

## Board of Directors Meeting Agenda

**Meeting Date/Time:** May 21, 2026 - 6:00pm – 8:30pm

**Location:** Ann Arbor District Library (4<sup>th</sup> Floor) - Virtual via [Zoom](#) Passcode: 983308

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

Agenda Item	Info Type	Start Time	Details	Page #
<b>1. OPENING ITEMS</b>				
1.1 Approve Agenda	D	6:00	Mozak	
1.2 Public Comment	O	6:05		
1.3 General Announcements	O			
<b>2. CONSENT AGENDA</b>				
2.1 Board Meeting Minutes: April 16, 2026	D			3
2.2 Committee Meeting Summaries	D			10
<b>3. EMERGENT ITEMS</b>				
3.1 Closed Session (Pursuant to 8(c) of OMA)				
<b>4. OWNERSHIP LINKAGE</b>				
4.1 Ownership Linkage: Task Force or Committee	O		Mozak	
<b>5. MONITORING / DEVELOPMENT</b>				
5.1 Monitoring: Governance Process Policies (3.5-3.9)	M		Mozak	17
<b>6. POLICY</b>				
6.1 Policy Language Discussion (if needed)	D		Mozak	
<b>7. BOARD EDUCATION / DISCUSSION</b>				
<b>8. OPERATIONAL UPDATES</b>				
8.1 BTC Relocation Update	O		Yang	Verbal
8.2 FY27 Business Plan / Budget Timeline	O		Kamau / Reed	33
8.3 Business Plan Intro	O		Kamau	35
8.4 FY26 Q2 Financial Report	O		Reed	36
8.5 Legislative Updates	O		Pfeifer	Verbal
8.6 CEO Report	O		Carpenter	40
<b>9. CLOSING ITEMS</b>				
9.1 Action Item Recap	O	8:25	Holt	
9.2 Topics for Next Meeting Budget Process Updates Governance Process Policies (3.0-3.4) Treatment of Staff (2.2) Asset Protection (2.7) FY26 Q2 Service Report Business Plan			June 18, 2026 6:00-8:30pm  <i>Ann Arbor District Library (downtown)</i>	
9.3 Public Comment	O	8:25		
9.4 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?

**2026 Work Plan**

<b>Policy Topics or Decisions</b>	<b>Status</b>
1. Sustainability: Exec Limit or Ends?	In progress
2. OLTF	
3. <i>(FYI: Millage decision likely in FY2027)</i>	

**Topics of Board Education**

<b>Education Topics</b>
1. Local Funding: How it Works
2. <i>Millage Decision Prep</i> <ul style="list-style-type: none"> <li>○ <i>CEO Context (Timeline, LRP, recommendation)</i></li> <li>○ <i>Post Pandemic Ridership Trends &amp; Utilization of Services</i></li> <li>○ <i>Owner Preferences: Taxes &amp; Additional Services</i></li> </ul>
3. Fare Study Scope Presentation
4. Artificial Intelligence
5. Transit Service & Land Use Plan
6. Library of General Education Topics on Website
7. <i>CEO’s new Ends Interpretations</i>

## Board of Directors Meeting Minutes

**Meeting Date/Time:** April 16, 2026 - 6:00pm – 8:30pm

**Location:** Riverside Arts Center (4<sup>th</sup> Floor) - Virtual via Zoom

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

**Members Absent:** Chris Allen (Excused), Susan Pollay (Excused)

Chairwoman Mozak called the meeting to order at 6:07pm

### 1. OPENING ITEMS

#### 1.1 Approve Agenda

Chairwoman Mozak proposed amending the agenda with the following changes: Mr. Carpenter will present agenda item 5.3, defer agenda items 4.2 and 5.4 to the May Board meeting.

Mr. Chang motioned to approve the amended agenda, seconded by Mr. Miller. No discussion on the motion.

All in favor of approving the agenda:

Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Ms. Julie Grand: Yes  
Mr. Jesse Miller: Yes  
Ms. Praveena Ramaswami: Yes  
Ms. Georgia Valentine: Yes  
Chairwoman Kathleen Mozak: Yes

The motion to approve the amended agenda passed unanimously.

*\*\* Mr. Mike Allemang joined the meeting at 6:10pm*

#### 1.2 Public Comment

Dirk Mayhew – Ann Arbor resident who would like free bus fares on weekends and highlighted the benefits of free rides for essential community workers.

Delisa Brown – TWU representative at the organization, shared an updated on the status of the negotiation process and emphasized the need for a fair contract to maintain morale and operational stability.

Dani S. – Spoke in favor of advocating to study free fares and cited increased ridership and reduced conflicts in communities with free fare systems.

Luca Maurizio – Ann Arbor resident who spoke in solidarity with the TWU and called for a better contract.

CB Fulton – Frequent local rider and restaurant worker who spoke in favor of free fare and supports the transit union.

Greg Woodring – Ypsilanti resident who spoke in solidarity with the TWU. He also encouraged the organization to study free fares as a means of growing ridership and lessening vehicle dependence.

Chai Montgomery – MCO for 14 yrs, highlighted the benefits of a union contract and the challenges of working without the safety of one. He encouraged the Board to support the Union bargaining team.

Em – Ann Arbor resident who spoke in support of creating a fair contract with TWU workers. They also encouraged the organization to study free fares and create a pilot program.

Sim – Local worker in the food industry who supports the TWU and shared the challenges of being transit dependent while earning low wages. They spoke in favor of a free fare system.

Carolyn – Spoke in favor of a free fare system study.

Alex Li – Frequent rider, supports free fares and fair contracts for bus drivers and emphasized the importance of public transportation for essential workers.

KJ Pedri – Spoke in favor of the TWU and their fight for a fair contract. Also noted that a free fare system is the future of public transit.

Tod Wysor – Local transit rider who supports public transit and appreciates the quality of MCO's. He spoke in favor of the need for free fares and as a union member he is also in support of a fair contract for the TWU.

Prima – Local transit rider who spoke of a free fare study as many in the community are without other transportation resources. They stand in solidarity with the TWU as they negotiate a new contract.

Rachel Resin – District Library employee who shared her experience with the pilot program that distributes free bus tokens, noting the significant need among the homeless population.

Elka Chamberlain – Ypsilanti resident who shared public transportation provides broad access for people to navigate throughout the community.

Melody – Spoke in solidarity with the TWU as well as in support of a free fare study. Noted that other cities of similar size provide free fares.

Desirae Simmons – Shared positive interactions with her child and bus drivers as she has always used public transportation. She supports a free fare study.

Tim Hull – Ann Arbor resident who spoke of challenges of construction detours on Nixon Road and the impact of having to walk further to a bus stop. He also shared his support of a free fares but noted that enhanced weekend service might be more beneficial.

### **1.3 General Announcements**

Chairwoman Mozak shared that Board member Chris Allen was not reapplying for another Board term when his term completed at the end of the month. She thanked him for his service on the Board. Ann Arbor City Council will be appointing a new Board member.

## **2. CONSENT AGENDA**

### **2.1 Board Meeting Minutes: March 19, 2026**

### **2.2 Committee Meeting Summaries**

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

No discussion on the motion.

All in favor of accepting the Consent Agenda:

Mr. Mike Allemang: Yes  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Ms. Julie Grand: Yes  
Mr. Jesse Miller: Yes  
Ms. Praveena Ramaswami: Yes  
Ms. Georgia Valentine: Yes  
Chairwoman Kathleen Mozak: Yes

The motion to accept the Consent Agenda passed unanimously.

## **3. EMERGENT ITEMS**

### **3.1 Closed Session (Pursuant to 8(c) of OMA)**

Chairwoman Mozak motioned to move Closed Session to agenda item 9.4, seconded by Julie Grand.

No discussion on the motion.

All in favor of moving 3.1 Closed Session to agenda item 9.4:

Mr. Mike Allemang: Yes  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Ms. Julie Grand: Yes  
Mr. Jesse Miller: Yes  
Ms. Praveena Ramaswami: Yes  
Ms. Georgia Valentine: Yes  
Chairwoman Kathleen Mozak: Yes

The motion to move 3.1 Closed Session to agenda item 9.4 passed unanimously.

## **4. OWNERSHIP LINKAGE**

### **4.1 Ownership Linkage Task Force Updates**

Mr. Chang had no updates but thanked public comment participants for providing feedback on community values related to public transportation.

### **4.2 ~~OLTF Committee or Task Force~~**

Deferred to May Board Agenda.

## 5. MONITORING / DEVELOPMENT

### 5.1 Annual Plan of Work

The Board reviewed input from the Service and Finance Committee meetings related to prioritized topics for the Annual Plan of Work and discussed Mr. Carpenter's recommendation to consolidate information related to millage consideration preparation. They determined that aside from the addition of OLTF to the Workplan, no other changes would be made.

Mr. Miller motioned to approve the Annual Plan of Work, seconded by Mr. Barr.

No discussion on the motion.

All in favor of approving the Annual Plan of Work:

Mr. Mike Allemang: Yes  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Ms. Julie Grand: Yes  
Mr. Jesse Miller: Yes  
Ms. Praveena Ramaswami: Yes  
Ms. Georgia Valentine: Yes  
Chairwoman Kathleen Mozak: Yes

The motion to approve the Annual Plan of Work passed unanimously.

### 5.2 Monitoring: Board Management Delegation (4.0-4.4)

There was no discussion on the Board self-evaluation of Board Management Delegation (4.0-4.4) policies survey.

### 5.3 Monitoring: Environmental Sustainability Policy (2.11)

Mr. Carpenter presented the Environmental Sustainability (policy 2.11) monitoring report for Board discussion. The Service Committee has reviewed and recommended the Board accept the report as (A).

Mr. Barr motioned to accept the Environmental Sustainability (Policy 2.11) monitoring report as A, seconded by Ms. Valentine.

No discussion on the motion.

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

Mr. Mike Allemang: Yes  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Ms. Julie Grand: Yes  
Mr. Jesse Miller: Yes  
Ms. Praveena Ramaswami: Yes  
Ms. Georgia Valentine: Yes  
Chairwoman Kathleen Mozak: Yes

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

*\* The board packet erroneously noted that the Finance Committee made the recommendation to accept the report – it was the Service Committee and the packet will be updated to reflect the correct committee.*

#### **5.4 Environmental Sustainability: Exec Limitation or End**

Deferred to May Board Agenda.

### **6. POLICY**

#### **6.1 Policy Language Discussion (if needed)**

Board members asked for clarification on interpretations related to the language of direct / indirect emissions and noted this language may need to be reviewed/reworded. Staff are looking to include emission reduction targets from facilities as a part of the next monitoring report. The topic will be discussed at the next Service Committee.

### **7. BOARD EDUCATION / DISCUSSION**

No Board Education / Discussion.

### **8. OPERATIONAL UPDATES**

#### **8.1 BTC Relocation Update**

Mr. Yang provided an update on the May 3<sup>rd</sup> BTC relocation plans and shared that staff will be available on-site to assist with customer questions during the transition period. Communications have been sent to local agencies and schools, along with robust social media notifications and printed materials to ensure the public is aware of the changes.

#### **8.2 Legislative Updates**

Mr. Pfeifer shared printed “Know your Rights” cards that are being distributed and are available at transit centers. He provided an update on the state budget planning process, noting that LBO funding is being advocated for while staff continue to monitor the Infrastructure Projects Authority Fund for potential project funding opportunities. He shared a recap of the APTA Legislative Conference in Washington, DC April 12-14 – Board Members Valentine & Ramaswami had attended with Mr. Pfeifer and Ms. Reed. Both Board Members expressed the conference and meeting with elected officials had been a positive experience.

#### **8.3 CEO Report**

Mr. Carpenter shared that a recent storm had not damaged any of the facilities or transit centers and no services had been impacted.

## 9. CLOSING ITEMS

### 9.1 Action Item Recap

- Defer OLTF Committee or Task Force agenda item to May Board Meeting
- Defer Environmental Sustainability Executive Limitation or End agenda item to May Board Meeting
- Environmental Sustainability Monitoring Report – Accepted as (A) – staff will update Board packet and correct error in Monitoring report (Service Committee recommended, not Finance Committee)
- Service Committee will continue to review language in Policy 2.11
- Mr. Pfeifer will provide the Board with a summary email about the BTC Relocation with social media links and a PR tool kit.

### 9.2 Topics for Next Meeting

Budget Intro  
Governance Process Policies (3.5-3.9)  
Environmental Sustainability Executive Limitation  
OLTF Committee or Task Force

### 9.3 Public Comment

Annie Bacon – Local transit rider who is in support of free fares not only for affordability for vulnerable community members but as a means of expanding ridership and bringing people together.

### 3.4 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. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Ms. Julie Grand: Yes  
Mr. Jesse Miller: Yes  
Ms. Praveena Ramaswami: Yes  
Ms. Georgia Valentine: Yes  
Chairwoman Kathleen Mozak: Yes

The Board unanimously voted to go into closed session at 7:47 pm.

*\*\* Ms. Julie Grand left the meeting at 8:19pm*

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

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

The Board unanimously voted to move out of closed session at 8:55 pm.

## 9.5 Adjournment

Mr. Chang motioned to adjourn the meeting, seconded by Mr. Barr  
There was no discussion on the motion.

All in favor of adjourning the meeting:

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

Chairwoman Mozak adjourned the meeting at 8:55 pm.

*Respectfully Submitted by Deborah Holt*

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## Governance Committee Meeting Notes

**Meeting Date/Time:** Monday, April 20, 2026, 3:00pm – 5:00pm

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

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

**Location:** REMOTE – Via Zoom

Chairwoman Mozak called the meeting to order at 3:00 pm

### 1. OPENING ITEMS

#### 1.1 Agenda (Additions, Approval)

Chairwoman Mozak requested the addition of 7.1 – In Person Committee Meetings – move other agenda items down. No other changes were noted to the agenda.

#### 1.2 Communications

Committee members discussed public comments from April Board meeting related to the scope and timeline of the upcoming Fare Study.

### 2. BOARD DEVELOPMENT

#### 2.1 Recruitment / Training / Attendance

Chairwoman Mozak shared that Ann Arbor City Council will be nominating and approving a Board member reappointment and a new Board member appointment at their next two meetings. Policy Bootcamp training is available for Board members in May. The committee reviewed FY26 fiscal year Board member attendance and monitoring report survey participation.

#### 2.2 OLTF

Mr. Chang provided a brief update on OLTF – he is looking at developing strategies for outreach with moral owners in the community and will report back to the Governance Committee.

### 3. POLICY MONITORING & DEVELOPMENT

#### 3.1 Extent of “... not limited to ...” language

Mr. Chang had contacted the Governance Consultant for guidance on updating policy language in instances when policies noted “extent of / not limited to” language. The Governance Committee discussed updating 6 policies (2.1, 2.2, 2.4, 2.5, 2.6, 2.9) and wording should be updated for uniformity. They determined that there had not been enough Board interest to further pursue changing language but would keep the Governance Consultant’s insight should the topic be raised again by Board members.

### **3.2 Governance Process Policies (3.5-3.9)**

The committee discussed the worksheet results from the Board self-review. Board responses were favorable. The committee discussed final Board input on updating the survey response from “Always/Sometimes/Never” options to “Yes/No/No instances this monitoring period.” Chairwoman Mozak will create an issue brief to include in the Board meeting packet for final Board approval as the change will need to be noted in the Policy Manual.

## **4. EDUCATION**

### **4.1 Resource Allocation**

Mr. Carpenter provided an overview of local funding resource allocation and the impacts on POSA's and millage planning discussions. The committee discussed sharing the overview at the committee level.

## **5. STRATEGY & OPERATIONAL UPDATES: CEO**

### **5.1 Preliminary Millage Recommendation**

Mr. Carpenter shared information on the Long-Range Plan and he and the committee discussed recommendations for the next millage planning timeline.

### **5.2 Negotiation Updates**

Staff provided a brief update on the status of the ongoing negotiation updates.

### **5.3 Legislative Updates / DC**

Mr. Pfiefer had a brief update on monitoring state budget recommendations for LBO funding. He also shared an update on the Michigan Democratic Party Convention which was held over the weekend.

### **5.5 CEO Expense Report**

Mr. Carpenter shared the CEO Expense Report for the last quarter.

## **6. EMERGENT ITEMS**

None.

## **7. CLOSING ITEMS**

### **7.1 In Person Committee Meetings**

The committee briefly discussed having in-person committee meetings for Mr. Carpenter to share information about resource allocation.

### **7.2 Committee Agendas**

Service Committee – Add Fare Study under Future Topics, no other change noted.

Finance Committee – No changes noted to the agenda.

Board Meeting – No changes noted to the agenda.

## **7.2 7.3 Action Item Recap**

- Chairwoman Mozak will create an Issue Brief for Board approval to permanently update Board self-assessment surveys to “Yes/No/No instances this monitoring period.”
- Allemang / Yang schedule meeting

## **7.3 7.4 Topics for Next Meeting**

Governance Process Policies (3.0-3.4)

BTC Relocation Updates

Policy Manual Mock-Up

Future:

Ownership Linkage Education,  
Governance Training Options, Vice Chair  
Succession Planning (Summer)

## **7.4 7.5 Adjournment**

Chairwoman Mozak thanked the committee and staff and adjourned the meeting at 5:29pm.

*Respectfully Submitted by Deborah Holt*

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## Service Committee Meeting Notes

**Meeting Date/Time:** Tuesday, May 5, 2026, 3:00pm – 5:00pm

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

**Members Absent:** Praveena Ramaswami (Excused)

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

**Location:** REMOTE – Via Zoom

Mr. Barr called the meeting to order at 3:01 pm

### 1. OPENING ITEMS

#### 1.1 Agenda (Additions, Approval)

No changes or additions to the agenda.

#### 1.2 Communications

Ms. Pollay shared that SMART is offering free transit for students and requested further information on their program. Mr. Carpenter shared a positive update on the recent temporary transition for the BTC.

### 2. POLICY MONITORING & DEVELOPMENT

#### 2.1 Environmental Sustainability

Mr. Barr shared updates on amendments to the environmental sustainability policy and goals for monitoring report. He and Mr. Carpenter met and have been working on recommendations for revisions to the policy that they will provide to the committee at a later date.

### 3. EDUCATION

#### 3.1 Resource Allocation

Mr. Carpenter and the committee discussed local funding and resource allocation.

### 4. STRATEGY & OPERATIONAL UPDATES: CEO

#### 4.1 BTC Relocation Updates

Mr. Yang provided updates on the temporary relocation of bus staging from the BTC to 5<sup>th</sup> and Washington during long-term construction. Staff and public volunteers are working as ambassadors to answer questions and assist riders. Public communication about the changes has been robust.

#### 4.2 Negotiation Update

Mr. Brooks provided a brief update on the status of contract negotiations.

### 4.3 Legislative Update

Mr. Pfeifer shared budget updates related to transit funding at the Federal and State level.

## 5. EMERGENT ITEMS

None.

## 6. CLOSING ITEMS

### 6.1 Action Item Recap

- Future: information on SMART free ridership program for students

### 6.2 Topics for the Next Meeting

BTC Relocation Updates  
Treatment of Staff (2.2)  
Q2 Service Report

Future:

State Street Transit Signal Feedback, Fare Study, Environmental Sustainability EL/Ends,  
SMART free student ridership program

### 6.3 Adjournment

Mr. Barr thanked the committee and staff and adjourned the meeting at 4:42pm.

*Respectfully Submitted by Deborah Holt*

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## Finance Committee Meeting Notes

**Meeting Date/Time:** Tuesday, May 12, 2026, 3:00pm – 5:00pm

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

**Location:** REMOTE – Via Zoom

Mr. Allemang called the meeting to order at 3:04 pm

### 1. OPENING ITEMS

#### 1.1 Agenda (Additions, Approval)

One change to the agenda was noted: 4.3 BTC Relocation Updates were moved ahead of 1.1 Agenda to allow additional time for committee members to join the meeting.

#### 1.2 Communications

No new communications.

### 2. POLICY MONITORING & DEVELOPMENT

None.

### 3. EDUCATION

#### 3.1 Resource Allocation

Mr. Carpenter provided information on local funding and resource allocation for committee review and discussion.

### 4. STRATEGY & OPERATIONAL UPDATES: CEO

#### 4.1 FY26Q2 Financial Report

Ms. Reed shared the FY26 Q2 Financial report with highlights which include being on target with planned budgeted operating expenses with a favorable net variance of \$3M. State operating assistance continues to be favorable due to MDOT reimbursement rate being slightly higher than originally budgeted. Investment and interest income continues to be favorable due to conservative assumptions that had been set. BTC relocation costs have stayed within budget, but staff will continue to monitor in the coming months.

Board-approved reserves have not been used and remain stable; cash flow remains strong and adequate to cover expenses.

Staff and the committee discussed challenges with rising fuel costs and potential budget impacts and capital funding expenditures between the current and previous year.

## 4.2 FY27 Business Plan / Budget Timeline

Ms. Kamau shared an overview of the FY2027 Business Plan which will be introduced at the May Board meeting. She noted that there will be no new projects introduced as several projects have been multi-year and there will also be updates on in-process projects.

MS. Reed provided an overview of the upcoming FY2027 budget process timeline.

## 4.3 BTC Relocation Updates

Mr. Yang provided a brief update on the recent BTC closure / relocation due to long-term construction projects around the facility. He noted that staff had worked diligently to move bus staging and a temporary info specialist kiosk to 5<sup>th</sup> and Washington. He also shared positive feedback from staff and passengers and improvements continue to be made.

## 4.4 Negotiation Update

Mr. Carpenter shared a brief update on negotiations.

## 4.5 Legislative Update

Mr. Carpenter provided an update on the continued state budget planning process which will guide LBO funding. At the federal level, the 5-year surface transportation bill is still slowly moving through committees, but no clear recommendations have gained momentum.

## 5. EMERGENT ITEMS

None.

## 6. CLOSING ITEMS

### 6.1 Action Item Recap

No action items.

### 6.2 Topics for the Next Meeting

BTC Relocation Updates  
Asset Protection (2.7)  
Budget Process Updates

Future Meeting:

### 6.3 Adjournment

Mr. Allemang thanked the committee and staff and adjourned the meeting at 5:05pm.

*Respectfully Submitted by Deborah Holt*

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## Governance Process Policies (Policies 3.5-3.9)

**Meeting: Board of Directors**

**Meeting Date: May 21, 2026**

### RECOMMENDED ACTION(S)

Monitoring

### BACKGROUND

This survey provides a platform for Board self-assessment on Policies 3.5-3.9 of the Governance Process Policies – as such, it does not include a monitoring report from the CEO. Each Board member is invited to participate in a survey gauging how well the Board complied with its set policies.

### ATTACHMENTS

1. Governance Process Policies (3.5-3.9)
2. Governance Process Policies (3.5-3.9) Worksheet Results

# Attachment 1

## 3.5 CHIEF GOVERNANCE OFFICER ROLE

The Chief Governance Officer (CGO), whom we call “Chair” assures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.

Accordingly:

3.5.1 The job result of the CGO is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.

3.5.1.1 Meeting discussion content will consist solely of issues that clearly belong to the Board to decide or to monitor according to Board policy.

3.5.1.2 Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.

3.5.2. The authority of the CGO consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-CEO Linkage, with the exception of (a) employment or termination of a CEO and (b) where the Board specifically delegates portions of this authority to others. The CGO is authorized to use any reasonable interpretation of the provisions in these policies.

3.5.2.1 The CGO is empowered to chair Board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing).

3.5.2.2 The CGO has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the CGO has no authority to supervise or direct the CEO.

3.5.2.3 The CGO may represent the Board to outside parties in announcing Board-stated positions and in stating CGO decisions and interpretations within the area delegated to that role.

3.5.2.4 The CGO may delegate this authority, but remains accountable for its use.

### **3.6 BOARD COMMITTEE PRINCIPLES**

Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and so as never to interfere with delegation from Board to CEO.

Accordingly:

- 3.6.1 Board committees are to help the Board do its job, not to help or advise the staff. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations.
- 3.6.2 Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CEO.
- 3.6.3 Board committees cannot exercise authority over staff. Because the CEO works for the full Board, he or she will not be required to obtain approval of a Board committee before an executive action.
- 3.6.4 Other work groups will be used in an ad hoc capacity.
- 3.6.5 This policy applies to any group which is formed by Board action, whether or not it is called a committee and regardless whether the group includes Board members. It does not apply to committees formed under the authority of the CEO.

### **3.7 BOARD COMMITTEE STRUCTURE**

Committees are intended to expedite work of the Board so that monthly meetings can be efficient and as advisory bodies. The full Board retains *all* decision-making powers. Committees are, therefore, empowered to:

- Conduct detailed reviews of monitoring reports, and recommend acceptance or rejection to the full Board,
- Conduct reviews of policy language and make recommendations for changes to the full Board,
- Receive preliminary Strategy Updates from the CEO,
- Discuss Ends policies, and
- Advise the Board.

Standing committees are arranged by function and have formal responsibility for monitoring certain policies which have been grouped by theme (governance, financial, service) so the committees can emphasize those subjects.

#### **3.7.1 Governance Committee**

##### **A. Products:**

- a. Plans Board annual agenda, retreat planning, etc.
- b. Monitors Governance policies and practices. Advise on possible changes to policy.
- c. CEO/Board relationship (annual evaluation, expenses, pay, etc).
- d. Board Development & Self-Assessment (Recruitment, Orientation, Training, etc).
- e. Strategy Update (CEO seeks feedback) & Ends Discussion.
- f. Will have primary responsibility for monitoring governance-related Executive Limitations (Global Governance Process, Agenda Planning, Governing Style, Board Job Description, Board Member's Code of Conduct, Chair's Role, Board Committee Principles & Structure, Cost of Governance, Accountability of CEO, Monitoring CEO Performance).

B. Membership: Chair of the Board, Chairs of other Committees. Chaired by Chair of Board.

C. Term: One year.

#### **3.7.2 Executive Committee**

##### **A. Products:**

- a. Time-sensitive decisions, where approval is needed before the next Board of Directors meeting (limited to acting CEO appointments, urgent purchases, and funding applications for construction projects. If the Executive Committee makes a decision on behalf of the Board, it shall notify the Board of Directors not more than three business days after a decision is made.
- b. Task-force appointments, one-off issues, Emergent Issues.

- c. Will have primary responsibility for monitoring Board-CEO delegation and other Executive Limitations (Global Board-Management Delegation, External Relations, Unity of Control, Delegation to CEO, Emergency CEO Succession).
- B. Membership: Elected Board Officers – Chair, Treasurer, Secretary. Chaired by Chair of Board.
- C. Term: One year.

### 3.7.3 Finance Committee

- A. Products:
  - a. Assists Board by pre-vetting monitoring reports. Will have primary responsibility for monitoring finance-related Executive Limitations (Compensation & Benefits, Financial Planning/Budgeting, Financial Condition & Analysis, Investments, Asset Protection)
  - b. Advise on possible changes to policy.
  - c. Reviews quarterly Financial Reports.
  - d. Strategy Update (CEO seeks feedback) & Ends Discussion.
- B. Membership: Appointed by Chair of Board (as per Bylaws).
- C. Term: One year.

### 3.7.4 Service Committee

- A. Products:
  - a. Assists Board by pre-vetting monitoring reports (See table for assigned policies). Advise on possible changes to policy. Will have primary responsibility for monitoring service and customer related Executive Limitations (Treatment of Riders, Treatment of Staff, Ends Focus of Contracts, Communication & Support).
  - b. Reviews quarterly Customer Satisfaction Reports.
  - c. Strategy Update (CEO seeks feedback) & Ends Discussion.
- B. Membership: Appointed by Chair of Board (as per Bylaws).
- C. Term: One year.

### 3.7.5 Audit Task Force

- A. Products:
  - a. Conduct annual Board audit of agency finances.
- B. Membership: Appointed by Chair of Board (as per Bylaws). Cannot include chair of Finance Committee.
- C. Term: One year.

The only Board committees are those which are set forth in this policy or the Bylaws (Governance Committee). Unless otherwise stated, a committee ceases to exist as soon as its task is complete.

### 3.8 COST OF GOVERNANCE

Because poor governance costs more than learning to govern well, the Board will invest in its governance capacity.

Accordingly:

- 3.8.1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
  - 3.8.1.1 Training and re-training will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
  - 3.8.1.2 Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal audit.
    - 3.8.1.2.1 Contracted auditing firms will be periodically rotated to maintain independence. Contracted auditors will serve no more than six consecutive years.
  - 3.8.1.3 Outreach mechanisms will be used as needed to ensure the Board's ability to listen to owner viewpoints and values.
- 3.8.2 Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
- 3.8.3 The Board will develop its budget by June 30 each year to assure its inclusion in the overall budget.

### **3.9 BOARD LINKAGE WITH THE LAC**

The Board will maintain a working relationship with the Local Advisory Council (LAC) in alignment with the Board's role as owner representative in determining the most appropriate Ends.

- 3.9.1 The Board shall establish mechanisms for maintaining open communication with the LAC primarily regarding Ends. Such mechanisms may include, but are not limited to:
  - 3.9.1.1 Inviting members of the LAC annually, as well as any other time as the Board determines appropriate, to provide input from the LAC'S perspective as part of the Agency's moral ownership.
  - 3.9.1.2 Meeting jointly with the LAC at such time and for such purposes as determined appropriate by the Board.
- 3.9.2 The Board will appoint from among the Board members a representative to attend the LAC meetings with the intent of identifying ownership issues.
  - 3.9.2.1 The appointed representative shall provide quarterly reports to the Board of any ownership issues or recommended changes to Executive Limitations policies identified by the LAC.
  - 3.9.2.2 The appointee shall recognize that the CEO has authority for the LAC.



**WORKSHEET RESULTS**

**Governance Process (Policies 3.5-3.9)**

**Participants: 6 Board Members**

Mike Allemang, Chris Allen, Rich Chang, Jesse Miller, Kathleen Mozak, Georgia Valentine

**Performance on reasonable interpretation and verifiable evidence**

**Policy 3.5 Chief Governance Officer**

The Chief Governance Officer (CGO), whom we call “Chair” assures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.

Accordingly:

Are you aware of any instances during this period when the Board did not adhere to this policy?	<p>No – 5</p> <p>No instances this monitoring period – 1</p>
---	--

*If you indicated YES, please provide examples: N/A*

**Policy 3.5.1**

The job result of the CGO is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.

Are you aware of any instances during this period when the Board did not adhere to this policy?	<p>No – 5</p> <p>No instances this monitoring period – 1</p>
---	--

*If you indicated YES, please provide examples: N/A*

**Policy 3.5.1.1**

Meeting discussion content will consist solely of issues that clearly belong to the Board to decide or to monitor according to Board policy.

Are you aware of any instances during this period when the Board did not adhere to this policy?	<p>No – 4</p> <p>No instances this monitoring period – 1</p> <p>Yes - 1</p>
---	---

*If you indicated YES, please provide examples:*

- I think this policy warrants clarification - the board will often have discussions that don't pertain to a specific monitoring report or decision. I'm unsure how a discussion in the context of board education would be considered under this policy

- The Board occasionally slips into tangents; however, the Chair does a great job re-focusing the Board.

**Policy 3.5.1.2**

Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.

<p>Are you aware of any instances during this period when the Board did not adhere to this policy?</p>	<p>No – 3</p> <p>No instances this monitoring period – 1</p> <p>Yes - 2</p>
--	---

*If you indicated YES, please provide examples:*

- There are times where 'timely' and 'to the point' is a challenge. This is more an issue when we are splitting hairs around policy wording. It has definitely gotten better over time, but there are instances where it recently was an issue.
- We have gotten off track on a couple of occasions.

**Policy 3.5.2**

The authority of the CGO consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-CEO Linkage, with the exception of (a) employment or termination of a CEO and (b) where the Board specifically delegates portions of this authority to others. The CGO is authorized to use any reasonable interpretation of the provisions in these policies.

<p>Are you aware of any instances during this period when the Board did not adhere to this policy?</p>	<p>No – 5</p> <p>No instances this monitoring period – 1</p>
--	--

*If you indicated YES, please provide examples: N/A*

**Policy 3.5.2.1**

The CGO is empowered to chair Board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing).

<p>Are you aware of any instances during this period when the Board did not adhere to this policy?</p>	<p>No – 5</p> <p>No instances this monitoring period – 1</p>
--	--

*If you indicated YES, please provide examples:N/A*

**Policy 3.5.2.2**

The CGO has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the CGO has no authority to supervise or direct the CEO.

<p>Are you aware of any instances during this period when the Board did not adhere to this policy?</p>	<p>No – 5</p> <p>No instances this monitoring period – 1</p>
--	--

*If you indicated YES, please provide examples: N/A*

**Worksheet Results: Governance Process (Policies 3.5-3.9)**

**Policy 3.5.2.3**

The CGO may represent the Board to outside parties in announcing Board-stated positions and in stating CGO decisions and interpretations within the area delegated to that role.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.5.2.4**

The CGO may delegate this authority, but remains accountable for its use.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**3.6 Board Committee Principles**

Board committees, when used, will be assigned so as to reinforce the wholeness of the Board’s job and so as never to interfere with delegation from Board to CEO.

Accordingly:

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.6.1**

Board committees are to help the Board do its job, not to help or advise the staff. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board’s broader focus, Board committees will normally not have direct dealings with current staff operations.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.6.2**

Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CEO.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.6.3**

Board committees cannot exercise authority over staff. Because the CEO works for the full Board, he or she will not be required to obtain approval of a Board committee before an executive action.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.6.4**

Other work groups will be used in an ad hoc capacity.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.6.5**

This policy applies to any group which is formed by Board action, whether or not it is called a committee and regardless whether the group includes Board members. It does not apply to committees formed under the authority of the CEO.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.7 Board Committee Structure**

Committees are intended to expedite work of the Board so that monthly meetings can be efficient and as advisory bodies. The full Board retains all decision-making powers. Committees are, therefore, empowered to:

- Conduct detailed reviews of monitoring reports, and recommend acceptance or rejection to the full Board,
- Conduct reviews of policy language and make recommendations for changes to the full Board,
- Receive preliminary Strategy Updates from the CEO,
- Discuss Ends policies, and
- Advise the Board.

Standing committees are arranged by function and have formal responsibility for monitoring certain policies which have been grouped by theme (governance, financial, service) so the committees can emphasize those subjects.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No - 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Worksheet Results: Governance Process (Policies 3.5-3.9)**

**Policy 3.7.1**

Governance Committee

A. Products:

- a. Plans Board annual agenda, retreat planning, etc.
- b. Monitors Governance policies and practices. Advise on possible changes to policy.
- c. CEO/Board relationship (annual evaluation, expenses, pay, etc).
- d. Board Development & Self-Assessment (Recruitment, Orientation, Training, etc).
- e. Strategy Update (CEO seeks feedback) & Ends Discussion.
- f. Will have primary responsibility for monitoring governance-related Executive Limitations (Global Governance Process, Agenda Planning, Governing Style, Board Job Description, Board Member’s Code of Conduct, Chair’s Role, Board Committee Principles & Structure, Cost of Governance, Accountability of CEO, Monitoring CEO Performance).

B. Membership: Chair of the Board, Chairs of other Committees. Chaired by Chair of Board.

C. Term: One year.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 4 No Instances this reporting period - 2
---	--

*If you indicated YES, please provide examples:*

- Policy should be updated to allow the Chair to appoint other board members aside from committee chairs to gov comm, as has been our practice.

**Policy 3.7.2**

Executive Committee

A. Products:

- a. Time-sensitive issues, where initial introduction and discussion is needed before the next Board of Directors meeting (limited to acting CEO appointments, urgent purchases, and funding applications for construction projects. The Executive Committee will then consider if a special Board of Directors meeting is needed to make a decision or bring the issue to the Board at the next scheduled Board of Directors meeting.
- b. Will have primary responsibility for monitoring Board-CEO delegation and other Executive Limitations (Global Board-Management Delegation, External Relations, Unity of Control, Delegation to CEO, Emergency CEO Succession).

B. Membership: Elected Board Officers – Chair, Treasurer, Secretary. Chaired by Chair of Board.

C. Term: One year.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 4 No Instances this reporting period - 2
---	--

*If you indicated YES, please provide examples: N/A*

**Policy 3.7.3**

Finance Committee

A. Products:

- a. Assists Board by pre-vetting monitoring reports. Will have primary responsibility for monitoring finance-related Executive Limitations (Compensation & Benefits, Financial Planning/Budgeting, Financial Condition & Analysis, Investments, Asset Protection)
- b. Advise on possible changes to policy.
- c. Reviews quarterly Financial Reports.

- d. Strategy Update (CEO seeks feedback) & Ends Discussion.
- B. Membership: Appointed by Chair of Board (as per Bylaws).
- C. Term: One year.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.7.4**

Service Committee

A. Products:

- a. Assists Board by pre-vetting monitoring reports (See table for assigned policies). Advise on possible changes to policy. Will have primary responsibility for monitoring service and customer related Executive Limitations (Treatment of Riders, Treatment of Staff, Ends Focus of Contracts, Communication & Support).
- b. Reviews quarterly Customer Satisfaction Reports.
- c. Strategy Update (CEO seeks feedback) & Ends Discussion.

B. Membership: Appointed by Chair of Board (as per Bylaws).

C. Term: One year.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.7.5**

Audit Task Force

A. Products:

- a. Conduct annual Board audit of agency finances.

B. Membership: Appointed by Chair of Board (as per Bylaws). Cannot include chair of Finance Committee.

C. Term: One year.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.8 Cost of Governance**

Because poor governance costs more than learning to govern well, the Board will invest in its governance capacity.

Accordingly:

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples:*

- Comment: We could be doing more here.

**Worksheet Results: Governance Process (Policies 3.5-3.9)**

**Policy 3.8.1**

Board skills, methods, and supports will be sufficient to assure governing with excellence.

Are you aware of any instances during this period when the Board did not adhere to this policy?	<p style="text-align: center;">No – 5</p> <p style="text-align: center;">No instances this monitoring period – 1</p>
---	--

*If you indicated YES, please provide examples:*

- Comment: We could be doing more here.

**Policy 3.8.1.1**

Training and re-training will be used liberally to orient new members, as well as to maintain and increase existing member skills and understandings.

Are you aware of any instances during this period when the Board did not adhere to this policy?	<p style="text-align: center;">No – 5</p> <p style="text-align: center;">No instances this monitoring period – 1</p>
---	--

*If you indicated YES, please provide examples:*

- Comment: We could be doing more here.

**Policy 3.8.1.2**

Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal audit.

Are you aware of any instances during this period when the Board did not adhere to this policy?	<p style="text-align: center;">No – 5</p> <p style="text-align: center;">No instances this monitoring period – 1</p>
---	--

*If you indicated YES, please provide examples: N/A*

**Policy 3.8.1.2.1**

Contracted auditing firms will be periodically rotated to maintain independence. Contracted auditors will serve no more than six consecutive years.

Are you aware of any instances during this period when the Board did not adhere to this policy?	<p style="text-align: center;">No – 5</p> <p style="text-align: center;">No instances this monitoring period – 1</p>
---	--

*If you indicated YES, please provide examples:*

- Not sure that we didn't extend auditors for a year. If so, I believe it was okayed.

**Policy 3.8.1.3**

Outreach mechanisms will be used as needed to ensure the Board's ability to listen to owner viewpoints and values.

Are you aware of any instances during this period when the Board did not adhere to this policy?	<p style="text-align: center;">No – 5</p> <p style="text-align: center;">No instances this monitoring period – 1</p>
---	--

*If you indicated YES, please provide examples: N/A*

**Policy 3.8.2**

Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.8.3**

Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.9 Board Linkage with the LAC**

The Board will maintain a working relationship with the Local Advisory Council (LAC) in alignment with the Board’s role as owner representative in determining the most appropriate Ends.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.9.1**

The Board shall establish mechanisms for maintaining open communication with the LAC primarily regarding Ends. Such mechanisms may include, but are not limited to:

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.9.1.1**

Inviting members of the LAC annually, as well as any other time as the Board determines appropriate, to provide input from the LAC’S perspective as part of the Agency’s moral ownership.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.9.1.2**

Meeting jointly with the LAC at such time and for such purposes as determined appropriate by the Board.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.9.2**

The Board will appoint from among the Board members a representative to attend the LAC meetings with the intent of identifying ownership issues.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.9.2.1**

The appointed representative shall provide quarterly reports to the Board of any ownership issues or recommended changes to Executive Limitations policies identified by the LAC.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Policy 3.9.2.2**

The appointee shall recognize that the CEO has authority for the LAC.

Are you aware of any instances during this period when the Board did not adhere to this policy?	No – 5  No instances this monitoring period – 1
---	---

*If you indicated YES, please provide examples: N/A*

**Additional context questions**

**1. Additional context on overall policy (optional)**

N/A

**2. Approximately how many minutes did it take you to fill out this form?**

20, 20, 25, 20, 13, 30

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## FY2027 Budget Process Timeline

**Finance Committee Meeting: May 12, 2026**

**Board of Directors Meeting: May 21, 2026**

### **INFORMATION TYPE**

Decision Preparation

### **RECOMMENDED ACTION(S)**

Receive for information a timeline for the operating and capital budget process for FY2027.

### **ISSUE SUMMARY**

This issue brief presents a timeline for the FY2027 budget process which will lead into the presentation of a budget for Board adoption in September.

### **BACKGROUND**

Adoption of the annual budget furthers Board Ends within Executive Limitations and provides multi-year context. Staff developed the FY2027 operating and capital budget timeline to communicate key budget development dates, stakeholder engagement opportunities and outline the Board's participation in the budget process in preparation for requested approval in September.

The Michigan Uniform Budgeting and Accounting Act of 1968 requires the Board to adopt a balanced operating budget by Board Resolution for our next fiscal year, which begins October 1. In addition, the Board needs to authorize a multi-year capital program for federal funding. A formal public hearing for the budget is required and will be held at the August Board meeting. Final approval will be sought in September.

### **PRIOR RELEVANT BOARD ACTIONS & POLICIES**

- Governance Process: Policy 3.2.7 "...the Board has direct responsibility to create...approval of the annual budget developed and recommended by the CEO."
- Executive Limitation: Policy 2.4 Financial Planning/Budgeting

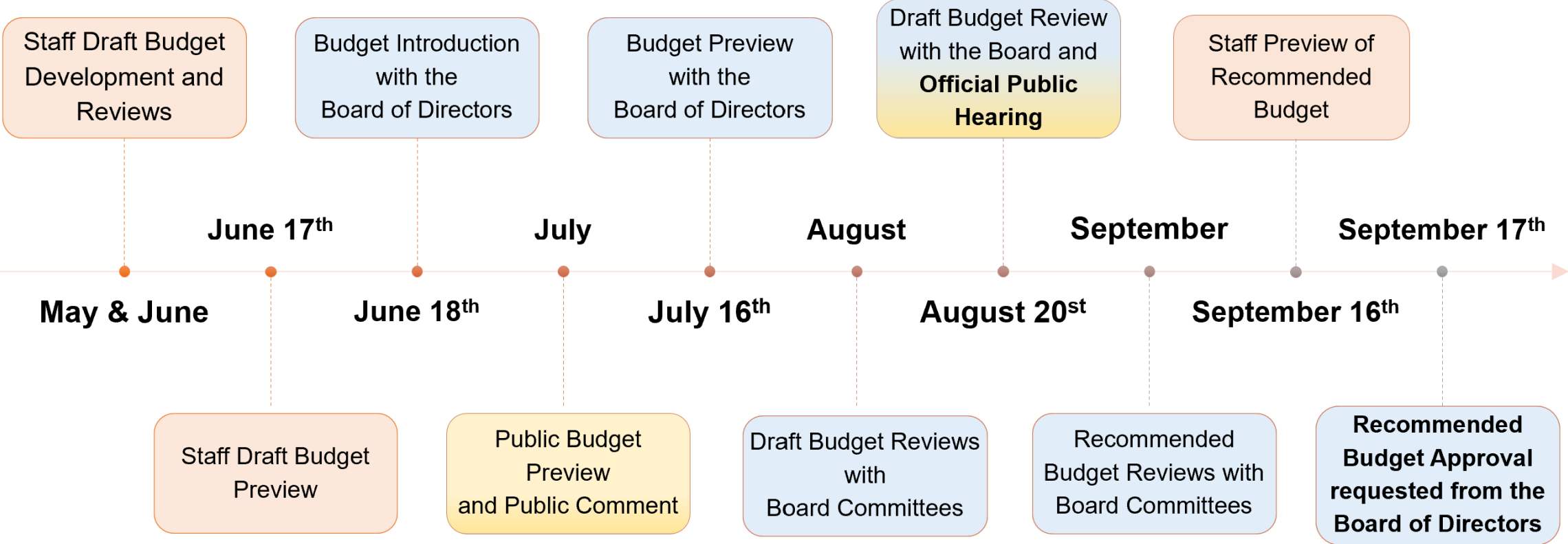
### **IMPACTS OF RECOMMENDED ACTION(S)**

- Budgetary/Fiscal: Budget adoption is required by state law and Policies 2.4, 3.2.7.
- Social/Environmental: Provision of public transportation authorized by the budget is necessary to ensure achievement of social and environmental ends per Board policy.
- Governance: The Board is responsible for approving the annual budget (Policy 3.2.7)

### **ATTACHMENTS**

1. FY2027 Budget Timeline

# FY2027 Budget *Draft* Timeline



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## FY2027 Corporate Business Plan

**Meeting: Board of Directors**

**Meeting Date: May 21, 2026**

### INFORMATION TYPE

Other

### RECOMMENDED ACTION(S)

The CEO is seeking feedback on the Corporate Business Plan.

### ISSUE SUMMARY

Each year, the annual budgeting process begins with the CEO seeking feedback on the Corporate Business Plan. The Business Plan is an important tool for alignment and transparency, helping to translate the Board's policy expectations for outcomes (Ends policies) into concrete, organized initiatives in a multi-year and strategic context.

The CEO will introduce the first draft of the Business Plan and ask the Board, the public and staff for initial feedback in the May Board meeting. Then return with an updated Plan in June. Once finalized, the Business Plan will be used as the basis for the annual recommended Budget. A Board decision on the Budget will need to happen in September.

Key highlights in this year's Business Plan include:

- Reprioritization of New Ends Policies
- Continued focus on ridership growth, the long-range plan, and all major capital projects,
- Status updates of FY 2026 Business Plan projects

### PRIOR RELEVANT BOARD ACTIONS & POLICIES

- Board updated the Ends Policies in January 2026.
- The Board through written policy 2.4.2 requires business decisions to be organized in a comprehensive, strategic context that illustrates progress towards Ends and compliance with Executive Limitations

### IMPACTS OF RECOMMENDED ACTION(S)

- Budgetary/Fiscal: The Business Plan is the foundation of the upcoming annual budget.
- Social: Illustrates progress towards Ends outcomes.
- Environmental: Illustrates progress towards Ends outcomes.
- Governance: CEO must present strategic workplan and recommended budget. Board approves annual budget.

### ATTACHMENTS

1. DRAFT FY2027 Corporate Business Plan (v1)

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## FY2026 Q2 Financial Report

**Meeting: Board of Directors**

**Meeting Date: May 21, 2026**

<b>INFORMATION TYPE</b>
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Other – Financial Update.

<b>RECOMMENDED ACTION(S)</b>
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Receive for information.

<b>ISSUE SUMMARY</b>
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Staff presents the preliminary Second Quarter Financial Statements with currently available and reportable financial information for the period ending March 31, 2026.

<b>BACKGROUND</b>
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Year-to-date financial highlights at the end of the second quarter (October 2025 to March 2026) include:

- TheRide is operating within budgeted operating expenses.
- TheRide has a \$3.0 million favorable net variance, operating actuals to budget, at the end of the second quarter of Fiscal Year 2026.
- Operating revenues are \$2.4 million favorable to budget. State operating assistance exceeds budget due to the MDOT LBO reimbursement rate being set higher than anticipated during the FY26 budget process. Investment and interest income continue to outperform the conservative assumptions set for the year, and local property tax revenue is also coming in ahead of budget at mid-year.
- Operating expenses are \$0.6 million favorable to budget, driven primarily by lower-than-anticipated purchased transportation costs and continued savings on utilities, insurance and other miscellaneous expenses compared to budget.
- At the start of Fiscal Year 2026, the Authority has established a vehicle damage reserve in lieu of costly insurance that was never utilized in practice, but was expensed annually. The amount in this new reserve, \$1 million, is meant to replace one large bus in the unlikely event of the total loss of a vehicle that size and with that level of cost associated with it.
- 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 2.3 months, based on the FY26 second quarter expenses, 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 Q2 2026 were \$63.5 million in cash and investments.

**IMPACTS OF RECOMMENDED ACTION(S)**

- Budgetary/Fiscal: Demonstrates financial performance for the reporting period
- Governance: Supports Board in financial oversight/fiduciary responsibility

**ATTACHMENTS**

- FY2026 Q2 Financial Statements (Income Statement and Balance Sheet)

## Income Statement


For the Period Ended March 31, 2026


### 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	
							\$	%
Fares and Contracts	\$1,925	\$1,883	\$0	\$0	\$3,807	\$3,616	\$191	5.3%
Local Property Taxes	10,412	10,925	-	-	21,336	20,824	513	2.5%
State Operating Assistance	5,224	5,223	-	-	10,447	9,556	892	9.3%
Other Federal Programs	241	206	-	-	447	290	157	54.0%
Other Revenues	899	606	-	-	1,506	823	683	83.0%
<b>Total Operating Revenues</b>	<b>\$18,701</b>	<b>\$18,843</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,544</b>	<b>\$35,109</b>	<b>\$2,435</b>	<b>6.9%</b>
<b>EXPENSES</b>								
Salaries, Wages, Benefits	\$9,211	\$9,017	\$0	\$0	\$18,227	\$18,162	(65)	-0.4%
Purchased Transportation	3,061	3,329	-	-	6,390	6,810	420	6.2%
Fuel, Material, Supplies	1,703	1,827	-	-	3,530	3,245	(285)	-8.8%
Purchased Services	1,470	1,328	-	-	2,797	2,854	57	2.0%
Other Expenses	980	1,021	-	-	2,001	2,483	482	19.4%
<b>Total Operating Expenses</b>	<b>\$16,424</b>	<b>\$16,521</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,946</b>	<b>\$33,554</b>	<b>\$609</b>	<b>1.8%</b>
<b>Surplus (Deficit)</b>	<b>\$2,277</b>	<b>\$2,321</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,598</b>	<b>\$1,555</b>	<b>\$3,044</b>	
Capital Reserve Transfer	-	-	-	-	-	-	-	-
Operating Reserve Transfer	-	-	-	-	-	-	-	-
<b>OPERATING BALANCE</b>	<b>\$2,277</b>	<b>\$2,321</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,598</b>	<b>\$1,555</b>		

 TheRide has a \$3.0 million favorable net variance, operating actuals to budget, at the end of Quarter 2 in FY2026.

 Revenues were \$2.4 million higher than budget. State operating assistance exceeds budget due to the MDOT LBO reimbursement rate being set higher than anticipated during the FY26 budget process. Investment and interest income continue to outperform the conservative assumptions set for the year, and local property tax revenue is also coming in ahead of budget at mid-year.

 Expenses were \$0.6 million below budget, driven primarily by lower-than-anticipated purchased transportation costs and continued savings on utilities, insurance and other miscellaneous expenses compared to budget.

### YTD Revenue and Expense By Mode

(\$ in thousands)

	Fixed Route	Demand Response	Other Demand Response	Non-Urban	VanRide	TOTAL
	<i>Fixed Route Bus</i>	<i>A-Ride</i>	<i>FlexRide, GoldRide, NightRide</i>	<i>WAVE, Peoples Express</i>	<i>VanRide, Ride Sharing</i>	
<b>DIRECT REVENUE</b>						
Fare Revenue	\$1,659	\$83	\$146	\$72	\$0	\$1,960
Contract Revenues	824	-	80	944	-	1,848
Advertising, Interest, Other	1,506	-	-	-	-	1,506
Federal Operating	-	-	-	391	56	447
State Operating	7,509	1,106	945	757	131	10,447
<b>Total Direct Revenue</b>	<b>\$11,499</b>	<b>\$1,188</b>	<b>\$1,171</b>	<b>\$2,163</b>	<b>\$187</b>	<b>\$16,207</b>
<b>TOTAL EXPENSE</b>						
Salaries, Wages, Benefits	\$17,260	\$744	\$68	\$106	\$50	\$18,227
Purchased Transportation	-	2,624	1,191	2,241	334	6,390
Fuel, Materials, Supplies	3,116	414	-	-	-	3,530
Contracted Services	2,655	100	-	42	-	2,797
Other Expenses	1,897	46	24	29	5	2,001
<b>Total Operating Expense</b>	<b>\$24,927</b>	<b>\$3,928</b>	<b>\$1,283</b>	<b>\$2,418</b>	<b>\$389</b>	<b>\$32,946</b>
<b>Surplus (Deficit) from OPS</b>	<b>(\$13,429)</b>	<b>(\$2,740)</b>	<b>(\$112)</b>	<b>(\$255)</b>	<b>(\$203)</b>	<b>(\$16,738)</b>
<b>ALLOCATED REVENUE</b>						
Local Property Taxes	\$18,282	\$2,740	\$112	\$0	\$203	\$21,336
Federal Pandemic Relief Funds	-	-	-	-	-	0
<b>SURPLUS (DEFICIT):</b>	<b>\$4,853</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$255)</b>	<b>\$0</b>	<b>\$4,598</b>



Ann Arbor Area Transportation Authority

# Q2 Financial Statement

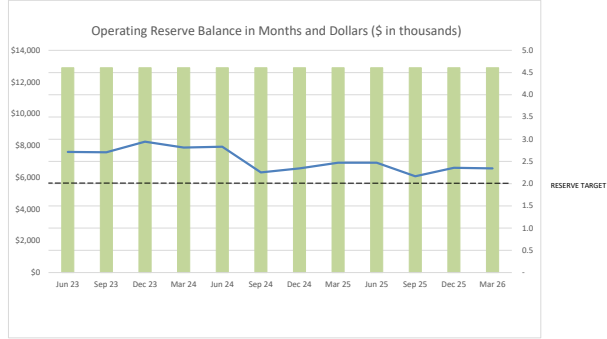
## Balance Sheet

For the Period Ended March 31, 2026

### Balance Sheet and Reserve

\$ in thousands, with Prior Year comparison.

	Q1 2026 12/31/2025	Q2 2025 3/31/2025	Q2 2026 3/31/2026
<b>ASSETS</b>			
Cash	\$59,193	\$45,074	\$43,408
Investments	20,023	19,319	20,045
Other Current Assets	17,576	26,542	34,031
Capital Assets	48,354	38,951	54,582
<b>Total Assets</b>	<b>145,146</b>	<b>129,886</b>	<b>152,065</b>
<b>LIABILITIES</b>			
	<b>8,305</b>	<b>6,811</b>	<b>7,142</b>
<b>TOTAL NET POSITION</b>	<b>\$136,841</b>	<b>123,076</b>	<b>\$144,924</b>
<b>RESERVES:</b>			
	<b>Balances</b>		
Capital	\$33,260	\$33,260	\$33,260
Vehicle Damage	\$1,000	\$0	\$1,000
Insurance	\$500	\$500	\$500
Operating	\$12,905	\$12,905	\$12,905
<b>Months in Operating Reserve</b>	<b>2.4</b>	<b>2.5</b>	<b>2.3</b>



### Statement of Cash Flows (\$ in thousands)

Historical Cash Flows	FY 2023		FY 2024				FY 2025				FY 2026	
	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2
<b>Beginning Balance:</b>	\$41,961	\$41,537	\$54,630	\$51,875	\$50,527	\$50,527	\$77,559	\$72,076	\$64,393	\$52,683	\$82,975	\$79,216
Cash Flow from Operations	(205)	12,832	(3,045)	(2,402)	(2,444)	24,474	(1,512)	(11,465)	(10,972)	27,217	(7,104)	(8,121)
Cash Flow from Capital	(166)	55	53	870	182	2,193	(4,109)	3,605	(1,002)	2,900	3,080	(7,665)
Cash Flow from Investments	(53)	206	237	184	171	364	138	178	264	175	265	21
<b>Cash Flow:</b>	<b>(\$424)</b>	<b>\$13,093</b>	<b>(\$2,755)</b>	<b>(\$1,348)</b>	<b>(\$2,090)</b>	<b>\$27,032</b>	<b>(\$5,483)</b>	<b>(\$7,682)</b>	<b>(\$11,710)</b>	<b>\$30,292</b>	<b>(\$3,759)</b>	<b>(\$15,764)</b>
<b>Ending Balance:</b>	<b>\$41,537</b>	<b>\$54,630</b>	<b>\$51,875</b>	<b>\$50,527</b>	<b>\$48,437</b>	<b>\$77,559</b>	<b>\$72,076</b>	<b>\$64,393</b>	<b>\$52,683</b>	<b>\$82,975</b>	<b>\$79,216</b>	<b>\$63,452</b>

### Q2 cash flow was negative at \$15.8 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. Cash outflow was higher than usual due to grant funding for Q2 FY26 bus purchase not arriving until April 2026.

### Investments Summary

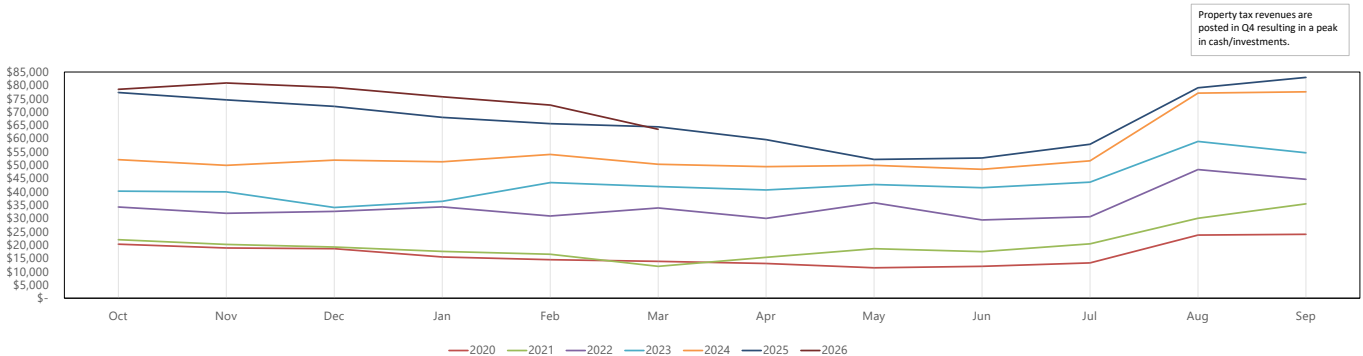
(\$ in thousands)

Investment Instrument	Date of Maturity	Interest Rate	Value on 12/31/2025	Transactions	Value on 3/31/2026
U.S. Agency Bond	1/22/2026	4.13%	750	(750)	0
U.S. Agency Bond	3/13/2026	4.38%	1,000	(1,000)	0
U.S. Treasury Notes	3/31/2026	2.25%	2,500	(2,500)	0
U.S. Agency Bond	4/24/2026	2.13%	1,000	0	1,000
U.S. Agency Bond	2/3/2027	1.63%	250	0	250
U.S. Treasury Notes	5/15/2027	4.50%	1,000	0	1,000
U.S. Treasury Notes	10/31/2027	4.13%	750	0	750
U.S. Agency Bond	11/1/2027	4.00%	2,500	0	2,500
U.S. Treasury Notes	11/15/2027	2.25%	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	3.50%	1,500	0	1,500
U.S. Agency Bond	2/24/2028	4.25%	1,400	0	1,400
U.S. Agency Bond	6/9/2028	4.00%	2,300	0	2,300
U.S. Treasury Notes	11/15/2028	3.50%	0	500	500
U.S. Treasury Notes	2/28/2029	4.25%	0	850	850
U.S. Agency Bond	5/15/2029	6.25%	0	750	750
Money Market Funds	N/A	3.54%	405	2,397	2,802
Mark-to-Market Adjustment			269	(226)	43
<b>Total Investments:</b>			<b>\$20,023</b>	<b>\$21</b>	<b>\$20,045</b>

### FY2026 YTD Investment Gain (\$ in thousands): \$287

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



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## CEO Report

**Meeting: Board of Director's**

**Meeting Date: May 21, 2026**

### INFORMATION TYPE

Other

### LONG-RANGE PLAN STATUS UPDATES

#### **BLAKE TRANSIT CENTER RELOCATION & EXPANSION**

Fourth Avenue between William and Liberty, including the Liberty St intersection, is now closed. Fonson Company, the Fourth Ave general contractor, as well as DTE, began work on Fourth Avenue on May 4. Many other projects in downtown Ann Arbor, including the DTE Fourth Avenue gas main replacement project, began work in April and May, contributing to detours on over 70% of our routes. The BTC is fully closed to the public and bus operations on May 3, and will remain so for the duration of construction, which is ideally scheduled to end in November 2026.

Staff successfully moved all bus and passenger operations to 5th Ave and Washington St on May 3, with a break room for drivers and a sales/information location on Washington. Overall, the response has been very positive, even though conditions are not ideal. Customers were well informed, and no major operational issues occurred. Many volunteers walked the sidewalks the first two weeks to ensure that riders had help when needed. This was truly a herculean, agency-wide effort, and we thank everyone for their hard work, dedication, and going above and beyond.

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 development team is tentatively preparing for construction of the housing tower to start in summer 2026, which will affect the Fifth Ave bus stands. Modifications to TheRide's existing BTC platform will be necessary to accommodate the housing development and approved concept of the new platform. The site plan for the existing platform and planned expansion will be submitted later this year, and an environmental review is underway. The transit elements of the development will not be under construction until Q3/4 FY2027 or later.

#### **YPSILANTI TRANSIT CENTER PLANNING**

Staff will review the first round of design development documents in May, as well as continue conversations on land acquisition with the City of Ypsilanti and kickoff some early work with the Historic District Commission. Staff also continue to evaluate proposals for a construction manager (CM) and are on track to meet their goal of hiring a CM during this phase of design. The construction timeline and costs will become clearer as these pieces of the project fall into place.

## **DEDICATED BUS LANES & BUS RAPID TRANSIT**

On April 14-15, TheRide hosted a Bus Rapid Transit Peer Exchange at the downtown library. The peer exchange brought representatives from IndyGo (Indianapolis, IN) and Metro (Madison, WI) to share details on their recent experience implementing bus rapid transit in their communities. The program was supported by the USDOT's Transportation Capacity Building Program and included participation by FTA, FHWA, and Volpe Center staff. Additionally, staff from MDOT, SEMCOG, RTA, WATS, Washtenaw County, University of Michigan, City of Ann Arbor, Pittsfield Township, the Ann Arbor DDA, and TheRide attended and engaged in a fruitful discussion about the potential for bus rapid transit in our community. TheRide thanks all those who participated in the event and is grateful to the Library for allowing us to use their facility for the event.

MDOT will repave Washtenaw Avenue between Main Street and Stadium Boulevard in 2027. They are contemplating reconfiguration of the roadway and solicited public input until early May. Among the design concepts under consideration included a dedicated bus lane for outbound travel (southeast direction) from South University to Tuomy Rd. and dedicated bus lanes for both directions from Tuomy Rd. to Stadium Blvd. We anticipate to hear from MDOT on the preferred design concept in the coming weeks. More information about the project can be found here: <https://www.michigan.gov/mdot/projects-studies/i-94-bl-repaving-ann-arbor>

Lastly, the City of Ann Arbor with support from the University of Michigan has begun construction of North University between State Street and Fletcher St. The project will install an eastbound dedicated transit lane the length of the project (like the dedicated bus lane on State Street from South University to William). The project is expected to be completed by the end of this year. More information about the project can be found here: <https://engage.a2gov.org/northu-thy>

## **OPERATIONAL UPDATES**

### **OPERATOR COUNT/MCO CLASSES**

AAATA's current operator count is 194, with 14 operators set to graduate on May 29<sup>th</sup>.

### **LOCAL ADVISORY COMMITTEE (LAC)**

The LAC met on April 14<sup>th</sup> and discussed: Board report, service report, as well as LAC feedback on updated board ends.

### **ANN ARBOR CITY COUNCIL**

AAATA presented to City Council on April 20<sup>th</sup>, where updates on ridership and immigration enforcement were given.

### **TRANSPORTATION COMMISSION (ANN ARBOR)**

The Commission met on April 15<sup>th</sup>, and Matt Carpenter and Raymond Hess gave a presentation on Bus Lane Opportunities in the Ann Arbor Region.

### **WATS POLICY COMMITTEE UPDATE**

The April 15<sup>th</sup>, 2026 WATS Policy Committee meeting focused on routine approvals and key policy items, including review of the FY 2025 audit, a recommended salary increase for the Director based on strong performance and cost-of-living adjustments, and updates on regional transportation efforts, such as the WATS Annual Report and the Ypsilanti one-way to two-way study.

## LEGISLATIVE UPDATES

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

## COMMUNITY ENGAGEMENT

### BIG HOUSE 5K

AAATA staff participated in the Big House 5K on Sunday, April 12<sup>th</sup>. AAATA sponsored staff interested in participating through the Wellness Committee.



### ANN ARBOR CODI

AAATA presented to the Ann Arbor Commission on Disability Issues (CODI) on Wednesday, April 15<sup>th</sup>.

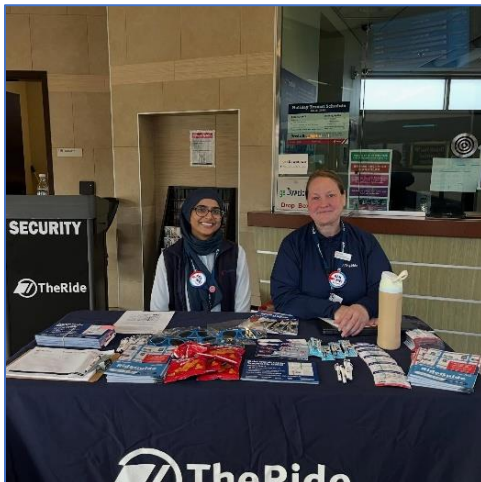
### WASHTENAW COUNTY COMMISSIONERS TAKE THERIDE

TheRide recently did a social media video collaboration with Washtenaw County Commissioners Annie Somerville and Justin Hodge:

<https://www.facebook.com/share/r/1Dy7QrSWz3/>

### BTC CLOSURE OUTREACH

AAATA staff were tabling at the BTC ahead of the temporary relocation, ensuring members of the public were aware of the change.



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

As approved in the FY2026 budget, on April 30, 2026, the CEO authorized an agreement with SmithGroup, Inc. to provide architectural and engineering services for the Blake Transit Center Platform Expansion Project. The estimated value of award for these services is \$314,300.



**TheRide**

**FY 2027  
Corporate  
Business Plan**

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## 1. Executive Summary

The Board of Directors sets the agency's strategic direction through formal written policies. In alignment with this direction, the CEO develops an annual Corporate Business Plan to ensure that the agency's resources support the Board's objectives. In January 2026, the Board revised its Ends policies, updating its overall expectations for TheRide. The CEO is currently reviewing this updated direction to ensure the agency's long-term objectives are fully aligned.

The purpose of the Business Plan is to serve as a framework for collaboration among the Board, staff, and the public, creating an opportunity to discuss priorities, initiatives and projects before the detailed budgeting process begins. **Stakeholder feedback is encouraged throughout this process to ensure this plan reflects the needs and expectations of the community.** Please share your input through [tellus@theride.org](mailto:tellus@theride.org).

Once finalized, the Business Plan will become the foundation for the development of the agency's annual budget, which staff presents to the Board for review and approval later in September.

Currently, the priorities, initiatives and projects of the FY 2027 Business Plan are focused on advancing the numerous capital projects outlined in the long-range plan, all while maintaining the same level of services, with no fare increase, and no changes to staffing levels.

The business planning process is expected to evolve over the next two years to clearly distinguish between projects that fund the annual budget and those that span through multiple years. The intended approach is as follows:

- **FY 2027 (Transition Year):** The primary focus will be on maintaining operational continuity, with emphasis on successfully advancing ongoing multi-year projects and initiatives.
- **FY 2028 (Strategic Launch):** Following a comprehensive review of the Board's updated policies, the agency will develop a modernized Strategic Plan and Work Plan. Additional details will be shared as this process progresses.

Similar to previous years, initiatives and projects will be organized in the categories below:

- **Excellence in Service Delivery & Customer Retention**
- **Attract New Riders & Increase Ridership**
- **Continuous Improvement**

## 2. Strategic Planning & Alignment

At TheRide, our Board of Director sets the direction through written policies<sup>2</sup>. The CEO then develops an annual Corporate Business Plan to align its limited resources with the Board's goals, providing transparency into its strategic priorities, projects, and decision-making. TheRide's goals-setting and strategy development process is outlined in the figure below, with full details in the appendix.



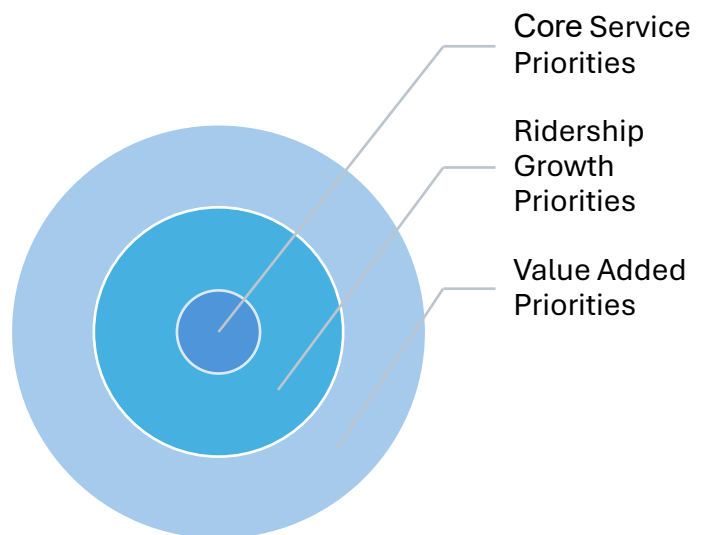
### 2.1 Corporate Goals & Priorities

The Board of Directors has defined the goals the CEO is to achieve (i.e., Ends Policies<sup>1</sup>).

Prioritization of goals is a necessary step as organizations balance ambitious goals with limited resources. Leadership can choose to set priorities in advance or let them emerge as daily decisions are made. Prudence suggests that the Board and CEO proactively set clear areas of focus to guide effective and transparent decisions proactively

By adopting Ends policies, the Board has already set broad goals for the agency. The CEO has been empowered to use their professional judgment to establish *relative priority* of those goals. In this Business Plan, the CEO has reviewed the New Ends policies and grouped them into categories as follows: Core Services, Ridership Growth, and Value Added.

The CEO's prioritization of the Board's Ends Policies are illustrated on the graphic and further below.



<sup>1</sup> The full Ends policies can be found in the appendix and the Board's Policy Manual.

## **A. Core Service Priorities**

Policies grouped under the Core Service Priorities are those that mandate TheRide to provide equitable, safe, and convenient transportation options for **every individual within our service area**.

These policies go beyond standard operations by requiring active removal of barriers, or the provision of necessary accommodations, to ensure everyone within our service area irrespective of limitations can get to their intended destinations.

TheRide has the greatest level of control and impact with these policies.



**Institutional Stability** – The agency must continue to be able to deliver results.

- a) **Public Support (1.5)** – Public and political support, not necessarily from special interests. Competence and social mission.
- b) **Value and Efficient Stewardship (1.0)** - With limited resources, we must be cost-effective to create the greatest value for the largest number of people.

**Excellence in Service Delivery & Social Mission Populations** – Our mission starts with the daily experience, where over 90% of our resources are dedicated to delivering reliable service. Sustaining a world-class experience for our current riders is the most effective way to expand our reach and impact the community. If we cannot retain riders, there is little point in making the effort to attract new ones.

- a) **Serving Low-Income Residents (1.3.1)** - People who are not able to drive, occasionally or at all, due to income limitations.
- b) **Serving all people irrespective of limitations (1.3.2)** - People with disabilities, impairments, seniors, minors, youth, non-English speakers, and visitors.
- c) **Economic: Workers, Students, Residents, etc. (1.2)**– Every worker, student or resident we serve achieves social and economic mobility for personal betterment.
- d) **Customer Satisfaction and Feelings of Safety (1.3.3, 1.2.1)** - Descriptive qualities of an attractive transit service, not outcomes themselves.

## **B. Ridership Growth Priorities**

These policies address strategic growth and systemic advancement in order to **intentionally scale our reach and increase ridership**. This will be achieved by expanding services and infrastructure, leveraging policy-driven demand, and integrating our service area with a broader range of mobility options. These initiatives

demand a significant investment of personnel, funding, and technical expertise. Since these results depend on collaborative efforts, extra funding, and input from various parties, the rollout may take more time than projects entirely under TheRide's control. The specific execution of most ridership growth focused efforts is outlined in the Long-Range Plan. In addition, TheRide consistently monitors potential chances to partner with local, state, and federal allies to move these policy priorities forward. The specific Ends policy is identified below.

- a) **Increasing Ridership (1.2)** – This means either increasing trips by the transit-dependent, attracting people from cars or reaching those beyond the service area.

### **C. Value Added Priorities**

Policies grouped under value-add priorities go beyond the essential business operations to **enhance operational depth and further contribute to community vitality**. While important and board-directed, the complexity of these initiatives require careful sequencing while maintaining primary focus on daily service delivery and ridership growth.

- a) **Service area is part of an integrated transportation ecosystem (1.1)** –

Expanding beyond the service area in a way that favors active, shared, micromobility and regionally connected transportation

- b) **Positive impacts to the environment and carbon emissions (1.4)** – Attracting more people from cars is the primary means for transit emission reduction. Initiatives to reduce our own emissions are also accounted for here.



## **2.2 Current State**

The Executive Team has reviewed and updated the strategic context in which we operate. Results of that discussion are provided in the SWOT (Strengths, Weaknesses, Opportunities, Threats) table below.

<p style="text-align: center;"><b>Strengths</b></p> <ol style="list-style-type: none"> <li>1. Financial Health &amp; Structural Integrity <ul style="list-style-type: none"> <li>• Fiscal resilience sustained by a relatively stable tax base and funded reserves.</li> <li>• Debt-free financial position with no pension or infrastructure liabilities.</li> <li>• Strategic transition of future plans into shovel ready projects.</li> </ul> </li> <li>2. Governance &amp; Leadership <ul style="list-style-type: none"> <li>• Effective alignment between the Board and Executive leadership. Clear direction and accountability.</li> <li>• Effective governance structure at the Board level.</li> <li>• Clear vision with the Long-Range plan.</li> </ul> </li> <li>3. Operational Excellence <ul style="list-style-type: none"> <li>• A respectful, tenacious staff culture that is adaptable to evolving community needs.</li> <li>• Effective social media presence and marketing campaigns.</li> <li>• Reliable, high frequency service tailored to meet evolving rider needs.</li> </ul> </li> <li>4. Strategic Partnership &amp; Influence <ul style="list-style-type: none"> <li>• Growing capacity to influence transit favorable decisions with key partners e.g., MDOT and RTA.</li> <li>• Strengthened partnerships with local and state agencies e.g., City of Ypsilanti and MDOT.</li> </ul> </li> </ol>	<p style="text-align: center;"><b>Weaknesses</b></p> <ol style="list-style-type: none"> <li>1. Workforce &amp; Capacity Limits <ul style="list-style-type: none"> <li>• Limited staff capacity requires strict prioritization and clear trade-offs.</li> <li>• Underdeveloped training programs and skill gaps may inhibit efficiencies.</li> <li>• Limited ability to improve internal processes with current tools and structures.</li> </ul> </li> <li>2. Infrastructure &amp; Financial Constraints <ul style="list-style-type: none"> <li>• Inadequate garage space limits service and fleet expansion.</li> <li>• Inadequate funding for all LRP projects e.g., BRT, and garage expansion.</li> <li>• ITS &amp; fare collection technology are outdated, limiting operational efficiencies</li> </ul> </li> <li>3. Oversight Risks <ul style="list-style-type: none"> <li>• Oversight of passthrough grantees.</li> </ul> </li> </ol>
<p style="text-align: center;"><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>1. Ridership Potential <ul style="list-style-type: none"> <li>• Under-tapped markets such as growing university enrollment (UM) and population growth.</li> <li>• Ample passenger capacity in off-peak hours could increase ridership without increasing costs.</li> <li>• Park &amp; Rides, Non-Emergency Medical Transportation (NEMT), and bulk fare programs.</li> </ul> </li> <li>2. Community Support &amp; Strategic Partnerships <ul style="list-style-type: none"> <li>• Good reputation and strong community support.</li> <li>• Strong political &amp; advocacy synergy with state and national advocates (MPTA, APTA).</li> <li>• Institutional collaboration with the DDA, City of Ann Arbor, and local school districts.</li> <li>• Opportunity to engage with TRU and grassroots organizations to build momentum for future initiatives.</li> </ul> </li> <li>3. Funding <ul style="list-style-type: none"> <li>• Partnering with MDOT on grants and projects strengthens opportunities for TheRide's advancement.</li> <li>• Availability of competitive grants for capital projects.</li> <li>• Next millage may provide an opportunity for additional funding.</li> </ul> </li> <li>4. Infrastructure &amp; Technology Innovation <ul style="list-style-type: none"> <li>• Transit-friendly plans and policies (like bus lanes) have the potential to support agency mission.</li> <li>• New technologies can improve customer experience and productivity.</li> <li>• Opportunity to explore deregulatory trends to streamline operations e.g., NEPA requirements.</li> </ul> </li> </ol>	<p style="text-align: center;"><b>Threats/Challenges</b></p> <ol style="list-style-type: none"> <li>1. Funding &amp; Economic Instability <ul style="list-style-type: none"> <li>• Macroeconomic risks such as inflation, recession, and rising costs.</li> <li>• Potential funding volatility due to uncertain federal and state funding, direct or indirect cuts and local tax capture reducing local revenue.</li> <li>• Dependency on 5-year property tax cycles and the risk of ballot competition or voter fatigue.</li> </ul> </li> <li>2. Evolving Urban Trends <ul style="list-style-type: none"> <li>• Work-from-home, e-commerce undermine demand for transit.</li> <li>• Unmet social issues spilling into transit spaces. (Security concerns at terminals).</li> <li>• Road space competition, such as bike lane expansions can inadvertently slow down bus service.</li> </ul> </li> <li>3. Political &amp; Stakeholder Alignment <ul style="list-style-type: none"> <li>• Growing public and political expectations exceed available resources.</li> <li>• Overlapping service area demand and supply with other providers.</li> <li>• Competing local and regional priorities may harm TheRide.</li> </ul> </li> </ol>

Table 1: SWOT Table

## 2.3 Strategic Context & Conclusions

Based on the SWOT analysis, TheRide is stable but meeting a ceiling. The agency is financially and operationally steady, but it has reached a physical (e.g., inadequate garage space), human capital (staff bandwidth) and technological plateau that inhibits further growth.

- **Organizational Capacity:**

Given limited organizational capacity, the Executive Team has decided not to introduce new projects in the FY 2027 Business Plan and will instead continue advancing FY 2026 initiatives. While daily operations remain the top priority, we will also make steady progress on Board policies through targeted initiatives, with a realistic assessment of the organization's workload capacity.

- **Construction at BTC and Commitment to Quality Service Delivery:**

Construction at the BTC is a major step forward, but it brings temporary challenges to our daily operations. Navigating these changes safely requires the coordination of multiple departments further stretching our dedicated team. Despite the changes, TheRide remains committed to providing reliable high-quality services.

- **Strategic Planning:** In the next Business Planning cycle, the Corporate Business Plan will be provided in two distinct parts -a strategic plan and an annual work plan. The Strategic Plan will serve as our stable multi-year foundation, while the Annual Work Plan will capture the projects and initiatives that directly inform the budget. This approach allows us to stay focused on our core mission while clearly identifying the work that necessitate budget adjustments. It also facilitates a more targeted public dialogue, ensuring feedback is concentrated on the fiscal drivers.

- **Partnerships and Collaborations:** Leveraging strategic partnerships at the local, state and federal level has strengthened opportunities for the TheRide's advancement. Staff has been successful in applying for grants in order to deliver on the Long-Range Plan projects e.g., the YTC terminal.



- **Infrastructure and Technological Constraints:** TheRide's growth and efficacy are currently hindered by inadequate facility space and outdated technical infrastructure. At the moment, we are analyzing options to optimize our physical footprint to support future expansion and have developed a roadmap to modernize our technology.

### **3. Strategic Goals & Initiatives**

To address the strategic issues described above, TheRide's Executive Team have adjusted the initiatives in the Business Plan but not the overall goals and sub-goals. All projects and initiatives advance the Board's Ends and Executive Limitation policies, account for changes in our environment, and incorporate prudent internal improvements that will help enable success. It focuses on preserving existing services, exploring financial options, while still pursuing of the Board's goals (Ends) and the long-range plan projects all within the limits of available resources.

All FY 2027 initiatives are organized under the strategic goals and sub goals below:

#### **1. Excellence in Service Delivery & Customer Retention**

- A. Operational Excellence
- B. Financial & Administrative Excellence

#### **2. Attract New Riders and Increase Ridership.**

- A. Long-Term Infrastructure for Ridership Growth
- B. Service Enhancements
- C. Influence Demand for Transit

#### **3. Continuous Improvement**

- A. Team and Staff Development
- B. Internal Effectiveness & Efficiency
- C. Sustainability Planning

The following Work Plan lists major initiatives, changes, and activities that will advance the Board's stated goals. These projects have been developed using the planning tools found in the appendix. The projects and initiatives outlined below cover the next 20+ years and illustrate the key steps TheRide will take to advance the Board's goals.

## **Mission Focus & Project Types**

Every initiative we undertake directly or indirectly supports a Board goal or policy. Beyond these strategic priorities, we also manage essential work mandated by law, regulators, and funders, as well as the operational requirements necessary to maintain a healthy, mission-driven organization. The projects listed below identify the specific Board policies they advance; for more detail on our vetting and selection process, please refer to the appendices.

In the budget, priorities, projects and initiatives are categorized by their primary expense.

- **Capital projects** result in expenses for fixed equipment, buildings, vehicles, equipment, durable goods etc., as well as the staff time needed to implement those projects. This category includes large projects such as zero-emissions propulsion systems and bus rapid transit services, as well as small items like computer hardware and desks.
- **Operating projects and initiatives** result in all other expenses that are not capital, such as staff time (salaries and benefits), fuel, insurance, training, rentals, contracted services, legal fees, etc.



## **Timelines & Perspective**

All the recommended projects are laid out in a multi-year sequence as seen in the Gantt chart at the end of the section. It should be noted that all timelines are tentative and are dependent on funding, staff capacity and in other cases, collaboration with external stakeholders. This multi-year approach is necessary because 1) TheRide does not have the resources to advance every important project at the same time, 2) some work must naturally come before others, and 3) many of our infrastructure projects are complex and will take years to develop and implement.

## **Implementation & Budget Implications**

The projects in this business plan provide 20 years of context. However, the business plan presented in September is only a one-year budget (FY27).

**TABLE 2: LIST OF PROJECTS AND INITIATIVES**

<b>3.1 Excellence in Service Delivery &amp; Customer Retention</b>	<b>11</b>
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4. Bus Service Review	12
5. Bus Stop Improvements	13
6. FTA Compliance Reviews (Triennial review and Title VI review)	13
7. Passenger Information Systems Replacement Plan	13
8. Transit Signal Priority	14
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17. Bus Lane & Transit Priority Master Plan Update	19
18. Regional Park and Ride Planning	19
19. Assist with County Needs Assessment	19
20. Express Bus Pilot on North-South Corridor	20
21. Priority Transit Routes	20
22. Off-Peak Service Enhancements	20
23. On-Demand Coverage Enhancements	20
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25. Transit-Oriented Development Guidelines	21
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28. IT Technology Upgrades	22
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30. Football Service Review	23
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32. Step 2: Facilities Emission Reduction Plan	23
33. Step 3: Study Options for Support Fleet and A-Ride	23
34. Step 4: Study Options to Reduce Consumption (Procurement Process Review)	24
35. Step 5: Study Options to Reduce Waste (Disposal Process Review)	24

A brief description of the above projects is provided in the respective pages below.

### 3.1 Excellence in Service Delivery & Customer Retention

Retaining customers is essential. We are committed to ensuring anyone who uses our services comes away with a satisfying experience, and a willingness to use our services again, and maybe tell a friend. The initiatives in this section are focused on TheRide's quality of service.

#### A. Operational Excellence

To retain existing customers, TheRide has to provide and maintain a service of excellence.

##### 1. Daily Service Delivery

Operating: Perpetual. Goal: 1.0-1.5

Although this Business Plan focuses on change initiatives, TheRide is primarily a service-delivery organization. Each weekday we provide about 1,200 bus trips, carry about 20,000 passenger trips. We operate or partner on six different services. We employ just under 300 staff that require recruitment, training, and support. We operate from five facilities that require upkeep and rehabilitation.

- *Daily service delivery consumes 99% of our annual operating budget.*
- *70% of our capital budgets are used to maintain and replace the vehicles, facilities and equipment we already have.*
- *95% of our collective staff time is spent delivering daily services and making improvements.*

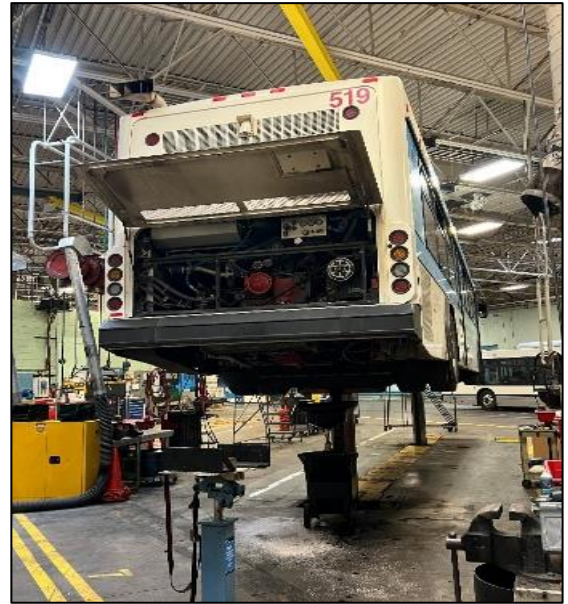
This would be enough for many organizations, but we also develop and execute plans for the future. Delivering daily services to our customers remains our highest priority and requires the bulk of our attention. Status: Ongoing.



## 2. Maintain State-of-Good-Repair

Capital. Ongoing. Goals: 1.0-1.5, 2.2.1, 2.4.3, 2.7.3

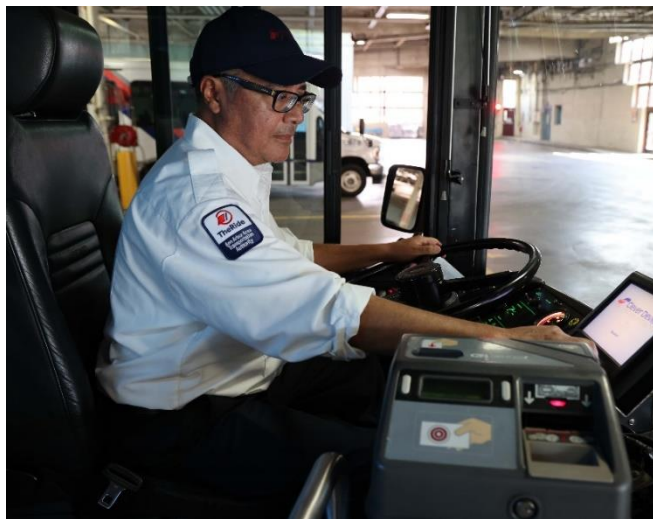
Safe, well-maintained, and efficiently managed equipment is essential for a capital-heavy industry like public transit. TheRide's services require 103 buses, 22 auxiliary vehicles, five facilities, a network of communication technology, computer equipment, and many other items. Routine maintenance and replacements are addressed in the annual budget. Overlooking maintenance on equipment increases long-term costs and may lead to a violation of FTA asset management compliance regulations. Status: Ongoing.



## 3. Fare Strategy Update

Operating. 2026-2027. Goal: 1.0-1.5, 2.1.4, 2.4.1

To better attract and retain customers, TheRide will conduct a study to review passenger fare policies by evaluating the impact of post-pandemic trends on ridership and market needs on pricing to update the fare structure. The study will inform decisions on improving fare collection systems, expanding real-time information, integrating with local providers and addressing first and last mile solutions. The last fare study was completed in 2018, with an update to that study completed in 2021, providing some foundational work to be incorporated into this project. Status: Study scoping initiated in 2026.



## 4. Bus Service Review

Operations. 2025- 2027. Goals: 1.0, 1.1, 1.3, 14., 2.1

TheRide is reviewing existing services to increase customer satisfaction, improve service reliability and cost-effectiveness, and address operational issues. Recommended plans for services changes will be developed for short-and medium-term implementation. Major reviews will happen every five years. Status: Initiated.

## 5. Bus Stop Improvements

Capital. 2020-2033. Goals: 1.3, 1.4, 2.1

Focused on reducing barriers to access and use of TheRide's transportation services, the agency is working on improving bus stop infrastructure such as concrete lead walks (sidewalk-to-curb paths), shelters, benches, and other amenities. TheRide targets to make 30 to 40 bus stops near sidewalks accessible each year, pending funding and issuance of permits. Our goal is to make all eligible bus stops near sidewalks wheelchair accessible (i.e., lead walk) by 2033. Status: On schedule.



## 6. FTA Compliance Reviews (Triennial review and Title VI review)

2026-2027. Goals 1.0-1.5, 2.5

FTA requires all direct and primary recipients to document their compliance with Department of Transportation's (DOT) Title VI regulations by submitting a Title VI Program once every three years. By the end of 2026, AAATA is due to submit its next Title VI Program to FTA. AAATA's Title VI Program ensures that minority, limited English populations (LEP), and low-income populations are considered in all aspects of service planning, community outreach and service delivery. Status: Begins 2026.

Additionally, The FTA performs a triennial review every three years, auditing all areas of transit agency compliance, including financial management, operational performance, civil rights regulations, and other regulatory adherence. Compliance indicates that the agency meets federal funding guidelines which are critical to maintain federal funding for transit capital assets and projects required for delivering services. The FTA conducted a review in FY2025, and the next review is scheduled for FY2028. Status: Next review scheduled for 2028.

## 7. Passenger Information Systems Replacement Plan

Capital. 2025-2027. Goal: 1.0-1.5, 2.1.2

TheRide's current real-time information and vehicle location technologies will reach the end of their financial lifespan in 2026. The replacement will leverage cutting-edge technology to enhance functionality and ensure a seamless implementation process. Status: Planning for the new technology will begin in 2025 and installation is expected in 2027.

## 8. Transit Signal Priority

Capital. 2024-2026, 2029-2030 Goal: 1.0-1.5

This ongoing project will work to increase automatic, real-time coordination between buses and traffic signals with the goal of allowing buses to pass through green signals more frequently when they are significantly behind schedule. The primary goal for this project is to improve bus on-time performance. This will make services more reliable and better able to retain riders. Phase One covering Route 4 in Ann Arbor is expected to be operational by mid-2026. Status: Phase 1 is almost complete. Phase 2 to begin in 2029

## B. Financial & Administrative Excellence

Successful sourcing of funds will be critical in the implementation of initiatives that lead to exceptional customer service and improve critical infrastructure. The projects in this section will focus on funding the initiatives in the FY27 Budget.

## 9. Exploring Efficiencies

Operating & Capital: 2025-2030. Goals: 1.0, 2.0, 2.4, 2.7.

Given rising uncertainty regarding the stability of state and federal funding, Executive Team will begin reviewing opportunities to control costs, reduce expenditure, and ensure all investments are adding commensurate value. This will include in-house and contracted expenses, as well as service and program design and service delivery. Status: Initiated.

## 10. Federal Surface Transportation Reauthorization

Operating: 2025-2027. Goals: 1.0, 2.0, 2.4, 2.5.2, 2.7.

Every five years the US government updates its funding levels for transit, highways, and other surface modes. Funding levels set here will affect TheRide from 2026-2031 and can directly increase or decrease capital funds available. It is also an opportunity to revisit various requirements that have been attached to those funds. TheRide will work to educate decision makers about the needs and opportunities in public transit directly and via industry trade associations. Status: Pending congressional vote

## 11. Long-Range Plan Review & Millage Preparation

Operational: 2026-2028. Goals: 1.0-1.5, 2.4, 2.9.1 & 3.2.9

The long-range plan, TheRide2045, was approved by the Board in 2022 after considerable public input. Since then, there has been important progress (e.g., YTC, BTC, ). Staff will conduct a 4th-year check-in to determine if any adjustments may be warranted in light of changes in travel behavior, inflation, changes in state and federal funding and broader economic uncertainty. This will include discussions with the Board about the timing, content and rate for the next millage. Status: Ongoing

### 3.2 Attract New Riders & Increase Ridership

The initiatives below are focused on improving the services, expanding infrastructure in order to attract more riders.

#### A. Long-Term Infrastructure For Ridership Growth

Expanding and rebuilding key pieces of infrastructure is critical for improving services, maintaining satisfaction, and attracting new riders. Infrastructure development can be frustratingly slow. However, ensuring sound project selection and development saves money and time by avoiding less-effective initiatives or having to re-do planning work. A critical path's sequence of major projects is illustrated and described below:

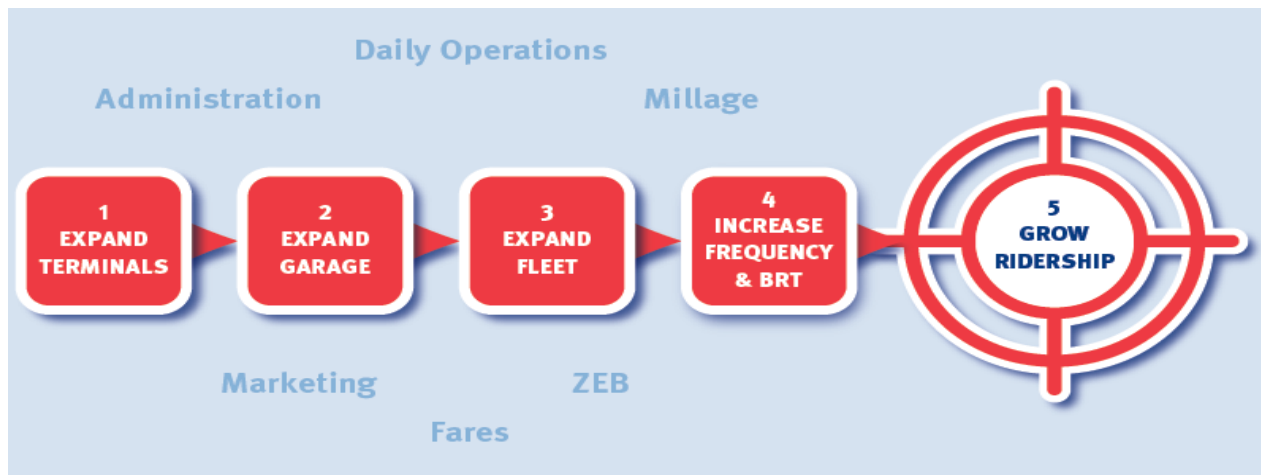


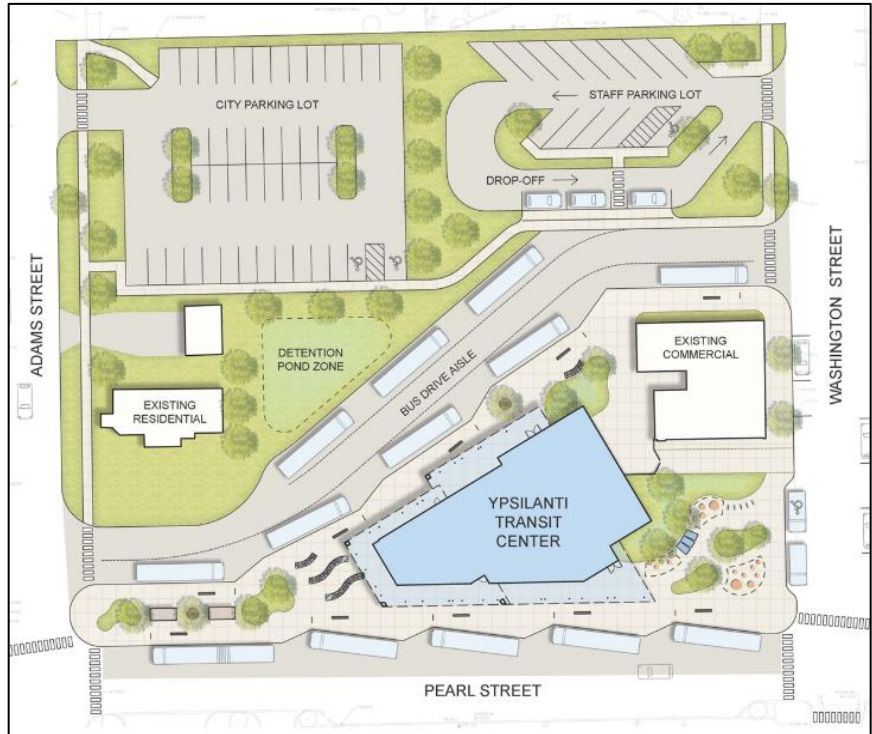
FIGURE 1 CRITICAL PATH FOR INFRASTRUCTURE

## 12. Ypsilanti Transit Center Construction

Capital. 2024-2028. Goal: 1.2, 1.3, 1.5, 2.5.2, 2.10.

TheRide completed conceptual planning and achieved NEPA clearance in 2025. TheRide has embarked on the next phases of the project in 2026, including land acquisition, detailed design and engineering, and bringing on a construction manager to assist in cost estimating and value engineering. With the award of a \$7.2 million federal

Buses and Bus Facilities Grant in February 2026 and \$750,000 in Congressionally Directed Spending from Senator Peters and Slotkin, the project is now fully funded, In April 2026, TheRide issued a Request For Proposal for a construction manager for the YTC. The construction manager will work with the architects and engineers towards a guaranteed maximum price for the project. Construction is expected to begin in 2027. Status: Ongoing



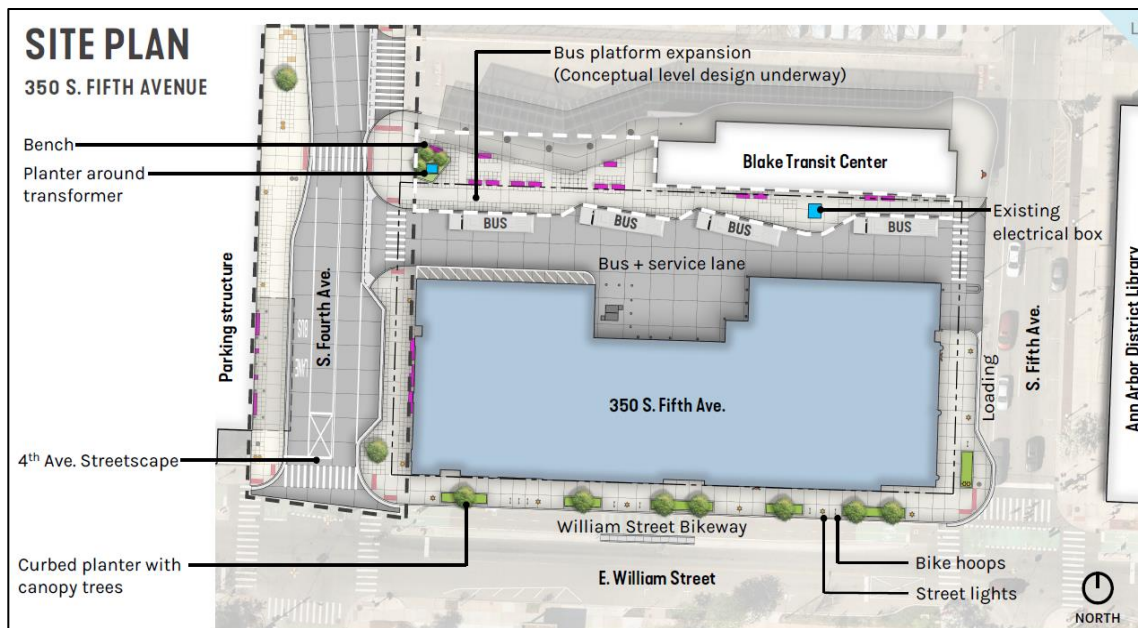
## 13. Blake Transit Center Construction

Capital. 2022-2028. Goals: 1.0, 1.2, 1.5, 2.5.2, 2.10.

Staff continue to work with local partners on their projects to redevelop the YMCA lot adjacent to the BTC (Ann Arbor Housing Commission & Related Midwest) and Fourth Avenue (DDA & City of Ann Arbor). Construction on Fourth Avenue began in May 2026 and will last until late 2026 or early 2027. This project will widen sidewalks, install new shelters for our customers along Fourth Avenue, and make many other pedestrian and transit enhancements to this block. The roadwork precludes buses from accessing the BTC and Fourth Avenue, so all operations served by the BTC have been relocated to Fifth Avenue and Washington Street (2 blocks away from the BTC). It was a herculean effort to stand up a temporary transit center for at least seven months, which impacted nearly every facet of the agency. To help our customers and drivers, a new customer ticket counter at 314 E Washington St, as well as a driver's lounge on Fifth Avenue were implemented as part of the relocation.

Work on NEPA clearance for the expanded platform on the south side of the Blake Transit Center began in earnest in early 2026. Detailed design on the platform will commence in the summer of 2026. Site plan approvals for the BTC will be pursued as part of the design process, which may conclude in 2026 or 2027. Funding support from the Downtown Development Authority as well as a grant garnered by the City of Ann Arbor through the Michigan Talent Partnership Program have resulted in minimal cost share for TheRide.

Status: Fourth Avenue construction underway. BTC NEPA work underway with detailed design to begin shortly.



#### 14. Bus Garage Planning Studies

Capital. 2025-2029. Goals: 1.0, 2.4.2, 2.4.3,

Before TheRide can increase the frequency of bus service, it will need to increase its garage capacity to house and maintain a larger bus fleet. Planning work will clarify the needs and requirements, identify and evaluate suitable locations, develop conceptual designs, and gain appropriate federal environmental approval (NEPA). The new garage is anticipated to increase fleet capacity by 100 buses. It will also be critical in supporting high-capacity buses (articulated buses) and the transition to zero-emissions vehicles with respect to different charging/refueling and maintenance requirements. As of May 2026, the study has completed an assessment of existing conditions, developed a space needs program based on future demands, and started work on site selection through robust data analysis. Status: Ongoing.

## 15. Bus Rapid Transit Planning Studies (Initial)

Capital: 2026-2031 (Wash Ave E), 2032-2040 (North-South), 2036-2041 (Wash Ave W).

Goals: 1.0-1.5, 2.4

Bus rapid transit (BRT) is the centerpiece of the long-range plan and spine of the future transit network. Two BRT lines will span the service area. The Washtenaw BRT will run between downtown Ypsilanti and Maple/Jackson in Ann Arbor, spanning the service area from east to west and is expected to be completed by 2031 (Phase I). The north-south BRT will run in Ann Arbor between Plymouth/US-23 and Eisenhower/State, spanning the service area from north to south and is expected to be completed in FY 2040 and the BRT from BTC to Maple/Jackson is expected to be completed in FY 2042. This timeline may change depending on partnership opportunities with MDOT and the local municipalities.

TheRide partnered with MDOT on a federal discretionary BUILD grant to incorporate bus lanes into the US-23 and Washtenaw interchange in February 2026. Additionally, TheRide provided input to MDOT on a planned resurfacing project along Washtenaw between South University and Stadium. The result of this input, with the support of staff from the City of Ann Arbor, is that alternatives are being considered which may include dedicated bus lanes through portions of the project. Public engagement was solicited on the project, including the options with dedicated bus lanes, in April/May 2026. The preferred scenario will be revealed in late summer 2026 and the project is expected to go to construction in 2027. Status: TheRide continues to monitor opportunities for funding and/or partnership to improve transit operations along the Washtenaw/Huron/Jackson corridor.

## 16. Transit Hubs and Priority Infrastructure Development

Capital. 2027-2030, 2032-2035, 2037-2040. Goal: 1.0, 1.1, 1.2, 1.3, 2.10.

Four transit hubs will be developed outside of the downtown cores to facilitate better connectivity between peripheral areas that have high demand, are projected to have significant growth in demand, and are located at logical connection points between numerous routes. The four hubs are located as follow:

- State & Eisenhower area (2027-2030)
- Jackson & Maple area (2032-2035)
- Carpenter & Ellsworth area (2032-2035)
- Nixon & Plymouth area (2037-2040)

Status: Expected to start in 2027.

## B. Service Enhancements

### 17. Bus Lane & Transit Priority Master Plan Update

Operating. 2024-2039 Goals: 1.0, 1.1, 1.4, 2.10

In partnership with the University of Michigan and others, TheRide is exploring the potential to create a unified proposal for bus lanes in the City of Ann Arbor. Fully dedicated bus lanes will require the collaboration of the municipal, County and State partners in changing the streetscape. Ann Arbor's first bus lane, on State Street, opened in November 2025. This facility will be extended to North University between State Street and Fletcher Avenue. TheRide will continue working with stakeholders to add more bus lanes / queue jump lanes at other choke points prior to the full implementation of the high-frequency network in 2039. Status: ongoing.



### 18. Regional Park and Ride Planning

Capital. 2025-2028. Goals: 1.0-1.5

In early 2025, TheRide partnered with the UM, City of Ann Arbor, and DDA on a study to plan the distant park n ride lots outside of the Ann Arbor freeway ring. The work continues into 2026 and is expected to conclude in summer 2026. We hope to finalize a general plan, identify lot locations, bus staging areas, services plans, costs, pilot projects, and create a shovel-ready proposal. Although this has the potential to improve labor mobility, equity, and environmental impacts at a large scale, it is challenging because it covers geographies well beyond TheRide taxing jurisdiction. A key goal is to arrive at a cost-sharing arrangement with outside partners offset operating costs (TheRide will not use local property tax dollars to fund services for outside residents). If successful and depending on details, pilot services could start in 2027/2028. Status: ongoing.

### 19. Assist with County Needs Assessment

Operating: 2025-2027. Goals: 1.0, 1.,.5

In recent years grassroots groups and nonprofits in parts of Washtenaw County outside of TheRide's service area have begun raising the unmet need for transit services in these rural areas. This includes travel within those areas and to/from TheRide's area. Although TheRide has no jurisdiction in these areas, when approached with requests for advice and assistance, we endeavored to be good neighbors and provided some suggestions about how these rural interests might proceed. Those outside groups are now attempting to gather support to conduct a preliminary Needs Assessment. TheRide will continue to advise these outside groups as their work proceeds. Status: Partners are submitting grant application.

## 20. Express Bus Pilot on North-South Corridor

Operating. 2027-2029. Goal: 1.0-1.5

An express route from the Eisenhower/State area to the Plymouth Road Park and Ride lot is expected to be introduced in FY 2028 with the intent of building momentum for the north-south BRT. Status: Planning begins FY2027.

## 21. Priority Transit Routes

Operating. 2027-2029., 2031-2033. Goal: 1.0-1.5.

Priority routes are intended to provide higher-frequency service to high-demand areas and facilitate faster trips for longer passenger trips not well covered by the planned BRT routes. The priority routes will have service frequencies ranging from 15 to 20 minutes during peak periods and will be enhanced by transit-priority features (e.g., queue jumpers, signal priority, etc.) Planning for the Main /Plymouth and Packard-Ellsworth Priority routes is expected to begin in FY 2026. The service is expected to begin in FY 2029. Planning for Packard-Eisenhower Priority route is expected to begin in FY 2031. Status: Planning begins 2027.

## 22. Off-Peak Service Enhancements

Operating. 2027-2029. Goal: 1.0-1.5.

To make transit a desirable transportation option, TheRide intends to provide more reliable and attractive services during the entire service period (i.e., all services during the day and night, weekday and weekends will have a reasonable level of service). Status: Planning begins FY2027, and implementation is scheduled to begin in 2029.

## 23. On-Demand Coverage Enhancements

Operating. 2027-2029 Goal: 1.0-1.5.

TheRide will increase On-Demand Service resources with the aim of expanding coverage and reducing wait times. Status: Planning begins FY2027.

### C. Influence Demand for Transit

The focus here is to attract more people to the services that already exist, and not to incur new operational costs to fill the seats we already have.

#### 24. Youth Ridership Opportunities

Operating. 2027-2028. Goal: 1.0, 1.1, 1.2

In this internal review, staff will explore the potential to develop a youth-pass program and promote TheRide's fixed-route services. This may be a constructive way to increase ridership during off-peak periods (i.e., outside weekday rush hours) while minimizing costs and also increasing access to opportunities for youth and families throughout the area and even increasing the labor pool for local employers. This assessment will inform future decisions. Status: Begin 2027.



#### 25. Transit-Oriented Development Guidelines

Operating: 2028. Goal: 1.0, 2.0, 2.1

Land development concepts like smart growth or transit-oriented development are examples of transit-supportive policies that some municipalities in our area are considering. However, given competing priorities, the pro-transit elements of these ideas can sometimes be under-emphasized or compromised. There is an opportunity to proactively develop guidance for municipalities about how land development concepts are best used to support transit. We will explore developing tools to encourage the best aspects of transit-supportive land development. Status: Begins 2028.

### 3.3 Continuous Improvement

Internal improvement projects directly improve the agency's capacity to efficiently provide a service of excellence.

#### A. Team and Staff Development

TheRide is an agency and an institution but is also a team. The staff are key to identifying and implementing opportunities for the future. We will continue to invest in our staff through various training opportunities, work to engage and inspire staff, and improve cross- department collaboration.

#### 26. Staff Needs Review

Operating: 2026+. Goal: 2.0, 2.2.1.

Continue to invest in staff development through on-site, virtual and remote training opportunities. This includes leadership, supervisory, change management, and team building opportunities, conferences, skill-specific training, and personal development plans. Status: Initiated.

## 27. Supporting Governance Excellence

Operating: 2025+. Goal: 2.9.

TheRide's Board of Directors sets direction and provides fiduciary oversight for the organization and CEO. The Board has its own Annual Plan of Work which is separate from this Business Plan. Staff do have a role in supporting the Board. This year we are itemizing staff-time for supporting Board activities such as updating Ends Policy interpretation, Ownership Linkage, and providing education on local funding, millage discussions, and AI. We also will continue to facilitate board training opportunities. Status: Ongoing.

### B. Internal Effectiveness Reviews

TheRide staff are always reviewing internal processes and procedures to find improvements or efficiencies. Such reviews typically inform later operational changes, decisions, or budget recommendations. Each year a few key subjects receive more formal attention.

## 28. IT Technology Upgrades

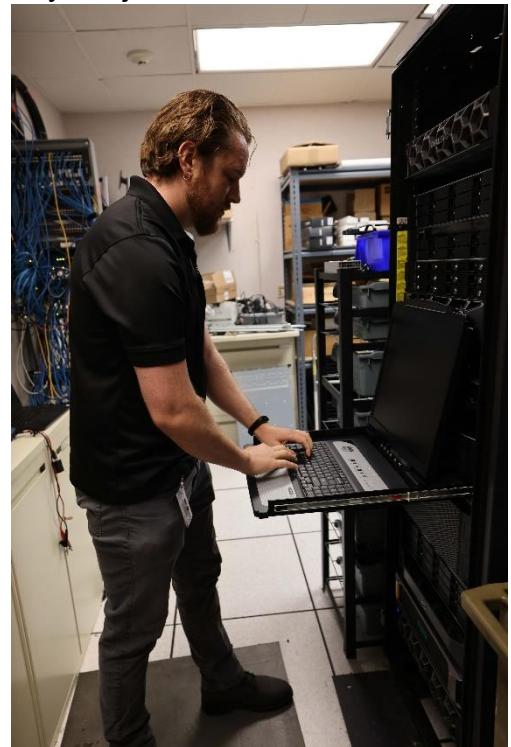
Operating:2025+ Goals:1.0-1.5, 2.5.6, 2.7

The agency has developed a multi-year plan for IT hardware and software replacements and upgrades needed to maintain and improve agency efficiency. New technologies and other improvements are incorporated into the multi-year plan as part of an annual review process with the Technology Advisory Committee (TAC) and are prioritized based on alignment with the Board's Ends and available resources and funding. Active projects in the next three years include replacement of passenger information systems and farebox replacement. Status: Ongoing.

## 29. POSA Agreement Review

Operating. 2026-2027: Goals: 1.0., 2.5

The agency has provided services to jurisdictions outside our taxing area for many decades via Purchase of Service Agreements (POSA) contracts with the municipal governments. Similar to contracted services, these POSAs allow nearby communities to pay for a lower level of transit service and not use the AAATA taxing powers. At present, the agency has POSAs with Pittsfield Twp, Superior Twp, and Scio Twp. Staff will review all of these contracts in context with each other and assess how these should continue. Status: Began in 2026.



### 30. Football Service Review

Operating. 2027-2028 Goals: 1.0., 2.1

Increased urgency due to the emergence of music concerts at UM stadium and requests to expand shuttle services. Financial implications are not clear. An internal review of the agency's participation in helping crowds arrive at and leave Michigan Stadium for UM football games or other events. This will be done to confirm regulatory compliance, economic impacts, fairness, and ridership generation potential. Status: Begins 2027.

### C. Sustainability Planning

As part of our strategic goals, TheRide is working to reduce and eventually eliminate emissions from its operations.



### 31. Step 1: Reduce Fleet Emissions (Hybrid Purchase)

Capital. 2026-2030. Goals: 1.4, 2.11., 2.5.7

Our greatest source of emissions is from our bus fleet, so this is where we have focused initial efforts. In 2023-2024 a plan focused on hydrogen and hybrids was adopted and \$25 million was secured. The project was paused in FY2026 due to funding. As funding became available, hybrids have emerged as a bridging strategy, a reliable interim technology to be used until a viable path to buses that produce no emissions is clear.

Status: Ongoing

### 32. Step 2: Reduce Facility Emissions

Capital 2027. Goals: 1.4, 2.11., 2.5.7

The Facility emissions study is to be completed in 2026. Based on expert recommendations, TheRide will develop targets and timelines to reduce facility environmental impacts. Status: Finalizing Study

### 33. Step 3: Study Options for Support Fleet and A-Ride

Operating. 2027. Goal: 1.4, 2.11, 2.4.

This work will study the potential to eliminate emissions from all non-large bus vehicles owned or used by TheRide. This includes staff cars and vans, work trucks, ARide buses, and contracted buses (e.g., FlexRide). It will focus on the potential for hybrids as a bridging technology, and whether battery electric and hydrogen options are better long term. These studies will inform us of the next steps. Status: Begins 2027.

34. Step 4: Study Options to Reduce Consumption (Procurement Process Review)

Operating: 2028. Goal: 1.4, 2.91.5.F, 2.5.2.,2.11,

This project will work to integrate environmental and carbon neutrality goals into the overall procurement process. Status: Begins 2028.

35. Step 5: Study Options to Reduce Waste (Disposal Process Review)

Operating 2029. Goal: 1.4, 2.11.3

The agency will conduct a review of the waste disposal processes in order to identify opportunities for waste reduction. This will primarily cover mechanical fluids and hazardous waste.. Status: Begins 2029.

Table 3: Project & Initiatives Table

		Projects	Applicable Policies	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	FY43	FY44	FY45	
Excellence in Service Delivery & Customer Retention	A. Operational Excellence	1. Daily Service Delivery	1.0-1.5																					
		2. Maintain State of Good Repair	1.0, 2.2.1, 2.4.3, 2.7.3																					
		3. Fare Strategy Update	1.0-1.5, 2.1.4, 2.4.1																					
		4. Bus Service Review	1.0, 1.1, 1.3, 1.4, 2.1																					
		5. Bus Stop Improvements	1.3, 1.4, 2.1																					
		6. FTA Compliance Reviews (Title VI and Triennial review)	1.0-1.5, 2.5																					
		7. Passenger Information Systems Replacement Plan	1.0-1.5, 2.1.2																					
		8. Transit Signal Priority	1.0-1.5																					
	B. Financial & Administration Excellence	9. Exploring Efficiencies	1.0, 2.0, 2.4, 2.7																					
		10. Federal Surface Transportation Reauthorization	1.0, 2.0, 2.4, 2.5.2, 2.7																					
		11. Long Range Plan Review & Millage Preparation	1.0-1.5, 2.4, 2.9.1, 3.2.9.																					
Attract New Riders & Increase Ridership	A. Long-Term Infrastructure for Ridership Growth	12. Ypsilanti Transit Center Construction	1.2, 1.3, 1.5, 2.5.2, 2.10	P&D	Constr.																			
		13. Blake Transit Center Construction	1.0, 1.2, 1.5, 2.5.2, 2.10	P&D	Constr.																			
		14. Bus Garage Planning Studies	1.0, 2.4.2, 2.4.3, 2.10		P&D		Constr.																	
		15. Bus Rapid Transit Planning Studies (initial)	1.0-1.5, 2.4		Washtenaw East		Constr.				North-South													
		#15. Continued	1.0-1.5, 2.4																					
		16. Transit Hubs and Priority Infrastructure Development	1.0,1.1, 1.2, 1.3, 2.10			P&D		Constr.			P&D		Constr.											
	B. Service Enhancements	17. Bus Lane & Transit Priority Master Plan Update	1.0, 1.1,1.4, 2.10																					
		18. Regional Park and Ride Pilot	1.0-1.5																					
		19. Assist with County Needs Assessment	1.0, 1.5																					
		20. Express Bus Pilot on North-South Corridor	1.0-1.5																					
		21. Priority Transit Routes	1.0-1.5																					
22. Off-Peak Service Enhancements		1.0-1.5																						
23. On-Demand Coverage Enhancements		1.0-1.5																						
C. Influence Transit Demand	24. Youth Ridership Opportunities	1.0, 1.1, 1.2																						
	25. Transit-Oriented Development Guidelines	1.0,2.0,2.1																						
Continuous Improvement	A. Team & Staff Development	26. Staffing Needs Review	2.0, 2.2																					
		27. Supporting Governance Excellence	2.9																					
	B. Internal Effectiveness & Efficiency	28. IT Technology upgrades	1.0-1.5, 2.5.6, 2.7																					
		29. POSA Agreement Review	1.0, 2.5.7																					
		30. Football Service Review	1.0, 2.1																					
	C. Sustainability Planning	31. Step 1: Reduce Emissions from Bus Fleet	1.4, 2.11, 2.5.7																					
		32. Step 2: Reduce Facility Emissions	1.4, 2.10,2.11,2.4																					
		33. Step 3: Study Options for Support Fleet and A-Ride	1.4, 2.11, 2.4																					
		34. Step 4: Study Options to Reduce Consumption (Procurement Process Re	1.4, 2.9.1F, 2.5.2, 2.11																					
		35. Step 5: Study Options to Reduce Waste (Disposal Process Review)	1.4, 2.11.3																					
Other Major Events	1. RTA Millage Opportunity																							
	2. AAATA Millage																							
	3. Presidential Election																							

Note: LRP projects are subject to timeline updates

Legend:		Non-LRP Project Timeline
		LRP Project Timeline
		P&D Planning & Design (LRP project)
		Implementation(LRP project)
		Constr. Construction (LRP project)
		Occurrence of Major Events

## 4. Next Steps

The Business Plan is the first part of an annual process of **aligning** expenditures to best achieve the Board's goals. The Business Plan allows staff, the public and the Board of Directors to review and discuss the largest component of the upcoming budget in a transparent and conceptual way. Once the CEO feels they have received the advice and feedback they need, staff begin to prepare the detailed recommended budget confident that most major questions have been asked, answered, and accommodated. Hopefully, this will allow the later discussion and approval of the budget to become a routine confirmation of decisions that have already been discussed.

The Business Plan allows staff, the public and the Board of Directors to review and discuss the strategic direction of the upcoming budget in a transparent conceptual way. (without all the financial details)

The Board through policy has outlined its expectations of the budget and strategic planning process which includes:

1. The CEO and staff present a recommended budget. The Board deliberates and approves the final budget (policy 3.2.7).
2. Policy Governance delegates almost all operational decisions to the professional staff intentionally so that the Board can focus its attention on the Outcomes. (policy 4.0)
3. The Board gives instruction with one voice via written policy when describing (in advance) how a budget should be prepared, most of which are described in policy 2.4: Financial Planning and Budgeting. Key expectations from the Board include:
  - a) All budget items must be focused on advancing the Ends or complying with other policies.
  - b) Staff cannot recommend a budget that risks fiscal jeopardy, causes deficit spending, or funds ongoing operations via debt or unclear means. (Policy 2.4., 2.5)
  - c) The staff's recommended budget must include: a strategic multi-year context, projections of revenues and expenses, separation of operation and capital expenses, clear long-term funding needs, and clear assumptions.
  - d) Staff present a high-level budget to help focus on the key strategic decisions. Since Means are already delegated to the CEO (policy 4.3.3), a line-item budget is not presented. *Please let us know if granular details are required.*
  - e) Several other Executive Limitation policies affect the structure and content of the budget, for example by requiring staff be kept safe (2.2), construction projects be

clearly defined (2.10), financial activities be correct (2.5), assets maintained (2.7.3), public input (2.7.5.5), and that risks be addressed prudently (2.0) and clearly (2.9.1.5).

When the recommended budget is presented for approval (September) the Board also receives a Monitoring Report for policy 2.4: Financial Planning and Budgeting. Acceptance of the monitoring report suggests compliance with the Board's expectations, after which the Budget is generally approved. However, the Board does have the ability, by vote, to change any element of the recommended budget. The Business Planning process is an attempt to learn of any significant concerns with the emerging budget so that changes can be incorporated early on.

Budget planning will take place in June through August. During this period, a draft budget will be developed, and discussions will be held at staff and Board level to improve it. The final budget will be ready for Board approval at the last Board meeting of the current fiscal year, which is in September.

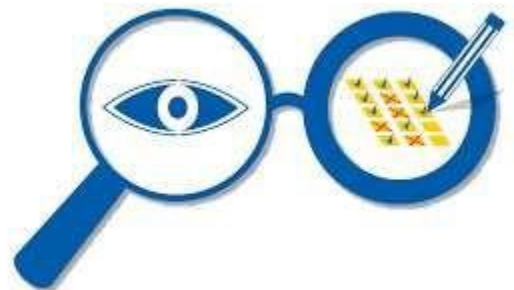
TheRide staff generally present a high-level budget to focus discussion on major decisions and strategy. We do not generally present line-item budgets, especially since Means are already delegated to the CEO and staff (policy 4.3.3). If Board members or the public have questions about granular expenditures or specific operational decisions, we hope they will be raised early in the process so they can be addressed early.

## Performance Monitoring

To assess the effectiveness of initiatives in the Corporate Business Plan and their alignment to the needs of our communities through set Board policies, TheRide uses a two-tier method of monitoring progress and operational performance:

**Monitoring Reports** – The Board requires that the CEO report on compliance with every Policy. Monitoring Reports provide detailed interpretations of Board policies and evidence of compliance. These reports are provided at least annually and more frequently at the Board's request.

**Operational Reports** – The CEO and staff provide a variety of detailed reports on specific aspects of TheRide's internal workings.



Quarterly financial reports provide information on the financial health of the authority. Quarterly service reports provide specific performance measures on operations.

Monthly CEO updates provide information on specific projects at the public Board meetings. These updates most often include status updates of the projects identified in this Business Plan. All of these reports and status updates are available on TheRide.org website.

## **5. Feedback & Input**

The CEO encourages and welcomes feedback on the Business Plan to help further focus agency efforts, and to expedite the upcoming annual budgeting process.

Feedback on any of the initiatives in this document, can be sent to [tellus@theride.org](mailto:tellus@theride.org).

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## 6. Appendices

These appendices provide more information about staff's process for identifying and proposing initiatives and projects that are best suited to advancing the Board's goals and also addresses any questions that may have come up during the Corporate Business Planning process.

### Appendix A: Strategic Planning Process

#### 1. Board's Vision/Goals (Ends Policies)

Below are the new Board Ends policies adopted in January 2026.

TABLE 4: ENDS POLICIES

These policies define the purpose of the Ann Arbor Area Transportation Authority, what results are to be achieved, for whom, and at what cost. Although sections and subsections are numbered, the numbering is not intended to indicate the importance or weight of the underlying section, unless otherwise stated.

- 1.0 TheRide exists to advance a robust transportation system in the service area that demonstrates value and efficient stewardship of resources.
- 1.1. TheRide's service area has an integrated, multi-modal transportation ecosystem that favors active, shared, micro-mobility, and regionally connected transportation.
- 1.2. An increasing proportion of residents, workers, and students in the service area use TheRide's services to access their intended destinations.
  - 1.2.1. People are highly satisfied with TheRide's transportation services.
- 1.3. People experience no barriers to access and use of TheRide's transportation services.
  - 1.3.1. People with economic challenges have affordable transportation options from TheRide.
  - 1.3.2. People with disabilities, people with impairments, older adults, minors and non-English speakers, and visitors easily access and navigate to desired destinations using TheRide's options for transportation.
  - 1.3.3. People perceive TheRide's services as safe, reliable, and convenient.
- 1.4. TheRide positively impacts the environment and carbon emissions are reduced.
- 1.5. Residents of the area recognize the positive contributions of public transportation to the area's quality of life.

In addition to advancing the Board's goals, the CEO and staff must comply with the Board expectations regarding administrative and operational decisions (i.e., Executive Limitations policies). These policies ensure transparency, reporting, and fiduciary oversight by the Board. Examples of key Executive Limitations policies include:

- Ensure passengers and customers are well treated.
- Ensure staff are well treated and that TheRide is an attractive employer.
- Ensure that the Board, riders, and the public have opportunities to shape the future direction of the agency.
- Ensure transparency and accountability.
- Maintain the financial health of the organization. Do not risk fiscal jeopardy.
- Maintain assets of the organization in good condition.
- Compliance with all applicable laws. (Numerous other local, state, and federal laws also enable and constrain what TheRide can do.)

Within these expectations, staff are to use their professional judgment to recommend the best ways to achieve the Board's strategic goals.

### **Strategic Alignment Tools**

Strategic planning has three main pieces: an envisioned future state, a sound understanding of the current situation, and a plan for how to get from the current state to the desired future state. The Long-Range Plan has done extensive work to define these three states. Let us look at each piece separately.

- **Envisioning a Future State:** TheRide's future state is defined in the Board's End policies, feedback from the Communities we serve and staff insight. Having consensus on a clear, defined future state gives TheRide a target toward which it can align its efforts, judge options, and measure progress. The full Ends Policies are provided below.
- **Understanding Current Status:** A shared understanding of the current situation and context allows TheRide to take steady aim at the targeted future. The current state of the organization is organized into strengths, weaknesses, opportunities and threats/challenges and that information is detailed in the SWOT analysis table on the next page.
- **Filling in the gap:** A gap analysis identifies opportunities and gaps between the current state and the desired future. It informs on the key drivers for change and the order of prioritizing agency initiatives.
- **Action Plan:** Based on that insight, a strategic action plan is developed to bridge the gap between the current and the desired state. The work done during the Long-Range Planning process has been instrumental in addressing major gaps.

## Appendix B: Evaluating Potential Initiatives: Key Criteria

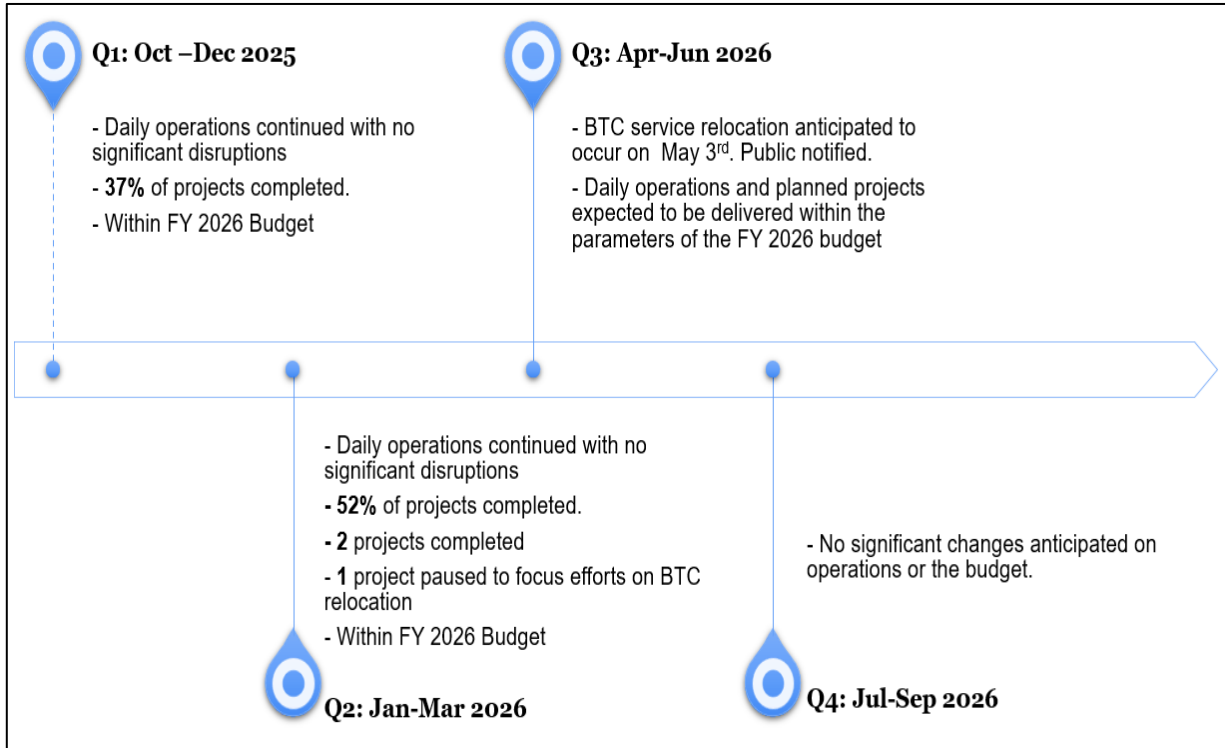
The Board's policies outline desired outcomes/goals and operational expectations. It is up to the CEO and staff to recommend initiatives, projects, and expenditures that will make progress in achieving the goals identified by the Board. Staff seek public and stakeholder input, as well as advice from the Board, as they develop these recommendations. To be effective stewards of resources, TheRide evaluates initiatives by considering questions such as:



1. **Goal Alignment:** Does the initiative help to advance the Board's desired outcomes (e.g., ridership growth; social, environmental, economic sustainability; customer satisfaction, etc.)? Is it in line with our values and business principles? Does it mesh with what we do, for whom and at what cost? Are we proactively advancing our own goals, or just reacting to outside demands/agenda? Is the idea more appropriate for another organization?
2. **Impacts & Benefits:** What benefit does the proposal create and for whom? Has success been clearly defined, or will it be hard to determine?
3. **Viability:** Is the proposal likely to reach its stated goals? Can it economically reach the scale our agency would need? How much effort will be required to produce results? How have similar ideas fared in the past?
4. **Cost-Effectiveness & Tradeoffs:** Are realistic assessments of lifecycle costs available? Is the benefit potentially worth the investment of limited resources? How important is this compared with our other needs? Can we afford it? Would approval create additional future precedents or costs?
5. **Risks:** Have risks such as financial, safety, liability, organization capacity, etc. been clearly and realistically identified? What risks does the initiative pose now or in the future? Are the risks acceptable? Could it create problematic precedents? Could it over-extend our limited resources? Are there any risks being over or undervalued to influence the decision? Conversely, what is the risk of not pursuing?
6. **Alternatives:** Are there other ways of achieving similar results with lower costs or risks? If options are too limited, can the assumptions be revisited to change the parameters?
7. **Capacity:** Does TheRide have the expertise or resources to pursue the initiative now or in the future? Are we over-extending our staff or financial resources?
8. **Sequence and Readiness:** How ready is the initiative to proceed? Do other steps logically need to come first? Is there a risk of proceeding too soon? What are the impacts of deferral?

## Appendix C: FY 2026 Performance

With the FY2026 Corporate Business Plan and Budget now in full operation, we have reached the mid-year milestone with substantial momentum. Our performance over the first six months has yielded significant progress as shown below.



**TABLE 5: FY 2026 PERFORMANCE UPDATE**

**Q1 October-December 2025:** We achieved a strong start in Q1 by completing **37%** of scheduled projects and maintaining services all within the adopted budget.

**Q2 January- March 2026:** Q2 required a strategic shift as key staff bandwidth was concentrated on BTC relocation planning and labor negotiations. Even so, we maintained a steady momentum and by the mid-year mark, we successfully completed **52%** of the projects and finalized 2 projects (Bus Service Review and funding applications for the BTC and the YTC). All work was within the adopted budget.

**Q3 & Q4: April-Sep 2026:** Service levels are expected to remain stable for the duration of FY2026. We are proactively managing the impact of the 4th Avenue construction project and anticipate closing the year within budget.

## Appendix D: Ridership History

### History

Transit ridership peaked in the U.S. during World War II and then declined rapidly as cars, freeways, urban decline, and suburban sprawl became common. National trends began to level off in the early 21<sup>st</sup> century as cities began to regain population. However, the overall American preference for cars and the individual mobility they provided had become deeply rooted.

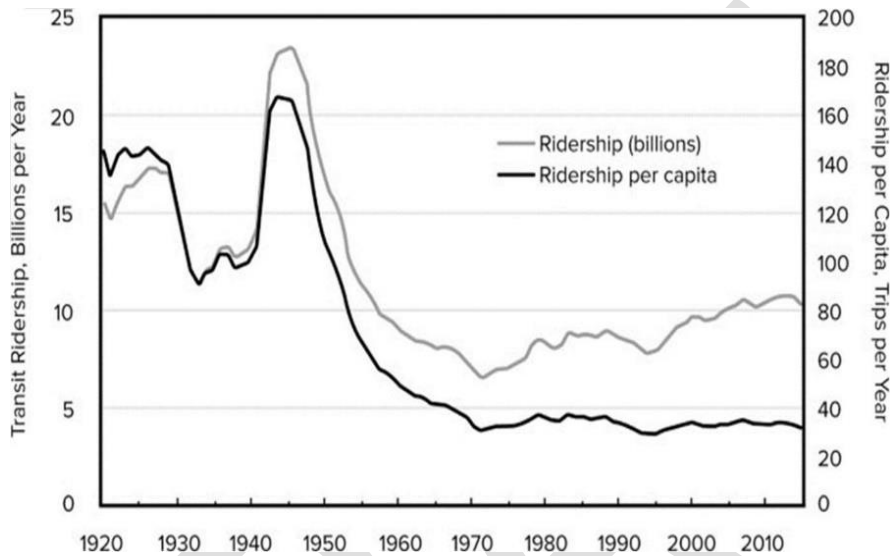


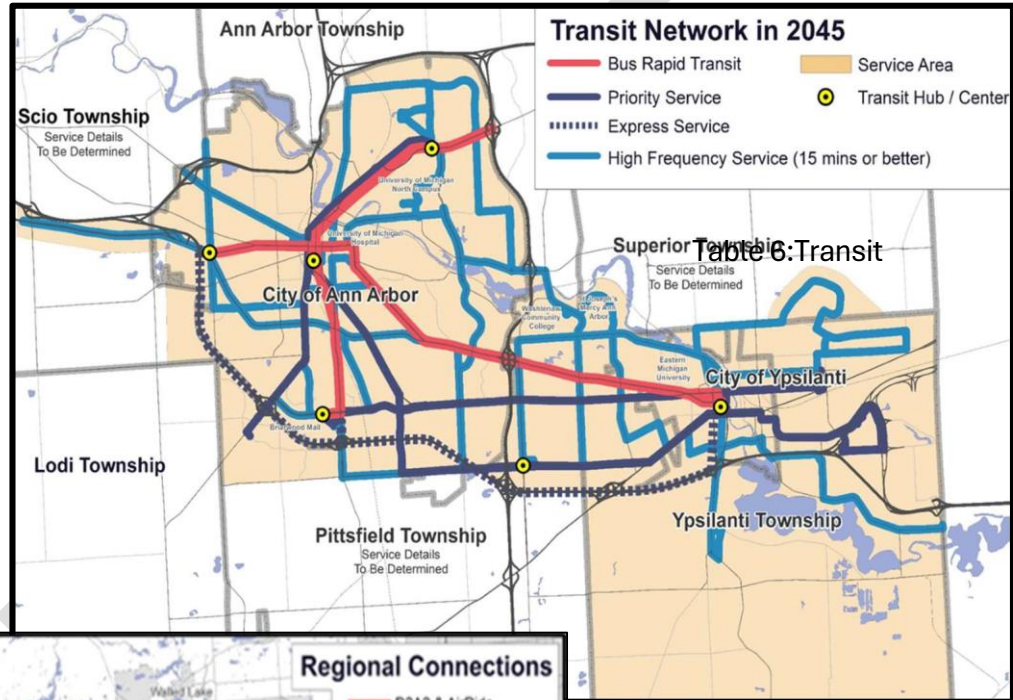
FIGURE 2: US NATIONAL TRANSIT RIDERSHIP

Subsidies for cars are deeply entrenched (e.g., free parking, low gas taxes, road construction policies, etc.) and have already reshaped American cities. Meanwhile, funding and public support for transit is relatively modest and far from enough to approach, for example, European levels of transit service.

To grow ridership TheRide has engaged staff, members of the public, the Board and transit users to better understand community needs and design TheRide with these needs in mind.

TheRide2045 or the Long-Range Plan is the result of these conversations and is the Board approved blueprint of how services will be improved, and infrastructure expanded to achieve Board goals. The graphics below indicate what can be expected of TheRide by 2045.

FIGURE 3: TRANSIT NETWORK



Network 2045

