
ANN ARBOR AREA TRANSPORTATION AUTHORITY BOARD OF DIRECTORS

DATE: Thursday, March 15, 2018

TIME: 6:30pm

PLACE: Ann Arbor District Library, 343 South Fifth Avenue, Ann Arbor MI 48104

MEETING CHAIR: Eric Mahler

AGENDA

1) Opening Items	Detail
a. Approve Agenda	
b. Public Comment	
c. General Announcements	
2) Consent Items	
a. <i>Approval of Minutes of February 15, 2018 (p. 1-4)</i>	
b. <i>Local Advisory Council Executive Committee Appointment (p. 5-7)</i>	
3) Policy Monitoring and Development	
a. Board's Annual Plan of Work Item & Ends Policies	
b. Policy Monitoring and Committee Reports	
1. Governance Committee	Mahler
2. Finance Committee (p. 8-9)	Allemang
3. Service Committee (p. 10-11)	Hewitt
c. Other Board Reports & Ownership Linkages	
1. LAC, WATS, A2 Transportation Commission	Mozak-Betts, Krieg, Gururaja
4) Strategy and Operational Updates: CEO	Carpenter
a. <i>CEO Report (p. 12-13)</i>	
b. <i>Policy Monitoring: 2.6 Investments (p. 14-26)</i>	
c. <i>Millage Ballot Language (p. 27-30)</i>	
d. <i>Preliminary Strategic Business Plan (Mock-up) (p. 31-45)</i>	
5) Board Development	Mahler
a. Board Education	
6) Emergent Business	
7) Closing Items	
a. Topics for Next Meeting	<i>Thursday, April 19, 2018 @ 6:30pm</i>
b. Public Comment	
c. Board Assessment of Meeting	
d. Adjournment	

Monitoring Reports

Sample Motions

Accepting: I move that:

- We affirm that Monitoring Report XYZ has been read by board members, and
- We accept this report as it provides
 - a reasonable interpretation of the policy and
 - evidence of compliance with that reasonable interpretation [or... while not in compliance, shows evidence of reasonable progress/commitment toward compliance]

Not Accepting: I move that:

- We affirm that Monitoring Report XYZ has been read by board members, and
- We do not accept this report
 - as the interpretation for XYZ.XYZ cannot be deemed reasonable by a rational person
 - A. OR
 - though it provides a reasonable interpretation, it does not adequately provide evidence of compliance for XYZ.XYZ.
- CEO will provide an updated Monitoring Report XYZ within ## months.

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 3.13 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?
-

Ann Arbor Area Transportation Authority Board of Directors
Meeting Minutes

Thursday, February 15, 2018

6:30 p.m.

Ann Arbor District Library, 343 South Fifth Avenue, Ann Arbor, Michigan

Present: Eli Cooper, Gillian Gainsley, Prashanth Gururaja, Roger Hewitt,
Larry Krieg, Eric Mahler (Chair), Kyra Sims

Chairman Eric Mahler called the meeting to order at 6:31 p.m.

1) Opening Items

a. Approve Agenda

Chairman Mahler requested moving the Service Committee report to item 3a. A motion was made by Mr. Cooper to approve the agenda, as amended, seconded by Mr. Gururaja. On a voice vote, Chairman Mahler declared the motion carried.

b. Public Comment

None.

c. General Announcements

None.

2) Consent Items

Dr. Krieg moved approval of the Consent Items, seconded by Ms. Sims. On a voice vote, Chairman Mahler declared the motion carried.

a. Approval of Minutes of January 18, 2018

b. Approval of Minutes of January 24, 2018

3) Policy Monitoring and Development

a. Service Committee

Mr. Hewitt made a report on behalf of the Service Committee; particularly: Retreat Debrief; Strategic Vision; Monitoring Report 2.1 Treatment of Riders; Satisfaction and Service Performance Report; Millage Update; FTA Triennial Review; Report from Dr. Krieg on the Board's role in operational issues.

Dr. Krieg clarified his interests presented to the Service Committee.

b. Policy Monitoring and Committee Reports

1. Monitoring 4.0: Global Board-Management Delegation

No report.

2. Audit Committee

a. Presentation from Plante Moran

Pam Hill and Josh Yde from Plante Moran presented highlights from the audit report. Ms. Hill reported on the Financial Statements. Mr. Yde reported on the Federal Compliance Report and End of Audit Letter. The audit yielded an unmodified opinion; the highest level of assurance that can be received. Board members commented, and Ms. Hill and Mr. Yde responded to questions.

3. Finance Committee

Mr. Cooper made a report on behalf of the Finance Committee; particularly: Monitoring Report 2.5 Financial Conditions; Q1 Financial Statement.

4. Board's Annual Plan of Work Item & Ends Policies

No report.

c. Other Board Reports & Ownership Linkages

1. Local Advisory Council

Kathleen Mozak-Betts made a report on behalf of the Local Advisory Council; particularly: MDOT Vehicle Accessibility Plan review; recognition of Cathy-Alice Koyanagi; appointment of new Executive Committee member; Paratransit Study update; ARide Report Card.

2. Washtenaw Area Transportation Study

Dr. Krieg made a report on behalf of the Washtenaw Area Transportation Study Policy Committee; particularly: 2045 Long Range Plan.

3. Ann Arbor Transportation Commission

Mr. Gururaja made a report on behalf of the Ann Arbor Transportation Commission; particularly: Ann Arbor Bicycle Parking Ordinance; Transit Zoning District; SEMCOG 2045 Regional Transportation Plan.

Mr. Cooper made a report on the January Commission meeting; particularly: CIP Committee Charter Revisions; Major Street Projects Requested for Review; Review of Mobility in the Lowertown Area; Removal of On-Street Parking on Pauline Boulevard; Transportation Project Updates.

4) Strategy and Operational Updates: CEO

a. CEO Report

Mr. Carpenter referred to the written CEO Report and reported verbally on a Federal Infrastructure Plan.

b. Policy Monitoring: 2.1 Treatment of Riders

Mr. Carpenter reviewed Monitoring Report 2.1 Treatment of Riders indicating compliance and noting areas for improvement. Board members commented on the report and Mr. Carpenter responded to questions.

Dr. Krieg moved that the Board finds that the CEO is making reasonable progress toward compliance. Mr. Cooper seconded the motion. On a voice vote, Chairman Mahler declared the motion carried.

c. Q1 Satisfaction and Service Performance

Deputy CEO Bryan Smith presented highlights from the Q1 Satisfaction and Service Performance Report. Board members commented and Mr. Smith responded to questions.

d. Policy Monitoring: 2.5 Financial Conditions

CFO John Metzinger presented Monitoring Report 2.5 Financial Conditions. Board members commented and Mr. Metzinger responded to questions.

Mr. Cooper moved that the Board finds that the CEO is in compliance, except for the item(s) noted. Mr. Gururaja seconded the motion. On a voice vote, Chairman Mahler declared the motion carried.

e. Q1 Financial Statement

Mr. Metzinger reviewed the Income Statement and Balance Sheet for Q1 of FY2018. Board members commented and Mr. Metzinger responded to questions.

f. Millage Update

Mr. Carpenter reviewed proposed ballot language vetted by AAATA member municipalities and legal counsel. Board members commented, and Jeremy Kennedy, AAATA corporate counsel, Mr. Carpenter and Bill DeGroot, Financial Analyst and Planner, responded to questions.

5) Board Development

a. Board Education

Chairman Mahler referred to a Report of Board Workshop detailing outcomes from the January 24, 2018 Retreat. Chairman Mahler reported

on support needed from Board members to move the Plan of Work forward.

6) Emergent Business

None.

7) Closing Items

a. Topics for Next Meeting:

- Ballot Language
- Next Steps from Board Retreat
- Monitoring Report 2.6 Investments
- Presentation on Ridership v Coverage

b. Public Comment

None.

c. Board Assessment of Meeting

None.

d. Adjournment

A motion was made by Ms. Gainsley, seconded by Mr. Cooper, that the meeting adjourn. On a voice vote, Chairman Mahler declared the motion carried. The meeting adjourned at 9:12 p.m.

Gillian Gainsley
Secretary, AAATA Board of Directors



Issue Brief: LAC Executive Committee Nominations

Meeting: Board of Directors

Date: March 15, 2018

Agenda Item #2b

Recommended Action(s):

- AAATA Board of Directors appoint new members to the Local Advisory Council Executive Committee

Relevant Board Policies: *Policy 3.7: Board Committee Structure*

Summary: The Local Advisory Council (LAC) is charged with providing input to the Ann Arbor Area Transportation Authority (AAATA) Board of Directors. Included in the Charge are the terms for appointing members of the LAC Executive Committee.

At the February 13 LAC meeting, the LAC approved a motion to recommend the AAATA Board of Directors appoint **Andrea Henry** to the LAC Executive Committee.

Background:

The LAC is an important link to the senior and disabled customer group. The committee has been used to develop valuable service and operating policies.

Impacts of Recommended Action(s): Governance: perform key Policy Governance function

Attachments:

- Application
- Resolution

Author: BDS

Reviewed by: Matt Carpenter

Approved by: Matt Carpenter

Date: 3/8/2018



Application for Appointment to the AAATA Local Advisory Executive Committee

First Name: Last Name:

Address:

Phone or cell number:

E-mail:

What is your city or township of residence?

How long have you been a resident of Washtenaw County?

Do you represent an agency? Yes, No,

If yes, what is the name of agency you represent:

If yes, what is the position you hold in agency:

Please select your current mode of transportation:

I use a personal car:

I ride the regular bus service:

I ride A-Ride service:

I use other services, please explain:

Please state your occupation, or former if retired:

Are you age 65 or older: Yes, No,

Are you a person who has a disability: Yes, No,

Please enter your statement of interest in serving on the Local Advisory Committee:

Please return your completed Application to AAATA's Paratransit Coordinator by mail to: Ann Arbor Area Transportation Authority, 2700 S. Industrial Hwy., Ann Arbor, MI 48104

Resolution 7/2018

APPOINTMENT OF LOCAL ADVISORY COUNCIL EXECUTIVE COMMITTEE MEMBERS

WHEREAS, the Local Advisory Council (LAC) is charged with providing input to the Ann Arbor Area Transportation Authority (AAATA) Board of Directors, and

WHEREAS, included in the Charge are the terms for appointing members of the LAC Executive Committee, and

WHEREAS, at its February 13, 2018 meeting, under the terms of the Charge, the LAC recommended the appointment of **Andrea Henry** to the LAC Executive Committee,

NOW, THEREFORE, BE IT RESOLVED, that the AAATA Board of Directors hereby appoints **Andrea Henry** to the LAC Executive Committee.

Eric A. Mahler, Chair

March 15, 2018

Gillian Gainsley, Secretary

March 15, 2018

Meeting Summary
Ann Arbor Area Transportation Authority Board of Directors
Finance Committee
Tuesday, March 6, 2018

Present: Mike Allemang (Chair), Eli Cooper (telephone), Prashanth Gururaja (telephone)

Staff: Matt Carpenter, John Metzinger, Bryan Smith, Phil Webb

The meeting was called to order at 3:33 p.m. by Chairman Allemang.

- 1) Opening Items
 - a. Agenda (Additions, Approval)
The Committee approved the agenda by consensus.
 - b. Communications
None.
- 2) Policy Monitoring and Development
 - a. Monitoring Report 2.6 Investments
Mr. Metzinger presented Monitoring Report 2.6 Investments. Committee members commented on the report. Mr. Carpenter and Mr. Metzinger responded to questions. The Committee reached consensus that Monitoring Report 2.6 Investments is in compliance.
- 3) Strategy and Operational Updates: CEO
 - a. Millage Update
Mr. Carpenter reported on the millage campaign. Committee members provided input.
 - b. Draft Strategic Plan
Mr. Carpenter reported on a Preliminary Strategic Business Plan; a follow-up item from the Board's annual retreat. Committee members commented on the report.
 - c. CEO Initial Compliance Assessment
Mr. Carpenter presented highlights of an Initial Compliance Assessment of the Board's new policies. Committee members commented, and Mr. Carpenter responded to questions.
 - d. RTA Update
Mr. Carpenter provided an update on the RTA.

e. YTC Pilot Staffing Project

Mr. Smith reported on development of a pilot project for AAATA staff to provide coverage at the Ypsilanti Transit Center.

4) Closing Items

a. Topics for Next Meeting

- Monitoring Report 2.8 Asset Protection
- Millage Update

b. Adjournment

Chairman Allemang adjourned the meeting at 5:26 p.m.

Respectfully Submitted,
Karen Wheeler

Meeting Summary
Ann Arbor Area Transportation Authority Board of Directors
Service Committee
Wednesday, March 7, 2018

Present: Gillian Gainsley, Roger Hewitt (Chair), Larry Krieg, Kyra Sims

Staff: Matt Carpenter, Bryan Smith, Forest Yang

The meeting was called to order at 9:15 a.m. by Chairman Hewitt.

1) Opening Items

a. Agenda (Additions, Approval)

The Committee approved the agenda by consensus.

b. Communications

Ms. Gainsley reported on a walking and driving tour of Ypsilanti. Ms. Gainsley, Mr. Yang, Richard Murphy and Teresa Gillotti toured the downtown to review how the road system infrastructure affects bus routes, and discussed future business and housing developments.

2) Policy Monitoring and Development

a. Strategic Vision

At the request of Chairman Hewitt, Mr. Carpenter reported on how Policy Governance Ends can inform a strategic vision. Committee members shared ideas for specific service improvements, and discussed how to “abstract-up” the ideas to form Ends statements.

3) Strategy and Operational Updates: CEO

a. Millage Update

Dr. Krieg reported on a millage presentation to the Ypsilanti Township Board of Trustees. Ms. Gainsley reported on a millage presentation to Ypsilanti City Council. Mr. Carpenter provided an update on preparations for the millage vote.

b. Draft Strategic Business Plan

Mr. Carpenter presented a preliminary draft Strategic Business Plan. Committee members provided input on areas to include in future iterations of the plan; particularly:

- Public input component
- Engage entities with an interest in transit
- Highlight future plans on a web page
- Establish a goal around regional transit

- c. CEO Initial Compliance Report
Mr. Carpenter presented the CEO's overall compliance assessment of the AAATA's Executive Limitations. Committee members commented, and Mr. Carpenter responded to questions.
 - d. RTA Update
Mr. Carpenter reported on consideration of a two-county partnership between Wayne and Washtenaw counties for a rapid transit connection.
 - e. YTC Pilot Staffing Project
Mr. Smith reported on development of a pilot program for AAATA staff to work at the Ypsilanti Transit Center to assist with passenger issues and serve as a community resource.
- 4) Closing Items
- a. Topics for Next Meeting
 - Strategic Business Plan
 - Millage Update
 - Formal avenue for input other than establishing policy
 - b. Adjournment
Chairman Hewitt adjourned the meeting at 11:07 a.m.

Respectfully Submitted,
Karen Wheeler



CEO's Report

Board Meeting Date: March 15, 2018

Agenda Item #4a

Operational and Project Updates:

- **Ypsilanti Transit Center** – The project is moving forward; the needs assessment is nearing completion and a technical report for staff is being finalized. This will identify the minimum requirements for safe AAATA operations, community needs, and future growth. The research generated some general designs and land size requirements. The next major milestones are:
 - May of 2018 – Board Update of Project to discuss concepts and criteria for site evaluation
 - June of 2018 – Public discussion of sites and preliminary evaluation
 - July of 2018 – Develop Preferred Option
 - August of 2018 – Final report delivered and ready for release

- **Paratransit** – The KFH, Group, (Paratransit Consultant) conducted a three-day review of AAATA operations with our Staff and RideCorp. They reviewed operating procedures, program management, expectations, and growth opportunities.

Additional Project Milestones:

- March/April of 2018 – Additional community stakeholder meeting will take place to gauge how the community views paratransit services (Board members will be contacted)
- March of 2018 – Survey will be conducted and conduct rider intercepts both on the vehicles and at the transit centers to discuss the needs
- April of 2018 – KFH, Group will be returning to interview the LAC, and other focus groups
- May and June of 2018 – KFH will be analyzing the information gathered to suggest improvements
- July of 2018 – KFH will be holding a structured open house to discuss the initial findings and recommendations to educate and finalize feedback for recommendations
- August of 2018 – Recommendations will be shared with AAATA in the form of a final report

- **Fare Study** – The Four Nines Group, (Fare Study Consultant) conducted a two-day review of AAATA operations with our Staff last week. They reviewed operating procedures, program management, FTA compliance, policy research, expectations, and growth opportunities.
 - March/ April of 2018 - They will be returning to interview the riders on the vehicles, surveys, and transit center intercepts.
 - March/ April of 2018 - Additional community stakeholder meeting will take place to gauge how the community views fare services (Board members will be contacted)
 - May/ June of 2018 – Analysis of fare structure, final peer review, and development of recommendations
 - July of 2018 – presentation of a fare model that will have the ability to measure rider impact based on policy changes, technical report identifying policy suggestions to be considered by AAATA.
- **US-23 Express Bus Pilot** – CMAQ grants for the US-23 express commuter pilot service project for FY2019-FY2020 funding were submitted on March 1st and we hope to hear back by March 31st.
- **Regional Transit** – Washtenaw County and Wayne County are exploring the potential to jointly plan new transit services. The Washtenaw County Administrator is working to assemble information for the Board of Commissioners to consider, and has asked the AAATA's CEO to help provide the AAATA's perspective. The CEO has agreed and is waited to hear from the Administrator regarding next steps.
- **Dawn Gabay Operations Center** – During this winter's snow falls and melts, the roof at the DGOC has developed numerous new leaks. The existing roof is reaching the end of its life span and, despite efforts from staff and contractors, is starting to fail more frequently. Administrative discussions about replacing the roof are beginning.



Issue Brief: Monitoring Report 2.6 Investments

Meeting: Board of Directors

Date: March 15, 2018

Agenda Item #4b

Recommended Action(s):

- Accept/not accept Monitoring Report.

Relevant Board Policies: Policy 2.6 Investments

Summary: Staff prepared the Monitoring Report for *Executive Limitation Policy 2.6: Investments*.

Background:

Monitoring Reports are a key Policy Governance tool to assess organizational/CEO performance in achieving Ends (1.0) within Executive Limitations (2.0). A Policy-Governance-consistent Monitoring Process is:

1. CEO sends Monitoring Report and survey link to all board members
2. All board members complete survey on acceptability of Monitoring Report, looking particularly for two things in the Monitoring Report:
 - a. A reasonable interpretation of the policy
 - b. Evidence of compliance with the reasonable interpretation
3. Committee reviews survey results and develops recommendation to accept/not accept Monitoring Report
4. At Board meeting, board accepts Monitoring Report through majority vote (or if not acceptable, determines next steps)

Impacts of Recommended Action(s): Governance: perform key Policy Governance process

Attachments:

- Monitoring Report on 2.5: Financial Conditions and Activities

Author: John Metzinger

Reviewed by: Matt Carpenter

Approved by: Matt Carpenter

Date: March 7, 2018

TheRide

2.6 Investments

Monitoring Report for the Period: February 1, 2017 to January 31, 2018

Date of Report: Wednesday, March 7, 2018—Revised After Finance Committee

Board Survey due: Monday, March 5, 2018 (Prior Version)

Finance Committee Review: Tuesday, March 6, 2018

Board Review: Thursday, March 15, 2018

TheRide Board;

In accordance with the Policy Manual; I present the March Monitoring report on **Executive Limitation Policy 2.6: Investments** This report consists of an internal report information from staff. Though this policy is very new, I have assembled this report as if it were in effect over the monitoring period.

I certify that the information is true and complete.

Matt Carpenter,
CEO
Ann Arbor Area Transportation Authority

Policy being monitored: 2.6 Investments

Report p.

The CEO will not fail to invest or hold AAATA capital according to the Board’s investing priorities, first ensuring safety of principal, next providing adequate liquidity, and third, returning the highest yield compatible with prudent investing.

3

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

2.6.1 Hold AAATA capital in insecure instruments, including federally-uninsured checking accounts or non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.

5

2.6.2 Deviate from the “Investment Policy to Comply with Michigan PA 20 of 1943” as stated in the Appendices, invest in instruments other than those so authorized, or invest unlawfully with respect to Michigan PA 20 of 1943.

6

Executive Limitations Policy 2.6

The CEO will not fail to invest or hold AAATA capital according to the Board’s investing priorities, first ensuring safety of principal, next providing adequate liquidity, and third, returning the highest yield compatible with prudent investing.

Current Interpretation & Rationale

For the purposes of this policy I understand “capital” to mean all liquid financial resources to be invested by AAATA for the mid- or long-term. It does not include accounts used to temporarily hold operating funds before they are used. I must not cause, allow, or fail to correct any investment or holding of capital in financial instruments which fails to adhere to the priorities set by the Board in Appendix F:

1. The highest priority is to protect the original sum invested (“principal”) from risk of loss.
2. The second priority is to ensure that an amount of capital adequate to meet short-term needs is available (“liquid”) for the Authority’s use.
3. The third priority is to invest in instruments that generate the highest possible financial return (“yield”) keeping in mind the principles of prudent investing as stated in the “*Investment Policy to Comply with Michigan PA 20 of 1943*” from the Board Policy Manual Appendix F.

Evidence

As evidence I present the status of investments as of January 31, 2018. The listed investment instruments were utilized throughout FY2017, and continued through January 2018. Account statements for the period reported are available for direct inspection by Board members.

INVESTMENTS SUMMARY:				1/31/2018	
TYPE OF	PURCHASE	DATE OF MATURITY	INTEREST RATE	TOTAL	Annualized Interest
Bank of AA - CDARS		2/15/2018	0.10%	\$8,000,000.00	\$8,000.00
RBC Futures Account		Daily	0.10%	\$615,764.58	\$615.76
KEY BANK MONEY MARKET		Daily	0.10%	\$5,405.28	\$5.49
BANK OF AA MONEY MARKET SAVINGS		Daily	0.20%	\$2,513,812.76	\$5,027.63
MERS Retirement Savings				\$105,894.65	
TOTAL INVESTED				\$11,240,877.27	\$13,648.88

Safety of Principal: Most of AAATA’s investments (\$8 million) were held in Federal Deposit Insurance Corporation (FDIC) insured Certificates of Deposit. The fuel futures commodity account and money market accounts are not FDIC insured, but secure inasmuch as they are held in banks (KeyBank and Bank of Ann Arbor) with the highest rating for financial stability from BankRate.com, which has published independent reviews of financial institution stability since 1976. Bank ratings are available for direct inspection by Board members.

Adequate Liquidity: Capital held in Certificates of Deposit is available for the Authority's use within 30 days notification to Bank of Ann Arbor. The fuel futures commodity account and money market accounts are immediately available. MERS retirement savings is not operating capital.

Highest Yield Compatible with Prudent Investing: Yields on investments (0.10%-0.20%) are the highest rates available considering the priorities for safety and liquidity. The Bank of Ann Arbor's Certificate of Deposit Account Registry Service (CDARS) which allows AAATA funds to be distributed to various banks to ensure funds remain under the FDIC limit continues to be used to ensure safety of principal, evidence of prudence. The CEO acknowledges that higher yields for investments could be available in the marketplace; additional research is needed.

Conclusion on Compliance

In compliance.

Executive Limitations Policy 2.6.1

... the CEO shall not ... hold AAATA capital in insecure instruments, including federally-uninsured checking accounts or non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.

Current Interpretation & Rationale

I understand this policy to mean that capital must be held in bank accounts that are insured by the FDIC to the level of at least \$250,000 for each account, and must be held in accounts which generate interest. This policy allows an exception for capital that needs to be available for immediate use to fund operations, otherwise known as operating cash.

Evidence

I have not caused, allowed, or failed to address any deviation from this policy as supported by the following evidence:

- All invested funds were held in Certificates of Deposit managed by the Bank of Ann Arbor throughout FY2017 and through January, FY2018. CDARS allows AAATA funds to be distributed to various banks to ensure funds remain under the FDIC limit. This is facilitated by the Bank of Ann Arbor.
- Accounts that were not FDIC insured were all used for day-to-day working capital including a fuel futures commodity account and a money market account.
- MERS Retirement Savings is not operating capital and was/continues to be managed by Municipal Employee's Retirement System of Michigan.
- Each is an interest-bearing account as listed above.
- Account statements are available to Board Members as source documentation for direct inspection upon request.

Conclusion on Compliance

In compliance.

Executive Limitations Policy 2.6.2

... the CEO shall not ... deviate from the "Investment Policy to Comply with Michigan PA 20 of 1943" as stated in the Appendices, invest in instruments other than those so authorized, or invest unlawfully with respect to Michigan PA 20 of 1943.

Current Interpretation & Rationale

I interpret this policy to mean that the AAATA must comply with Public Act 20 of 1943, have the required Board-approved policy, and is limited to investment instruments outlined in that policy.

Public Act 20 requires public agencies to have an adopted policy that states purpose, scope, and objectives, delegates authority to make investments, sets standards for safety, safekeeping and prudent investing, and lists the types of investment instruments that are authorized. AAATA must have a Board-adopted policy for investments that includes the required elements.

Evidence

As evidence of compliance I submit the following:

1. The Board adopted the referenced investment policy including the elements required by Public Act 20 in January 2018. It has now been added to Appendix F of the Board's Policy Manual.
2. Invested funds were/continue to be held in Certificates of Deposit accounts which are authorized investment instruments. Funds were invested through Bank of Ann Arbor, a "MI-based, FDIC-insured bank dating back to 1996" according to Bankrate.com. The account statement dated January 18, 2018 lists FDIC-insured depository institutions around the country where AAATA's funds are invested, demonstrating that in each case the amount held is below the \$250,000 FDIC insurance maximum.
3. The total investment held in any one financial institution is less than \$4 million, as demonstrated on the account statements, and below 20% of each financial institution's capital/surplus (as demonstrated by descriptions of bank equity from Bankrate.com).

Conclusion on Compliance

In compliance.

Notes: CEO Comments on Written Policy

1. The board may wish to monitor this policy more frequently, such as quarterly with the financial statements.
2. I could use the Board's input and advice concerning the amount of evidence presented for this monitoring report. Is it necessary to include the bank statements, or would it be sufficient for these to be provided regularly to the Finance Committee for inspection and made available for other Board members upon request?

Record of Board Decision Regarding Monitoring Report
(To be filled in based on Board action after submission)

Policy: EL 2.6 Investments

Date Submitted: Feb 28, 2018

Date of Board Response: March 5, 2018

The Board has received and reviewed the CEO's Monitoring Report references above. Following the Board's review and discussion with the CEO, the Board makes the following conclusions:

Executive Limitations Report (select one)

The Board finds that the CEO:

- A. Is in compliance
- B. Is in compliance, except for item(s) noted.
- C. Is making reasonable progress toward compliance.
- D. Is **not** in compliance or is **not** making reasonable progress toward compliance
- E. Cannot be determined.

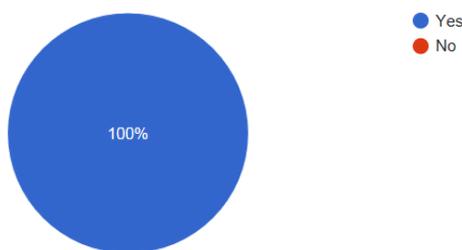
Board notes:

Survey Results: Evaluation of Monitoring Report 2.6 Investments

Board Assessment of CEO/Org Performance

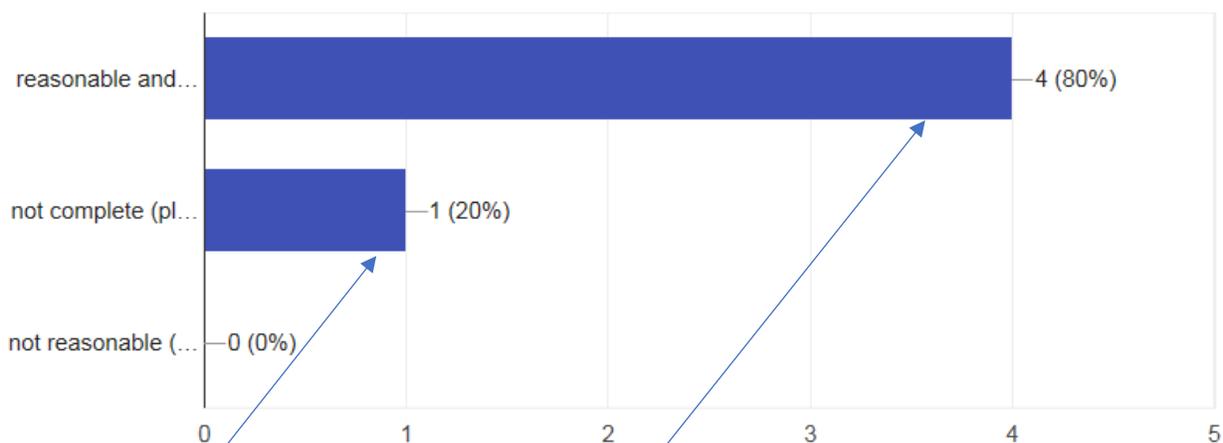
Was this report submitted when due?

5 responses



Do you find the CEO Interpretation for each policy/subpolicy to be:

5 responses



Reasonable and complete (4)

Not complete; please specify in next question (1)

CEO Interpretations that were incomplete or unreasonable (if any):

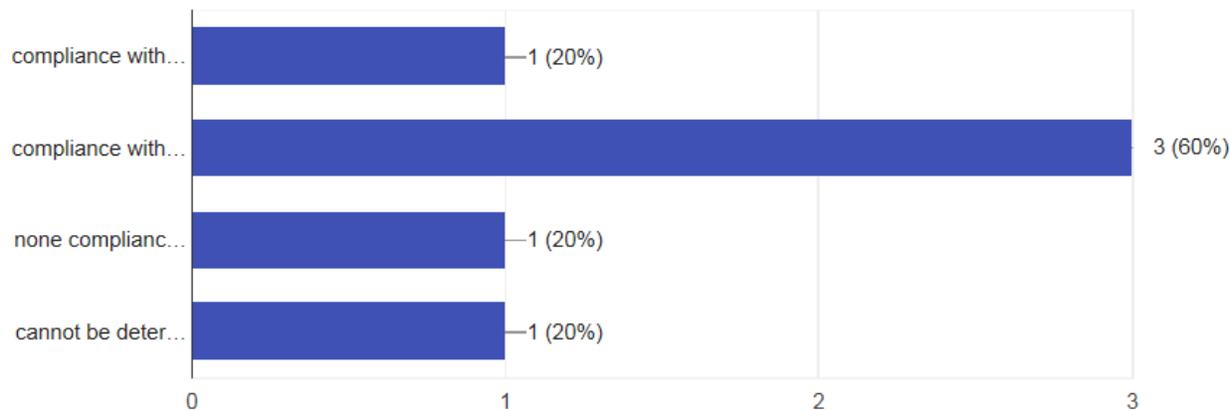
2 responses

Appendix F is not available on the corporate Website. Technically, until the official site is up to date, the CEO's interpretation cannot be checked against the official wording of the Policy.

Based on committee dialogue operating cash is not included in the reporting

Do you find the CEO's evidence and data shows..?

5 responses



Compliance with policy (1)

Compliance with policy, except for item(s) noted below, and is making reasonable progress toward compliance (3)

Noncompliance on item(s) noted below, and not making reasonable progress toward compliance (1)

Cannot be determined (1)

Items not in compliance (if any):

4 responses

I believe one sentence in in the Appendix A has not been addressed: "Total investments in any one financial institution shall not exceed \$4,000,000. (2)

This report is not in compliance because no evidence if offered. It offers assertions without providing documentation.

cash and the financial stability of fuel futures. language may be need to explain how hedging fuel is a secure and conservative approach to a commodity we rely upon.

OPTIONAL: potential Policy development

Is there any area associated with this policy that concerns you that is not clearly addressed in existing policy? What is the value that drives your concern?

2 responses

The policy as re-stated in this report is overly specific, and appears to be attempting "back door prescription of means". Having stated the Board's investment priorities, "first ensuring safety of principal, next providing adequate liquidity, and third, returning the highest yield compatible with prudent investing", 2.6.1 is an attempt to prescribe means of ensuring safety, liquidity, and yield. Having stated in 2.0 that the CEO is not to operate in unlawful or imprudent ways, why is it necessary to state in 2.6.2 that the CEO must comply with a particular law? If this level of prescription were carried into other sections of the Policy, it would become unwieldy and defeat the purpose of Policy Governance.

cash , not a big one - fuel futures is a market based investment, although valued at todays rates, it does fluctuate.

What policy language would you like to see incorporated to address your worry?

2 responses

2.6.1 and 2.6.2 are unnecessary.

How fuel futures is both a cost effective and safe mechanism for fuel acquisition.

OPTIONAL: Comments for the CEO

Commendations on this topic:

1 response

Thorough presentation of the issues.

Potential improvement(s):

3 responses

See previous comment. (2)

Apply the same standard to financial Monitoring Reports that should be applied to requests for reimbursement of business expenses. "Account statements are available to Board Members as source documentation for direct inspection upon request." I do not find this satisfactory. If this Board is ever questioned about financial malfeasance, we would be unable to use this report to demonstrate that we were given "evidence". Why is high-level documentation from each account not submitted with this report? Is it not public information?

Comments on the report itself

3 responses

Although data presented is at one point in time, it is stated that account statements and source documents are available for inspection. This is reasonable. (2)

This report, like many previous ones, continues to provide unsubstantiated assertions in lieu of actual evidence. This Board has determined to govern largely through internal reports. Therefore, it is critical to good governance that a high standard of evidence be required in these reports. From the very first monitoring report, I have requested true evidence, but we continue seeing primarily assertions. This Board is both legally and morally responsible to the communities that formed AAATA. We cannot uphold this responsibility simply by saying, "We trust the CEO, so we believe what we are told."

Issue Brief: Draft Ballot Language for Consideration

Meeting: Board Meeting

Date: March 15, 2018

Agenda Item#: 4c

Recommendation:

The Board receive the attached ballot language for consideration and approval. Ballot language must be approved on or before April 19, 2018 in order to be properly certified and placed on an August Ballot.

Prior Relevant Board Actions and Policies:

- 2018 Resolution - Language Development for Ballot Question (1/18/18)

Issue Summary:

The AAATA's 2014 millage (0.7 mills) expires in 2019. The Board has directed the CEO to provide draft ballot language for the Board's consideration on the premise that the existing millage will be renewed and restored at the 0.7 mill rate on the August 2018 primary election. Minimum legal requirements and draft language is provided in Attachments 1 and 2.

Impacts of Recommended Action(s):

- **Budgetary/Fiscal:** Replacement of the existing 0.7 millage will sustain existing services.
- **Social:** The draft ballot language appears to be clear and should be easily understandable.
- **Environmental:** The ballot question itself does not have a direct environmental impact.
- **Governance:** Only the Board can approve ballot language.

Attachments:

Attachment 1 – Minimum Legal Requirements for Ballot Language

Attachment 2 – Resolution

Author: Bill De Groot

Reviewed by: Matt Carpenter

Approved by: Matt Carpenter

Date: 3/12/18

Attachment 1 – Minimum Legal Requirements for Ballot Language

In order for a ballot question to be placed on a ballot within the State of Michigan it must meet minimum legal requirements. Staff has condensed the applicable state laws into the list below:

MINIMUM LEGAL REQUIREMENTS

Michigan property tax law (MCL 211.24f) and election law (MCL 168.646a and 168.643a) set forth the following minimum requirements related to a ballot issue

- The ballot shall fully disclose each local unit of government to which the revenue will be disbursed.
- The millage rate to be authorized
- The estimated amount to be collected in the first year
- The duration of the millage in years
- A 'clear statement of the purpose' of the millage
- Statement as to whether the millage is a renewal or new
- Question shall be worded so that a 'yes' vote is in favor of the measure
- Language may not be biased for or against the issue

Attachment 2 – Resolution

Resolution 8/2018

Millage to Maintain Public Transportation

WHEREAS, the electors of the City of Ann Arbor, the City of Ypsilanti, and the Charter Township of Ypsilanti adopted a proposal for the imposition of a tax of 0.7 mills for improved transportation services at the general election in May, 2014, and

WHEREAS, by renewing and restoring the same millage rate of 0.7, AAATA would be able to maintain the expanded levels of available public transit and paratransit services, and

WHEREAS, the Board of the Ann Arbor Area Transportation Authority has determined that it is appropriate under Act 55 of 1963 to submit to the electors of the City of Ann Arbor, the City of Ypsilanti, and the Charter Township of Ypsilanti a proposal at the general election on August 7, 2018 concerning the imposition of a tax within those municipalities for public transportation purposes,

NOW, THEREFORE, BE IT RESOLVED that the following proposition be certified to the Washtenaw County Clerk for inclusion on the ballot for that election:

PUBLIC TRANSPORTATION MILLAGE

To maintain the expanded levels of available public transit and paratransit services—including services for seniors and people who have disabilities—shall the Ann Arbor Area Transportation Authority (TheRide) renew and restore an annual tax of 0.7 mills (\$0.7000 per \$1000 of taxable value) on all taxable property within the City of Ann Arbor, the City of Ypsilanti, and the Charter Township of Ypsilanti for the years 2019-2023 inclusive? An annual tax of 0.7 mills was first approved in 2014. This millage has been reduced to 0.6860 mills under the Headlee Amendment. This proposal would renew the millage and restore it to the originally approved 0.7000 mill amount. The estimate of revenue if this millage is approved is \$4,849,066 for 2019. This revenue will be disbursed to TheRide and, as required by law, a portion may be subject to capture by the downtown development authorities of Ann Arbor and Ypsilanti, the Washtenaw County Brownfield Redevelopment Authority, and the local development finance authority of the Charter Township of Ypsilanti.

 Eric Mahler, Chair

March 15, 2018

 Gillian Gainsley, Secretary

March 15, 2018

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Issue Brief: Preliminary Strategic Business Plan

Meeting: Board of Directors

Date: March 15, 2018

Agenda Item #4d

Recommended Action(s):

- Receive early draft of Strategic Business Plan for information and discussion.

Prior Relevant Board Actions and Policies:

- Calendar of board activities (see Policy Manual).

Issue Summary:

The CEO has developed a new tool for refining the Board's overall direction (policies) into operational actions, budgets and results. This tool is called the Strategic Business Plan. The Plan is not complete and many sections are blank. However, the CEO feels that it is hopefully complete enough to convey its intent, structure and purpose. He would value feedback from Board members during committee meetings.

Background: As part of the new annual budgeting calendar, the CEO is to develop a new tool that connects the Board's annual direction (Ends Policies) to the annual budget. This ensures that the full Board's direction drives budgeting and activities. This initial Strategic Business Plan document is far from complete and 2018 will likely be a transitional year as this tool is developed for the first time.

Impacts of Recommended Action(s):

- **Budgetary/Fiscal:** This tool will ultimately play a key role in helping the agency align resources towards priorities, and will provide direction for the annual budget.
- **Social:** Public involvement will be required.
- **Environmental:** NA
- **Governance:** Although delegated to the CEO, Plan is an opportunity for collaborative decision-making.

Attachments: Preliminary Strategic Business Plan (DRAFT)

Author: MC

Approved by: MC

Confidential? Yes

Reviewed by: FY

Date: March 2018

Ann Arbor Area Transportation Authority
STRATEGIC BUSINESS PLAN: 2018-2028

WORK IN PROGRESS

DRAFT REPORT
08/03/2018 16:01

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1. INTRODUCTION

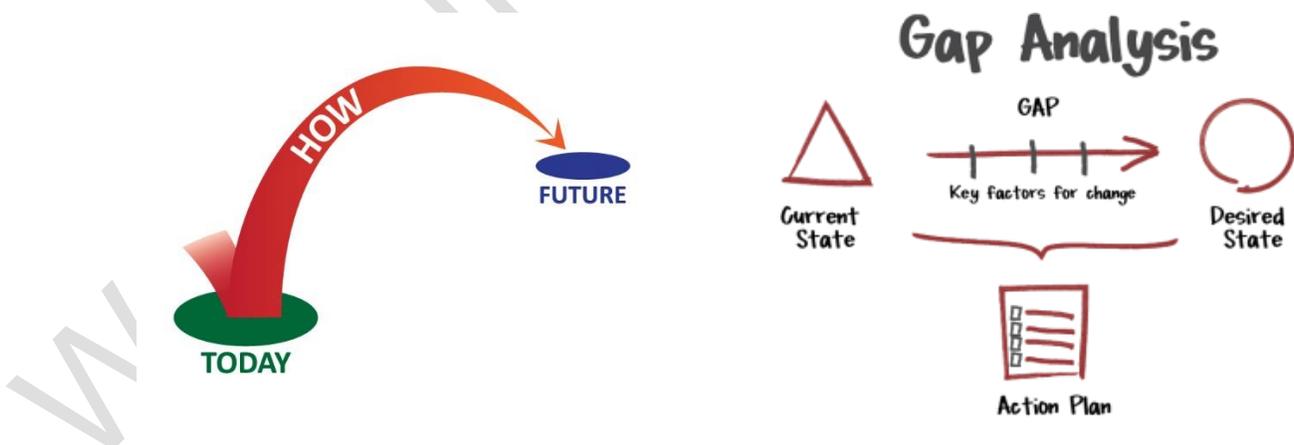
This document outlines the strategic business planning process employed at the Ann Arbor Area Transportation Authority. The Strategic Business Plan is a corporate planning tool intended to illustrate the direction of the organization at a high level.

Strategic Thinking & Planning

Strategic thinking and planning can be seen as having three main pieces: an envisioned future state, a sound understanding of the current situation, and a plan for *how* to get from one to the other. Each piece is important and reliant on the others.

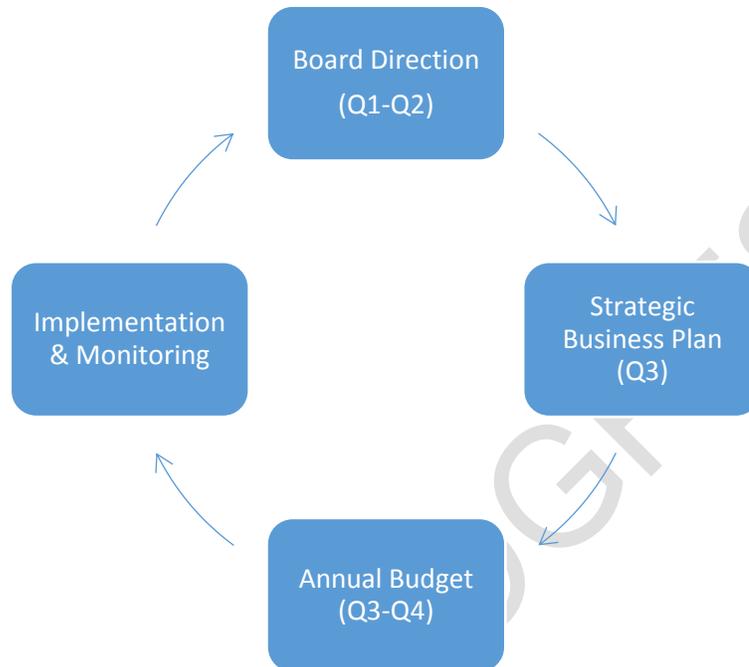
1. **Envisioning a Future State:** Having consensus on a clear, defined future state gives a group a target toward which it can align its efforts, judge options, and measure progress. By seeking the community's values and identifying specific outcomes, the Board gives the organization the big picture outcomes we are to achieve.
2. **Understanding Context:** A shared understanding of the current situation and context allows us to take steady aim at our targeted future. The CEO is responsible for producing an initial assessment of the current situation. They seek the Board's feedback to help ensure this understanding is shared and nothing important is missed.
3. **Tactics:** Tactics are "how" we will progress from our current state to the desired future state. They outline how specific initiatives will help move the organization towards its desired outcomes. The value they provide is in prioritization, aligning resources to goals, and in exposing the underlying decision-making logic for critique. This step is the responsibility of the CEO who again asks the Board for feedback early on.

Step 1 is about identifying the highest-order opportunities, or biggest picture. In contrast, steps 2 and 3 are often about breaking things down into their component pieces. Both approaches are necessary. The two illustrations below try to convey this process in different ways.



Strategic Planning at the AAATA

At the AAATA, strategic thinking and planning is a cooperative effort between the Board of Directors, and the CEO and staff. The public is also invited to weigh in. The planning process is renewed every year and drives an annual budget cycle, illustrated below.



Key steps are:

1. **Board's Direction:** Each year the Board updates the outcomes they expect of the AAATA (Ends Policies). This occurs in the first and second quarters of the year (Q1-Q2).
2. **CEO Strategic Planning:** The CEO interprets those outcomes, reviews the agency's situation, and develops a roadmap for making the outcomes happen. The CEO presents a preliminary Strategic Business Plan to the Board and public for feedback and advice (Policy 2.11.1.6.1). The CEO then finalizes the Plan (Q3).
3. **Annual Budget Development:** The CEO and staff then develop a recommended annual budget for funding short-term implementation. (Q3-Q4) The Board then discusses and approves an annual budget (Policy 3.2.7). (Q4)
4. **Implementation & Monitoring:** Staff implement the plan detailed in the annual budget. Staff also provide the Board with regular monitoring reports on policy compliance and operational performance.
5. **Annual Report:** A year-in-review summation of the progress made by the agency.

The Strategic Business Plan is part of a hierarchy of plans, and acts as an interface between the Board's directions, and the operations of the organization. In addition to serving as the basis for each annual budget, the Strategic Business Plan may call for additional plans and efforts.

Business planning shares the same 10-year planning horizon as the agency's rolling capital plan to facilitate alignment. However, it is not a static "10 Year Plan" and uses longer time frames when appropriate.

2. BACKGROUND AND INPUTS

Board's Future Vision

The Board of Directors establishes the overall direction of the agency with a clear set of outcomes laying out *what* the agency is to achieve, for whom and at what cost (Ends policies). Additional policies empower and limit *how* the CEO and staff can pursue those outcomes (Executive Limitations policies). Together, these policies are the equivalent of a vision for the future, and provide the direction for the strategic business planning process.

Strategic Outcomes

The following are the Board's current outcome statements:

1.0 AAATA exists to provide access to destinations via transportation service options for residents, workers, and visitors of the Ann Arbor-Ypsilanti Area at a cost that demonstrates value and efficient stewardship of resources.

1.1 Use of AAATA services increases in the Area

1.2 People throughout the Area have equitable access to opportunity through AAATA services.

1.2.1 People such as those with mobility and accessibility challenges, those who have disabilities seniors, minors, non-native speakers, people with low income and those without other means of transportation are able to use AAATA services equitably.

1.3 Customers are highly satisfied with AAATA services.

1.3.1 AAATA services are safe, reliable, courteous, comfortable, and convenient.

1.3.2 AAATA services are an attractive alternative to automobile dependence.

Or, to simplify these expectations: **increase access, grow ridership, improve equity, improve customer satisfaction, and provide stewardship.**

The Board has the right and duty to change the Ends policies whenever they see fit, thereby adjusting the strategic trajectory of the AAATA, and this plan. Presently the Board is considering the potential to add outcomes regarding economic development.

Business Considerations

The Board has created another class of policies, Executive Limitations, which guide the CEO by outlining practices that would be unacceptable. This empowers the staff to use their professional judgement in how to pursue the Board's stated outcomes. At the same time, the Board controls all aspects of operations by identifying circumstances that would be unacceptable, even if they worked, and requiring the CEO to disclose compliance with these expectations regularly (Monitoring Reports). One key benefit of this approach is greater speed in achieving the desired outcomes.

Examples of key Executive Limitations policies include:

- Ensure that the Board, riders and the public have opportunities to shape the agency's future direction.
- Ensure Transparency and Accountability.
- Maintain the financial health of the organization. Do not risk fiscal jeopardy.
- Maintain the assets of the organization.

- Ensure passengers and customers are well treated.
- Ensure staff are well treated and that the AAATA is an attractive employer.
- Compliance with all applicable laws. (Numerous other local, state and federal laws also enable and constraint what the AAATA is able to do.)

Current Situation & SWOT Analysis

While the AAATA has considerable strengths and opportunities, there are also weaknesses and challenges to be acknowledged. For example, while the agency enjoys relatively stable funding, there isn't enough to pursue all opportunities. In response, we identify the opportunity to maximize our resources via setting clear priorities.

The SWOT analysis explores external factors such as social, economic, political, technological, regulatory, and environmental. Internal factors include operations, customers, innovation, technology, human capital, information, and organizational culture.

The following table illustrates an inventory of the strengths, weaknesses, opportunities, and threats/challenges relevant for the AAATA. Subsequent pages provide a fuller discussion of these considerations.

WORK IN PROGRESS

Figure 2-1: SWOT Table

	<i>Positive</i>	<i>Negative</i>
<i>Internal</i>	<p><u>Strengths & Capabilities</u></p> <ul style="list-style-type: none"> • Strong credibility & support in community. <ul style="list-style-type: none"> - Strong relationships with partners. History of successful collaborations. - Tradition of excellence in service delivery and business decisions. • Existing Resources & assets in reasonable condition <ul style="list-style-type: none"> - Relatively stable funding. Finances stable. - Physical assets and equipment are adequate and in fair shape. - A comprehensive array of multi-modal services allows us to serve many different needs. • Engaged Board and staff. <ul style="list-style-type: none"> - Strong commitment to community, especially underserved populations. - Future oriented and willing to innovate. - Rapidly modernizing internal processes, clarifying roles and direction. - Willingness to listen & strive to improve. • Independent perspective. 	<p><u>Weaknesses (Opportunities for Improvement)</u></p> <ul style="list-style-type: none"> • Most financial resources required to maintain existing services & infrastructure. New services are difficult to afford. • Rapid growth and changing needs are outstripping traditional leadership & management practices. <ul style="list-style-type: none"> - New processes for governance, setting priorities, performance measurement, and risk management are still being established. - New management/administration practices still being established. - New processes for service planning still being established. - Rapid change and natural resistance to change. - A backlog of deferred internal improvements requires attention. • Need for greater receptivity to new ideas. Need time to seek advice & incorporate ideas. • Limited ability to influence outside decisions (RTA, local land development)
<i>External</i>	<p><u>Opportunities Available</u></p> <ul style="list-style-type: none"> • Technological disruption of transit industry <ul style="list-style-type: none"> - New tech may create new options for mobility and access - New tech may allow more cost-effective options for services - Good location to take industry leadership position - New options to communication with customers. • Changing demographics, economic and societal trends <ul style="list-style-type: none"> - Population growth and aging society. - City living and public transit becoming more desirable. - Intensification of downtown area and economic activity increases key ridership market. - Increasing needs/interests in suburban areas - Championing transit-supportive land development • Develop an updated comprehensive plan for the future of all services. <ul style="list-style-type: none"> - Maximize existing resources - Investigate new technologies • Potential to expand services and/or funding <ul style="list-style-type: none"> - Could seek additional funding via grants, increased property tax, partnerships, other sources. - Could expand Authority membership/change enabling legislation • Advocate for outside decisions that support the AAATA's desired outcomes <ul style="list-style-type: none"> - Influence outside decision-makers (land development, housing, transportation policy, etc) - Assume a leadership position in coordinating alternative transportation. • Continue to modernize internal practices. <ul style="list-style-type: none"> - Ensure all resources are used for correct priorities and used cost-effectively (continuous improvement). 	<p><u>Threats & Challenges to Organizational Success</u></p> <ul style="list-style-type: none"> • Technological disruption of transit industry <ul style="list-style-type: none"> - New tech may reduce transit ridership (rideshare, autonomous) - Privatization of mobility services • Growth Pressures <ul style="list-style-type: none"> - Population growth + aging society + urban expansion = strained resources - Economic inequality, A2/Ypsi disparities, community affordability. - Crowding on buses. Growing demand for paratransit and other services. - Traffic congestion slows buses. - Difficulties connecting to metro Detroit. - Competing demands for AAATA's attention and resources. - Risk of over-extending ourselves by pursuing too many good ideas at once. • Constrained ability to meet growing needs <ul style="list-style-type: none"> - Fleet growth limited by crowded support facilities. - Labor shortages. • Limited funding <ul style="list-style-type: none"> - Inflation, rising costs - Risk of loss of funding (local millage, federal/state cuts). - Unpredictable federal grants. - Desire to minimize fares. - Resource-constrained partners & zero-sum environment • Outside pressures/demands <ul style="list-style-type: none"> - Possible loss of autonomy or funding to RTA. - Outside priorities co-opting AAATA resources • Dominant car-culture <ul style="list-style-type: none"> - Social attitudes towards transit - Auto-oriented land development

3. STRATEGIC PRIORITIES (FOR DISCUSSION)

In the section below the CEO has identified goals and initiatives that appear best suited to advancing the Board's outcomes when considering our current situation. The goals, priorities and initiatives described below are a blueprint for *how* the outcomes will be advanced and achieved.

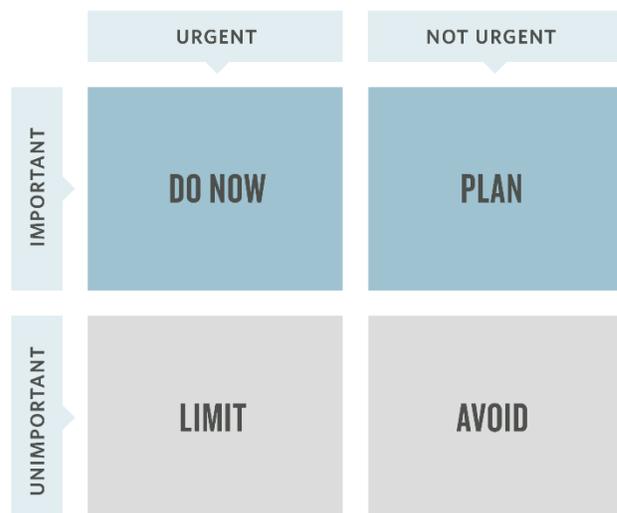
Identifying Priorities

Every year the AAATA receives an overwhelming number of suggestions, ideas, proposals, and demands. Realistically, the AAATA does not have the capacity or resources to pursue all ideas. Remaining focused on big picture goals requires us to identify priorities, husband our energy and resources, say 'no' to many ideas, and avoid becoming distracted. (There are other channels to handle more incremental business improvements and resolve individual concerns.)

The CEO and staff use a variety of tool to help assess, sort and prioritize potential courses of action. For illustrative purposes, some of these are briefly outlined below:

- **Strategic Alignment:** Does this idea help to advance the Board's stated outcomes or other policies? Does it mesh with the Board's definition of what we do, for whom and at what cost?
- **Urgency:** How important is this in term of when decisions must be made? What are the impacts of deferral? Is this urgent to us and our goals, or to someone else?
- **Capacity:** Does the AAATA have the staff or financial resources to pursue this idea now or in the future? Are our priorities pushing us in a single direction, or pulling us in multiple directions? Is this idea more appropriate for another organization? Is partnering a possibility?
- **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?
- **Risks:** What risks does the idea bring with it, now or in the future? Are those risks acceptable?
- **Value and Affordability:** Is this a good use of limited funding (cost/benefit, ROI, etc) Are outside partners willing to provide funding? Do we have funding to pursue the opportunity?

In addition, staff use tools like this Eisenhower Matrix to help use refine potential options into clear priorities.



Goal 1: Expand Access & Increase Ridership

INITIATIVE 1.1: DEVELOP A NEW VISION FOR TRANSIT & MOBILITY SERVICES

Over the next 24 months the AAATA will work with our customers, the public, stakeholders and member communities to develop a new vision and plan for our services. These plans will guide the development of our services toward long-term goals, and also help us to identify future projects and population future budgets. Now is a good time to step back and develop a comprehensive plan. Such a plan also needs to investigate the potential for new technologies to provide new or better means of providing access.

The AAATA is not just a bus company. We provide or support a family of **XX** mobility services and programs that help travellers' access opportunities throughout the area. Of course, fixed-route bus service has been our historic core, and given its growing importance, will likely remain the largest tool we have to increase access and grow ridership. However, new technologies such as ridesharing and micro-transit may allow us to optimize the fixed-route service while improving access and mobility throughout the community. Other existing services such as paratransit services, car/vanpools, bike share, and other services, and be re-evaluated and optimized as part of the larger whole.

Before we can act, we need to establish a plan. That plan will need to reflect the needs and aspirations of the communities we serve, balance numerous technical and financial considerations, and create a clear blueprint everyone can support.

Establishing a new long-term vision and plan for services will require a thoughtful understanding of the performance of existing services, potential in new services; and the needs and wants of the travelling public, residents and taxpayers. A new plan will position us to be "shovel ready" when resources become available. The chart below illustrates the anticipated timeline for developing a new vision and plan for the future of mobility services. A potential date for a hypothetical expansion millage is highly speculative and included only for illustrative purposes.

Figure 3-1: Key Steps and Timeline for Fixed-Route Service Planning

	2018				2019				2020				2021			
	Q1	Q2	Q3	Q4												
Existing Millage (2014- May 2019)																
Millage Education, Vote & Renewal (2019-2024)			★													
5YTIP Adjustments, Tech Reviews, Studies...																
Develop New Long-Range Vision																
Develop 5-Year Plan																
New Millage Opportunity (Illustrative)**																

* A 5-year renewal will cover 2019-2024. The existing 2014-2019 millage expires in May 2019.

** A second millage could replace the earlier 2019-2024 millage. This date is illustrative only and will likely change.

The Planning and Innovation Division will be tasked with developing a more detailed process to guide this planning effort. However, in the short-term, the focus will be on making adjustments to optimize the new 5YTIP services, investigating new technology options and conducting assessment of existing services. Starting the fall of 2018, a visioning process will begin. Later, in 2019, the results of that visioning process will lead to detailed plans. Afterwards implementation and fundraising efforts (if required) will begin.

An effective vision and plan will need to address many elements, not in isolation, but as part of a unified and comprehensive plan. Many of these elements have already been identified by the AAATA Board and staff as questions that will need to be answered. Examples of some of these elements are provided below:

- **Goals:** What are the goals and expectations for each service? For example, do they exist to ensure access for residents who cannot drive, or are they an alternative to the car? Business goals could include increased ridership, lower cost per rider, or market share. Beyond these, what does the community want? An economic development tool? A way to increase equity? If there are a mixture of goals, how do we prioritize given the reality of limited resources?
- **Opportunities:** What does the data say about our transportation and equity needs? To what extent can we add clarity by quantifying and contextualizing the various needs and options? What and where are the largest pockets of potential transit riders? Where are the largest destinations? What are the major travel markets for transit? Where are the largest number of households with no cars? What existing services are over/under utilized? Where are transit-dependent populations located?

How can we utilize new-technologies and mobility services to increase access or be more cost-effective? For example, can fixed-route be an alternative to paratransit? Can ridesharing be an alternative to both? How can “last-mile” services (eg bikeshare, etc) play a role? If the overall purpose is access to destinations, how can each service play its role effectively?

Should connections between Ann Arbor and Ypsilanti be enhanced? If so, how? Are high-capacity or high-speed services needed, affordable, or viable? Is there enough demand to warrant expansion of the fixed-route services in peripheral areas? How can we connect to metro Detroit? What is the correct role for park n’ ride? Is this the role of the AAATA or the RTA?

- **Challenges:** What challenges and opportunities are facing our services now and in the future? Will roadway congestion undermine on-time performance? Is crowding a threat to customer satisfaction? Can transit-priority measures help improve performance (eg dedicated bus lanes in congested areas, traffic-signal priority, queue jumper lanes, bus-on-shoulder highway operations, etc)? What supporting infrastructure will be needed (e.g. passenger terminals, garages, etc)? How much will it cost to operate existing or expanded services? What can we afford? How do we demonstrate “efficient stewardship of resources”? If we simply can’t afford everything the community wants, how will we set priorities?

An transparent process will broach these and many other issues in order to weave a new plan for the future of fixed-route services.

Actions:

- The Planning and Innovation Division will develop and implement a planning process to establish a longer term vision and plan for transit services.
- Timeframe/Urgency: High priority. 2018-2020.

- Ongoing supporting initiatives: Ypsilanti Transit Center Planning Project, Paratransit Review, Washtenaw BRT-Lite Planning Project, RTA discussions,

Measure of Performance:

- Target: Establishment of a new vision and plan for the future of AAATA services.
Development of capital and operating cost projections to inform budgeting decisions.

ADVOCATE FOR TRANSIT-SUPPORTIVE LAND DEVELOPMENT

US-23 EXPRESS BUS PILOT PROJECT (W/MDOT)

POTENTIAL SERVICE EXPANSION IN PITTSFIELD TOWNSHIP

Goal 2: Maintain & Increase Customer Satisfaction

RENEW MILLAGE IN 2018

RESOLVE RELIABILITY AND CROWDING CONCERNS

PARATRANSIT REVIEW

YPSILANTI TRANSIT CENTER STUDY

WASHTENAW AVE BRT-LITE PLANNING

ENSURE STATE OF GOOD REPAIR FOR INFRASTRUCTURE

MAINTAIN BIKESHARE

MAINTAIN AND ENHANCE ORGANIZATIONAL EFFECTIVENESS

FARE COLLECTION AND SMART CARD STUDY

BUS STOP ENHANCEMENT PROGRAM

(Pending Board discussion & 2019 Budget)

Goal 3: Maintain & Enhance Equity

FARE STUDY

4. IMPLEMENTATION AND RESOURCE REQUIREMENTS

Priorities, Sequence and Timeline

5-YEAR WORK PLAN

[SIMILAR FORMAT TO THAT IN 2018 BUDGET]

10-YEAR CAPITAL PLAN

[SIMILAR FORMAT TO THAT IN 2018 BUDGET]

Funding Requirements and Considerations

Roles and Responsibilities

Monitoring Progress

WORK IN PROGRESS

5. CONCLUSIONS

WORK IN PROGRESS

APPENDIX A: PUBLIC & STAKEHOLDER ENGAGEMENT

Board policy 2.10.4 requires reasonable engagement with the community regarding important changes at the AAATA. Policy 2.10.5 requires transparency. With these requirements in mind, public and stakeholder feedback will be sought. When appropriate, suggestions will be incorporated.

WORK IN PROGRESS