
Board of Director's Meeting Summary

Meeting Date: January 16, 2020

Location: Ann Arbor District Library, 343 South Fifth Avenue, **Lower Level Multi-Purpose Room**,
Ann Arbor, MI 48104

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

AAATA Staff Attendees: Matt Carpenter (CEO), Bryan Smith, John Metzinger, Mary Boonin, Kelly
Reynolds

Chairman Eric Mahler called the meeting to order at 6:35pm.

1. OPENING ITEMS
1.1 Approve Agenda Mr. Raymond Hess motioned to approve the agenda, seconded by Ms. Kathleen Mozak-Betts. The agenda was approved unanimously.
1.2 Public Comment None
1.3 General Announcements None
2. CONSENT AGENDA
Mr. Hess made a motion to approve the consent agenda, seconded by Mr. Roger Hewitt. The consent agenda passed unanimously.
2.1 Minutes

2.2 MDOT Application Resolution

RESOLUTION OF INTENT TO APPLY FOR FINANCIAL ASSISTANCE FOR FISCAL YEAR 2021 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 2021 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 \$11,417,909, estimated state funds \$20,478,381, estimated local funds \$18,020,476, estimated fare box funds \$7,552,590, estimated other funds \$2,498,317, with total estimated expenses of \$59,967,673.

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 2021.



Eric A. Mahler, Chair

January 16, 2020



Kyra Sims, Secretary

January 16, 2020

3. POLICY MONITORING & DEVELOPMENT

3.1 Committee Reports

3.1.1 Governance Committee

Chairman Mahler asked if there were any questions on the Governance Committee minutes in the packet. There were none.

3.1.2 Finance Committee

Ms. Kyra Sims highlighted that the Finance Committee received an update on 5YTIP and a brief audit update. She reported that auditors will be presenting to the Board in March. Mr. Jesse Miller asked if there had been another volunteer for the Audit Task Force. Ms. Sims informed him that there had not been.

3.1.3 Service Committee

Mr. Hewitt described that the entire meeting focused on the budget and 5YTIP.

3.2 LAC Report

Ms. Mozak-Betts reported that the LAC meeting was well-attended. She highlighted a discussion of issues with holiday rides. She explained that Ms. Michelle Willis was able to address and help the public understand the situation. Ms. Mozak-Betts commented that Ms. Willis attends every LAC meeting and is very helpful.

3.3 Monitoring Reports

3.3.1 Monitoring CEO Performance (Policy 4.4)

Chairman Mahler described the monitoring report as having generally positive feedback, with a low response rate.

4. BOARD EDUCATION

4.1 Funding Options

Mr. John Metzinger presented on Innovative Transit Funding, Creating Opportunities from Challenges. He highlighted the following:

- Great things TheRide wants to accomplish, that come with a large price tag (>\$100M):
 - Replace and expand Ypsilanti Transit Center
 - Expansion potential at BTC
 - Garage expansion
 - Bus Rapid Transit (BRT) along Washtenaw Ave.
 - Develop and implement Long Range Plan
 - Alternative propulsion systems
- Funding for Operations (FY2020 Budgeted): \$47.8 million; Capital Funding (FY2020 Budgeted): \$12.7 million – Mr. Metzinger explained from where TheRide’s funding for operations and capital funding come.
- TheRide’s challenges for innovation funding include limited local options & competing interests.
- There are more public transportation funding options available in some other states.
- Funding options available to TheRide include Value Capture and Public-Private Partnerships (PPPs).
- Debt financing options available to TheRide are Revenue Bonds and Federal Loans (TIFIA).

Chairman Mahler asked if revenue bonds could be tied to capital and operations funding. Mr. Metzinger explained that he believes there are opportunities for both but might be more often tied to capital. Chairman Mahler suggested exploring if it could be easier to tie it to operations over capital.

Mr. Metzinger went on to discuss:

- Michigan laws limit property tax growth.
- Competition for limited local funding is tense.

Ms. Sue Gott expressed interest in potential innovative opportunities in economic development funds.

Mr. Metzinger listed the FTA Competitive Programs: BUILD, Bus and Bus Facilities, and FTA Small Starts, explaining that TheRide had applied for two of these last summer for the Ypsilanti Transit Center, but was not awarded either.

Mr. Metzinger concluded his presentation with a discussion on the following action items TheRide could consider:

1. Build upon already-strong local support – potentially asking for additional millage.
2. Increase capacity for investment from federal formula. Mr. Hess explained that there is a risk of returning federal funds if capital isn't used within a given period of time. Mr. Hewitt asked if capital could be used for bond repayment. Mr. Metzinger explained that it most likely cannot, unless matched directly with a revenue.
3. Grow competitive advantage for discretionary awards. Mr. Miller asked if there has been a chance to review the winning build grants. Mr. Metzinger explained that the data is limited, but he has some information back from BUILD and will be using this to create an analysis. Mr. Carpenter discussed how gas taxes are used for federal government funding.

Mr. Hunter asked if there has been an ask for local support. Mr. Metzinger explained yes and there is room for improvement in gaining local support.

Ms. Gott asked about Grand Rapids' actions and if TheRide looked for opportunities from different state legislations, to possibly network with leaders around the state. Mr. Metzinger explained that opportunities are almost all linked to property taxes.

Mr. Hunter asked if there is a comparative grant winner that would work with TheRide on future applications. Mr. Metzinger explained that there is potential in a transit organization in Carbondale, Illinois, based off of the information received thus far from BUILD.

Mr. Miller asked with what TheRide is replacing the federal money. Mr. Metzinger explained that it is most likely local property tax. Mr. Miller asked if the revenue bonds could be used toward a new transit center. Mr. Metzinger explained that it is really about the revenue source. Fares that come from the asset might be eligible to pay for the new bond.

Chairman Mahler asked if projects that were also economic development would open TheRide up for other funding to seek. Mr. Metzinger discussed transit-oriented development.

Ms. Gott thanked Mr. Metzinger for his helpful presentation.

5. STRATEGY & OPERATIONAL UPDATES: CEO

5.1 Regional Transit

Mr. Carpenter clarified the ask from regional transit and emphasized the support that TheRide has historically offered regional transit, citing the TheRide's current efforts on the Detroit to Ann Arbor project as a recent example.

He described how last November, Washtenaw County joined with Wayne and Oakland Counties, and the City of Detroit to announce their intent to create a new funding partnership for regional transit using the Municipal Partnership Act. He pointed out the upside of a lot of money potentially being injected into public transit. He also pointed out that the agreement in its current state contains risks and challenges for TheRide and Washtenaw County. Mr. Carpenter described his path of discussions on the matter through the TheRide's Governance Committee and then to county leaders. From those discussions, it was asked that TheRide provide feedback for improvement of the agreement, which TheRide has begun to execute. Mr. Carpenter reiterated that the critique of the agreement in the Board meeting packet is a draft, as marked.

A couple challenges he highlighted were a very short timeline and a lack of clarity in the roles. He described Washtenaw County's commitment to make sure that the language is appropriately clear.

Mr. Carpenter led a discussion of constructive ways to improve the agreement, re-enforcing TheRide's commitment to regional transit and desire for it to succeed.

Chairman Mahler asked the Board members to please read the agreement carefully. He explained that the Washtenaw county representatives are behind TheRide to make sure the agreement is up to standard. He described the governance system laid out in the agreement as unclear and light on details. He wanted to reiterate that TheRide is a great supporter of regional transit by example and wants to see the legislation passed while upholding its responsibility to the constituents of Washtenaw County and TheRide supporters.

Mr. Hewitt expressed that TheRide is specifically named as a recipient of funds, though TheRide is not a signature of the agreement. He expressed that TheRide should be a signature.

Mr. Hunter expressed that the area he represents (Ypsilanti Township) is increasingly dependent upon public transit to the East in order to seek and gain currently better employment opportunities, and he hopes to see the legislation passed.

Mr. Hess explained how the devil can be in the details. He shares the concerns that Mr. Hewitt has. He also shares Mr. Hunter's concerns, looking for opportunities for greater connectivity.

Chairman Mahler suggested that TheRide must be careful that this doesn't do more harm than good, with the hope that it can move forward with improved governance and tax clarity.

Mr. Miller expressed that he would like to see more suggestions in TheRide's critique on how to improve the agreement in order for it to succeed. He also felt the initial critique was too negative.

Chairman Mahler described that trying to pass legislation without knowing what the technical plan will be is the challenge. He thanked the Board for their initial feedback and asked for additional feedback before the next AAATA Board Meeting.

5.2 Detroit-to-Ann Arbor Update (Verbal)

Mr. Carpenter discussed the required public feedback collected two weeks ago, with the most important item heard possibly being to lower the fares. He reported that the RTA met earlier in the day to sort through the fares, with the intent to approve it next month. He expressed being cautiously optimistic to have something in place for April, with a few details to be worked out, including an ask for a pass through of the central UofM campus depot, which is being discussed.

Ms. Mozak-Betts asked if there is a transfer available? Mr. Carpenter explained that the RTA is taking the lead on speaking to agencies in Detroit on the matter, which seems to be going well.

Mr. Carpenter explained that the RTA is the funding agency and TheRide is the administrative and management agent; TheRide is responsible for anything that isn't funding or conclusion of the fares.

Mr. Miller asked when can transit improvements get back to the East. Mr. Carpenter explained that if TheRide and RTA are successful with D2A2, perhaps more funding can be leveraged by gaining more local support. Mr. Carpenter expressed that an independently dedicated service for Ypsilanti to Detroit might be the best option. Mr. Miller asked about an intermediate stop on I94. Mr. Carpenter expressed that the service will be using I-96 and I-94, so cannot commit to a stop on I-94. This pilot will welcome adjustments once it is seen how the pilot project performs initially.

5.3 CEO Report

Mr. Carpenter had nothing to add on the written report unless there were questions. There were no questions.

6. EMERGENT BUSINESS

None.

7. CLOSING ITEMS

7.1 Topics for Next Meeting:
Annual Ends Monitoring Report,
Treatment of the Traveling Public (Policy 2.1)

7.2 Public Comment

Michelle Barney expressed appreciation for the improvement with the new vans. She also described her understanding that the lift vans have to have one disabled person in them at all times as uncomfortable. She asked for the communication systems for reservations and same-day reservations to be improved – expressing that there were 3-4 times that phones went down recently. She expressed her opinion that multi-county travel is blocked by racism and should be addressed. She asked for help learning who heads legislative committees so that she can contact to them. She expressed gratitude for the efforts that TheRide is making.

Jean Henry discussed climate agendas and the tone of the feedback on regional transit. She described the opportunity to come together and make it work. She expressed that rail not being a part is disappointing. She pleaded for the regional transit to happen.

Stephen Brown asked TheRide to work with local representation to make sure House Bill 5229 happens.

Alma Wheeler Smith (RTA Board Member for Washtenaw County) wanted to thank Mr. Carpenter and AAATA for the work they've done on D2A2. She expressed that RTA has some concerns with the preliminary draft of the contract as well for regional transit. She described RTA's agreement with the questions that TheRide is posing and thanked Washtenaw County for their support of RTA. Chairman Mahler expressed appreciating the partnership with RTA as well.

7.3 Board Assessment of Meeting

7.4 Adjournment

Ms. Gott motioned for the meeting to adjourn, seconded by Mr. Hewitt. Approval to adjourn the meeting was unanimous. Chairman Mahler adjourned the meeting at 8:20pm.

Respectfully submitted by: Keith Everett Book

Approved February 20, 2020