

## Issue Brief: [Monitoring Report 2.8 Asset Protection](#)

Meeting: Board

Date: March 21, 2019

Agenda Item #

### Recommended Committee Action(s):

- That the Board receive the monitoring report for information and accept by formal motion.

### Issue Summary:

The CEO feels the report is largely complete and will ask the Board to accept.

### 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: 2.8 Asset Protection

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Author: MC/BS/JM

Reviewed by: MC

Approved by: MC

# 2.8 Asset Protection

Monitoring Report for the Period: February 28, 2018 to February 28, 2019

Date of Report: March 14, 2018

Board Survey due: NA

Finance Committee Review: March 12, 2019

Board Meeting: Thursday, March 21, 2019

AAATA board;

In accordance with the Board's Policy Manual; I present the March Monitoring Report on **Executive Limitation Policy 2.8: Asset Protection**. This report consists of internal report information from staff.

I believe that the agency is in compliance, with the exception of policies 2.8.5.2 and 2.8.5.6 which have not yet been interpreted. Otherwise, I certify that the information is true and complete.

Matt Carpenter,  
CEO  
Ann Arbor Area Transportation Authority

Policy being monitored:

**POLICY TITLE: ASSET PROTECTION**

**Report p.**

2.8 The CEO will not cause, allow or fail to address circumstances in which corporate assets are to be unprotected, inadequately maintained, or unnecessarily risked.

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

- 2.8.1 Allow board members, staff, and the organization itself to be inadequately insured against theft, embezzlement, casualty, and liability losses. 5
- 2.8.2 Operate without ensuring appropriate risk management. 7
  - A. Subject property, plant, and equipment to improper wear and tear or insufficient maintenance.
  - B. Fail to proactively anticipate the financial requirements needed to maintain assets.
  - C. Operate without internal processes, procedures and systems that encourage informed decisions and would deter and prevent theft, fraud or malfeasance.
- 2.8.3 Unreasonably expose the organization, its Board or staff to claims of liability. 12
- 2.8.4 Allow intellectual property, information and files to be exposed to loss, significant damage or unauthorized access. 13
- 2.8.5 Endanger the organization's public image, credibility, or its ability to accomplish Ends by. 14
  - 2.8.5.1 Operating the organization in a manner that jeopardizes grantor relationships. 15
  - 2.8.5.2 Ignoring the social, environmental and economic implications of major decisions. 16
  - 2.8.5.3 Allowing third-party advertising that violates stated agency guidelines for community standards 17
  - 2.8.5.4 Hiring a former board member as an agency employee or supplier within one year of that member's departure from the Board. 18
  - 2.8.5.5 Hiring a sitting elected official or former elected official that has not been out of office for at least one year from any jurisdiction that appoints members to the AAATA Board. 18
  - 2.8.5.6 Ignoring exploration for innovation or opportunities that open capacity for the organization 19

## **Executive Limitations Policy 2.8**

*The CEO will not cause, allow or fail to address circumstances in which corporate assets are to be unprotected, inadequately maintained, or unnecessarily risked.*

### **Current Interpretation & Rationale**

The board has comprehensively interpreted this policy in its subsequent policy provisions

- unprotected: 2.8.1, 2.8.2, 2.8.3, 2.8.4
- inadequately maintained: 2.8.2
- unnecessarily risked: 2.8.1, 2.8.2, 2.8.5

No further interpretation is needed. Compliance with sub-policies constitutes compliance with 2.8.

(Note: Liquid assets are managed in compliance with policy 2.6: Cash and Investments.)

### **Evidence**

The data to follow, taken cumulatively, demonstrates compliance with this global provision. My interpretations and data will be attached to those provisions, below.

### **Compliance**

In compliance (with exceptions noted).

### **Executive Limitations Policy 2.8.1**

*The CEO shall not... Allow Board members, staff, and the organization itself to be inadequately insured against theft, embezzlement, casualty, and liability losses.*

### **Current Interpretation & Rationale**

I interpret this policy to mean that AAATA will carry property and liability insurance necessary to ensure service continuity for customers and guard against catastrophic loss. Adequate coverage will mean that unexpected costs/losses will not jeopardize service for customers or the financial integrity of the agency, and that all infrastructure necessary to provide service to customers can be repaired or replaced in a reasonable period of time without financial hardship for the agency. For board members and staff, adequate insurance means that they will be indemnified and free of personal liability for decisions made when pursuing their duties in good faith.

Therefore, AAATA will hold private or self-insurance adequate to reduce financial risks and ensure service continuity that:

1. Provides full replacement costs for vehicles, buildings, liquid assets, etc
2. Provides cost-effective coverage for liability, including casualty, theft/embezzlement
3. Indemnifies staff and Board members

### **Evidence**

During the monitoring period I have confirmed the insurance parameters, below, were in place. We judge the level of coverage to be adequate based on advice from our broker and our professional experience. AAATA's Risk Management Team has met with the broker to review claims and the adequacy of coverage (this meeting occurs annually during budget preparation). The table below illustrates coverage levels and open claims.

Financial Risks	Coverage Limits	Claims on File (As of 2/28/2019)
1. Replacement of Vehicles and Buildings		
a. Automobile (Vehicles): full replacement for losses within 2700 facility (terminal fire and catastrophic loss)	\$55,758,330 (Adequate to replace all buses and support vehicles.)	\$0
b. Property: full replacement for building, business personal property, disasters (e.g. earthquake, flood, data systems, tools)	\$26,310,300 Building \$4,576,000 Business Personal Property \$360,000 Extra Expense \$25,000,000 Earthquake \$2,500,000 Flood \$2,139,000 Data Systems \$660,000 Tools	\$0
2. Liabilities		
a. General Liability (Each Occurrence, General Aggregate)	\$2,000,000	\$0
b. General Liability (Personal & Advertising Injury, Products/Completed Operations Aggregate, Damage to Premises Rented)	\$1,000,000	\$0
c. Umbrella Lead Liability (General Aggregate, Products/Completed Operations Aggregate, Personal & Advertising Injury)	\$4,000,000	\$0
d. Employee Benefits Liability	\$300,000	\$0
e. Public Officials Liability	\$2,000,000	\$0
f. Each Employee Liability Limit	\$1,000,000	\$0
g. Umbrella Excess Liability	\$10,000,000	\$0
h. Automobile (Comprehensive and Collision)	\$1,000,000	\$722,679 incurred/reserve
i. Crime	\$500,000	\$0
j. Fiduciary (Each Loss, Each Policy Period)	\$4,000,000	\$0
k. Premises Pollution Legal Liability (Per Pollution Condition Limit, Per Pollution Aggregate)	\$2,000,000	\$0
3. Worker's Compensation		
a. Worker's Compensation	Self-Insured	
b. Worker's Compensation Excess (Aggregate Limit)	\$5,000,000	\$0

Detailed records supporting all of the above evidence are available for Board inspection upon request.

### **Compliance**

In compliance

## **Executive Limitations Policy 2.8.2**

*The CEO shall not...operate without ensuring appropriate risk management...*

### **Current Interpretation & Rationale**

I interpret this policy to require taking proactive steps to reduce the potential for loss or damage of the physical assets of the AAATA.

### **Evidence**

The board has comprehensively interpreted this policy in its subsequent policy provisions below. No further interpretation is needed. Compliance with sub-policies constitutes compliance with 2.8.2.

### **Compliance**

In compliance.

## **Executive Limitations Policy 2.8.2 A**

*The CEO shall not...Subject property, plant, and equipment to improper wear and tear or insufficient maintenance.*

### **Current Interpretation & Rationale:**

I interpret this policy to mean that all facilities, vehicles, and durable equipment shall be managed in a manner that maximizes the value of the investment in the asset over its lifespan, ensures safety; and minimizes the risks of premature failure, replacement or excessively costly operation. Because they are the greatest potential risk, all buses and facilities will be managed with appropriate preventative maintenance practices.

### **Evidence**

- Buses and facilities do have documented preventative maintenance plans which are available for Board inspection upon request. The Federal Transit Administration (FTA) recently sampled the AAATA's records for maintenance and made the following conclusion on page 19 of the 2018 Triennial Review:

#### **7. Maintenance**

**Basic Requirement:** Recipients must keep federally funded vehicles, equipment, and facilities in good operating condition. Recipients must keep Americans with Disabilities Act (ADA) accessibility features on all vehicles, equipment, and facilities in good operating order.

**Finding:** During this Triennial Review of AAATA, no deficiencies were found with the FTA requirements for Maintenance.

- AAATA implemented the FTA-required Transit Asset Management (TAM) Plan in October 2018 with the purpose of ensuring state of good repair for vehicles and facilities. AAATA's plan requires annual condition assessments, setting of performance targets for state of good repair, and prioritization for capital investments. This data is reported annually to SEMCOG and MDOT. FTA will review the data in the next Triennial Review in 2021.

Targets are set as the percentage of assets that have met or exceeded their expected useful life benchmark. The table below shows the condition of assets in FY2018 and targets for FY2019 and FY2020:

#### **Percentage of Assets at or Beyond Useful Life Benchmark**

<b>Asset Class</b>	<b>FY2018 Condition</b>	<b>FY2019 Target</b>	<b>FY2020 Target</b>
Large Buses	14%	8%	1%
Mini Buses	0%	1%	1%
Supervisor Vehicles	21%	28%	21%
Service Trucks	100%	80%	40%
Facilities	0%	0%	0%



- Costs for implementing these preventative maintenance and replacement programs can be seen in the 2019 Budget (p. 21) listed as “Bus Replacement, Bus Components..., IT Hardware and Software, Small/Medium Bus Replacements, Furniture Replacement, Non-Revenue Vehicle Replacement”, with further explanations on pages 22, 31-36.

Detailed records supporting all of the above evidence are available for Board inspection upon request.

**Compliance**

In compliance.

## **Executive Limitations Policy 2.8.2 B**

*The CEO shall not...Fail to proactively anticipate the financial requirements needed to maintain assets.*

### **Current Interpretation & Rationale**

I interpret this policy to mean that the agency must have a rolling 10-year capital budget that:

- Use comprehensive lifecycle costing when considering major purchasing/investment decision, so that total costs are understood in advance of decisions.
- Uses multi-year capital and operating projections to comprehensively forecast all costs associated with maintaining and replacing vehicles, facilities and equipment. In particular, this requires plans for replacing the bus fleet.
- Assets should be maintained in a “State-of-Good-Repair” which means able to fulfill their function, adequate for customer and operational needs, and in cost-effective manner.
- Is fundable under realistic assumptions.

I further interpret this policy to mean that costs for maintaining existing assets should be visible to allow informed decision-making in a budgetary context.

### **Evidence**

Replacement costs for the bus fleet, support vehicles, and IT equipment are itemized in the 10-year capital plan in the 2019 Budget (p. 23). Also included in the capital plan are facility rehabilitation costs.

### **Compliance**

In compliance

## **Executive Limitations Policy 2.8.2 C**

*The CEO shall not...Operate without internal processes, procedures and systems that encourage informed decisions and would deter and prevent theft, fraud or malfeasance.*

### **Current Interpretation & Rationale**

I interpret this policy to mean that the AAATA must use appropriate loss-control practices to minimize the risk of intentional theft or misdirection of agency resources. Good systems help to keep people honest by eliminating temptation.

Consistent with federal law (2 CFR Part 200.302) the AAATA's internal controls will comply with *Standards for Internal Control for the Federal Government* issued by Comptroller of the US and the *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission.

### **Evidence**

While internal controls were not the focus of the FY2018 auditor's report, the auditors did note that no deficiencies in internal control were identified, stating:

*In planning and performing our audit of the basic financial statements, we considered Ann Arbor Area Transportation Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control... Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.*

- *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards (p.45):*

AAATA has updated key policies and procedures to ensure compliance with this policy. Updates include a new Purchasing Manual (which includes the Ethics Policy) and a new Internal Control System. Board members and management staff complete an annual disclosure of any conflicts of interest with regard to the Ethics Policy. The Internal Control System incorporates the standards and requirements of federal law (2 CFR 200.302), FTA guidance (Circular 5010.1E), and COSO's integrated framework. It includes a chapter that defines fraud and its characteristics, identifies each employee's responsibility for reporting fraud, and describes the procedures required to report and investigate fraud. These documents are available for Board inspection.

There were no reports of theft, fraud or malfeasance during the monitoring period.

### **Compliance**

In compliance.

### **Executive Limitations Policy 2.8.3**

*The CEO shall not...Unreasonably expose the organization, its Board or staff to claims of liability.*

### **Current Interpretation & Rationale**

DRAFT INFORMATION BELOW. SECTION IS INCOMPLETE.

I interpret this policy to mean that ...

Liability means to be accountable or legally responsible for something. In this context I believe that it refers to being found responsible for financial damages. The nature of transportation operations means there is always expose to risk of being genuinely liable. Therefore, I interpret that *unreasonable* liability would be:

1. To allow activities to occur without appropriate resources and risk management. For example, allowing bus drivers to drive without appropriate training and supervision.
2. Voluntarily accepting legal responsibility or excessive risk for something the agency should not be responsible for at all. For example, failing to adequately distinguish the agency's responsibilities from those of a contractor, or building curbs and gutters.
3. Operating without adequate liability insurance (see policy 2.8.1).

### **Evidence**

- During the monitoring period, no court judgments have been made against the agency.
- During the monitoring period the agency did require a contract operator to increase their liability insurance coverage.
  
- Training summary?
- Ongoing risk assessment or third-party assessment?
- Consultation with legal counsel?
- Contract provisions?
- Hiring practices?

### **Compliance**

TBD

#### **Executive Limitations Policy 2.8.4**

*The CEO shall not...Allow intellectual property, information and files to be exposed to loss, significant damage or unauthorized access.*

#### **Current Interpretation & Rationale**

I interpret this policy to mean that the AAATA's paper records and electronic files must will be kept in secure environments that minimize exposure to unauthorized access, theft, fire, or water damage. In addition, back-ups of critical files should be kept.

#### **Evidence**

**Loss/Damage Prevention:** Files on the network are backed up nightly to redundant servers located in separate locations. Although kept locked, cabinets for maintaining personnel records were not fire/water proofed.

**Unauthorized Access:** Proper controls are in place to prevent unauthorized access to records and files.

- **Electronic files:** AAATA implemented new IT Policies in 2019 for the acceptable use of technology systems, handling of confidential data, passwords, email, physical security, remote access, data retention, guest access, third party access, and wireless access. Further improvements that have been made include required use of 16-character network passwords, and implementation of two-factor authentication for external/remote access to the network. There were no known breaches of the AAATA's electronic records.
- **Applicant/Rider Information.** Documents identified as Protected Personal Information (PPI) and/or Protected Health Information (PHI) are stored with restricted access in locked file cabinets and secure network locations. Further, the Record Retention Procedure (Internal Control System) limits access only to authorized persons and assigns recordkeeping accountabilities. There were no known breaches of this information.
- **Financial:** Access to the accounting system is controlled by the Manager of Finance and the IT Manager. During the financial audit, auditors confirm that access controls are correctly implemented. There were no reports of any problems in this area in the FY2018 audit, or in prior years.

#### **Compliance**

In compliance, except as noted.

New cabinets for personnel records were installed on March 4, 2019.

### **Executive Limitations Policy 2.8.5**

*The CEO shall not...Endanger the organization's public image, credibility, or its ability to accomplish Ends...*

### **Current Interpretation & Rationale**

I interpret this policy to mean that the public's confidence in the AAATA must remain high. Perhaps the agency's most valuable asset is its strong reputation. The public's confidence in the AAATA is the origin of much of our financial and political capital.

### **Evidence**

During the monitoring period the AAATA's millage was renewed with 83% voter support, suggesting a high level of public confidence in the agency.

The CEO is not aware of any incidents during the monitoring period that damaged public confidence in the agency.

### **Compliance**

In compliance

### **Executive Limitations Policy 2.8.5.1**

*The CEO shall not...endanger the organization's public image, credibility, or its ability to accomplish Ends by...Operating the organization in a manner that jeopardizes grantor relationships*

### **Current Interpretation & Rationale**

I understand this policy to mean that the AAATA will operate in compliance with the expectations made by the federal and state governments. The AAATA will not knowingly or through ignorance fail to follow these expectations.

### **Evidence**

Evidence of compliance for this sub-policy is primarily provided via outside audits and assessments by the AAATA auditors, the Federal Transit Administration (FTA), and the Michigan Department of Transportation. The AAATA does not receive grant funding from any other body besides the federal and State governments.

**Federal Compliance:** In 2018 the FTA conducted a Triennial Review and found no problems with the AAATA's internal control or business decisions that would jeopardize federal funding. Review is available for inspection upon request. The CEO and CFO are not aware of any risks to these grants. In addition, the AAATA's FY2018 audit assessed compliance with federal grant regulations (p. 47) and found that: *In our opinion, Ann Arbor Area Transportation Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended September 30, 2018.*

**State Compliance:** Grant agreements from the Michigan Department of Transportation are fully awarded and executed for FY2018. During the monitoring period the MDOT has not indicated any concern with the AAATA's compliance with State grants. All state grants are intact and there are no known risks to these grants. Grant agreements with MDOT are available for inspection upon Board request.

Detailed records supporting all of the above evidence are available for Board inspection upon request.

### **Compliance**

In compliance.

**Executive Limitations Policy 2.8.5.2**

*The CEO shall not...endanger the organization's public image, credibility, or its ability to accomplish Ends...*

*...By ignoring the social, environmental and economic implications of major decisions.*

**Current Interpretation & Rationale** TBD

**Evidence** TBD

**Compliance** TBD



### **Executive Limitations Policy 2.8.5.3**

*The CEO shall not...endanger the organization's public image, credibility, or its ability to accomplish Ends by...  
...Allowing third-party advertising that violates stated agency guidelines for community standards.*

### **Current Interpretation & Rationale**

I interpret this policy to mean the AAATA must have and consistently enforce an administrative advertising policy that protects AAATA's image and reputation.

### **Evidence**

The AAATA has an administrative Advertising Policy (see below). This Policy is consistently enforced. All third-party advertising must meet the Policy. There were no legal challenges to the policy during the monitoring period. One set of proposed advertisements were rejected in early 2019.

#### ***AAATA Advertising Policy, 2014***

*A. The AAATA, by permitting commercial advertising in or on its vehicles, shelters, informational material, buildings, and benches, does not thereby intend to create a public forum. Further, AAATA requires that such advertising comply with specified standards to further the purposes of providing revenue for AAATA, increasing ridership, and assuring that AAATA riders will be afforded a safe and pleasant environment. AAATA reserves the right to approve all advertising, exhibit material, announcements, or any other display and their manner of presentation.*

*B. In order to minimize the chances of abuse, the appearance of favoritism, and the risk of imposing upon a captive audience, advertising in or on AAATA vehicles, in AAATA shelters, buildings, benches or informational material which does any of the following shall be prohibited.*

- 1. Contains false, misleading, or deceptive material.*
- 2. Promotes an illegal activity.*
- 3. Advocates violence or crime.*
- 4. Infringes copyright, service mark, title or slogan.*
- 5. Defames or is likely to hold up to scorn or ridicule a person or group of persons.*
- 6. States or implies the endorsement of a product or service by AAATA.*
- 7. Contains political or political campaign advertising.*
- 8. Contains advertising that is obscene or pornographic, or in advocacy of imminent lawlessness or violent action.*
- 9. Promotes alcohol or tobacco products.*

### **Compliance**

In compliance

### **Executive Limitations Policy 2.8.5.4 and 2.8.5.5**

*The CEO shall not...endanger the organization's public image, credibility, or its ability to accomplish Ends by...*

*...Hiring a former Board member as an agency employee or supplier within one year of that member's departure from the Board.*

*... Hiring a sitting elected official or former elected official that has not been out of office for at least one year from any jurisdiction that appoints members to the AAATA Board.*

### **Current Interpretation & Rationale**

This policy is unambiguous.

### **Evidence**

In concert with the Managers of Human Resources and Purchasing, we state that during the monitoring period the AAATA did not hire and current or former board member, or current or former elected officials as staff. There are no such people on staff. Nor did any current or former board members of elected officials own any of the suppliers we engaged for goods or services.

### **Compliance**

In compliance

### **Executive Limitations Policy 2.8.5.6**

*The CEO shall not...endanger the organization's public image, credibility, or its ability to accomplish Ends by...  
...Ignoring exploration for innovation or opportunities that open capacity for the organization.*

#### **Current Interpretation & Rationale** TBD

Some assessments will be

I define “innovative” to mean novel or new, and workable (ie is viable and produces results that are worth the investment of resources (time, money, energy, opportunity costs, etc).

I define “explore” to mean to give genuine, honest consideration to suggestions and new ideas, at a level of detail the CEO feels is appropriate to determine viability and utility of the idea. This is done to the satisfaction of the CEO, not another party who may have an interest in the outcome.

Given limited resources and the need to move forward with priorities quickly, not all ideas will be given the same level of detailed assessment. More worthy ideas will receive more attention. Some ideas will be assessed strictly on professional judgment with no written analysis.

There is always risk with innovation. Risks must be acceptable.

I define “opening capacity” to mean that increasing productivity, reducing costs,

This policy does *not* suggest that the organization should be pursuing fads, momentarily popular ideas, or bad ideas that have been labeled “innovative” by another party. The pursuit of new ideas must be done within the context of other Executive Limitations policies that require prudence, while also looking for new ways to advance the Ends. Given the realities of limited resources, each idea pursued means some other activity is forgone. It is the CEO’s responsibility to make sure that the agency’s resources are used efficiently to achieve the Ends.

#### **Evidence and data**

The CEO attests that, in his opinion, he has met the standards of the above interpretation, and that new ideas have been given an appropriate assessment.

#### **Compliance** TBD

## CEO Notes on Policies

The CEO would ask the Board if it could clarify its language in to following policies:

- 2.8.5.1 – This policy appears to be redundant with policy 2.5.2 “Operate in a manner that would jeopardize federal and state funding...”.
- 2.8.5.2 – Social, environmental, economic sustainability. With the recent update to the Ends policies, this statement may be redundant. Its placement in this section also feels awkward (asset protection). It may have been put here during initial drafting as a placeholder.
- 2.8.5.6 – Innovation - This is an ambiguous term and feels awkward in this section (asset protection). It may have been put here during initial drafting as a placeholder.
- The CEO is still attempting to develop a functional definition for unreasonable liability for policy 2.8.3.

(To be filled in based on Board action after submission)

**Policy: 2.8 Asset Protection**

**Date Submitted:** March 14

**Date of Board Response:** March 21

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.~~

Finance Committee Notes:

- Questions about how much liability insurance coverage is enough. Desire for more evidence.
- Question about the interpretation for policy 2.8.1.
- Desire for more evidence about preventative maintenance programs for facilities under 2.8.2 A.
- Suggestion to consult Rose Mercier regarding interpretation for 2.8.3.
- Some desire to keep policies 2.8.5.2 and 2.8.5.6.
- Suggestion to add "marijuana" to bullet 9 of advertisement policy, given its new legal status.
- Suggestion that Board find the Monitoring report as "C" or "B" (above).

Board Notes:

- The Board accepted the report as "B", with the following notes.
- 2.8.2.A is not in compliance.
- 2.8.3, 2.8.5.2, and 2.8.5.6 are unfinished and therefore not in compliance.
- The Board accepted the notes from the Finance Committee (above).