolving of inquiries and concerns (in business days)			
i. 90% of inquiries and concerns	=/< 20	14	Y
ii. 99% of inquiries and concerns	=/< 30	25	Y

POLICY 2.1.3

Operate in a manner that jeopardizes the safety of the traveling public.

Degree of Compliance: Compliant

Interpretation

Operational Definition

I interpret this policy to mean that physical injuries are minimized, that the agency complies with all federal, state, and local safety laws, and the agency takes all prudent steps to proactively minimize the likelihood of injuries (including fatalities). This includes passengers, pedestrians, bicyclists, and other road users. The scope is limited to elements of safety over which the agency has direct control (e.g., vehicles, training, etc.) but does not include elements we cannot control such as decisions of other road users.

Measure/Standards & Achievement

Compliance with this policy will be achieved when

A. There are no fatalities.
B. Injuries per 100,000 vehicle revenue miles (VRM) is less than 0.27
C. Major safety incidents per 100,000 VRM are less than 3.33.
D. Collisions per 100,000 VRM is less than 0.53
E. Safety-related legal liability claims per 100, 000 VRM are less than 0.1

Rationale

This operational definition is appropriate given that transportation involves inherent safety risks that can be reduced but not fully eliminated, many of which lie beyond the agency's control (e.g., other road users, weather). Prioritizing physical safety and injury is justified as it poses the greatest risk and is objectively measurable. Perceptions of safety are addressed in Policy 1.1.3, and worker safety is covered under Policy 2.2 (Treatment of Staff).

A–D. These safety measures represent the highest-risk areas as defined by FTA regulatory standards and are practical to monitor using the agency's current resources. Tracking outcome frequency per vehicle revenue mile (VRM) helps assess the effectiveness of safety protocols e.g., training, traffic law compliance, and adherence to alcohol and drug regulations. Targets such as fewer than 0.27 injuries per 100,000 VRM are strategically aimed at reducing unsafe events and are subject to annual FTA review and approval.

E. In addition to the incident rates above, tracking the number of safety liability claims is reasonable as it further reflects the outcomes of safety efforts and serves as a gauge for the effectiveness of broader safety protocols including regulatory compliance, and operational safeguards. A target of 0.1 per 100,000 VRM is reasonable as its 1 legal claim for every 1 million vehicle revenue miles operated. This indicates that TheRide is committed to a strong safety record and takes a zero-tolerance approach to avoidable safety risks.

Evidence
Source of Data: Operational records **Date of Data Review:** 9/18/25 as verified by Safety Coordinator and Operations Manager

Safety Measure *Rate=safety measure/100,000 vehicle revenue miles*	Target	FY 25 Performance	Target achieved Y/N
A. No. of fatalities	0	0	Y
B. Injury rate	<0.27	0.15	Y
C. Major incident rate	<3.33	0.274	Y
D. Collision rate	<0.53	0.125	Y
E. Safety liability claims rate	<0.1	0	Y

POLICY 2.1.4

Use methods of collecting, reviewing, transmitting, or storing personal information that allows improper access or inappropriate disclosure.

Degree of Compliance: Compliant

Interpretation

Operational Definition
I interpret this policy to mean that all customer information will be safeguarded and only disclosed to staff for a legitimate operational purpose.

Measure/Standards & Achievement
Compliance with this policy will be achieved when

A. Sensitive personal information collected through the paratransit program (ARide) is handled in accordance with the Confidentiality of Applicant Information provisions of the Americans with Disabilities Act.
B. Policy 2.1.4.1 below is compliant

Rationale
This is reasonable because

A. Relevant personal information is collected for the paratransit (ARide) program only. (GoldRide, and the Fare Deal program users may need to verify demographic information at the time of purchase, but their information is not collected or stored by the agency.) ARide is operated in line with the America with Disabilities Act which provides guidelines on how to keep such information confidential and only accessible/disclosed to appropriate persons for the right reasons. Compliance with ADA requirements is reviewed during the Federal Transit Administration (FTA) triennial review.
B. Policy 2.1.4.1 requires that the agency not *collect* unnecessary information to begin with, reducing the risk of disclosure. Compliance with 2.1.4.1 demonstrates a step toward reducing the risks captured in this policy.

Evidence

Source of Data: Operational records and 2025 FTA triennial review correspondence
Date of Data Review: 9/23/2025 as verified by Manager of Mobility Services
Data:

A. During the monitoring period customer information was secured in accordance with the Americans with Disabilities Act confidentiality requirements. The FTA conducted a triennial review in 2025 and found no deficiencies related to ADA compliance.
B. Policy 2.1.4.1 is compliant

POLICY 2.1.4.1

Use forms that elicit personal information for which there is no clear necessity.

Degree of Compliance: Compliant

Interpretation

Operational Definition

I interpret this policy to mean that the agency will collect personal information from members of the public only when it serves a clearly defined and necessary legal, administrative, or security purpose.

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when

A. Forms (electronic or hardcopy) are periodically reviewed to ensure that no unnecessary information is being sought.
B. The Deputy CEO of Finance and Administration approves any new form requesting personal information from members of the public

Rationale

This is reasonable because

A. This review ensures that customer information collecting forms have an operational need.
B. Requiring that the Deputy CEO of Finance and Administration approve new forms places a guard that reviews and validates the necessity of any such form that would be used in the future.

Evidence

Source of Data: Customer data systems
Date of Data Review: 9/23/2025 as verified by DCEO, Finance and Administration and the Manager of Mobility Services.
Data:

A. A review of the forms used to collect personal data indicates that the only personal information gathered from members of the public pertained to the A-Ride program, and that such data was considered necessary to provide services under the American with Disabilities Act (ADA).
B. No new forms requesting personal information were developed or approved in the monitoring period.

Policy Trendlines

Policy	FY23	FY24	FY25
2.1			
2.1.1			
2.1.2			
2.1.2.1			
2.1.3			
2.1.3.1			
2.1.4			
2.1.4.1			

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

Note: The Board eliminated policy 2.1.3.1 as it was redundant with policy 2.1.2

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.

CEO Notes: (if applicable)

The CEO notes that policy 2.1.1 and 1.1.2 are redundant and therefore requests that the Board consider consolidating them. See those policies below.

2.1.1: Allow facilities, bus stops, vehicles, or services to lack reasonable accessibility for potential riders regardless of mobility limitations.

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

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.

(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:

Treatment of the Traveling Public (Policy 2.1)

Participants: 9 Board Members
Mike Allemang, Chris Allen, Simi Barr, Rich Chang, Julie Grand, Kathleen Mozak, Susan Pollay, Praveena Ramaswami, Georgia Valentine

Performance on reasonable interpretation and verifiable evidence			
	% of Board members that find the interpretation reasonable	**% of Board members that find the evidence verifiable**	**If you stated NO, or have other comments, kindly provide additional context**
Policy 2.1 With respect to the agency's operations and interactions with riders, potential riders, pedestrians, cyclists, other road users, and the general public the CEO shall not cause, allow or fail to address conditions, procedures, or decisions that are unsafe, undignified, disrespectful, unclear, or overly intrusive. Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:	**100%**	**89%**	• See 2.1.1

Policy 2.1.1 Allow facilities, bus stops, vehicles, or services to lack reasonable accessibility for potential riders regardless of mobility limitations.	**100%**	**78%**	• There is no actual measurement possible for future years. CEO Reports that 2025 benchmark will not be attained. • Some locations are pending updates and are under construction. Progress towards this compliance is being made.
Policy 2.1.2 Operate without providing effective, comprehensible, accessible, and timely information with respect to services offered and safe, respectful conduct.	**100%**	**100%**	
Policy 2.1.2.1 Permit unfair, inconsistent, or untimely responses to questions or complaints from the traveling public.	**100%**	**100%**	
Policy 2.1.3 Operate in a manner that jeopardizes the safety of the traveling public.	**100%**	**100%**	

Policy 2.1.4 Use methods of collecting, reviewing, transmitting, or storing personal information that allows improper access or inappropriate disclosure.	**100%**	**100%**	
Policy 2.1.4.1 Use forms that elicit personal information for which there is no clear necessity.	**100%**	**100%**	• I am unsure the process for storing documents. I do believe that you are compliant.

Additional context questions

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

   Responses – (9) NO

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

   Responses – (8) YES
   (1) N/A

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 – (9) NO

   - "The CEO notes that policy 2.1.1 and 1.1.2 are redundant and therefore requests that the Board consider consolidating them." While similar, one is an Ends Policy and one an EL Policy and have merit as separate policies.

APPROXIMATELY HOW MANY MINUTES DID IT TAKE YOU TO FILL OUT THIS FORM?
25, 15, 25, 25, 6, 25, 5, 10, N/A

TheRide
Ann Arbor Area Transportation Authority

Agenda Item: 7.2

FY2025 Q4 Financial Statement

Meeting: Board Meeting

Meeting Date: November 20, 2025

INFORMATION TYPE
Other – Financial Update
RECOMMENDED ACTION(S)
Receive for information
ISSUE SUMMARY
Staff presents the preliminary Fourth Quarter Financial Statements with currently available and reportable financial information for the period ending September 30, 2025.
BACKGROUND
Year-to-date financial highlights at the end of the fourth quarter (October 2024 to September 2025) include: • TheRide is operating within budgeted operating expenses. • TheRide has a $5.6 million favorable net variance, operating actuals to budget, at the end of Fiscal Year 2025. • Operating revenues are $1.5 million favorable to budget. Property tax revenues were much higher than budget due to greater than anticipated assessment values (5.3% vs. 3.0%). The deficit of state operating assistance to budget was predominantly offset by this favorable variance, along with favorable investment income and passenger fares. • Operating expenses are $4.1 million favorable to budget, driven primarily by vacant positions, lower-than-anticipated benefits costs and favorable fuel prices compared to budget. • The projected balances for the three board-approved reserves have not been used and remain stable. Reserve balances are as follows: operating reserve at $12.9 million or 2.2 months, based on the FY26 approved budget, capital reserve of $33.3 million, and insurance reserve at $0.5 million. • Cash flow was adequate to cover expenses; cash and investments at the end of Q4 2025 were $83 million in cash and investments.
PRIOR RELEVANT BOARD ACTIONS & POLICIES
List of previous Board or Committee discussions or actions, to allow cross-referencing and context.
IMPACTS OF RECOMMENDED ACTION(S)
• Budgetary/Fiscal: Demonstrates financial performance for the reporting period • Governance: Supports Board in financial oversight/fiduciary responsibility
ALTERNATIVE OPTION(S)
N/A
ATTACHMENTS
FY2025 Q4 Financial Statements (Income Statement and Balance Sheet)

TheRide

Ann Arbor Area Transportation Authority

Income Statement - Preliminary

Q4 Financial Statement

For the Period Ended September 30, 2025

Revenue and Expense (Budget to Actual)

($ in thousands)

BLACK = FAVORABLE
RED = UNFAVORABLE

REVENUES	Actual Quarter 1	Actual Quarter 2	Actual Quarter 3	Actual Quarter 4	Actual YTD	Budgeted YTD	Budget Variance $	Budget Variance %
Fares and Contracts	$1,848	$1,841	$1,755	$1,792	$7,236	$6,740	$496	7.4%
Local Property Taxes	9,374	10,804	10,089	10,178	40,444	37,495	2,949	7.9%
State Operating Assistance	4,894	4,923	4,996	3,740	18,553	22,199	(3,646)	-16.4%
Federal Operating Assistance	397	333	691	226	1,647	1,446	201	13.9%
Other Revenues	791	766	1,088	735	3,380	1,909	1,471	77.1%
Total Operating Revenues	**$17,304**	**$18,667**	**$18,619**	**$16,671**	**$71,260**	**$69,789**	**$1,471**	**2.1%**
EXPENSES								
Salaries, Wages, Benefits	$8,819	$8,297	$8,621	$9,354	$35,093	$37,984	$2,891	7.6%
Purchased Transportation	3,918	3,336	3,223	2,945	13,422	13,555	132	1.0%
Fuel, Material, Supplies	1,671	1,658	1,721	1,646	6,696	7,677	980	12.8%
Purchased Services	1,079	1,178	1,079	1,373	4,710	4,957	247	5.0%
Other Expenses	1,024	1,198	1,077	1,399	4,697	4,544	(152)	-3.4%
Total Operating Expenses	**$16,511**	**$15,666**	**$15,722**	**$16,718**	**$64,618**	**$68,716**	**$4,098**	**6.0%**
Surplus (Deficit)	**$792**	**$3,000**	**$2,897**	**($47)**	**$6,642**	**$1,073**	**$5,570**	
Capital Reserve Transfer	-	-	-	-	-	-		
Operating Reserve Transfer	-	-	-	-	-	-		
OPERATING BALANCE	**$792**	**$3,000**	**$2,897**	**($47)**	**$6,642**	**$1,073**		

TheRide has a $5.6 million favorable net variance, operating actuals to budget, at the end of Fiscal Year 2025.

Revenues were **$1.5 million higher than budget**. Property tax revenues were much higher than budget due to higher than anticipated assessment values (5.3% vs. 3.0%). The deficit of state operating assistance to budget was predominantly offset by this favorable variance, along with favorable investment income and passenger fares.

Expenses were **$4.1 million below budget**, driven primarily by vacant positions, lower-than-anticipated benefits costs, and favorable fuel prices compared to budget.

YTD Revenue and Expense By Mode

($ in thousands)

	Fixed Route *Fixed Route Bus*	Demand Response *A-Ride*	Other Demand Response *FlexRide, GoldRide, NightRide*	Non-Urban *WAVE, Peoples Express*	VanRide *VanRide, Ride Sharing*	TOTAL
DIRECT REVENUE						
Fare Revenue	$3,515	$182	$124	$143	$0	$3,965
Contract Revenues	1,517	-	246	1,508	-	3,271
Advertising, Interest, Other	3,380	-	-	-	-	3,380
Federal Operating	-	-	-	1,591	56	1,647
State Operating	14,464	2,072	322	1,449	245	18,553
Total Direct Revenue	**$22,876**	**$2,255**	**$692**	**$4,692**	**$301**	**$30,816**
TOTAL EXPENSE						
Salaries, Wages, Benefits	$33,231	$1,433	$130	$204	$95	$35,093
Purchased Transportation	-	5,568	2,339	4,613	902	13,422
Fuel, Materials, Supplies	5,910	786	-	-	-	6,696
Contracted Services	4,470	169	-	71	-	4,710
Other Expenses	4,447	108	57	73	12	4,697
Total Operating Expense	**$48,058**	**$8,064**	**$2,525**	**$4,962**	**$1,009**	**$64,618**
Surplus (Deficit) from OPS	**($25,182)**	**($5,809)**	**($1,833)**	**($270)**	**($708)**	**($33,802)**
ALLOCATED REVENUE						
Local Property Taxes	$32,093	$5,809	$1,833	$0	$708	$40,444
Federal Pandemic Relief Funds	-	-	-	-	-	0
SURPLUS (DEFICIT):	**$6,912**	**$0**	**$0**	**($270)**	**$0**	**$6,642**

TheRide
Ann Arbor Area Transportation Authority

Q4 Financial Statement

Balance Sheet - Preliminary

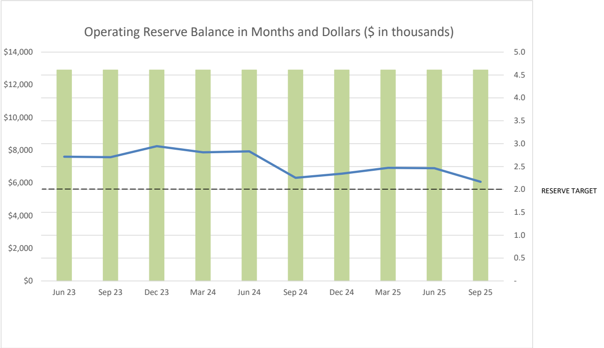
For the Period Ended September 30, 2025

Balance Sheet and Reserve

$ in thousands, with Prior Year comparison.

ASSETS	Q3 2025 6/30/2025	Q4 2024 9/30/2024	Q4 2025 9/30/2025
Cash	$33,101	$58,606	$63,217
Investments	19,583	18,953	19,758
Other Current Assets	34,861	9,575	7,592
Capital Assets	47,427	36,932	48,291
Total Assets	**134,971**	**124,065**	**138,859**
LIABILITIES	**4,666**	**7,348**	**7,683**
TOTAL NET POSITION	**$130,305**	**116,717**	**$131,176**

RESERVES:		**Balances**	
Capital	$33,260	$33,260	$33,260
Insurance	$500	$500	$500
Operating	$12,905	$12,905	$12,905
Months in Operating Reserve	**2.5**	**2.3**	**2.2**



Statement of Cash Flows ($ in thousands)

	FY 2023				FY 2024				FY 2025			
Historical Cash Flows	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**
Beginning Balance:	$44,678	$34,082	$41,961	$41,537	$54,630	$51,875	$50,527	$50,527	$77,559	$72,076	$64,393	$52,683
Cash Flow from Operations	(5,186)	3,153	(205)	12,832	(3,045)	(2,402)	(2,444)	24,474	(1,512)	(11,465)	(10,972)	29,314
Cash Flow from Capital	(5,510)	4,349	(166)	55	53	870	182	2,193	(4,109)	3,605	(1,002)	802
Cash Flow from Investments	100	377	(53)	206	237	184	171	364	138	178	264	175
Cash Flow:	**($10,596)**	**$7,879**	**($424)**	**$13,093**	**($2,755)**	**($1,348)**	**($2,090)**	**$27,032**	**($5,483)**	**($7,682)**	**($11,710)**	**$30,292**
Ending Balance:	$34,082	$41,961	$41,537	$54,630	$51,875	$50,527	$48,437	$77,559	$72,076	$64,393	$52,683	$82,975

Q4 cash flow was positive at $30.3 million

The Statement of Cash Flows summarizes the amount of cash and cash equivalents entering and leaving AAATA during the reporting period. It measures how AAATA generates cash to fund its operating, capital, and investing needs. **Typically negative cash flow is normal for all quarters except the 4th quarter, when property tax receipts generate positive cash flow**. In FY25, cash outflow from operating in Q1-3 was higher than in prior years, due to the shift away from pandemic relief funding, received quarterly, to larger property tax receipts, received only during the 4th quarter.

Investments Summary

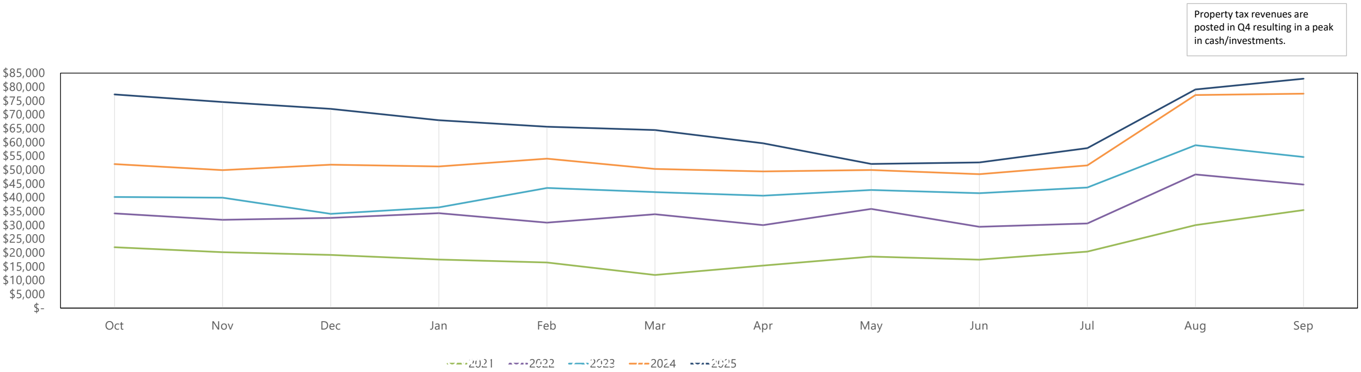
($ in thousands)

Investment Instrument	Date of Maturity	Interest Rate	Value on 6/30/2025	Transactions	Value on 9/30/2025
U.S. Agency Bond	1/22/2026	4.13%	750	0	750
U.S. Treasury Notes	3/13/2026	4.08%	1,000	0	1,000
U.S. Treasury Notes	3/31/2026	4.07%	2,500	0	2,500
U.S. Treasury Notes	4/24/2026	4.08%	1,000	0	1,000
U.S. Agency Bond	2/3/2027	4.23%	250	0	250
U.S. Treasury Notes	5/15/2027	4.14%	1,000	0	1,000
U.S. Treasury Notes	10/31/2027	4.11%	750	0	750
U.S. Agency Bond	11/1/2027	4.04%	2,500	0	2,500
U.S. Treasury Notes	11/15/2027	4.14%	2,200	0	2,200
U.S. Agency Bond	12/27/2027	4.25%	2,200	0	2,200
U.S. Treasury Notes	1/31/2028	4.27%	1,500	0	1,500
U.S. Treasury Notes	2/24/2028	4.25%	1,400	0	1,400
U.S. Agency Bond	6/9/2028	4.00%	2,300	0	2,300
Money Market Funds	N/A	4.22%	286	119	405
Mark-to-Market Adjustment			(53)	56	3
Total Investments:			**$19,583**	**$175**	**$19,758**

FY2025 YTD Investment Gain *($ in thousands):* **$805**

U.S. Treasury Bills, Notes, & Agency Bonds are short term bonds (several months to 10 years) backed by the Treasury Department of the U.S. Government. The rates shown for the current investments represent the gross yield-to-maturity rates (before the annual fee of .28%). An FDIC-insured cash sweep account or accounts that have balances above the FDIC insurance threshold are used for day-to-day working capital.

Cash and Investments History



Agenda Item: 7.4

CEO Report

Meeting: Board of Directors

Meeting Date: November 20, 2025

INFORMATION TYPE

Other

LONG-RANGE PLAN STATUS UPDATES

YPSILANTI TRANSIT CENTER PLANNING

Staff have completed contract negotiations and execution, so staff will immediately begin working on detailed design, land acquisition, procuring a construction manager, and, once through detailed design, construction documentation (called Phases III-IV). The contract also has an option to efficiently move into construction and construction administration (Phase V). The construction timeline and costs will become clearer as the work progresses. The outcome of the FY25 5339 grant program through FTA and jointly sponsored request from Senators Peters and Slotkin for Congressionally Directed Spending are still pending.

BLAKE TRANSIT CENTER EXPANSION

TheRide continues to work with the Ann Arbor Housing Commission (AAHC) and their codeveloper (Related Midwest) on the joint development of the old Y-Lot site adjacent to the BTC (350 S. Fifth). The team has received conditional approval of their site plan, with strong support from the Planning Commission. They are tentatively preparing for construction to start in spring 2026. Modifications to TheRide's existing BTC platform will be necessary to accommodate the housing development and approved concept of the new platform, and these will be submitted with the site plan for platform expansion this winter or spring. NEPA approval and design work is ongoing. The transit elements of the development will not be under construction until Q3 FY2027 at the earliest.

A separate study led by the DDA to redesign Fourth Ave from Liberty St. to William St. is ongoing. The project team is working closely with the 350 S. Fifth development team so that both the housing project and Fourth Ave timelines and final designs are well-coordinated. The Fourth Ave team submitted their 90% design to the City in October, with review ongoing. Construction is slated to begin in spring 2026 around the same time as the housing tower, which will close most of Fourth Ave and significantly impact bus operations at least through late fall of next year. The BTC driveway can remain open for most of construction, but 4th and 5th Ave bus stands will be closed for the entirety of construction. Staff are working closely with the team to develop phasing and detour plans that consider all aspects of the construction, as well as other major road projects in Ann Arbor next year.

BUS FACILITIES AND GARAGE STUDY
Work continues with the effort to identify how to expand our garage and administrative office capacity to serve our needs today and into the future. Staff is currently reviewing the following draft deliverables: Stakeholder and Public Engagement Plan; Existing Conditions Report; Needs Programming and Space Allocation Plan; and Site Selection Screening Methodologies. As a reminder, this effort will culminate in a preferred alternative which gains NEPA clearance from the federal government.

PARK-AND-RIDE STUDY
TheRide is working with a consultant to evaluate the opportunities for park-and-ride service in outer ring communities (as opposed to park-and-ride located within our service boundaries). The first step of this process is to evaluate travel trends and corridor opportunities. This ongoing work is being done using 'big data' provided to us by SEMCOG and vetting our methodologies and data inputs with key stakeholders. Ultimately, the study will identify general locations of possible park-and-ride lots and service models which have the highest chance for success based on the projected demand.

OPERATIONAL UPDATES

AAATA RIDERSHIP CAMPAIGN
An additional video commercial for the AAATA ridership campaign is available on TheRide socials:

- Catch TheRide and Save

This additional video spot captures both the "It's Your Time" and "It's Your Money" messages, highlighting the time we spend waiting in mechanic shops and the surprise auto repair costs that come with owning a car.

EMPLOYEE RECRUITMENT VIDEO CAMPAIGN
Earlier this year, AAATA filmed several interview-style videos with employees for a new Employee Recruitment Campaign. The goal of the campaign is to feature real stories from our employees, highlighting what it's like to work here from their perspective. These videos will be used in future hiring and advertising materials. Employees across various departments and roles were interviewed and we're excited to share early draft video units from this campaign:

- 3-minute unit
- Culture unit
- Benefits unit
- MCO spotlight

OPERATOR COUNT/MCO CLASSES
AAATA's current operator count is 195, with a recent MCO class, pictured below, having graduated on October 31st. The next MCO class is set to begin on Tuesday, December 9th. As of November 20th, TheRide celebrates 25-year anniversaries of MCO Reginald Trussell and MCO Jawaun Johnson.

MECHANIC ROADEO
TheRide's first-ever Mechanic Roadeo took place on October 19th, where AAATA Fleet Technicians competed against each other. This year's winners, Aaron Zimmerman, Travis Schmidt, and Charlie Riddle will go on to compete in the International Maintenance Roadeo competition next year.

LOCAL ADVISORY COMMITTEE (LAC)
LAC Met on November 11th, and discussed Board Report-discussions on LAC Ends feedback to the board and AAATA Service Updates.

ANN ARBOR CITY COUNCIL
AAATA Presented to Ann Arbor City Council on October 20th and provided operational updates.

TRANSPORTATION COMMISSION (ANN ARBOR)
The Commission met on October 15th and received information on residential snow clearing, road diets, and safety plans.

WATS POLICY COMMITTEE UPDATE
The WATS October Policy meeting was cancelled.

LEGISLATIVE UPDATE

AAATA staff will provide a verbal legislative update at the board meeting.

EMPLOYEE AND COMMUNITY ENGAGEMENT

RUN SCREAM RUN 5K

Members of AAATA staff participated in the Run Scream Run 5k in Ypsilanti on October 11th. TheRide sponsored registration and t-shirts for all employee participants.

NCAA APPAREL DAY

Operators and Staff participated in NCAA Apparel Day at TheRide showing off their team spirit.

MAIN STREET TRICK OR TREAT
TheRide participated in the annual Main Street Trick or Treat Parade on October 26th. AAATA staff were present handing out candy and other swag items to the public outside of the Blake Transit Center.

AAATA WELLNESS FAIR
The AAATA "Thankful for Health" Wellness Fair took place on November 7th at 2700 S. Industrial Hwy. Employees were able to connect with a variety of vendors and health partners and learn more about the benefits available to them, participate in wellness activities, and engage in food and community.

EXECUTION OF CONTRACTS OVER $250K (Policy 2.9.1.5.D)

There were no contracts executed over $250k to report.