

Board of Director's Meeting Agenda

Meeting Date/Time: January 21, 2020, 6:30-9:00pm

Location: REMOTE – Via Zoom

To join by computer: (You will be able to use your computer audio.)

1. Click on this link: [Zoom](#) (If you are using an Ipad, you must download Zoom first.)
2. You will be prompted to register with your name and e-mail address, then go directly into the meeting.

To join by phone:

1. Dial any of these numbers: (For higher quality, dial a number based on your current location): 301-715-8592 or 312-626-6799 or 929-205-6099 or 253-215-8782 or 346-248-7799 or 669-900-6833.
International numbers available: <https://theride-org.zoom.us/j/aroW0dRRS>
2. Enter the Webinar ID: 933 0884 7164

Meeting Chair: Eric Mahler

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3. POLICY MONITORING & DEVELOPMENT			
3.1 Committee Meeting Discussion	O	All	
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3.3 LAC Task Force Report (Verbal)	O	Mozak-Betts	
3.4 Monitoring Report (Policy 2.0)	M	Carpenter	31
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4. STRATEGY & OPERATIONAL UPDATES: CEO			
4.1 Service Restoration Plan (Conclusion)	D	Carpenter	41
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4.3 CEO Report	O	Carpenter	49
5. EMERGENT BUSINESS			
6. CLOSING ITEMS			
6.1 Topics for Next Meetings: 6.1.1 Board Retreat – Part I		Fri., Feb. 12, 2021	
6.1.2 February Board Meeting <ul style="list-style-type: none"> • FY2020 Audit Report • Financial Condition & Activities (Policy 2.5) • Monitoring Report (4.0-4.4) 		Thurs., Feb. 18, 2021	

6.2 Public Comment			
6.3 Closed Session Briefing (as per OMA) – 8:30pm start	D	Carpenter	
6.4 Board Assessment of Meeting (Electronic)			Link Here
6.5 Adjournment			

* M = Monitoring, D = Decision Preparation, O = Other

If additional policy development is desired:

Discuss in Board Agenda Item 3.0 Policy Monitoring and Development. It may be appropriate to assign a committee or task force to develop policy language options for board to consider at a later date.

Emergent Topics

Policy 3.13 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?

Board of Director's Meeting Summary

Meeting Date/Time: December 17, 2020, 6:30-9:00pm

Location: Remote via Zoom

Board Member Attendees: Raymond Hess, Jesse Miller, Kyra Sims, Roger Hewitt, Kathleen Mozak-Betts, Richard Chang, Mike Allemang, Ryan Hunter, Sue Gott, Eric Mahler (Chair)

AAATA Staff Attendees: Matt Carpenter (CEO), Bryan Smith, Forest Yang, John Metzinger, LaTasha Thompson

Meeting Chair: Eric Mahler

Chairman Eric Mahler called the meeting to order at 6:29 pm.

Discussion Items

1. OPENING ITEMS

1.1 Approve Agenda

Mr. Roger Hewitt moved to approve the agenda, seconded by Mr. Jesse Miller.

In support of the motion:

Mr. Mike Allemang: Yes

Mr. Rich Chang: Yes

Ms. Sue Gott: Yes

Mr. Raymond Hess: Yes

Mr. Hewitt: Yes

Mr. Ryan Hunter: Yes

Mr. Miller: Yes

Ms. Kathleen Mozak-Betts: Yes

Ms. Kyra Sims: Yes

Chairman Mahler: Yes

The motion passed unanimously.

1.2 Public Comment

Jim Mogensen shared that there was a brief blurb in the most recent Ann Arbor Observer about the City survey and services which mentioned public transit. He also shared that he compared materials from the May 2018 ridership vs. coverage presentation to AAATA's rolling temporary service plan. He strongly encouraged that the measure relating to the civil rights should be measured against the former permanent service plan as opposed to the rolling temporary service plan. Lastly, he expressed that he has seen concern about on-time performance, noting that if the on-time performance is happening where most of the traffic is, it does not make sense to reduce the number of buses on the highest traffic areas. He described this as a pitfall of using metrics.

Robert Pawlowski thanked AAATA for keeping the buses on the road, clean, and safe. He asked if there are any future plans to have connections with SMART in the way of trying to connect transit. He expressed that he would ride AAATA more if there was an easier connection other than AirRide. In regard to FlexRide, he shared that he is very

impressed and asked if it could extend further out, possibly as far as portions of Wayne County.

1.3 General Announcements

Ms. Gott recognized Keith Book for his work supporting the AAATA meetings and the Board. She described him as an incredible ambassador for TheRide as he interacts with the public. She noted that doing the meetings is complicated and the AAATA minutes are stellar. She has been reflecting on how well Mr. Book has allowed AAATA to transition to the remote meetings and thanked him. Chairman Mahler expressed that all could agree with Ms. Gott's comments and thanked Mr. Book as well.

2. CONSENT AGENDA

2.1 Minutes and Committee Meeting Report

Mr. Allemang pointed out a typo in the Governance Committee Summary on page 17 & 18: "squad" should be SWOT.

Ms. Gott moved to approve the consent agenda as amended, seconded by Mr. Allemang.

In support of the motion:

Mr. Allemang: Yes

Mr. Chang: Yes

Ms. Gott: Yes

Mr. Hess: Yes

Mr. Hewitt: Yes

Mr. Hunter: Yes

Mr. Miller: Yes

Ms. Mozak-Betts: Yes

Ms. Sims: Yes

Chairman Mahler: Yes

The motion passed unanimously.

3. POLICY MONITORING & DEVELOPMENT

3.1 Committee Meeting Discussion

Mr. Chang shared that the consensus at the Finance Committee meeting was that financial conditions & activities during an emergency were covered by existing policies. Governance Coach Ms. Rose Mercier confirmed this consensus. Mr. Chang highlighted that as a Board, they are allowed to request any type of special monitoring report at any time that the Board feels would be helpful from the CEO and the rest of the staff.

3.2 Board's Work Plan for FY2021 (Final Decision)

Mr. Chang moved to approve the Work Plan for FY2021, seconded by Ms. Mozak-Betts.

In support of the motion:

Mr. Allemang: Yes

Mr. Chang: Yes

Ms. Gott: Yes

Mr. Hess: Yes

Mr. Hewitt: Yes

Mr. Hunter: Yes

Mr. Miller: Yes

Ms. Mozak-Betts: Yes
Ms. Kyra Sims: Yes
Chairman Mahler: Yes

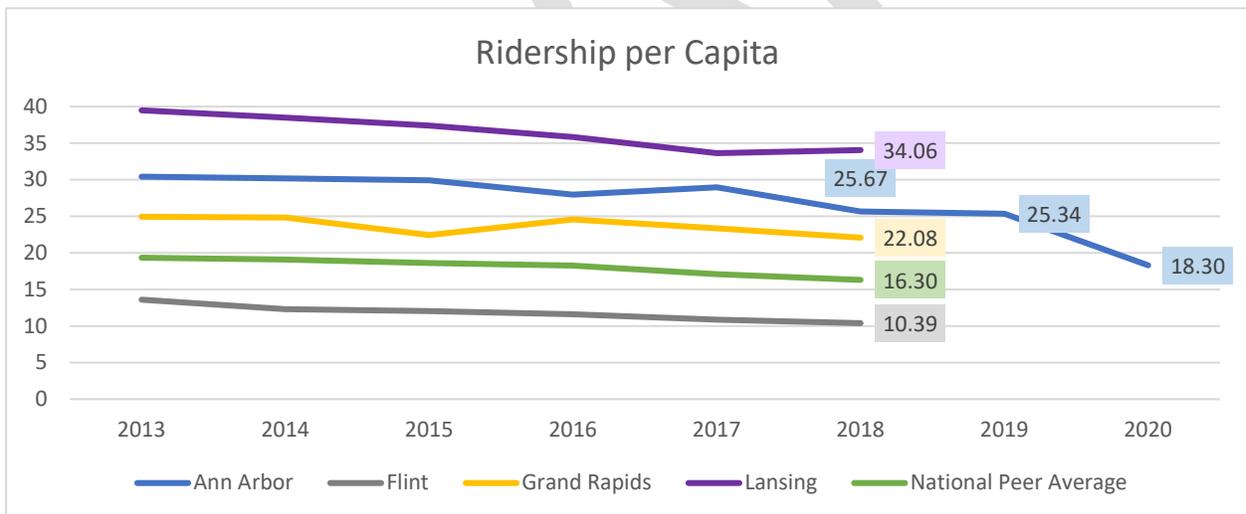
The motion passed unanimously.

3.3 Ends Monitoring Report

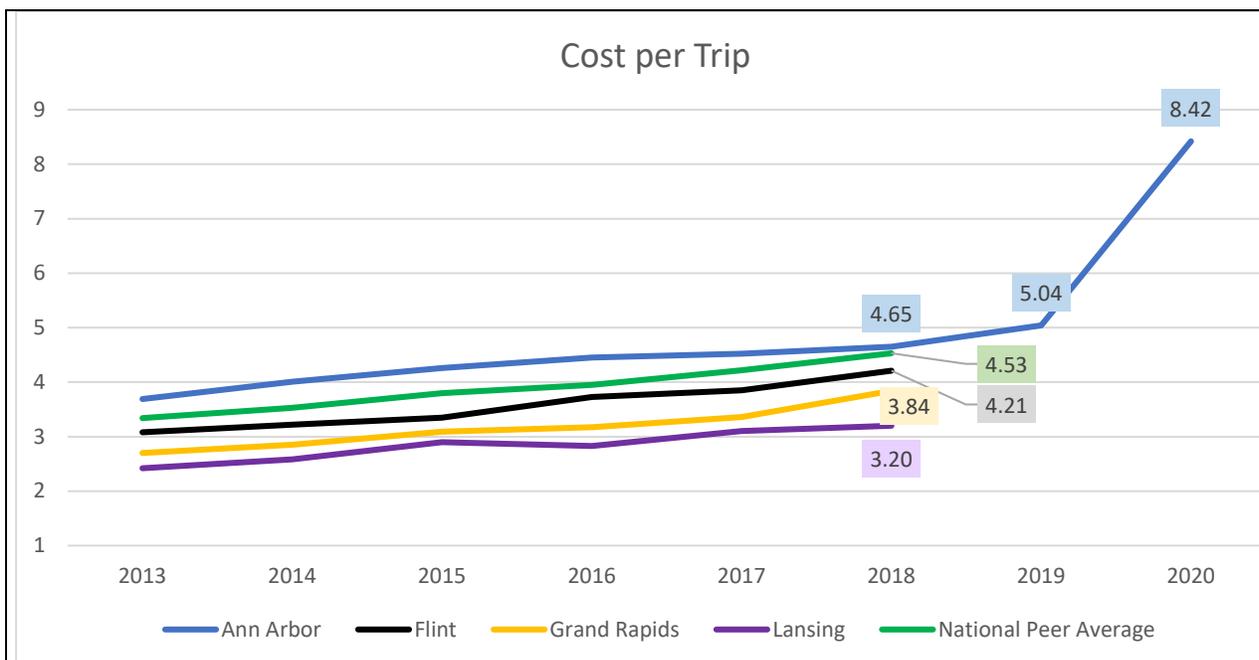
CEO Carpenter briefed the Board on the Ends Monitoring Report and the survey of that report. He described the annual report as a listing of AAATA's highest-level measures of performance. He noted that the interpretations and evidence have been kept largely the same as previous years. Many of the same metrics used as evidence in previous years were used, with updates to the numbers for timeliness. CEO Carpenter expressed that this was done for transparency; rather than confuse anyone or give the impression that the goal posts were being moved, staff decided to show everyone very plainly what a pandemic does to the business of a public transit organization.

CEO Carpenter noted that there are elements of AAATA's 2020 story that do not show up in the report. Services were repositioned several times throughout the year while effectively continuing to pursue the Ends as the ground shifted beneath. He highlighted that operations never ceased and AAATA positioned themselves quite successfully for an uncertain future.

CEO Carpenter described that since 2013, TheRide had seen a slight increase in fixed route ridership, albeit with some declines. However, with the pandemic, ridership dropped in FY 2020 by over 44% as shown in the graph below. Transit peer data for FY2019 and FY2020 is currently unavailable.



CEO Carpenter explained the below cost per trip graphic. He pointed out that the cost of operation per trip has seen a dramatic increase. This fraction creates the statistical appearance of increased costs but is actually reflecting the drop in ridership. This is because many of TheRide's costs are fixed and could not be easily reduced as ridership dropped. While actual costs have been reduced in many areas, ridership dropped further creating the increase in per trip costs.



CEO Carpenter also highlighted that since last year, there has been a 22% increase in the number of total Fare Deal registrants, a possible indicator of economic stress in the community. He noted that there are no constraints on this program; AAATA will serve as many people as who apply. He also pointed out AAATA's continued compliance with the Americans with Disabilities Act (ADA); these services were not significantly disrupted during the pandemic.

CEO Carpenter noted that issues affecting AAATA's environmental performance are not going in a great direction, related to the decline in fixed route ridership; energy consumption per passenger trip has increased, using roughly the same amount of fuel but carrying far fewer people. He also noted that similarly labor mobility Ends are undoubtedly impacted.

In regard to Robert Pawlowski's comment during the first public comment section of this meeting about connections to the metro Detroit region and SMART, CEO Carpenter described the Detroit to Ann Arbor service (D2A2) that ran for 3 weeks in March and April before the difficult decision had to be made to shut it down. He shared that RTA continues to consider when to restart (the funding still exists), which is largely driven by pandemic trends. AAATA hopes that RTA will reach the decision to reactivate that service.

CEO Carpenter wrapped up his briefing of the Ends Monitoring Report by describing how the pandemic largely forced AAATA to put a real different degree of emphasis on things because the context had changed. The emphasis shifted to being about the safety of staff and the public, as well as a social goal about public welfare, serving essential trips and putting as much emphasis on medical facilities as possible.

Mr. Hess described the report as well-written, well-articulated, and easy to understand, especially given the difficulty of the past year. He expressed that on areas that are identified as non-compliant or partially compliant, he would suggest that the Board and staff contemplate the strategy to get to compliance. He pointed out that the report does identify some timelines for compliance on some topics, but not on all of them.

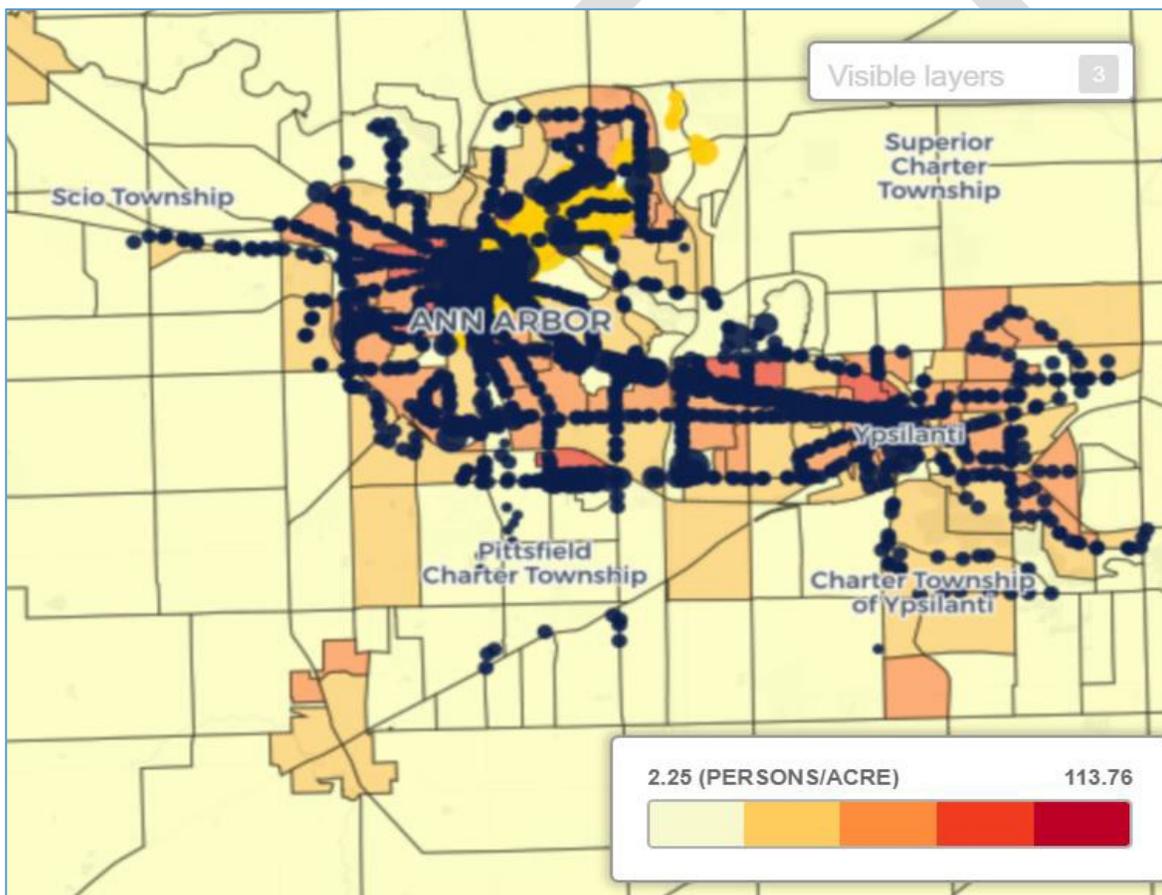
Mr. Miller expressed his agreeance with the decision not to move the goal posts. He also expressed his perception that CEO Carpenter's evidence does not speak to equity

in Policy 1.1, does not seem to accomplish what the End is set to accomplish by saying that compliance will be demonstrated when at least 80% of residences in the membership area are within 0.25 miles of a bus stop. He described that if Ypsilanti has 16% of the population of the area, AAATA could potentially just cover Ann Arbor and meet that area of compliance.

CEO Carpenter noted that this service standard is applied across a service area that is seen as one jurisdiction. He also noted that over the years for very good reasons, other requirements have been established to say 80%, but also meeting low-income populations in particular.

Mr. Miller agreed that CEO Carpenter has met the goal of 80% coverage in an equitable fashion, but because of the broadness of that interpretation, his perspective is that the evidence does not sight equity in a policy that explicitly calls out equity. He expressed that there is not as much equity-related evidence as he would like.

CEO Carpenter described that equity was interpreted in terms of numerical equality; evenly distributing resources as opposed to grouping them. He pointed out that the map below tries to get at that.



CEO Carpenter also pointed out that there is no reference in the report's definition of equity to distribution based on contribution; it does not matter how much taxes any particular ward in any particular area pays. They all fall under the same 80% band.

Mr. Miller wished to acknowledge that Policy 1.4 is one that tends to be difficult to pull evidence for with regularity; the most recent evidence is from 2017. He asked if more surveys should be budgeted to provide evidence for this.

CEO Carpenter described that on-board customer satisfaction surveys have been traditionally conducted in-person every 2 years as it is an expensive undertaking. He explained that with some turnover he had amongst some senior staff positions, he forgot to emphasize to new staff that doing that was needed in 2019. He noted that the plan is to resume conducting the surveys at the earliest possible time.

In the meantime, the below table is provided, which is a composite score based on what is heard from customers and complaints; rather than measuring the complaints themselves, the operations performance that tends to draw complaints is measured. If most concerns heard from customers are about on-time performance, on-time performance is measured, for example.

	FY 2019	FY 2020	Target	Compliant?
Fixed Route	.68	.71	Increase	Yes
	The overall number of complaints decreased by 41%, average fleet of bus was within the desired target of 6-7 years, compliments decreased by 54%, preventable collisions decreased by 38%. All these factors contributed to an increase in the quality of service composite index score for fixed route.			
Paratransit	.71	.74	Increase. If a decrease is noted, there should no pattern.	Yes
	Comparing FY 2019 to FY 2020, complaints have increased by 60%, compliments have also increased by 40%. Denials have dropped by 97%. These factors contribute to the overall increase of the paratransit quality of service composite index score.			

Mr. Miller then discussed Policy 1.5, specifically in regard to the telephone survey of residents done last in 2017, suggesting it potentially be conducted more regularly. He described that the policy may be more easily proven by performing surveys on a more regular basis.

Ms. Mozak-Betts noted that Policy 1.1.1.1 under (A) indicates that fare for the fixed route service is equal to or better than the 50% discount required of all transit agencies. CEO Carpenter noted that the federal government requires that fares be set at 50% for seniors and persons with disabilities. It does not require the same for low-income, but AAATA has decided rather than have a 50% discount for some groups and a different discount for other groups, AAATA provides a 50% discount for all of them. But saying “or better” in the language probably does not need to be in there.

Ms. Mozak-Betts noted that Policy 1.1.1.2 under (A) uses the metrics that if a wheelchair is accommodated as a physical mobility aid, that means everything is accommodated. Her concern with this is that persons using walkers or another mobility aid besides a wheelchair have no place specific to go once on the bus with sometimes cumbersome mobility aids, which suggests a level of non-compliance to her. CEO Carpenter described that measuring wheelchair accommodations is an easily measured metric used to provide evidence of compliance with the policy, but if greater measurement precision is needed, he is certainly willing to attempt finding it. He shared that on the Nova bus prototype, there is extra space carved out to attempt accommodating walkers, strollers, and the like.

In regard to cost per trip, Chairman Mahler expressed that the cost per trip between 2018 to 2019 seemed to increase slightly more. He asked if accelerated costs could

continue on those same lines post pandemic, or if this is just a one-off year between 2018 and 2019. CEO Carpenter responded that on the bigger picture of the big spike in FY2020, staff do expect that to be something of an anomaly driven by stay-at-home orders and pandemic quarantining. As ridership returns, this number will begin to descend and probably fall back into line with roughly where it would have been, which may take several years. Staff are estimating a 5-year timeframe for recovery of normal ridership. He will get back to Chairman Mahler with an answer as to why there was an acceleration between 2018 and 2019, which could possibly have been things like labor contract provisions or fuel price escalation of some sort.

Mr. Allemang pointed out the Governance Coach comments at the back of the Ends Monitoring Report. Chairman Mahler will take those to the Governance Committee and see if any revamping is needed.

Mr. Allemang moved to approve the CEO as in compliance except for items noted (B), seconded by Ms. Gott.

In support of the motion:

Mr. Allemang: Yes

Mr. Chang: Yes

Ms. Gott: Yes

Mr. Hess: Yes

Mr. Hewitt: Yes

Mr. Hunter: Yes

Mr. Miller: Yes

Ms. Mozak-Betts: Yes

Ms. Sims: Yes

Chairman Mahler: Yes

The motion passed unanimously.

3.4 Recommended Amendments to Policy 2.11

CEO Carpenter described that the Governance Committee seemed comfortable supporting a recommendation to adopt changes in line with Governance Coach Rose Mercier's notes on Policy 2.11.

Ms. Mozak-Betts moved to approve the adoption of the recommended amendments to Policy 2.11, seconded by Ms. Sims.

In support of the motion:

Mr. Allemang: Yes

Mr. Chang: Yes

Ms. Gott: Yes

Mr. Hess: Yes

Mr. Hewitt: Yes

Mr. Hunter: Yes

Mr. Miller: Yes

Ms. Mozak-Betts: Yes

Ms. Sims: Yes

Chairman Mahler: Yes

The motion passed unanimously.

4 BOARD EDUCATION

4.1 Ridership vs. Coverage Refresher

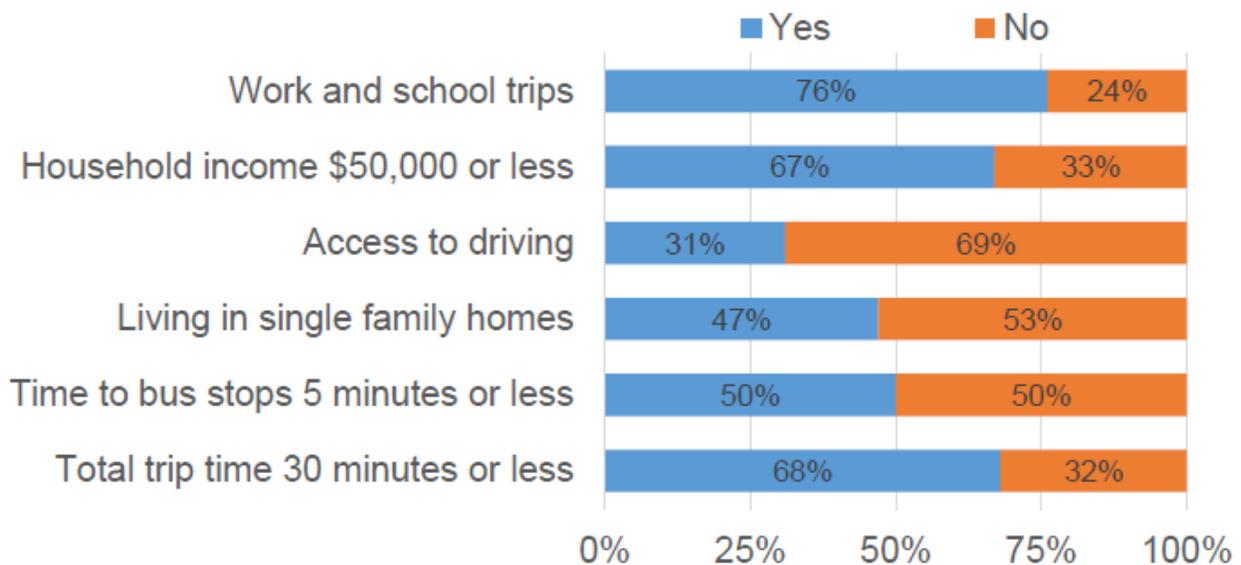
Mr. Forest Yang presented on the topic of ridership vs. coverage, principles for service design, for discussion by the Board in preparation for a more in-depth discussion at the next Board retreat. He reviewed the concept and then described the status of the pre-pandemic service, the pandemic impact, and next steps.

He concluded his presentation prior to Q&A reminding the Board and public that this is a community choice and how important it is to understand the community's preference as it relates to ridership or coverage. For future service planning, AAATA plans to engage the community for their feedback; understanding where the community's preferences are will help AAATA refine their actions in future service planning.

Mr. Hewitt described a trend of concentrating fixed route service on the major corridors and using other types of services to feed into those corridors. Mr. Yang agreed that this is a current trend, particularly in larger cities with areas of low ridership being subsidized by alternative forms of transportation rather than fixed route. Mr. Hewitt noted that Uber has sold off their autonomous vehicle division, possibly indicating that they have given up on it.

Mr. Allemang asked how the below fixed route rider profile helps him think about the future.

Pre-Pandemic Riders Profile



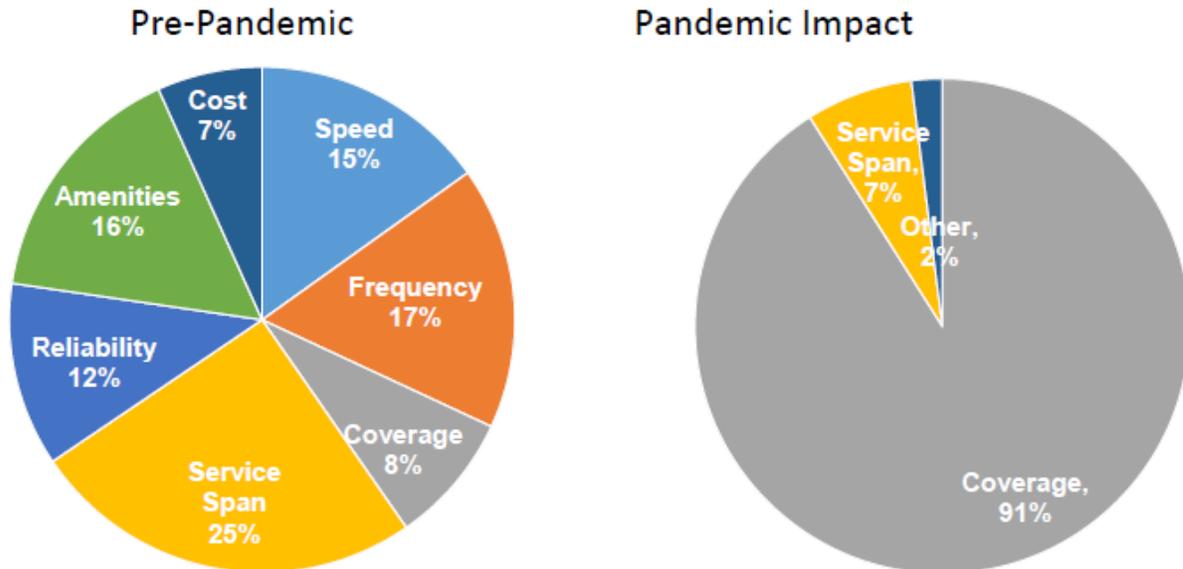
Mr. Yang responded that this was from a 2017 on-board survey. This tells him that for the people who are riding today, the service is pretty good. But the people that are riding today are mostly lower income and do not have access to driving. He noted that if AAATA were to attempt attracting more people for their services, that there may be a big market for that – AAATA could attempt to discover what they could change to attract more people, whether that be via frequency or a larger coverage area. He pointed out that 31% of AAATA's riders are choice riders, but there is a lot more there to attract. He also noted that more could be attracted if AAATA can do more in terms of land use.

Mr. Allemang described that the discussion of ridership vs. coverage at the last retreat came down pretty solidly on ridership. Then the pandemic came, and AAATA realized they were possibly not giving coverage to the people who really needed to have it, which swayed him in the direction of coverage. But he described that this is a

pandemic, not the way it is going to be, which is swaying him back on a post-pandemic thought that the heart of it has to be ridership and its impact on the congestion and pollution.

Ms. Sims described her appreciation for the below pie charts in the presentation depicting riders' coverage priorities pre-pandemic vs. during the pandemic.

Riders' Feedback



Ms. Sims agreed with Mr. Allemang; seeing the pre-pandemic pie chart that riders requested 8% for coverage is pretty good; AAATA was doing pretty well in that area pre-pandemic. She described that if the community does get back to normal relatively soon, perhaps the Board was on the right track when ridership priorities were established. She also noted that the composite of riders illustrates for her that there is the potential for a lot of work to be done on the Ends toward being an attractive alternative to the single occupancy vehicle.

Mr. Miller described his view that the core of people absolutely dependent on the service, that will be riding the buses no matter what, really care about coverage. He expressed that the pie charts were shocking to him, especially when put in context with the idea that in order to provide more frequency, it could mean pulling service away from low ridership areas. He described his difficulty with the heart of the debate of ridership vs. coverage, that one comes at the expense of the other. He shared that he does not want to reduce coverage. He is in support of providing more frequency, but he would rather focus the conversation on increasing the millage, increasing the budget, so that AAATA can provide more frequency without sacrificing service to those that are still riding the bus because they have to.

Ms. Gott expressed her agreement with Mr. Miller and described that some of the community's frontline workers have suffered due to the loss of service. She described that she is very focused on immediate needs, that over the next 12-18 months, it is not known what normal will be or when there will be a new plateau. She expressed her view that it is going to be different for a while, and how critical it is for those frontline workers that are going to need to continue to get to their jobs, especially healthcare workers, to do so. She hopes that AAATA will continue to make that a priority and remain open minded that the world is going to function a little differently after the

pandemic. She noted that it has been shown how many more people can work remotely, and it may be a gradual transition to something requiring AAATA's flexibility.

Mr. Miller described his view of the pandemic revealing structural issues that were already there and possibly exacerbating them, more so than causing the issues. He shared his support for the use of FlexRide if it can be done in such a way that it provides the same level of service. He asked if an on-demand service can be operated to provide a level of service comparable to fixed route. If not, he fears that those that can afford to live in transit corridors will have one level of service, and those who cannot afford to live in denser areas will have another, potentially contributing to a have and have not system.

Mr. Yang noted that the FlexRide East was expanded in November to now provide weekend services, a similar service as fixed route. He agreed that in order to make it a viable option it must be made sure that it is workable for the people that use it.

Mr. Miller asked if FlexRide can provide the same service where a person can get a ride when they need it, at a cost that is acceptable to AAATA. Mr. Yang answered that in most cases, yes. He used the FlexRide solution in Pittsfield as an example of where operating costs were much lower. He described the ability to get a similar ridership with smaller vehicles and much less operating cost.

5. STRATEGY & OPERATIONAL UPDATES: CEO

5.1 Service Restoration Plan

CEO Carpenter reminded the Board of a plan presented last month to restore most services. He described the goal of having consensus between the Board and staff on the restoration, about how fast to restore AAATA's full expenses and the tolerance for financial risk. He described a lot of support received from the Board last month for the restoration of service, as well as the risks associated with restoring expenses which include uncertain state funding over the next 2 years. CEO Carpenter expressed the need for the Board and staff to make a decision by mid-January in order for the staff to begin moving decisively toward giving the public a look at the details in February, with a "final" decision to be made by May.

He also described the uncertainty of federal relief funding, that staff will make the best assumptions they can based on the information they have. If the circumstances change, staff will have to adjust the course going forward.

Mr. Hewitt expressed his assumption that staff are baking into the plan, even with restoration of nearly full service in August, that ridership will take a fair amount of time to get back to satisfactory levels. CEO Carpenter responded that they are doing so. He noted that staff certainly want to be prepared for a strong V-shaped or U-shaped recovery, but there is a strong reality that telework, telecommuting, and telemedicine has really come into its own, and a lot of previously regular commuters may or may not be commuting in the future. However, he shared his view that a lot of regular commuters will return, though it may take 3-5 years to get back.

Mr. Allemang described the amount of cash that is coming from the CARES Act and how that is projected to run out, as well as the risk of having lower state funding, which would probably trickle down from the federal government providing less funding to the states. He also described that there may be some transportation funding coming up soon. But he noted that there has not been talk amongst the staff and Board about the potential of any one-time, short-term transportation funding coming to AAATA as an additive to the CARES Act funding. He asked how that might change the current plan.

CEO Carpenter shared that he and Mr. Metzinger have had several conversations on this point and Mr. Metzinger brought forth some ideas for the Executive Team's consideration earlier this week. He asked for a little more time to further develop some scenarios should the course change and to start having those discussions next month. He did share that if AAATA does get more money from the next relief bill, it is expected to be considerably less than what came from the CARES Act. The next proposal is expected to be more-heavily weighted toward the larger systems (New York, Boston, Chicago, Denver), with only about half of what the transit industry has asked for.

Mr. Chang asked if AAATA could partner with the DDA to do a poll of businesses to answer some of the questions about ridership. He suggested polling businesses to see what their short- and long-term remote working plans are, as well as from where their employees who might be returning to work will be traveling. He described that this might inform details of what routes might best serve those employees by being restored, which could be different from pre-pandemic ridership. Mr. Chang also asked how it is communicated when buses have reached capacity.

CEO Carpenter will take the idea of surveying with the DDA back to staff for discussion. He noted that could lead to more precision in the restoration.

Mr. Smith shared that there have not been any reports of getting 20 passengers at any one stop; overloading has not so far been a problem. The protocol in place with the drivers is that when they reach 15 passengers, they are to call in so the preparations to send a back bus can begin. At 20 passengers, drivers stop picking up any new passengers and let HQ know that as well. So far, those passenger loads have not been seen yet.

Ms. Mozak-Betts expressed her hope that the continuation of additional services to hospitals can continue when service is restored, even though it is more than was provided pre-pandemic. CEO Carpenter described that bringing back full expenses will provide services that are going to be slightly different. Staff are going back to the 5YTIP and tweaking those plans. Specifically, AAATA is going to continue service to St. Joe on the weekend. Medical facilities are likely to still be a priority by August and Fall of next year. He noted that service will not be exactly the same 5YTIP, even though it is the same budget.

5.2 EZ Fare Update (Verbal)

Mr. Metzinger provided an update on EZ Fare, AAATA's pilot project attempting to promote safer, cashless, contactless fare payments. He shared the below graph describing the EZ Fare sales thus far. He described that the sales are growing quickly with a positive growth trend. He noted that staff are also tracking the number of ticket activations (uses), which was 2500 to date. This is the total number of passenger trips using mobile ticketing. By far, these rides were on fixed route buses except for 36 rides that took place on ARide.

EZfare Total Sales by Month



December sales are projected based upon \$1,400 in sales through Dec. 17.

Mr. Metzinger shared that next steps are to continue to monitor the performance and conducting a Title VI analysis a little later this year to measure any impact on low-income populations. There may be an impact for those that do not have access to a mobile device, so there may be future improvements that can be made to make cashless and contactless payments available to everyone.

Mr. Chang asked if EZ Fare is only for specific routes. Mr. Metzinger explained that EZ Fare is currently available on all fixed route services and ARide. Mr. Chang asked what the total percentage of AAATA riders are actually using EZ Fare. Mr. Metzinger will calculate that percentage for Mr. Chang. He noted that as a percentage of total use, the percentage is pretty low, but it is a great start.

5.3 CEO Report

CEO Carpenter described how AAATA has continued to be very diligent about defending their staff against COVID-19, including the use of automated thermometers and a rigorous screening process. He shared that there has been only one case of even suspected staff to staff transmission. However, AAATA is unfortunately seeing more staff report positive tests, in line with the uptick in the community. CEO Carpenter reported that AAATA has not gotten to a point that they need to pull back service due to a lack of manpower but are on high alert. The community will be alerted as soon as it becomes apparent if anything needs to be changed; contingency plans are being developed. Right now, though, it does not appear necessary. CEO Carpenter complimented the staff on their safety diligence.

CEO Carpenter also congratulated Mr. Metzinger and his team for once again winning the distinguished budget presentation award from the GFOA for the third year in a row.

Chairman Mahler asked where AAATA's essential workers fit into the phased vaccine rollout. He also asked if there has been any consideration of the vaccination, whether or not it might be something to offer and/or compel people to do.

CEO Carpenter confirmed hearing directly from the Washtenaw County Health Authority that, following CDC guidelines, transit workers are classed as essential

workers. They are priority level 1B. Healthcare workers, nursing homes, frontline healthcare people are 1A and then essential supporting workers (police, firemen, and transit workers). After that is the general public. CEO Carpenter described that the vaccine for 1B is speculated to be distributed in dates ranging from March to May. He shared that staff are getting legal opinions from labor attorneys right now to determine if AAATA will require the vaccination for staff.

Mr. Miller asked about the Open Meetings Act (OMA) compliance. CEO Carpenter reported that legal counsel Mel Muskovitz will be getting back to AAATA soon. He shared that what he is seeing, at least for the first few months of 2021, virtual meetings will still be permissible. Each Board member may need to state the location that they are presently in, in order to know that there is actually a state of emergency in the locality that the Board member is in. CEO Carpenter will get back to the Board members as soon as it has been cleared by legal counsel.

6. EMERGENT BUSINESS

None.

7. CLOSING ITEMS

7.1 Topics for Next Meeting:
Disclosure Statements Due (Policy 3.3.2.1)
Global Executive Limitation (Policy 2.0)
Service Restoration Plan, Conclusion
Board Retreat

7.2 Public Comment

Jim Mogensen described that 50 years ago when TheRide first started, they did so by having fixed route service on the main corridors and having dial-a-ride service hook up to the fixed route service, which may have been difficult in some scenarios, leading to changes to the fixed route service. He also noted that when surveys are constructed, it is important for TheRide to consider how many riders are commuting in to a park-and-ride to a bus as opposed to riders that live in Ann Arbor, 5 minutes away from a bus station, who choose not to drive.

He also described that prior to the 5YTIP and the first millage in 2014, local bus service in Ypsilanti was 60-minute service. When the millage happened, some of those things were modified and mitigated because during the 2009 recession, he described how stimulus funds were used to provide service to Ypsilanti. When that stimulus service stopped, it was unclear how Ypsilanti was going to pay for the service necessary. He encourages thinking through what is being looked at and measured and how that directs policy. He expressed that the pie charts of the 91% make a whole lot of sense to him because people are concerned about how the service has been modified.

[7.3 Board Assessment of Meeting \(Electronic\)](#)

7.4 Adjournment

Mr. Hewitt moved to adjourn, seconded by Mr. Chang.

In support of the motion:

Mr. Allemang: Yes

Mr. Chang: Yes

Ms. Gott: Yes

Mr. Hess: Yes

Mr. Hewitt: Yes

Mr. Hunter: Yes

Mr. Miller: Yes
Ms. Mozak-Betts: Yes
Ms. Sims: Yes
Chairman Mahler: Yes

The motion passed unanimously.

Chairman Mahler adjourned the meeting at 9:08pm.

Respectfully submitted by: Keith Everett Book

DRAFT

Governance Committee Meeting Summary

Meeting Date/Time: December 18, 2020, 9:00-10:30am

Location: REMOTE – Via Zoom

Meeting Chair: Eric Mahler

Committee Meeting Attendees: Mike Allemang, Roger Hewitt, Kyra Sims

AAATA Staff Attendees: Matt Carpenter, Forest Yang, Bryan Smith, John Metzinger

Chairman Eric Mahler called the meeting to order at 9:05 am.

Discussion Items
1. OPENING ITEMS
<p>1.1 Agenda (Additions, Approval) CEO Carpenter requested to add an update on the RTA and the City of Ann Arbor at the end of section 3 if time allows.</p>
<p>1.2 Communications None.</p>
2. POLICY MONITORING & DEVELOPMENT
<p>2.1 Committee Agendas</p> <p><u>Service Committee:</u> Mr. Hewitt would like to add a discussion to the agenda about how the Board might engage AAATA’s legal owners as the Board moves into long-range planning and potential considerations such as dedicated bus lanes and service agreements. He expressed needing a strategy about how and when to talk to the legal owners, and what to talk to them about.</p> <p>Chairman Mahler expressed wanting more shared responsibility across the Board with ownership linkage. He discussed potential topics with legal owners being service plans, funding agreements, resource allocation, and Articles of Incorporation. He described having a smaller number of general meetings about a number of topics with the heads of the governing bodies, and whoever they might want to invite, as opposed to doing ad hoc reach outs and having multiple meetings.</p> <p>CEO Carpenter suggested trying to understand what the legal owners care most about in an effort to establish alignment.</p> <p>Chairman Mahler may solicit feedback and ideas on ownership linkage via e-mail from the Board.</p> <p>Mr. Allemang noted that Governance Coach Ms. Rose Mercier had provided the previous Ownership Linkage Taskforce a couple of years ago with an outline and procedure that had been interrupted and may be worth reviewing. Later in the meeting, Ms. Sims suggested getting a revised Ownership Linkage Task Force in place soon.</p>

Discussion Items

Chairman Mahler will reboot the Ownership Task Force to possibly include Mr. Miller and/or Mr. Hunter, Mr. Hess, and Mr. Chang. CEO Carpenter suggested Mr. Allemang be on the task force as well since he led the last task force, to which Mr. Allemang agreed.

Mr. Hewitt described the importance of developing personal relationships with leadership.

Finance Committee:

Mr. Metzinger suggested adding an operational update on the Toyota Funding Agreement and an accounting system update to add a restricted account for capital investments. Mr. Allemang agreed that both of those could be added.

Board of Directors:

Chairman Mahler changed the information type of the CEO Evaluation discussion to "other" rather than "decision preparation". He also added a Board Retreat Update at agenda item 3.2 for a discussion of Board Retreat topics, speakers, planning and format. It was discussed that the Board Retreat will be two half-days, the first in late February, the second in early March. Mr. Allemang suggested getting the Board's date preferences for the retreat ASAP, to which Chairman Mahler agreed.

2.2 Other Governance Issues (as assigned)

2.2.1 LAC Task Force Report

Chairman Mahler, Ms. Mozak-Betts, & Ms. Sims will meet this month and hope to have a recommendation for the direction of the LAC at the next Board Meeting.

2.2.2 Transportation Funding Agreements

A discussion of ownership linkage and a communication from AAATA's legal counsel concerning Transportation Funding Agreements ensued.

2.2.3 CEO Evaluation

Chairman Mahler will circulate the CEO evaluation form to the Board.

2.2.4 Meeting Assessment (12/17)

There was no discussion.

3. STRATEGY & OPERATIONAL UPDATES: CEO

3.1 Service Restoration Plan

CEO Carpenter reported that staff had nothing to add to the short-term plan discussion had the night before at the December 17th AAATA Board Meeting unless the Committee had questions. There were no questions.

3.2 Long Range Service Planning Process & Retreat

CEO Carpenter described how staff sees the planning process coming together over the next 15 months, the overall game plan, and how the Board Retreat fits into that as well. He suggested introducing this first at the Committee meetings prior to the next Board meeting as an opportunity for the Board and staff to start getting into service plan details and high-level discussions about where AAATA is going over the next 25 years with transit service. Chairman Mahler and the Governance Committee agreed with beginning this discussion with the Committees ASAP as proposed by CEO Carpenter.

Discussion Items

Mr. Hewitt reminded the Committee that the whole planning of a millage is a tight timeline. Mr. Allemang expressed his appreciation for the process that CEO Carpenter has laid out.

Chairman Mahler expressed that seeing all of the steps in the process will be helpful for Board members.

3.3 RTA and City of Ann Arbor Update

CEO Carpenter described an article from the Free Press that interviewed the big four in Detroit who generally expressed their hope to get back to transit. He shared his understanding that there is no plan for RTA to replace their General Manager or CEO potentially until after winning a millage in 2022. He also described that RTA staff are attempting to get the technical plan in position so that if they do run a millage in 2022, that they are ready.

CEO Carpenter shared that he has been in discussions with RTA and WATS on how to effectively get the community up to speed on RTA's plan.

CEO Carpenter also shared that Tom Crawford, Ann Arbor's City Administrator, is developing an Ann Arbor strategic plan, which he is happy to see.

Mr. Allemang asked what next steps might be or how AAATA fits into what the City recently passed regarding transit-oriented development. CEO Carpenter described that AAATA has been made aware that they are considered necessary for the next stages, more understanding of which should develop after the New Year.

Chairman Mahler expressed his hope that AAATA can help direct the transit-oriented plan while getting AAATA's long-range service planning goals out for the City's buy-in.

4. CLOSING ITEMS

- 4.1 Topics for Next Meeting
 - Monitoring Report 4.0-4.4
 - CEO Evaluation
 - Board Retreat
 - Ownership Linkage Task Force

- 4.2 Adjournment
 - Chairman Mahler adjourned the meeting at 10:28am.

Respectfully submitted by: Keith Everett Book

Service Committee Meeting Summary

Meeting Date/Time: January 6, 2021, 3:00-5:00pm

Location: REMOTE – Via GoToMeeting

Meeting Chair: Roger Hewitt

Committee Meeting Attendees: Kathleen Mozak-Betts, Jesse Miller, Ryan Hunter

AAATA Staff Attendees: Matt Carpenter, Bryan Smith, John Metzinger, Forest Yang

Meeting Chair: Roger Hewitt

Chairman Hewitt called the meeting to order at 3:03pm.

Discussion Items	
1. OPENING ITEMS	
1.1	Agenda (Additions, Approval) Ms. Mozak-Betts motioned to approve the agenda, seconded by Mr. Miller. The agenda was approved.
1.2	Communications None.
2. POLICY MONITORING & DEVELOPMENT	
2.1	<p>LAC Task Force Report Ms. Mozak-Betts reported that the LAC Task Force met in December and their recommendations will go before the Governance Committee at their next meeting. She noted that there were minimal housekeeping edits made to the recommendations made by Governance Coach Rose Mercier.</p> <p>The importance of gathering the LAC members more often than is legally required (once a year) was discussed. Ms. Mozak-Betts asked when the LAC will meet next. CEO Carpenter will follow up with staff.</p> <p>Mr. Miller questioned the purpose of mandating that someone from the Board attend the LAC meetings. He also suggested that the LAC might be given the opportunity to request speaking at any Board meeting, not just at those the Board requests of them.</p> <p>Ms. Mozak-Betts expressed her impression that having a Board member present at LAC meetings has enhanced their meetings in the past. She described being able to assist with questions that come up, as well as the ownership engagement opportunity it provides. She expressed not being sure how the LAC would feel about a Board member not attending their meetings.</p> <p>Chairman Hewitt will take these concerns back to the Governance Committee.</p>
2.2	<p>Global Executive Limitation (Policy 2.0) CEO Carpenter highlighted compliance with this policy will be demonstrated when staff submit all scheduled monitoring reports, and the Board accepts them.</p> <p>He noted some inconsistencies raised by Mr. Raymond Hess via e-mail between the</p>

table presented in the report and what is on the website. CEO Carpenter will sort out some factual errors upon resubmitting the monitoring report.

CEO Carpenter also noted that the interpretation of compliance with this policy being demonstrated when staff submit all scheduled monitoring reports, and the Board accepts them, may not be sufficient. Mr. Hess addressed this with CEO Carpenter as well. CEO Carpenter noted that his may be an interpretation that the Board does not accept.

Mr. Hewitt asked if an Executive Limitation with a measurement of imprudence can be proven.

Mr. Miller suggested that Governance Coach Rose Mercier may have some information to shed light on the interpretation of compliance with this policy. He also noted that policy 2.2 has been moved to June of 2021 from November of 2020 via the recently adopted monitoring report schedule for FY2021. He expressed some concern that this report has not been monitored since December 2019 and not during the pandemic. CEO Carpenter shared that the staff survey has been conducted and the information is being evaluated.

2.3 Ownership Linkage / Ypsi Agreements

The Committee discussed a communication from AAATA' s legal counsel.

3. STRATEGY & OPERATIONAL UPDATES: CEO

3.1 Long-Range Planning Process

CEO Carpenter presented an outline of the process, the plan for the plan, with the main steps and key considerations, in chronological order. He noted that the retreat will be the first critical step in this process and will officially kick-off the in-depth discussion.

Ms. Mozak-Betts asked where public input is in the plan. CEO Carpenter described that public input is key to the discussion and is intended for later in 2021 in order to get on the opposite side of the pandemic, in hopes of more opportunity to gather in-person feedback.

Mr. Miller asked who is identified as stakeholders for the interviews. CEO Carpenter described examples of municipalities, universities, elected officials, key institutions, the library and school Boards.

Mr. Yang added that some work was done in December 2019 via public discussions and many of the key stakeholders will be identified by feedback from those public discussions.

Mr. Miller suggested adding stakeholders from community organizations, such as the Interfaith Council for Peace and Justice, as well as the Park Ridge Community Center. Ms. Mozak-Betts suggested Jewish Family Services or Catholic Social Services. CEO Carpenter asked the Committee to e-mail Mr. Yang with the organizations that they would like to be included in the public interviews. Chairman Hewitt suggested major employers and GoPass! users.

Chairman Hewitt noted that this is a very tight timeline for the Board and particularly for the staff. CEO Carpenter shared his hope that by January of 2022 it will be clear what can be accomplished in August of 2022. He noted that the 24-year plan will best be considered in 5-year chunks.

3.2 Service Restoration Plan

CEO Carpenter described that feedback collected in November and December from the Board has encouraged staff to move forward with planning to restore full-service expenses, with this month being the deadline for changes or new perspectives.

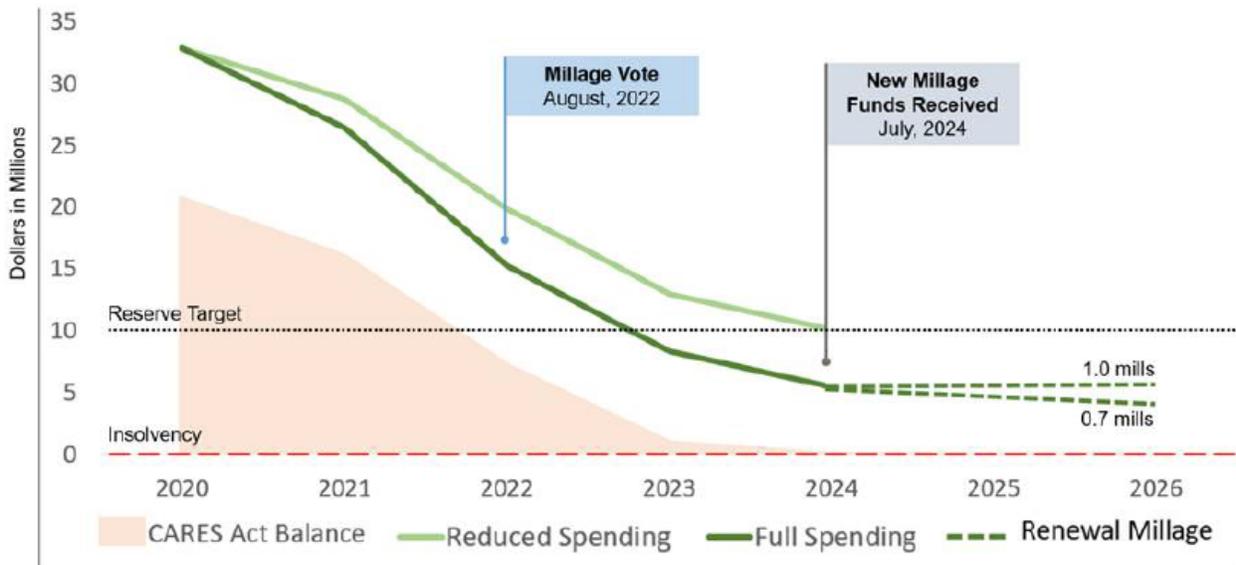
Chairman Hewitt asked if the service plan being implemented in August will be

represented by the dark or light green line on the below graph.

Figure 1

FINANCIAL CAPACITY PROJECTION (Q3 FY2020 through FY2026)

Projection of total available cash/investments and CARES Act funding at the annual low-point of June 30 each year.



CEO described that the current plan is to move forward with the dark green line, making somewhat of a dip into reserves by 2024.

Mr. Metzinger explained that the graph shows the lowest point of each year, but there are peaks and valleys from which AAATA recovers throughout the fiscal year. Mr. Hewitt noted that if there is no new millage, services may have to be reduced.

CEO Carpenter noted that this was the structure deficit trajectory that TheRide was on before the pandemic.

Mr. Miller asked about the services not being restored or changed, what the process might be for involving the public in those decisions. CEO Carpenter noted that the public will be given the proposal for any service changes to consider. He described that public feedback on the proposals may certainly rearrange them. He emphasized that changes will be fully discussed and transparent.

Mr. Miller asked for version numbers or dates going forward on repeated reports in Committee and Board packets.

4. CLOSING ITEMS

4.1 Topics for Next Meeting

- Q1 Service Report
- Long Range Planning Process
- Board Retreat

4.2 Adjournment

Mr. Miller motioned to adjourn, seconded by Ms. Mozak-Betts. Chairman Hewitt adjourned the meeting at 4:14pm.

Respectfully submitted by: Keith Everett Book

DRAFT

Finance Committee Meeting Summary

Meeting Date/Time: January 12, 2020, 3:00-5:00pm

Location: REMOTE – Via Zoom

Meeting Chair: Mike Allemang

Committee Meeting Attendees: Raymond Hess, Kyra Sims, Rich Chang

AAATA Staff Attendees: Matt Carpenter, Bryan Smith, John Metzinger, Rosa-Maria Njuki, LaTasha Thompson

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

Discussion Items
1. OPENING ITEMS
<p>1.1 Agenda (Additions, Approval) Mr. Metzinger asked to add the topic of additional federal Coronavirus aid after agenda item 3.2. He also asked to add a discussion of delaying the Q1 Finance and Service Reports to March during the discussion of topics for the next meeting. These agenda items were added, and the agenda approved with those additions.</p>
<p>1.2 Communications None.</p>
2. POLICY MONITORING & DEVELOPMENT
<p>2.1 FY2020 Audit Update (Verbal) Ms. Thompson reported that the audit is progressing. She noted there were only a handful of adjustments thus far, no significant findings she is aware of. The sign-off is predicted for approximately January 26th.</p> <p>Ms. Thompson noted that there have been some changes to the 2020 financial report from the first close, different from what the Board saw last month, by about \$50K on the bottom line as far as net income and \$500K in revenues.</p>
3. STRATEGY & OPERATIONAL UPDATES: CEO
<p>3.1 Long-Range Planning Process CEO Carpenter introduced the process for getting a vision in place. He highlighted the below Gantt chart indicating the tight timeline. He noted that the timeline gets particularly full in about 12 months with regard to planning for the 2022 millage.</p>

Discussion Items

Attachment 2: Gantt Chart Illustrating Process TimeLine

Draft for discussion																												
Task	2020			2021												2022												
	Oct	Nov	Dec	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Long Range Vision/Plan																												
Technical Work																												
Board Education																												
Board Retreat																												
Public Input																												
Stakeholder Interviews																												
Public Feedback on Scenarios																												
Public Feedback on Draft recommendation																												
Final technical work																												
Approval																												
Develop Aug 2022 Millage																												
Assemble proposal																												
Approve Ballot Lanaguge																												
Campagin																												
Millage/Referendum Day																												
(RTA Millage Referendum)																												

CEO Carpenter pointed out that the Board retreat plays a significant part in the long-range planning process. Chairman Allemang asked if this process outline is the same as last month. CEO Carpenter noted that it is basically the same.

Ms. Sims asked about hiring consultants to assist with the long-range plan. CEO Carpenter described that consultants would be supplementing AAATA staff to do a lot of the labor-intensive leg work that is specific to big overhauls of transit systems. Staff on hand are more experienced and consumed with daily operations, whereas the consultants can look more so to history and projections.

Mr. Hess asked if a consultant would be the point person. Mr. Yang noted that the planning staff is at capacity with the service restoration. Some initial analysis done in 2019 will be used, and provided to the consultant, who will essentially lead the project, with involvement from the staff. Mr. Hess was supportive of that approach.

Chairman Allemang expressed liking the outline of what staff are planning to do. He asked how the public input is expected to work. CEO Carpenter explained the theory that the process could have more credibility if public input is done as late into the pandemic as possible in order to potentially hold live public comment meetings. Mr. Yang noted that in March and June there will be a lot of public engagement for the service restoration plan, which will take priority over the long-range planning. This is another reason for delaying public input on long-range planning to later in the Fall.

Chairman Allemang asked about engagement with the legal owners and elected leaders. CEO Carpenter reported that the Ownership Linkage Task Force and consultants hired by AAATA working on external relations will assist with engaging these stakeholders. Mr. Yang noted that legal owners will be contacted in March for the service restoration plan. Chairman Allemang agreed that it might be easiest to separate addressing the service restoration plan from the long-range plan with the legal owners. CEO Carpenter described starting from previous expectations in the discussions of the long-range planning.

Chairman Allemang asked about the City's transportation plan. Mr. Hess addressed this at the end of the meeting. He described the contract that was awarded by City Council. The City has a plan draft called [Ann Arbor Moving Together Towards Vision Zero](#) that is posted on the [a2gov.org](#) website. The action now is to receive comments on the draft

Discussion Items

plan. He noted that there is a focus on safety in the plan, to have zero serious accidents and zero fatalities by 2025.

Mr. Hess described the other significant influence in the plan, the A2Zero Carbon Neutrality Plan, which has a target of achieving carbon neutrality by 2030. The strategy is to reduce the number of people who drive by 50%, and then put the rest into some kind of emission-free, alternative vehicles. He highlighted the List of Actions in the document starting on page 64, especially those that AAATA should be mindful of as the potential lead.

Chairman Allemang pointed out that cooperation and coordination will be key between TheRide and the City. Comments on the plan can be sent to Eli Cooper or Mr. Hess. Mr. Hess shared that the feedback thus far has been largely complimentary of the direction the plan is going.

3.2 Capital Reserve Discussion

Mr. Metzinger described that a capital reserve is supported in many best practices for transit agencies, though it is rarer in Michigan. He noted that according to the FTA, one contributing factor to why previous AAATA capital projects have not been selected for funding is due to AAATA's lack of a local capital program. Staff intend to establish a capital reserve in the accounting system for local contributions to major capital projects. This new restricted asset, which will appear on the statement of net position (balance sheet) for transparency in financial reporting, will help ensure local funding is available to support key capital projects. The opening balance will be \$1 million for land acquisition, as was authorized with adoption of the FY2021 budget.

Chairman Allemang and Mr. Hess shared their excitement for this proposal. Mr. Hess noted the support that is reportedly expected from the newly elected federal administration, which could make this timely.

Ms. Sims asked it would be in a regular cash or savings account. Mr. Metzinger described that this may need to be put into a longer-term investment.

Mr. Metzinger described some surplus funding on the horizon that may be used in this capital reserve, to be placed toward longer-term capital projects.

Chairman Allemang asked about restrictions on utilizing a capital reserve. Mr. Metzinger noted that there could be the ability to transfer funds back out of the capital reserve into the operational reserve, as long as it is done properly with transparency. Chairman Allemang described that, in his opinion, funds going into and out of the capital funds should be subject to Board approval. CEO Carpenter noted that these sorts of reserve funds are not common usually because many transit agencies do not have the surplus, and sometimes the funds need to be hijacked for shorter-term needs. He described that changes can be made along the way, but this gets at self-discipline, in order to save for larger endeavors.

Chairman Allemang expressed liking showing this as a line item on the balance sheet. He suggested that operating reserves as a line item on the balance sheet might also be wise. Mr. Metzinger noted that specific discussions will likely be held about this soon.

Discussion Items

Chairman Allemang and Mr. Metzinger discussed that an operating-number-of-months target may not be the best measurement of the operating reserve when expenses have been reduced by the pandemic.

3.2 Additional Federal Coronavirus Aid

Mr. Metzinger described that the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) includes additional federal funds for transit agencies. It is unsure just yet how much supplemental funding this will bring to Ann Arbor, but it will be in addition to the CARES Act funding. He shared that the RTA and FTA will be clarifying what this means for TheRide. He described that there may be a flipping of the approach to consider spending the federal aid more rapidly for short-term operations and using other revenues for long-term operations.

Chairman Allemang asked when this topic would get to the full Board. CEO Carpenter expressed that understanding the potential is in the works, with the understanding that some restrictions may pop up later in the program. Mr. Metzinger anticipates that some more information may be available about how much is coming to TheRide by the January Board meeting.

When consideration of how to use the resources is documented, Mr. Hess asked for inclusion of the timeline for expenditure of the different funding sources. Mr. Metzinger noted that the timeline for expenditure is typically 5 years, with the uses limited to operation and capital projects that relate to the pandemic. Mr. Metzinger noted needing more time to understand the restrictions, but that the documented chart showing the financial forecast may change with this additional funding.

3.3 Service Restoration Plan

CEO Carpenter described that this month is the deadline for a decision to move forward with the service restoration plan. After the January Board meeting, he will need to pull the trigger on the plan. He noted that additional funding will be one-time funding, perhaps delaying the onset of a deficit, but it will not radically change the infrastructure deficit still expected. Chairman Allemang shared CEO Carpenter's emphasis that supplemental funding will be one-time funding.

3.4 FY2022 State Application Resolution

Mr. Metzinger described the annually required application and Board resolution for AAATA to apply for transit state funding. He noted that the actual amounts can change later on, but this is the first technical step in the application process.

3.5 Toyota Funding Update

Mr. Metzinger described a presentation that he made last year on innovative transit, which included private partnerships. He shared that a new partnership with Toyota for FlexRide will provide additional operational and marketing funding for FlexRide over the next 18 months in the amount of \$704,000. This partnership is an effort by AAATA and Toyota to promote ridership.

Mr. Hess asked if this would fit into the current structure of FlexRide. Mr. Metzinger described that this support will be a funding source for the current, already expanded FlexRide service due to the pandemic. There will not be a contribution of actual Toyota vehicles for expansion of the fleet or service. FlexRide service has been expanded to backfill needs in areas where fixed route service was reduced. AAATA has recognized the need and innovative opportunity for additional funding to support operations and

Discussion Items

promotion of FlexRide service, while opening further capacity for service restoration. The funding will be used for these purposes while fixed route service levels are restored through the remainder of FY2021 into FY2022.

Ms. Sims and Mr. Chang expressed being happy to see this private partnership and hope that it will lead to others.

Chairman Allemang asked about any obligations from the funding. Mr. Metzinger noted that operating and financial data that is already being collected will be required via reporting to Toyota. CEO Carpenter noted that this funding will not be used in a manner that would put AAATA in a position where the one-time funding would create a service that could not be sustained after the funding is used.

Mr. Metzinger described that Community Relations is currently working on a plan to use this funding to promote FlexRide and Travel Training.

4. CLOSING ITEMS

4.1 Topics for Next Meeting FY2020 Audit Report

Financial Condition & Activities (Policy 2.5)

Q1 Finance Report – Mr. Metzinger described that the February Finance Committee meeting is overly full with the audit, creating a staff capacity restraint that happens yearly. He proposed that the Q1 Finance and Service reports be presented in March in order to present a fuller and more accurate report following the closeout. Chairman Allemang provided his support of this direction, which will be brought to the Board for their consideration.

4.2 Adjournment

Chairman Allemang adjourned the meeting at 4:50pm.

Respectfully submitted by: Keith Everett Book

ISSUE BRIEF: FY 2022 State Funding Application

Meeting: Board of Directors

Meeting Date: January 21, 2021

RECOMMENDED ACTION(S):
Recommend resolution for Board approval.
PRIOR RELEVANT BOARD ACTIONS & POLICIES
<ul style="list-style-type: none"> FY 2021 Resolution to authorize state application (adopted in January 2020) FY 2022 Forecasts presented with FY 2021 Budget (adopted in September 2020)
ISSUE SUMMARY:
AAATA is required to apply to the Michigan Department of Transportation (MDOT) annually for state funding for transit. This is a routine application due by February 15, 2021. A Board resolution is required to authorize the application for financial assistance, and MDOT has a required format for the resolution.
BACKGROUND:
<p>AAATA's FY 2022 application for state funding is a proposal for capital matching funds of federal dollars, as well as annual state operating assistance.</p> <p>The first element of the application is for capital funding. This portion of the application will consist of the FY 2022 Capital Plan that was presented for context with AAATA's adopted FY 2021 Budget. The state capital assistance AAATA will receive will be based ultimately on federal grant application project amounts determined by fall 2021 Board adoption of AAATA's FY 2022 Budget.</p> <p>The second element is an operating budget for FY 2022. This portion of the application will consist of the FY 2022 Operating Budget Forecast that was presented for context with AAATA's adopted FY 2021 Budget. A proposed budget is required to be submitted with the application, but it is an estimate subject to change before the beginning of the fiscal year with the Board's FY 2022 Budget adoption.</p> <p>The capital figures will be reconciled with AAATA's federal grant application due in June 2022. The state operating assistance AAATA will receive will be based on our actual expenses next year, rather than on the expenses in the application.</p>
IMPACTS OF RECOMMENDED ACTION(S):
<ul style="list-style-type: none"> Budgetary/Fiscal: Approves request for approximately \$16 million in state revenue, including approximately \$14 million for operations and approximately \$2 million for capital investment. Social: Supports access to public transportation in the community. Environmental: Funds low-emission diesel buses and sustainable transit service.
ATTACHMENTS:
<ol style="list-style-type: none"> 1. Resolution of Intent to Apply for Financial Assistance for Fiscal Year 2022 under Act 51 of the Public Acts of 1951, as amended

Attachment 1

RESOLUTION OF INTENT TO APPLY FOR FINANCIAL ASSISTANCE FOR FISCAL YEAR 2022 UNDER ACT 51 OF THE PUBLIC ACTS OF 1951, AS AMENDED

WHEREAS, pursuant to Act 51 of the Public Acts of 1951, as amended (Act 51), it is necessary for the Ann Arbor Area Transportation Authority (AAATA) established under Act 55 of 1955 to provide a local transportation program for the state fiscal year of 2022 and, therefore, apply for state financial assistance under provisions of Act 51; and

WHEREAS, it is necessary for the AAATA, to name an official representative for all public transportation matters, who is authorized to provide such information as deemed necessary by the State Transportation Commission or department for its administration of Act 51; and

WHEREAS, it is necessary to certify that no changes in eligibility documentation have occurred during the past state fiscal year; and

WHEREAS, the performance indicators for this agency have been reviewed and approved by the AAATA; and

WHEREAS, the AAATA, has reviewed and approved the proposed balanced budget and funding sources of estimated federal funds \$19,149,885, estimated state funds \$15,799,935, estimated local funds \$16,668,984, estimated farebox funds \$5,925,604, and estimated other funds \$1,796,268, with total estimated expenses of \$59,340,676.

NOW THEREFORE, be it resolved that the AAATA hereby makes its intentions known to provide public transportation services and to apply for state financial assistance with this annual plan, in accordance with Act 51; and

HEREBY, appoints Matthew Carpenter as the Transportation Coordinator, for all public transportation matters, who is authorized to provide such information as deemed necessary by the State Transportation Commission or department for its administration of Act 51 for 2022.

Eric A. Mahler, Chair

January 21, 2021

Kyra Sims, Secretary

January 21, 2021

**Monitoring Report:
Global Executive Constraint (Policy 2.0)
(Oct 2019 - Dec 2020)**

**Service Committee: January 6th, 2021
Board Meeting: January 21st, 2021**

INFORMATION TYPE:
Decision
RECOMMENDED ACTION:
That the Board review this monitoring report and consider accepting it as (B), in compliance, except for items noted; or (C) is making reasonable progress towards compliance.
PRIOR RELEVANT BOARD ACTIONS & POLICIES
The Board monitored organizational performance through scheduled monitoring reports in FY 2020.
ISSUE SUMMARY:
<p>The board has monitored organization performance through Executive Limitation monitoring reports, financial reports, service reports and other ad-hoc reports and updates. Due to the pandemic, not all reports were completed or submitted. <u>We should also note that in November 2020 the Board adopted a staff-proposed change to the schedule for monitoring reports which changed the dates for some submissions.</u></p> <p>I certify that the information in this report is true and complete to the best of my ability, and I request that the Board accept this as indicating an acceptable level of compliance, or as making reasonable progress considering the unusual circumstances of 2020.</p> <p align="center">CEO's Signature Date</p> <p align="center">  January 8, 2021 </p>
BACKGROUND:
Executive limitation policies limit the unilateral authority of the CEO and address what the Board values as imprudent or unethical conditions or actions. Although sections and subsections are numbered, the numbering is not intended to indicate the importance or weight of the underlying section, unless otherwise stated.
ATTACHMENTS:
Global executive constraint monitoring report.

Policy 2.0: Global Executive Constraint

Preliminary CEO Interpretations and Evidence

POLICY 2.0

The CEO shall not cause, allow, or fail to address any practice, activity, decision, or organizational circumstance that is either unlawful, imprudent, or in violation of commonly accepted business practices or professional ethics.

Degree of Compliance: Partially compliant

Interpretation

The Board has fully interpreted this policy in the policies 2.1 through 2.11.
Demonstrated achievement of those policies constitutes achievement of this policy.

Further, I interpret this policy to mean that we must ensure that the organization's actions comply with relevant laws, demonstrate forethought and care for the consequences of our actions, demonstrate good ~~judgement~~judgment, and take only reasonable risks.

Compliance with this policy will be demonstrated when staff submit all scheduled monitoring reports and the Board accepts them.

Evidence (REVISED Jan 2021)				
	Policy monitored?	Reasonable interpretation?	Board Decision	Notes
2.1 Treatment of the Traveling Public	Yes <u>Due</u> January 2020	Yes	B. Is in compliance except for items noted	On time
2.2 Treatment of Staff	Yes Due Nov 2020 2019	N/A	N/A	On time
2.3 Compensation & Benefits	No Due March 2020. <u>Not submitted.</u>	N/A	N/A	Monitoring report was completed and is available on the website . However, it was not submitted to the Board due to capacity constraints caused by the pandemic.
2.4 Financial Planning/ Budgeting	Yes September 2020	Yes	A: Is in compliance	On time
2.5 Financial Condition & Activities	Yes <u>Due</u> <u>February</u> <u>April</u> 2020	Yes	B. Is in compliance except for items noted	Delayed <u>and submitted in April.</u>
2.6 Cash & Investments	Yes <u>May-April</u> 2020	Yes	A: Is in compliance	On time Delayed and submitted in <u>May.</u>
2.7 Ends Focus of Grants	Yes December 2019	N/A	A: Is in compliance	This policy was deleted in November 2020.
2.8 Asset Protection	Yes March 2020	Yes	B. Is in compliance except for items noted	Monitoring report was not completed or submitted due to the pandemic. Delayed and submitted in <u>June.</u>
2.9 Emergency CEO Succession	Yes June 2020	Yes	A: Is in compliance	On time
2.10 External Relationship	No June 2020. <u>Not submitted.</u>	N/A	N/A	Monitoring report was not completed or submitted due to the pandemic.
2.11 Communication & Support To the Board	Yes Oct-Due <u>April</u> 2020	Yes	B. Is in compliance except for items noted	Delayed <u>and submitted in October.</u>

All [presented executive limitations](#) were accepted as either level A, B or C. However, due to the pandemic not all executive limitations were presented and/or monitored. For that reason, I report only partial compliance on this policy.

Guidance on Determining “Reasonableness” of CEO Interpretations

The International Policy Governance Association has developed the following guidance for Board members to use in deciding whether a CEO’s interpretation is “reasonable”:

An interpretation is deemed to be reasonable when it provides an operational definition which includes defensible measures and standard(s) against which policy achievement can be assessed...

Defensible measures and standards are those that:

- *Are objectively verifiable (e.g., through research, testing, and/or credible confirmation of observable phenomena.)*
- *Are relevant and conceptually aligned with the policy criteria and the board’s policy set.*
- *Represent an appropriate level of fulfillment within the scope of the policy.*

- “What makes an Interpretation Reasonable and What are the Expectations for the Operational Definition: Policy Governance Consistency Framework Report Number 2”. International Policy Governance Association. June 11, 2016. Available on the IPGA website.

Board’s conclusion on monitoring report

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:

Ends Report (select one)

The Board finds that the CEO:

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

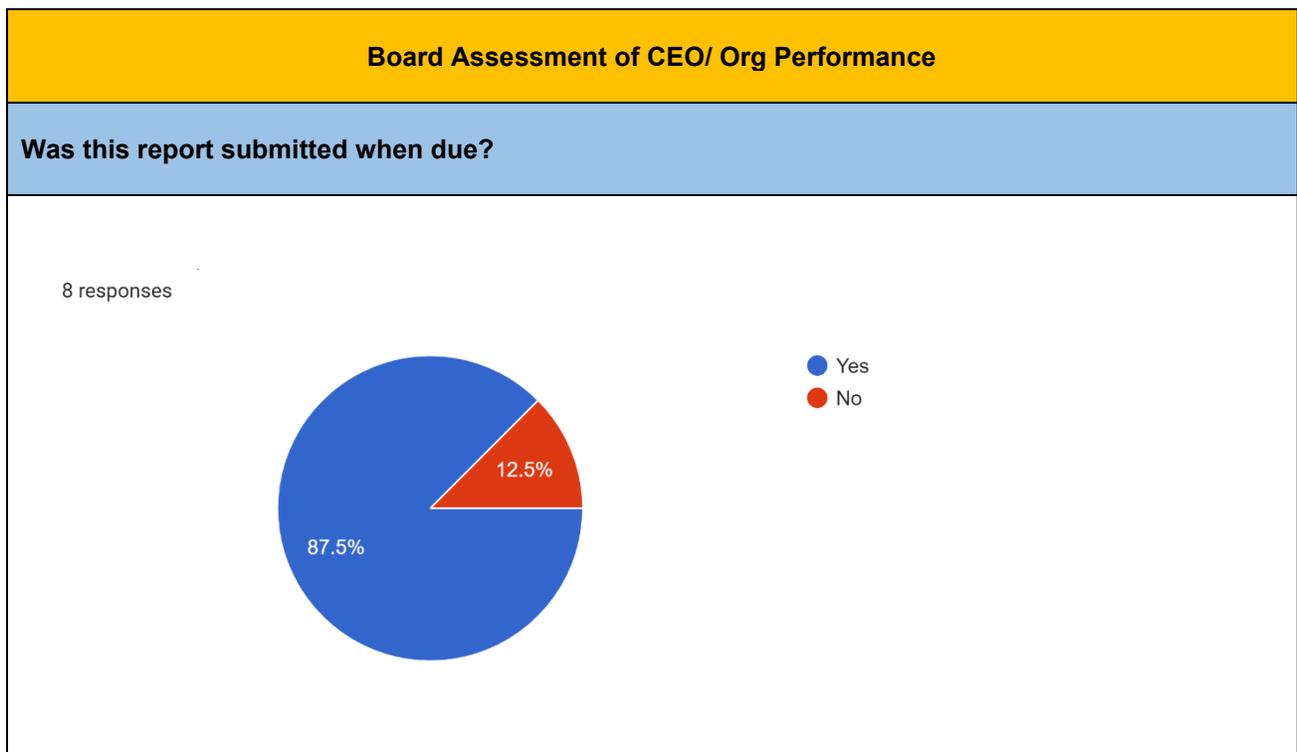
Board notes: (If applicable)

**SURVEY RESULTS:
Global Executive Constraint (Policy 2.0)
(Oct 2019 - Dec 2020)**

**Service Committee Review Date: January 6, 2021
Board Meeting Review Date: January 21, 2020**

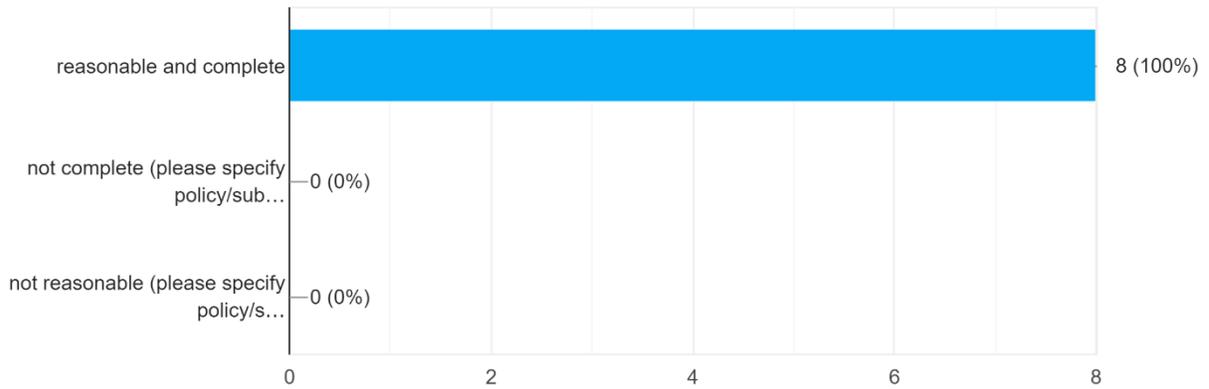
Survey Participants: 8 Board Members

Note: Each bullet represents a comment by a different Board member.



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

8 responses



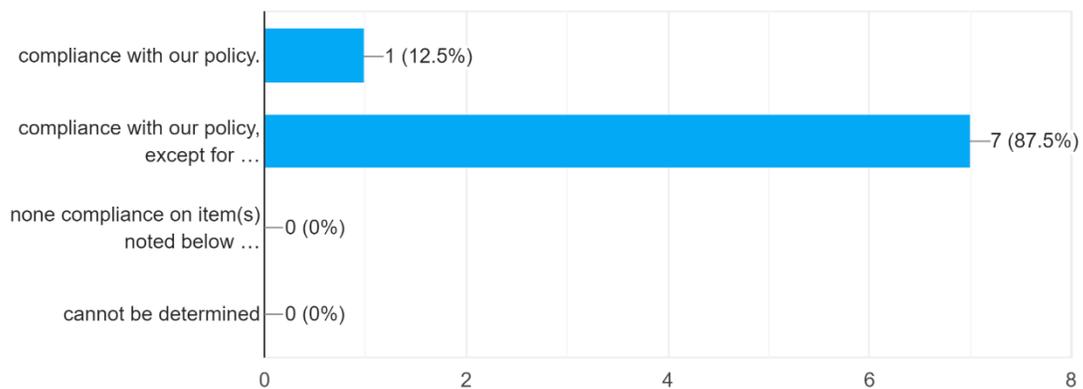
Board Assessment of CEO/ Org Performance

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

- Item 2.10 external relations.** The report simply states that while due in June it was not completed because of the pandemic. There was no timeline included as to when a report could be expected. I believe that during this critical time it is important to review external relations and want a report completed and made available to the board if the other board members are in agreement.

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

8 responses



Items not in compliance (if any):

- 2.3 & 2.10, as noted. Certainly understandable they were not submitted due to pandemic.
- The ones noted by the CEO's report under evidence.
- Items noted in the report.
- Parts of 2.1, 2.5, 2.8 2.11. In addition, several were delayed or not submitted due to the pandemic. Board comments to the CEO encouraged addressing pandemic issues over monitoring reports.
- 2.3 and 2.10 (oddly 2.8 was stated as being in compliance but the note section states that the report was not given due to the pandemic. Please clarify).

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?

- No.
- No.
- No.

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

- N/A.

Optional: Comments for the CEO

- Level of reporting was acceptable given the conditions.
- It would be helpful, at least during the pandemic, if the 'Evidence' chart could be updated for the Board quarterly. This would allow us to be aware of what reports are delayed or missed.
- The CEO has acted in a forthright manner that is satisfactory.

Potential Improvement(s):

- No comments.

Comments on the report itself:

- I agree with the CEO's interpretation that 2.0 is interpreted through each of the subpolicies. So I do not find the format or content of this report unacceptable.
- Straightforward and easy to understand.

ISSUE BRIEF:
Certification of Disclosure of Financial or Personal Interest

Board Meeting Review Date: January 21, 2021

INFORMATION TYPE:
Information
RECOMMENDED ACTION(S):
Review the annual disclosure form. Certify that disclosures have been received from all Board members and required staff.
ISSUE SUMMARY:
The “Annual Certification of Disclosure of Financial or Personal Interest” is completed by Board Members, Executive Staff, Senior Management Staff, and Procurement Personnel. The Manager of Purchasing, who coordinates the annual disclosures, confirms that all required disclosures have been received by Board members and staff as of January 15, 2021.
BACKGROUND:
<p>Board Policy 3.3 requires annual ethics disclosures by Board Members:</p> <p>Policy 3.3 The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board member.</p> <p>Policy 3.3.2 Members must avoid conflicts of interest with respect to their legal duties of care and loyalty.</p> <p>Policy 3.3.2.1 There will be no self-dealing or business by a member with the organization. Members will, each January, disclose in writing their involvements with other organizations, with vendors, or any associations which might be or might reasonably be seen as being a conflict.</p> <p>Disclosures are also required by Executive Staff, Senior Management Personnel, and Procurement Personnel per the ethics policy, as published in Procurement Manual.</p>
IMPACTS OF RECOMMENDED ACTION(S):
<ul style="list-style-type: none"> • Governance: Perform key Policy Governance process
ATTACHMENTS:
1. Annual Disclosures

Attachment 1

Ann Arbor Area Transportation Authority

Certification of Disclosure of Financial or Personal Interest

Ann Arbor Area Transportation Authority (AAATA) is the recipient of federal, state and local funds. It is therefore charged with expending its resources, financial and otherwise, in the best interest of the public. As a steward of public funds, AAATA requires that persons in – or potentially in – positions to affect AAATA’s financial decisions or the use of AAATA resources annually disclose current and potential conflicts of interest.

Furthermore, AAATA’s Board Policies require that the Board “commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.” Policy 3.3. It further stipulates that, “there will be no self-dealing or business by a (Board) member with the organization. (Board) members will, each January, disclose in writing their involvements with other organizations, with vendors, or any associations which might be or might reasonably be seen as being a conflict.” Policy 3.3.2.1

Therefore, each year, all AAATA’s Board of Directors, the Chief Executive Officer (CEO), Deputy CEO’s, Senior Management Team, and Procurement Staff, are required to comply with these requirements by

1. Reviewing AAATA’s Ethics Policy.
2. Review and sign this disclosure certificate.
3. If applicable, submit written disclosure statements of any real or potential financial or personal interest that may concern AAATA to the Manager of Purchasing. mwhitlow@theride.org

Please address any questions concerning this process to the Manager of Purchasing to mwhitlow@theride.org

Or

Manager of Purchasing
Ann Arbor Area Transportation Authority
2700 South Industrial Highway
Ann Arbor, MI 48104

By signing below, I acknowledge that:

I have read, understand, and agree to AAATA's Ethics Policy, and I will adhere to the policies presented.

I shall not intentionally or knowingly accept, agree to accept, or solicit any gift, favor, service, or other benefit that could reasonably be construed to influence my discharge of assigned duties and responsibilities or that a reasonable person in the same circumstances as myself would know or should know is being offered with the intent to influence official conduct.

I shall not engage in any business or professional activity that I or a reasonable person in the same circumstances as myself might reasonably expect would require or induce the disclosure of confidential information acquired by reason of the official position.

I shall not intentionally or knowingly accept, agree to accept, or solicit any benefit for having exercised my official powers or performed official duties in favor of another.

In the event that circumstances change and a potential conflict develops, I shall disclose to the Manager of Purchasing any personal financial interest, business interest, or any other obligation or relationship I, a family member, significant other, or spouse has that I or a reasonable person in the same circumstances as myself might reasonably expect would create a potential conflict of interest with the proper discharge of assigned duties and responsibilities.

I will comply with this policy. I understand that disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

Signature

Date

Name Printed

Title/Affiliation to AAATA

ISSUE BRIEF: Approach for Service Restoration

** As presented at the December 17, 2020 Board Meeting.*

Meeting: Board of Directors

Meeting Date: January 21, 2021

INFORMATION TYPE:
Other
RECOMMENDED ACTION(S):
Receive for Information, discuss and provide feedback to CEO.
PRIOR RELEVANT BOARD ACTIONS & POLICIES
Policy 2.4 regarding risk of fiscal jeopardy. Policy 2.10 regarding public credibility of agency.
ISSUE SUMMARY:
<p>The CEO has begun developing a plan to restore most transit service by August 2021. Assuming the pandemic is under control by then, the major remaining issues are expected to be: financial resources, tolerance for risk, and ridership that may remain low after the pandemic. Although the CEO has already been delegated most authority to develop and execute this plan, the Board retains budget and millage control, so a consensus approach is desirable. The CEO also wishes to share this approach with staff and the public so their feedback can also be considered as a final approach evolves. This memo outlines the emerging plan and is intended to spur discussion. A decision on spending levels will be necessary early in 2021.</p>
BACKGROUND:
<p>As the COVID-19 pandemic arrived, transit ridership declined across the country. In response, TheRide and many other agencies sharply reduced services. TheRide has since begun restoring services although ridership is still only about 20% of normal. However, it is important that we position ourselves to be able to restore services so that we can be available as the community returns to normal. Dr. Anthony Fauci has suggested that a vaccine may be available sometime between January and June, 2021.</p> <p>Before the pandemic, TheRide's finances were expected to slide into deficits in 2021. With federal CARES Act funds, the onset of deficits can be delayed until 2023-2024. However, the structural deficits will return and TheRide will need to seek additional millage funds in 2022 in order to maintain the level of services.</p>
IMPACTS OF RECOMMENDED ACTION(S):
<ul style="list-style-type: none"> • Budgetary/Fiscal: High – Impacts timing of deficits and includes financial risks. • Social: High–Impacts transit users and resumption of normal socio/economic activity. • Environmental: Low – some impact to auto use. Not able to define. • Governance: A major decision affecting policy compliance. This plan attempts to “thread the needle” and maintain compliance with Board policies pertaining to risking fiscal jeopardy (2.4) and maintaining credibility in the community (2.8.5).
ATTACHMENTS:
Attachment 1: Revised Approach to Service Restoration Attachment 2: Timeline and Considerations

Attachment 1: Revised Approach to Service Restoration

After considering updated financial forecasts, the community's need for transit service, and the likely timeline of the pandemic, the Executive Team has developed an emerging approach and rationale for restoring most services. Crucially, pre-existing structural deficits that were expected in 2021 have been delayed until 2024.

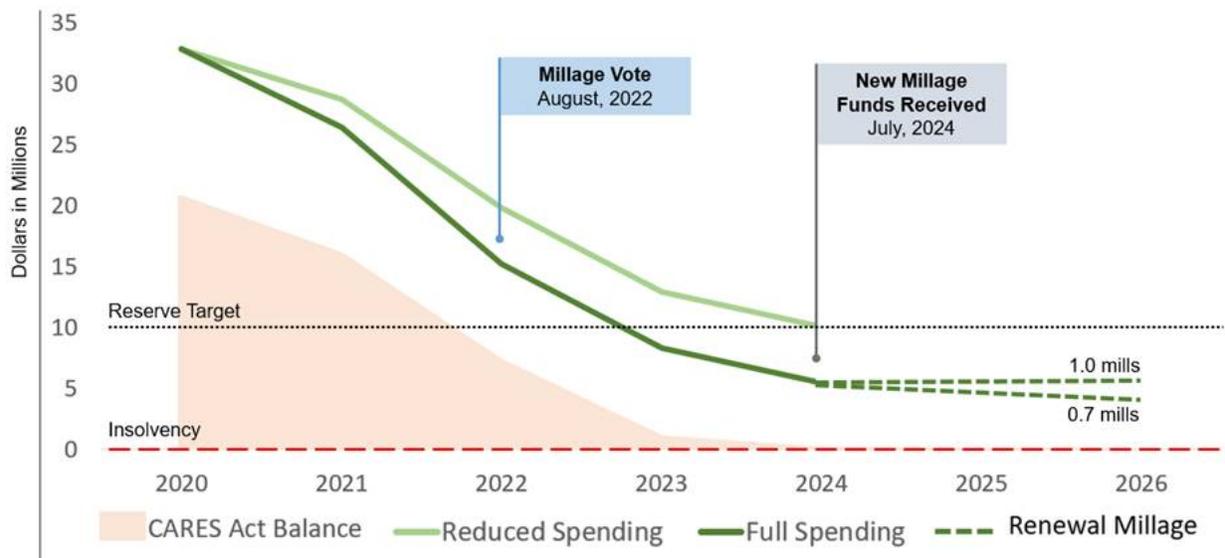
Updated Financial Forecast

As illustrated on the left side of the Figure 1 below, TheRide's pre-existing structural deficit creates a downward trend in the graph between 2020 and 2024. However, the onset of deficits has been delayed due to the one-time CARES Act funds*.

Figure 1

FINANCIAL CAPACITY PROJECTION (Q3 FY2020 through FY2026)

Projection of total available cash/investments and CARES Act funding at the annual low-point of June 30 each year.



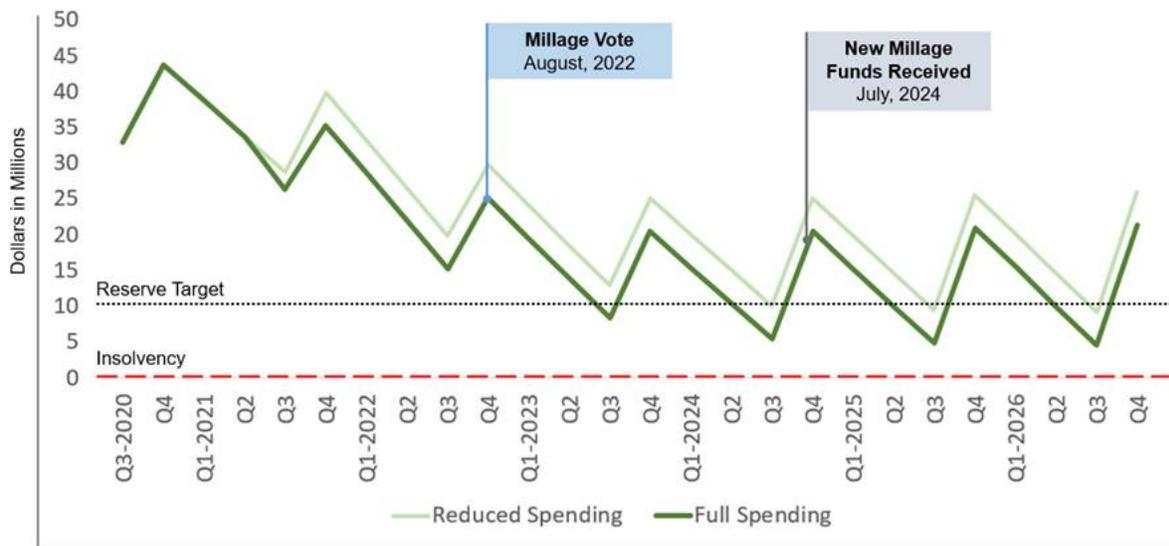
The two solid green lines illustrate the immediate decision facing TheRide – whether to continue with present Reduced Spending (less service, lower costs, funds last longer) or restore most pre-pandemic service (more services, higher cost, funds expended sooner). TheRide will have an opportunity to seek a higher level of funding in 2022 (dotted lines on right side) which would arrive in time to avoid permanent service cuts. However, this approach is not without risk, especially since ridership may remain low for several years after the pandemic is over. As an alternative approach, maintaining a lower level of spending does not save enough funds to truly change TheRide's financial position or the decisions we will need to make.

TheRide's annual cash flow is not smooth, and instead creates a "saw tooth" pattern as illustrated in Figure 2. This figure displays the same information by include actual cash flow. While both spending scenarios will require dipping into reserve funds in 2023-2024, those years would only be momentary as incoming tax revenues would be received a few weeks later.

Figure 2:

FINANCIAL CAPACITY PROJECTION (Q3 FY2020 through FY2026)

Projection of total available cash/investments and CARES Act funding at each quarter end for each year.



*CARES Funds

It is important to be clear about the limitations of CARES Act funds. By law, the funds can only be used for *pandemic-related expenses*. TheRide is using them for expenses such as lost fare-revenue, additional sanitation, and restoring/maintaining services. Since they are *one-time funds*, they should not be used to increase permanent, ongoing expenses, such as increasing salaries or starting new services. While they can delay the onset of deficits, they cannot prevent them. Finally, TheRide does not actually possess these funds, they are held by the FTA (Federal Transit Administration) and provided as *reimbursements* when requested.

Intended Approach for Service Restoration in August 2021

- **Funding:** Assuming State funding remains stable, we can use CARES Act funds to fund services until after 2022, when voters can decide if they wish to continue the services they've come to expect
- **Restore Most Service by August 2021:** Restoring almost all pre-pandemic services by August 2021. While not all service would be restored, a public planning process will be used to get feedback before changes are finalized.
 - **Fixed-Route:** Most 5-YTIP routes will be restored. Some under-used routes will not be brought back and savings reinvested to continue pandemic-related changes or address on-time performance issues. Details to follow.
 - **A-Ride:** Paratransit (A-Ride) may also be phased back in as envisioned in an earlier consultant report: ADA-minimum paratransit would be assured, while additional premium services would be brought back at a different price. This will help control costs. While no decision has been made, transitioning back to

contracted operations would free up AAATA staff and garage space to restore the fixed-route service.

- **Longer Term Planning:** The above approach buys us time and gives everyone a clear understanding of what to expect over the next 12 months. However, we also need to plan for a millage in 2022, and a longer-term vision/plan for services is also necessary. These efforts are starting and the CEO intended that they will be discussed as their own projects, separate from this immediate spending decision for 2021.

Pros

- We can afford to restore service which will benefit the community, riders, and begin rebuilding ridership, albeit with some risks.
- Provides a blueprint for the next 12 months so that board members, staff, and the public know what to expect and can discuss options.
- By restoring services, we will be seen as good stewards who have continued to keep the promises of the 5-YTIP.
- Not restoring some under-used services will allow us to continue to fund newer public health-related services, like weekend service to hospitals. We may also be able to fix some operational problems with earlier routes (on-time performance, confusing route names, etc).
- This approach is compatible with the intended use of CARES Act funds and eliminates the risk of having any left over after the pandemic.
- Gives us time (15 months) to build a plan for the 2022 millage, and possibly a long-term vision for services. Starts to shift focus from reactive (service restoration) to future-oriented thinking (what's in the 2022 proposal?).
- Allows recall of many bus drivers that were laid off.

Cons and Risks

- The pandemic is not over. Should there be another outbreak, we may need to divert buses to increase social distancing on crowded routes rather than filling coverage gaps. An outbreak among staff could force us to cut service.
- This approach does not *solve* the underlying challenge of structural deficits (ongoing costs exceed revenues). At most it only delays the onset of deficits until after a 2022 millage vote.
- Increases reliance on stable state and federal funding, however, the State and federal governments are still financially unstable. While we now have some certainty on FY2021, funding instability in FY2022 or FY2023 could jeopardize this approach. We are assuming these funds won't decrease. In FY2021 the state used its own CARES funds to fill budget gaps. It may not be able to do this again in future years.

Other Options

Other options consider include:

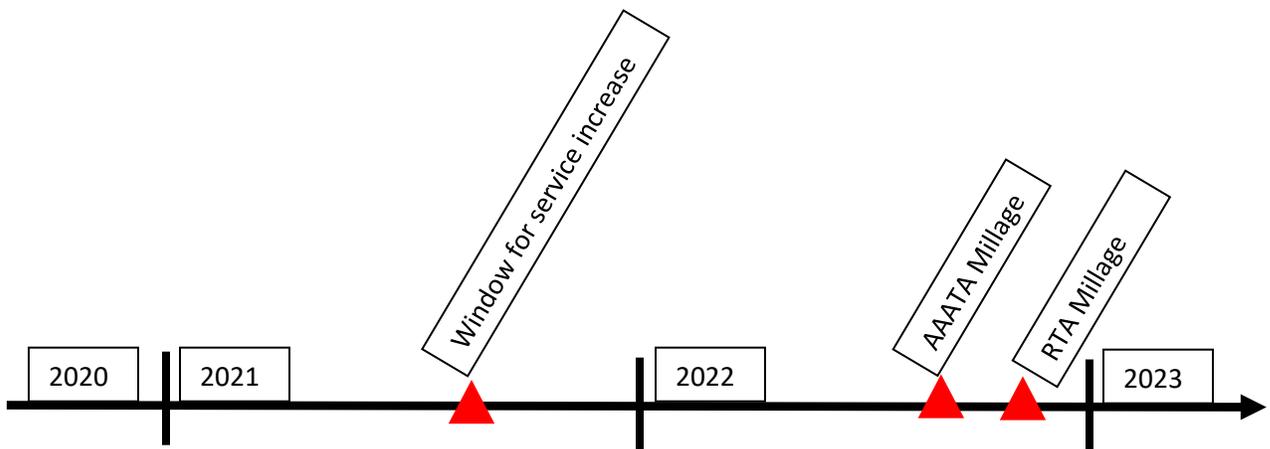
- Restoring every pre-pandemic service, even under-used or excessively expensive ones. This is not recommended because all resources need to be used to benefit the largest number of passengers, and we should continue providing increased access to healthcare centers.

- Maintaining low service levels as a hedge against future budget cuts. If we had reason to expect cuts to state or federal formula funding, we might want to maintain lower levels of service and continue spending CARES funds slowly. The risk here is impossible to know. While the state has funded its FY2021 budget, legislators have also said that they used up much of their one-time funds and future years could still see more cuts. We cannot know what will happen. Not recommended.

Attachment 2: Timeline and Considerations

Timeline

- The Federal government could increase funding for transit. Additional pandemic relief could be forthcoming, as could new routine transportation funding, and infrastructure stimulus funds. However, continued gridlock is possible. The state of Michigan’s budget forecast is uncertain and depends, in part, on federal actions.
- COVID-19 pandemic *could* be declining in 2021. Economic future unclear. Return of ridership demand for transit likely to lag general recovery for a few years.
- Logistically best time to make major increase in service would be summer/August 2021.
- RTA may go to polls in **Nov 2022**.



ISSUE BREIF: Preliminary Long-Range Plan Process

** As presented at the January 6, 2021 Service Committee Meeting.*

Meeting: Board of Directors

Meeting Date: January 21, 2021

INFORMATION TYPE:
Other
RECOMMENDED ACTION(S):
Options include: Receive for Information
PRIOR RELEVANT BOARD ACTIONS & POLICIES
The Board's policies guide staff's work in planning future services; Ends policies identify the outcomes/results the Board wants TheRide to achieve (policy 1.0), while Executive Limitation's constrain the CEO's options into acceptable courses of action (2.0). Within this paradigm, the CEO is empowered to develop plans to achieve the Board's Ends (4.3.3).
ISSUE SUMMARY:
The Board has already provided enough policy direction for staff to develop a long-range planning process. The CEO is presenting a preliminary process for developing a Long Range Plan (LRP) that will create a 20-year vision for public transit, as well as shorter-term implementation steps. The process includes opportunities for input and feedback for the Board, the public, riders, stakeholders, and interest groups. The CEO is seeking the advice and feedback from the Board on this preliminary process.
BACKGROUND:
A clear LRP for TheRide is desirable because it creates a clear blueprint for where the agency wants to go, and allows us to reassume our leadership position and control of the transit agenda in the community.
IMPACTS OF RECOMMENDED ACTION(S):
<ul style="list-style-type: none"> • Budgetary/Fiscal: Process will require consulting costs (already budgeted and approved) • Social: Significant public involvement anticipated. • Environmental: Will help advance environmental goals. • Governance: Board guides via policy. CEO develops plan.
ATTACHMENTS:
Attachment 1: Preliminary Long-Range Plan Process (for discussion) Attachment 2: Gantt Chart Illustrating Process Timeline

Attachment 1: Preliminary Long-Range Plan Process – “TheRide 2045” (for discussion)

Below is the preliminary process and timeline for developing a LRP, developing a millage plan for 2022, and incorporating Board retreats and Education into that process.

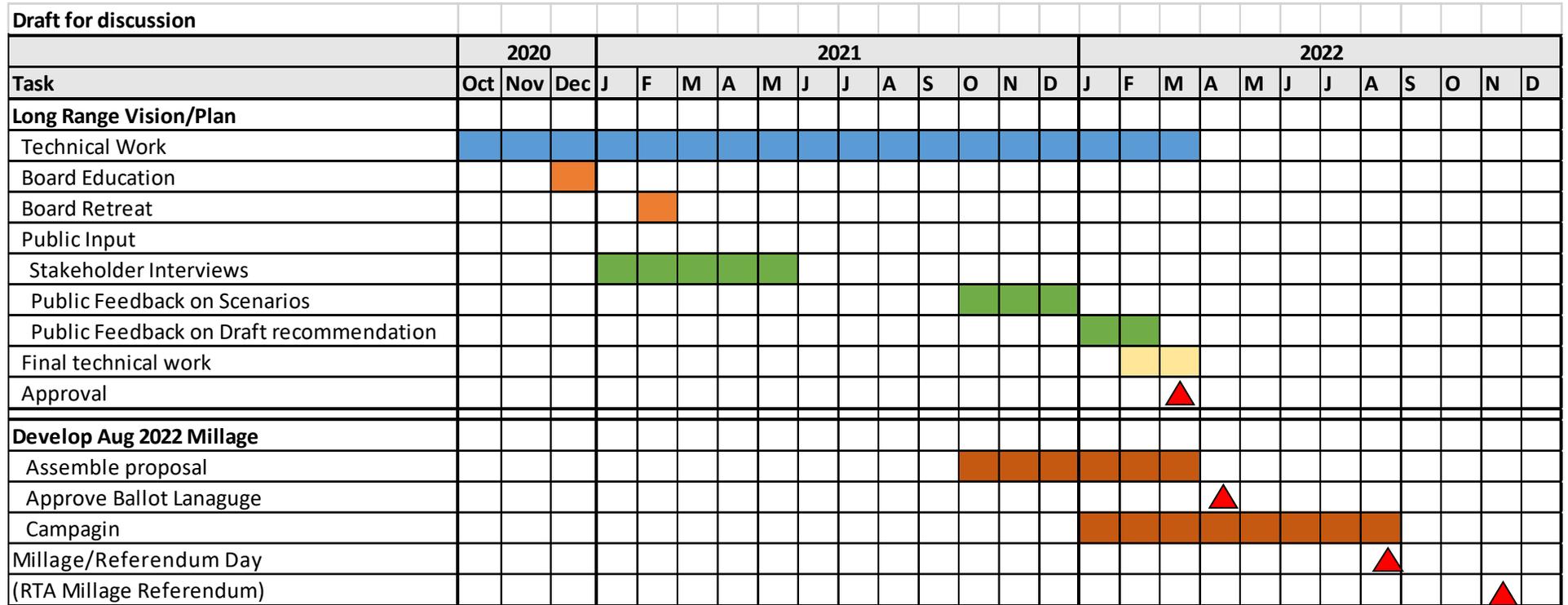
LRP Planning & Stakeholder Involvement: Jan-May 2021 – Develop long range vision for the future of transit. Will be divided into 5-year sections to guide future millage planning. How will final adoption be handled?

1. **Technical analysis.** Develop preliminary scenarios (low, medium, high). Already beginning. Consultants will assist. Continues throughout.
2. **Board engagement**
 - **Board Education:** Dec 2020 Introduce LRP process to Board. Review ridership/coverage discussion.
 - **Board Retreats:** February 2021 – Two half-day retreats with Board. Purpose: Outline planning process, review existing policy direction, present background, Introduce LRP scenarios (low, medium, high) and get feedback (Board deliverables: Policy changes [if any] and providing reactions to future service scenarios as Owner-representatives)
3. **Public/Stakeholder Involvement:** The pandemic creates challenges with credible public involvement. Scheduling to begin in Fall 2021 allows possibly of in-person discussions.
 - **1: Preliminary Input:** Initial 2019 public meetings supplemented with fresh stakeholders interviews (early 2021).
 - **2: Feedback on Scenarios:** Fall 2021: Seeking reaction to preliminary planning scenarios (e.g. low, medium, high investment options)
 - **3: Feedback on draft final recommendation:** Early 2022. Feedback sought on final recommendation. Approval of final vision.
4. **Final Refinements:** Technical work. Develop final technical recommendation
5. **Approval:** March 2022. Adoption of LRP

(Deliverable: A 24-year vision for the evolution of transit services in service of the Ends. Addresses common community aspirations. Implementation steps in 5-year increments.)

6. **Millage 2022 Proposal:** First step of implementing long range plan. Due to timing, will need to be largely developed before Plan final approval (ie Jan-March 2022). Ballot language due in April (? TBD) for August.
7. **Millage Campaign:** January-August – Millage Campaign by outside group. AAATA educates on content of ballot proposal.
8. **Referendum:** August 2022 – Referendum

Attachment 2: Gantt Chart Illustrating Process TimeLine



ISSUE BRIEF: CEO Report

Meeting: Board of Directors

Meeting Date: January 21, 2021

INFORMATION TYPE:

Other

OPERATIONAL & PROJECT UPDATES

- **STAFF CAPACITY**

After 10 months of intense work related to the pandemic, staff are becoming exhausted. Staff capacity and organizational capacity has been reached, and the CEO believes that pushing further will result in burnout, diminishing returns, and violations of Board policy 2.2 regarding the Treatment of Staff. To give staff a well-earned respite, the CEO is going to begin reducing workload, extending deadlines, and reprioritizing work. As per policy 2.11.1.5, the CEO is informing the Board of this change. It is not yet known exactly which initiatives will be delayed and more information will be forthcoming.

The Board should anticipate the CEO raising the challenge of staff capacity more often in the immediate future. The CEO appreciates the Board's understanding and patience.

- **VACCINATIONS FOR EMPLOYEES**

Washtenaw County has confirmed that transit agency staff are prioritized in phase 1B for vaccinations. Currently, vaccinations are still on-going for Phase 1A. However, transit staff are able to begin making appointments for vaccinations. The agency is strongly encouraging staff to get vaccinated on a voluntary basis.

- **M-RIDE CONTRACT EXTENSION**

The contract with the University of Michigan known as M-Ride, which pays fares for students and staff and was set to expire this year, has been extended through January 2022. This is to allow more time for AAATA and the University to reach terms on a renewal agreement after talks were delayed for the pandemic.

- **OWNERSHIP OUTREACH**

Board member Rich Chang joined the CEO at a DDA sub-committee meeting. Interfacing with other Board who share some of the same Moral or Legal Owners is a best-practice in Policy Governance Ownership Linkage.

- **TRANSIT ORIENTED DEVELOPMENT ORDINANCE (ANN ARBOR)**

Staff began working with City of Ann Arbor staff on this work and provide preliminary feedback on draft language.

- **CONTRACT AWARD**

As authorized in the 2021 budget, AAATA entered into a contractual agreement on December 30, 2020 with UKG/Kronos SaaS, Inc. for the acquisition of a Payroll and Human Resource Management System. This technology will replace our current systems and consolidate all Human Resource functions into a single-cloud based platform. The contract amount is \$186,838 for the 36-month initial term. The project will be fully implemented by late 2021.

- **RETIREMENT ANNOUNCEMENT**

After 37 years of dedicated service, Transportation Supervisor, Reginald (Reggie) Whitlow has announced that he will be retiring as of January 2021. TheRide offers its sincere and deep appreciation to Mr. Whitlow for his public service, dedication, and wisdom.

- **TRANSPORTATION COMMISSION (ANN ARBOR)**

Staff attended the December Transportation Commission meeting. The Commission received updates on the Lower Town Area Mobility Study and Seventh Street Process. Pop-up bike lanes were discussed.

- **WATS POLICY COMMITTEE UPDATE**

The Washtenaw Area Transportation Study (WATS) Policy Committee did not meet in December 2020. Another meeting is scheduled for January 20, 2021.