

Board of Director's Meeting Summary

Meeting Date/Time: April 22, 2021, 6:30-9:00pm

Location: Remote via Zoom

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

AAATA Staff Attendees: Matt Carpenter (CEO), Bryan Smith, Forest Yang, Caitlin Conway, Gwyn Newsome, Rosa-Maria Njuki

Meeting Chair: Eric Mahler

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

Discussion Items

1. OPENING ITEMS

1.1 Approve Agenda

CEO Carpenter asked to reverse the order of agenda items 4.2 (Retreat Follow-Up: Paratransit) and 4.3. (August Service Restoration Public Feedback).

Ms. Sue Gott moved to approve the agenda as amended, seconded by Ms. Kathleen Mozak.

Board members voted their support of the motion along with stating their name and the location from which they joined this virtual meeting:

Mr. Roger Hewitt in Ann Arbor voted yes.

Ms. Gott in Ann Arbor voted yes.

Mr. Mike Allemang in Ann Arbor voted yes.

Ms. Mozak in Ann Arbor voted yes.

Mr. Ryan Hunter in Ypsilanti Township voted yes.

Mr. Jesse Miller in Ypsilanti voted yes.

Mr. Rich Chang in Pittsfield Township voted yes.

Chairman Mahler voted yes.

The motion passed.

1.2 Public Comment

Mr. Robert Pawlowski asked for TheRide to consider selling 7-day passes and value passes. He also requested that TheRide buses issue free 4-hour transfers to any other route, including the same route. Additionally, he asked TheRide to consider getting articulated buses into the system, especially during peak hours.

Mr. Pawlowski ended by reporting that he had difficulty locating the agenda for this Board meeting. Chairman Mahler noted that the agenda is posted on TheRide's website. CEO Carpenter confirmed that the agenda and Board packet were posted to the website on Friday, April 16th and described how to access it via the following site path: <https://www.theride.org/about/leadership/board-directors/board-meetings>.

1.3 General Announcements

1.3.1 Farewell Sue Gott

Chairman Mahler announced that this meeting will be the last for longest tenured Board member Sue Gott. He noted that Ms. Gott started on the Board in 2012. She served on the Governance Committee and as the Chair of what is now the Service Committee. Chairman Mahler described her as a tireless advocate for continuous improvement, better processes, and fiduciary responsibility, and a real champion of regional leadership. He went on to express that the community and TheRide are better off because Ms. Gott was a part of the Board.

The Board and Staff presented Ms. Gott with flowers and TheRide bus stop sign depicting her name and years of service as a Board member.

Ms. Gott expressed that she has treasured working on this Board. She thanked Chairman Mahler for his kind and generous words. She described that it is wonderful working alongside people who are equally committed and passionate about the work the Board does. She shared that she has felt it was a privilege not only to represent Ann Arbor, but also to represent the University. As a practitioner in planning, she noted that so much of the work that is done is building community in Ann Arbor, Ypsilanti, the region, and connecting to Detroit, and it is all purposeful. She also acknowledged how much she has appreciated and learned from the people who have spoken to TheRide from the public, acknowledging the time and effort that people have put forth. She gave thanks for the opportunity.

Mr. Hewitt, Ms. Mozak, Mr. Allemang, Mr. Miller, Mr. Chang, and CEO Carpenter regaled Ms. Gott with their personal thanks and best wishes.

2. CONSENT AGENDA

2.1 Minutes and Committee Meeting Reports

Mr. Allemang moved to approve the consent agenda, seconded by Mr. Hunter.

In support of the motion:

- Mr. Allemang: Yes
- Mr. Chang: Yes
- Ms. Gott: Yes
- Mr. Hewitt: Yes
- Mr. Hunter: Yes
- Mr. Miller: Yes
- Ms. Mozak: Yes
- Chairman Mahler: Yes

The motion passed unanimously.

3. POLICY MONITORING & DEVELOPMENT

3.1 Committee Meeting Discussion

None.

3.2 Ownership Linkage Task Force (OLTF)

Mr. Allemang described ownership linkage as an essential part of policy governance. He noted that the current OLTF comprised of Mr. Allemang (Chair), Ms. Syms, Mr. Miller, and Mr. Chang is continuing the work begun by the original OLTF in 2018. The OLTF's plan is to tee up the discussion this month and hopefully get into a more detailed discussion at the May Board meeting.

Mr. Allemang described his definition of ownership linkage having to do with the Board engaging more directly with whom they consider its owners and promote

two-way communication; it should have long-term perspective and focus on Ends policy, seeing that TheRide's objectives align with those they consider its owners.

Mr. Allemang defined TheRide's legal owners as the City of Ann Arbor, City of Ypsilanti, and Ypsilanti Township. The moral owners are defined as the residents and workers of the legal owners, in addition to the entities with whom TheRide has POSAs.

Mr. Allemang noted that the original OLTF did have positive meetings with each of the TheRide's legal owners prior to the pandemic, and the intent of the current OLTF is to have follow-up meetings with them regarding TheRide's Ends.

3.3 Monitoring: Policies 3.0-3.8

Chairman Mahler addressed the survey results of Policies 3.0-3.8, allowing Board members to provide any further comments they may want to provide. He asked throughout the review of the results for any Board member who may have voted to the contrary of any policy, or was unsure how to respond, to speak up during this meeting or off-line at their earliest convenience. He also requested feedback on policy wording that any of the Board members find problematic or difficult to assess via the survey.

Policy 3.0:

Ms. Mozak shared that she and Mr. Smith spoke about GoldRide earlier this week, which may come up as a topic of his presentation later in this Board meeting.

Policy 3.1.3.1:

Mr. Miller described that the Board members may not be explicitly addressing these questions. Chairman Mahler responded that he was probably one of the members that responded "some of the time", citing his perspective that the Board does not always address these questions before addressing a topic, questions that can help form the conceptual, philosophical foundation of the Board's discussion. . Mr. Miller noted that it could be an issue with there not being interpretations of these policies and some members could be interpreting them differently than others.

Policy 3.1.4:

Mr. Hewitt expressed his perspective that the Board may not have reviewed their Ends in a while and probably need to be a little more specific. Ms. Gott expressed that CEO Carpenter has done a good job of trying to focus the Board on long-range planning. The split in the votes indicated to her that the Board members might each see long-range planning slightly differently from one another and this area could be an opportunity for continued Board focus.

Policy 3.1.8:

Chairman Mahler noted that there were adjustments that had to be made this past year. Some things were done out of order; some things did not make sense given the extraordinary circumstances of 2020 and 2021.

Additional Context for Policy 3.1

Mr. Allemang shared that he and Mr. Miller are aligned on Policy 3.1.3.1.

Mr. Miller asked if the questions in the policy should be asked more explicitly. Mr. Allemang expressed that they probably should.

Ms. Mozak noted in regard to Policy 3.1.1 that the Board gets a lot of excellent input from CEO Carpenter on policy suggestions and what may need tweaking. She expressed her appreciation for that and hope to see more policy observations and suggestions initiating from the Board.

Mr. Miller pointed out that most policy discussions are in response to CEO Carpenter saying he feels like a policy needs clarification.

Chairman Mahler suggested that the Board might consider creating a Policy Committee to help drive the policy creation and amendment process.

CEO Carpenter complimented Mr. Miller on taking the initiative to suggest the development of the policy concerning the transportation of demonstrators.

Policy 3.2:

Mr. Allemang shared that he responded “some of the time” and perhaps he thinks about this more because of the ownership linkage aspect. He expressed being surprised to see the responses so widely dispersed, which indicates to him that Board members are interpreting differently from one another. He suggested that results like those received for this policy might indicate that further discussion and/or revision of the policy may be needed.

Mr. Miller noted that he was not able to complete this survey, but he probably would have responded “rarely” on this. He asked if perhaps ownership linkage is occurring via the Board in a more informal way than he is aware of. If Board members feel ownership linkage is happening, he would like to know what that looks like to inform what the OLTF discusses.

Chairman Mahler expressed that it may be a matter of interpretation – like what is meant by authoritative linkage. He described that the staff does a lot of Town Halls and public meetings, acting as the authoritative linkage between the owners and themselves as the operational organization. Perhaps the Board is not fostering that and not the authoritative linkage in that case. Or authoritative linkage could be interpreted to mean, that when it comes down to it, the Board is governing this organization and therefore is ultimately accountable for its performance and is always the authoritative linkage. He noted that better wording of the policy may be needed for clarification of what authoritative linkage means in this case.

Additional Context for Policy 3.2

Mr. Miller pointed out that two Board members responded to indicate that sometimes CEO Carpenter does acquire or dispose of real estate. He asked CEO Carpenter what his understanding is of that policy. CEO Carpenter responded that there is an executive restraint in regard to this saying that the Board approves those. He expressed that no real estate has been encumbered. Short-term operational leases can be approved by CEO Carpenter, of which there is one right now, but he does not think that is what this was intended for. He expressed that he cannot speak to why someone would answer this policy in this way. From an executive limitation perspective, CEO Carpenter shared that he will be reporting compliance with the executive limitation partner policy.

Policy 3.3.1:

Mr. Chang shared that he may have answered this with a “never” response, meaning this policy has never been violated.

Policy 3.3.2:

Mr. Chang suggested that he may need to redo his answers to the survey. He noted that some of his answers reflect how a Board member should be reacting in the situation (“should never do this”) rather than how they have been acting (“is always compliant”). Chairman Mahler expressed that the survey may need to be clearer in regard to which criteria to use.

Policy 3.3.2.2:

Chairman Mahler described that he may have been a “never” response on this one meaning that this policy has never been violated.

Policy 3.3.3.3:

Ms. Mozak expressed that this area either needs leniency or more diligence. She described that this policy says this cannot be done, and yet the Board does. She shared her perspective that the staff and CEO need to be supported or called out when they have done a brilliant job. She asked for more clarification as to what is really meant by this policy.

Chairman Mahler noted that the Policy Governance Handbook says that the CEO should only be judged by the Ends and whether or not the Ends were met. He described that the Board has kept a split mindset about this because the Ends could be met, but the CEO may still not be performing well. He described Ms. Mozak’s point as well made and perhaps this policy language should be reconsidered.

CEO Carpenter described his understanding that this policy was intended to discourage Board members from publicly shaming staff members at a Board meeting or something of that nature. He does not think that it was intended to restrict the Board from congratulatory encouragement.

Mr. Allemang expressed that some refinement in the wording of this policy could be easily done instead of making it an absolute prohibition.

Chairman Mahler suggested the Governance Committee may be able to take a look at this policy and come back to the Board with a recommendation.

Policy 3.4.1:

Chairman Mahler noted that some adjustments had to be made this year to the strategic and administrative planning and hopefully the Board can all get better aligned around that one the next time this survey is done. With this being a unique year, there may be no wrong answer for this one.

Policy 3.4.6

Mr. Miller asked if any discussion of operational matters could be a violation of that, like the CEO Report at the end of each Board meeting, since it does not directly address policy?

Chairman Mahler agreed that this may be a good point and the Board may need to think about revising this policy to include other information that the Board would find helpful for its duties, which is something like the CEO Report. He noted that any information the Board gets could eventually lead to a Board decision of some kind.

Policy 3.4.7:

Chairman Mahler noted that the CEO’s contract is not revised every year, but the Board does review it every year in terms of CEO appraisal. He shared that this

could possibly be revised in the future because it may not be totally applicable or confusing given the split response.

Addition Context for Policy 3.5:

Chairman Mahler described that the right way to say and think about this is, “how has the role acted in the past”. This is what we are measuring ourselves by – how do we live up to this? Always? Most of the time? Some of the time? Rarely? Never?

Policy 3.6.1:

Chairman Mahler described that the confusion could come from the last clause where it says, “in keeping with the Board’s broader focus, Board Committees will normally not have direct dealings with current staff operations.” He expressed not being sure how to interpret this as this is what the committees exist to do, especially the Finance and Service Committees. It may be something to consider revising.

Additional Context for Policy 3.6:

Ms. Mozak noted that her comment had to do with the reforming of the LAC under the CEO. The CEO is allowed to ask advice from anyone at any time. She described being unclear because none of the Board members have a single voice. Board members speak for the Board as a Board, but in this area, she expressed feeling a little grey about it. She was seeking more clarification when she wrote the comment but has a better understanding of the policy now.

Policy 3.7.2:

Chairman Mahler noted that the split response here may have to do with the Executive Committee itself, which has not existed. He shared that steps will be taken to eliminate that committee altogether, considering that the Board secretary role is in the Governance Committee and the treasurer role is unfilled. He noted that if Board members have thoughts about thinking outside the box with the committees, possibly rotating members, to let him know.

Policy 3.8.1.2

Chairman Mahler shared that if more information is needed in the future on this in order to respond, to let him know.

4. STRATEGY & OPERATIONAL UPDATES: CEO

4.1 Budget Amendment Proposal

CEO Carpenter walked the Board through the proposed budget amendment, pointing out that this budget amendment would be in effect for the rest of FY2021, until the end of September, at which point a new budget will be approved for FY2022.

CEO Carpenter described a great opportunity – a very unexpected situation, unprecedented in his career, where there is a surplus of one-time federal relief funds provided by the federal government because of the pandemic. These are in the form of “IOUs” for eligible expenses. He noted that many smaller agencies like AAATA are in a similar situation with more operating dollars than they can spend in a reasonable period of time.

He emphasized that AAATA does not have the money. The money is reimbursed to AAATA – AAATA will incur expenses over the next several years, send the receipts to the FTA, who will look at the receipts and evaluate them for eligibility, and then reimburse AAATA.

Eligible expenses are limited strictly to pandemic-related expenses. Sanitation, cleaning, PPE, and payroll are among those eligible. CEO Carpenter noted that it is critical to understand that these are one-time funds. Once the funds are spent, they are gone, and CEO Carpenter has an executive limitation indicating that he cannot create unfunded future obligations. For example, AAATA could not use these funds to start a whole new set of bus lines because the money will run out and that service would then have to be cancelled.

CEO Carpenter noted that it will take multiple years of budget actions to implement the proposed budget approach. He described three broad steps to the proposed budget approach:

1. Accelerate the use of the federal funds while essentially ceasing to spend local property tax revenues. It is estimated that it will take about four years between 2021 and 2024 to draw down all of the federal funds.
2. Repurpose the local funds that have been saved. Primarily they will be diverted into a capital reserve. A capital reserve is like a bank account where funds are saved so that big ticket items can be afforded later on. This capital reserve is not the decision to spend the money; it only the place the money will be stored until the Board reaches a decision about how it would like to spend that money. There is also an insurance reserve.
3. Create an operating reserve. CEO Carpenter noted that this is actually not related to the federal funds at all. AAATA already has and has had a healthy operating reserve for some time. It is a cash flow buffer so that they can make payroll if there is any disruption in cash flow. This is accounting housekeeping.

CEO Carpenter then walked the Board through the strategy details for 2021 – 2024. The most significant step that CEO Carpenter recommended was expenditure of \$61,295,936 federal relief funds through FY2024 to pay for routine operations and recovery of lost fare and contract revenues. Roughly that same amount of local funds would be heading toward the capital reserve.

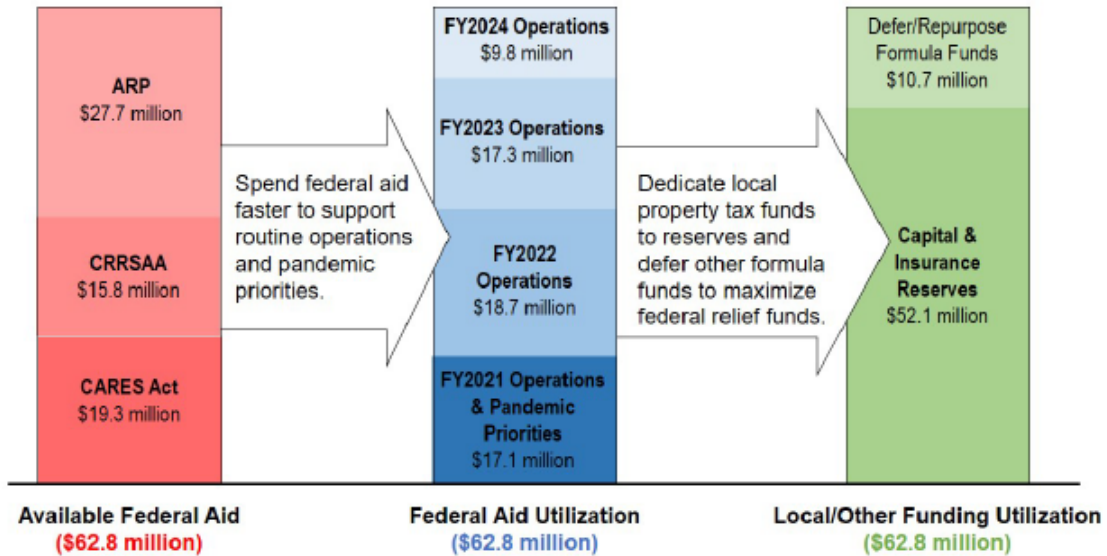
\$1,500,000 of federal relief funds was proposed to pay for immediate (FY2021) pandemic-related priorities, starting with essential-worker bonuses for AAATA employees (\$860,000 based upon \$3,000 bonus per employee minus applicable payroll taxes). He described the bonuses as an important step considering that AAATA staff have performed exemplary through a very difficult time. Many of the staff have been on the front lines as what has come to be known as an essential service. Services like Lansing and Saginaw did shut down their fixed route and paratransit operations, but AAATA did not. Staff who were not on the front lines fixed the buses, cleaned them, fueled them, and made payroll. Staff who worked in the office did different work, but in its own way very stressful, working from home isolated from their colleague, unable to have the kind of collaboration that they normally rely on to get their jobs done. CEO Carpenter asked the Board to join staff in acknowledging and saying thank you to the staff who have worked so hard over the last year. He reported that the proposed bonus had been discussed with the union president. She was informed that it would include union and non-union staff. A letter of agreement is going to be necessary before this can proceed, but the union president has indicated that she did not think that was going to be a problem to get this letter of agreement.

\$640,000 of federal relief funds would be spent on emergency-related services and supplies as already authorized in budgeting. \$10.7M of regular formula funds received by AAATA from the federal government will be saved while the federal relief funds are drawn down, to later help to pay for capital or operations.

CEO Carpenter walked through the following graphic with the Board, describing the amendment in a pictorial form.

Figure: Illustration of Funding Optimization Strategy

Federal relief funding would be spent on operations for four years, and offset local funding which will be directed to reserve accounts for insurance and capital projects. Other formula funds will be deferred for later use.



CEO Carpenter’s presentation thus far contextualized the FY2021 operating budget amendment details below.

Changes to Revenues

1. \$10.7 million in federal emergency aid is added to revenue, bringing the total anticipated amount to be used in FY2021 to \$17.1 million.
2. \$11.9 million in budgeted local property tax funding is directed to the Capital Reserve as described in Attachment 1.
3. Fare revenue has been lower than anticipated and is reduced, offset by increased CARES/CRRSAA/ARP funding.
4. State operating assistance (budgeted low due to expected state funding cuts that did not occur) has been increased to regular levels (31.6% of eligible expenses).
5. \$704,000 in grant revenue from Toyota to support FlexRide has been added.
6. Advertising revenue has been better than expected and is adjusted by \$32,000.

Changes to Expenses

1. As service is restored, rebuilding staff-capacity is required. We are recommending 5 additional motor coach operators, 2 fleet technicians, 1 paint and body shop technician, and 4 additional staff (TBD) to add capacity for growth. This will require an increase to salaries, wages, and fringe benefits.
2. Salaries have been increased for paid time off payouts and Essential Worker Bonuses.
3. Fringe benefits were increased to correct an error in the FICA expense calculation.
4. Costs for AirRide and D2A2 were reduced in Purchased Transportation and Other Expenses. (AirRide will be operated with MDOT funding rather than AAATA; RTA has not indicated when D2A2 will re-launch.)

5. Emergency-related contracted services and materials budgets were reduced to adjust for lower than anticipated costs. Adequate budget was maintained where needed, particularly in finance, fleet maintenance, fleet service, and facilities.
6. An adjustment was made for higher insurance premiums based upon higher-than-expected insurance renewal rates in 2020.

Mr. Chang expressed his approval of the bonuses. He described for clarity that the bonuses would be \$3,000 per staff member and not a \$3,000 average. Each individual that works for TheRide would be getting a \$3,000 bonus, including CEO Carpenter. Mr. Chang shared that in the Finance Committee, CEO Carpenter did offer to forego the bonus, but the Committee quickly and unanimously denied that, describing that the bonus is more than well-deserved for him as well.

Mr. Chang asked if an active search for the Deputy CEO, Finance & Administration is commencing and if any adjustments to the budget are needed to recruit someone of John Metzinger's same caliber. CEO Carpenter reported that this position is already in the budget and no money needs to be added. The search is ongoing, and CEO Carpenter got his first crop of resumes earlier in the week.

Mr. Allemang expressed that the strategy for using the federal funds and deferring the tax dollars to capital reserves is a wonderful plan that he heartily endorses. He described AAATA having had a capital budget every year without any idea of where any of the money would come from, and now they have an idea where some of it can come from. Also, having this reserve will allow AAATA to leverage these dollars to help get other funds. Mr. Allemang described that by approving the proposed FY2021 budget amendment, the Board is implicitly approving the overall strategy that has been outlined for four years. He asked if the Board should say something explicit regarding the overall plan and not just approve the FY2021 budget.

CEO Carpenter noted that the Board is not locked into this strategy, with the possible exception of the next five months. Every year the Board will be asked to approve another annual budget that will have this decision in it, and every year that decision can be made again or changed at any time.

As Chair of the Service Committee, Mr. Hewitt described that when the Board looks at what they want to do for service in the future, it will require a large capital expenditure. By creating this capital reserve, AAATA is now well on the way to make long-range plans that are actually realistic financially.

Mr. Miller expressed his excitement for this direction and the possibilities it creates. He also described that the statement of intent with this amendment as it is written would probably be enough.

Mr. Allemang expressed his support for making the operating reserve explicit on the balance sheet going forward.

CEO Carpenter noted that the operating reserve will be used as it has been used in the past, also to backstop payroll. Money coming and going out of that is appropriately handled by the CFO and staff. The insurance reserve is also very much a staff function. In regard to the capital reserve, however, CEO Carpenter suggested that the Board may want to place additional restrictions on the CEO and staff about their ability to move money in and out it. He described that the Finance Committee might want to consider if additional policy is needed because of the emergence of this resource.

Ms. Mozak and Mr. Miller both added support for additional policy in regard to the capital reserve.

CEO Carpenter reported that AAATA will not get the first dose of property tax funding until July, so there will not be anything in the capital reserve until then at the earliest, providing time to consider the appropriate policy language. As Chair of the Finance Committee, Mr. Allemang expressed that he will be happy to take on drafting policy for this into the Finance Committee at their next meeting. Chairman Mahler noted that this a 'to do' for the Finance Committee.

Mr. Hewitt motioned to adopt the Budget Amendment as drafted, seconded by Mr. Miller.

In support of the motion:

Mr. Allemang: Yes

Mr. Chang: Yes

Ms. Gott: Yes

Mr. Hewitt: Yes

Mr. Hunter: Yes

Mr. Miller: Yes

Ms. Mozak: Yes

Chairman Mahler: Yes

The motion passed unanimously.

4.2 August Service Restoration Public Feedback

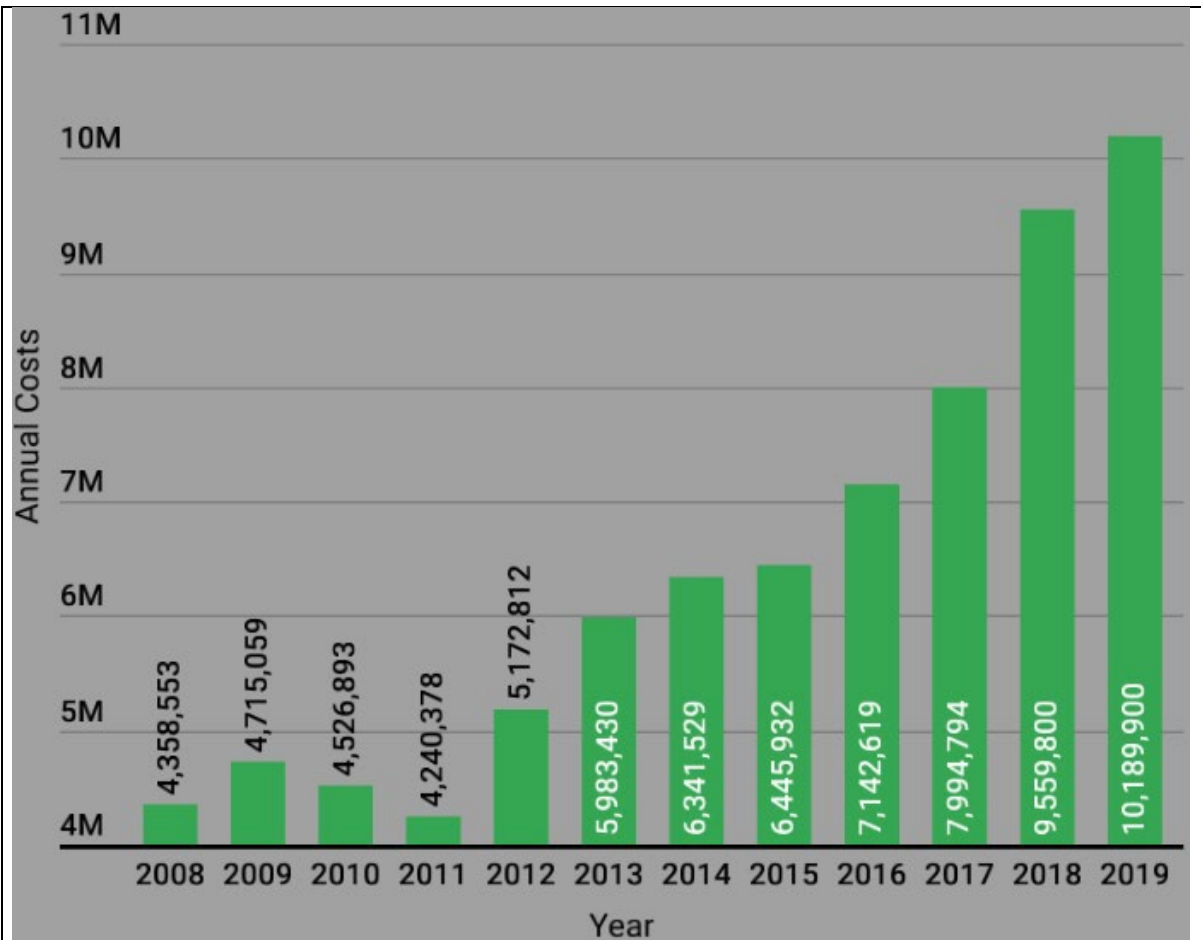
Mr. Yang shared that staff have conducted multiple public, stakeholder, and staff engagement virtual town hall meetings collecting feedback for the August Service Restoration. He thanked staff for their efforts in this outreach, as well as the Board members that attended the town halls and stakeholder meetings. He certainly thanked the public, stakeholder, and staff that provided their feedback.

In total there were over 300 different comments from about 250 individuals. He noted that a lot of the comments were positive, happy to see that TheRide is bringing back services. In regard to route specific comments, those are being worked through and are in the process of being incorporated into the final plan, as possible. He reported that Title VI is part of the process that is being worked on as well. In regard to the proposed discontinuation of a few low-ridership fixed routes and GoldRide, there were very few comments about the fixed routes, but there were some for GoldRide. Mr. Smith spoke to the GoldRide feedback later in this meeting.

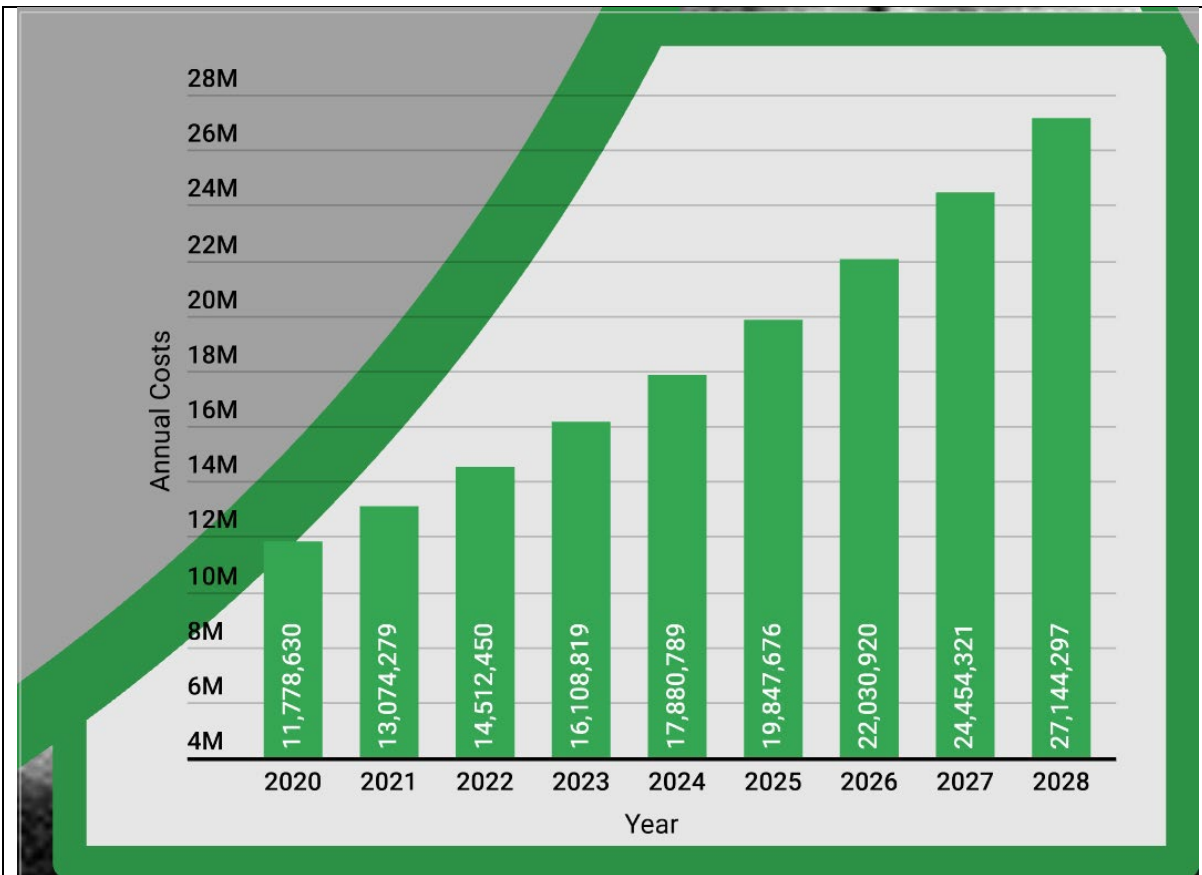
Mr. Yang shared that in mid-June there will be another round of virtual public town hall meetings, communications, and stakeholder meetings. The feedback will be accepted, but changes will not be possible for the August Service Restoration. They will be considered for future planning in January and April of 2022.

4.3 Retreat Follow-Up: Paratransit

Mr. Smith presented on the mobility management services. He reminded the Board members of the conversations had at the most recent Board Retreat, specifically how the service levels of paratransit had a historically high growth (see below).



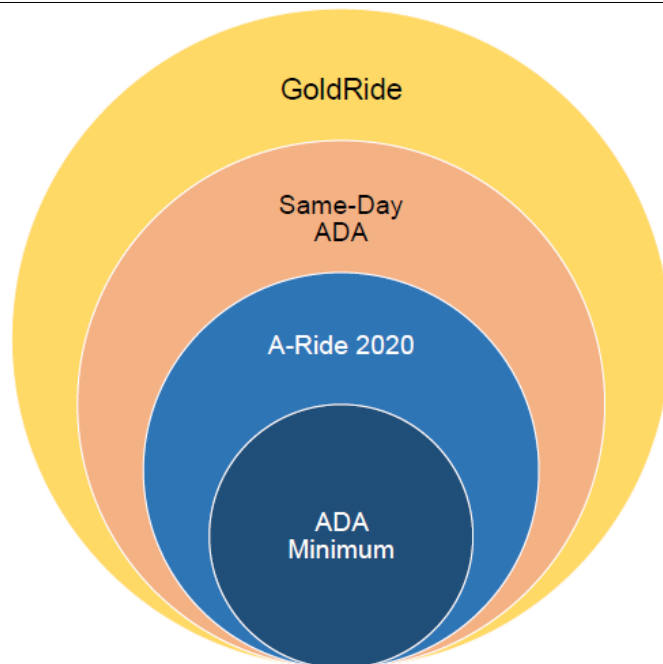
Purchased transportation was the largest growth in the budget year after year, especially following the 5YTIP when AAATA greatly expanded the reach of their door-to-door services. He presented numbers derived prior to the pandemic that represented unsustainable growth if the fundamental underlying issues were not changed (see below).



His presentation focused on a short-term discussion about the staff's proposal to address the immediate challenges. As Mr. Yang mentioned, the single greatest topic for feedback received was about GoldRide. Concern was expressed by the public, Board, and LAC.

Mr. Smith shared that operating in the immediate post-pandemic, paratransit can only transport one household per trip. Also, the budget issues are still present as they were pre-pandemic. Mr. Smith described how AAATA exceeded ADA minimums in several ways, in both service level and eligibility. Even under the pandemic level of service, AAATA has exceeded the ADA minimum. Currently suspended services are the same-day ADA and GoldRide. Because they were operated by the same company with the same fleet in prior years, there are not clear lines of what was required to be provided, what AAATA provided, and what was expected (see below).

Service Levels

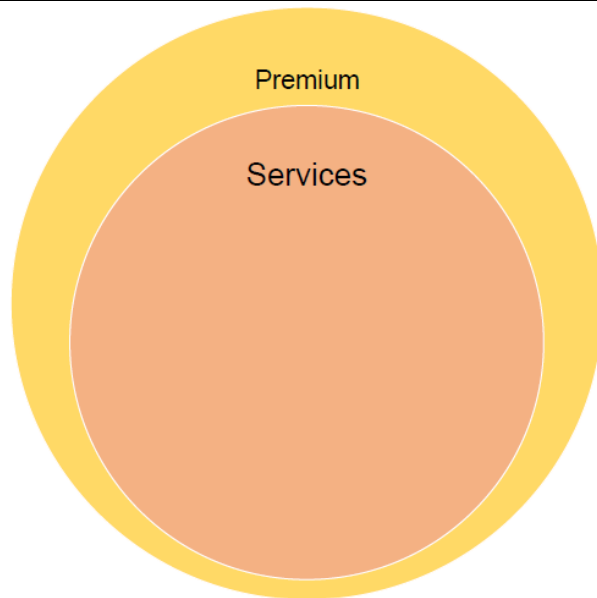
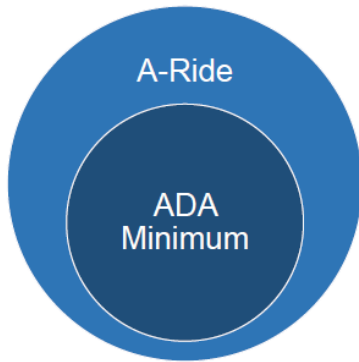


Mr. Smith described an expectation that has been developed of what service AAATA will provide during normal times. He went on to describe that GoldRide was available for seniors over 65, but without regard to their abilities or their income. It was also only available in Ann Arbor and portions of Pittsfield Township. It was not available for out of service area. This was at least inequitable, if not outright illegal. He described that GoldRide has been in existence for a long time and is a community expectation. One of the questions that came to mind for staff as they were working through these problems was should AAATA continue to offer a subsidized taxi service to a population without regard to income or ability. It is entirely possible that there would be more than one marathon running, 65-year-old millionaire as a resident of Ann Arbor. He asked if AAATA should be subsidizing the trips of that person with taxpayer dollars?

Mr. Smith also noted that same-day ADA had been available but was almost exclusively for people who did not use a mobility device. If you used a wheelchair, you often could not get same day rides. This was both inequitable and a violation of federal requirements. He shared the AAATA Paratransit Study statement that “most transit systems that allow same-day service do so on an as-available basis, or utilize a separate premium service operated by private vendors”.

This led TheRide to consider adjusting the diagram and allowing TheRide to maintain a defined service level with predictable and somewhat controllable costs that meet the federal regulations but also go somewhat beyond considering the expectation of the community. With premium services that could be completely separate, they could be provided at a different cost with a different level of subsidy or no subsidy at all, without confusion as to whether this is ARide or one of the premium services (see below).

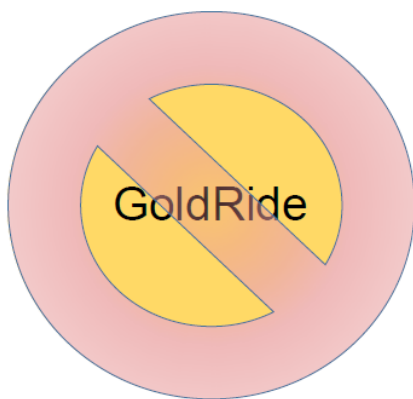
Service Levels



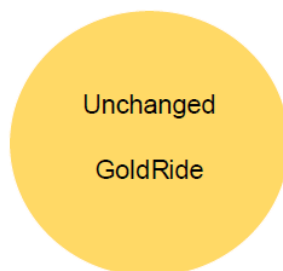
In regard to the August Service Restoration, and one of the reasons that GoldRide was recommended for permanent elimination of the sedan service, was a lack of budget for it. Also, the other way to adjust the cost of it is to adjust the fares, but the Board has to set those fares, and there was not time to develop a new fare model with the Board in time to release the service recovery plan in March.

Mr. Smith expressed that given the feedback from the public and Board Committee meetings, this long-standing service may be something that AAATA should continue to offer. How to do that is the question. Mr. Smith submitted to the Board that it is vital that these services be separated, but that they look at a different way of doing this. At the moment, the proposal is to eliminate GoldRide as a standalone demand response service. Staff could also come back to the Board and suggest reinstating GoldRide unchanged, which still has equity and cost issues. Mr. Smith asked the Board if they might be interested in a hybrid proposal that has not been proposed due in part to it including a fare adjustment. In this new proposal, he would also suggest a service inclusive area that would involve the entire ADA area (see below).

GoldRide Options



1



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3

Mr. Allemang asked by when a decision is needed from the Board to be implemented in August. Mr. Smith responded that if the Board gave the go ahead

to develop the new proposal, he would propose to come back to the next Board meeting with a proposal on fares in order to have some range of fares to be charged, subject to a Title VI analysis, and a budget line item for the Board to consider. The proposed new scope of GoldRide could then fall in line with the public meetings being planned for fare structure changes in June.

Mr. Hewitt asked if there was a limit on what could be charged. Mr. Smith responded that AAATA can only charge double the standard fare for the fixed route bus for the ADA service. Any service that is separate and not associated with the complimentary paratransit service, AAATA can price at whatever they would like. This is part of the strong recommendation to separate ARide from GoldRide, so that it is very clearly a premium service and not something associated with the obligations under ADA.

Ms. Mozak expressed her continued concern for all the places that seniors need to go that do not have bus service or where there are no sidewalks. She shared her appreciation that staff are thinking of ways to preserve this service that she believes is much needed and makes Ann Arbor an exemplary place for senior citizens to live. She asked the Board members to be mindful that there are people that probably equitably do not need the subsidized services, but there are so many who do, and AAATA does need to service Ypsilanti and Ypsilanti Township.

Mr. Hunter added that he echoes everything that Ms. Mozak expressed.

Ms. Gott shared that UofM will be making a contribution and the Township may have passed a millage to put a sidewalk on Parkland Plaza for the West Ann Arbor Clinic.

Mr. Miller expressed his interest in the new proposal for GoldRide and shared his shock to find out that GoldRide only served a portion of the AAATA service area.

Chairman Mahler spoke as the Board expressing their interest in hearing about another option for GoldRide in next month's Board meeting.

4.4 CEO Report

CEO Carpenter pointed out the Board may see more public information about the Y-Lot circulating; it is being openly discussed at the City. Mr. Yang is keeping tabs on it; there was nothing new to share this evening.

He reported that the Local Advisory Council (LAC) met. They were informed that the Board adopted some new policy language. He met with the LAC Chair and Co-Chair of the LAC who are very on board with the plan for going forward into the next meeting.

In regard to Earmarks, CEO Carpenter shared that these were submitted for FY2022. AAATA asked for Congresswoman Dingell's consideration for money to continue the planning studies for the YTC and money for replacement of buses. For the larger Transportation Reauthorization Bill, AAATA asked for a 50% federal match for the construction of the YTC and also study money for a bus garage. CEO Carpenter noted that if Earmarks are going to become a real thing again, the rolling 10-year capital plan is going to have to include aspirational projects.

He also noted that the Board may want to consider if TheRide wants to get its own lobbyist in Washington DC, which is very common for transit agencies. This may be included in next year's budget.

CEO Carpenter ended by thanking Mr. Hunter for joining him in a productive meeting with Congresswoman Dingell's staff. He also thanked Mr. Miller for joining him in a meeting with the City of Ypsilanti, a breakthrough meeting in regard to discussing whether or not they would be interested in helping AAATA get ahold of some land in the City.

5. EMERGENT BUSINESS

None.

6. CLOSING ITEMS

6.1 Topics for Next Meeting:
Q2 Service Report
Q2 Finance Report
Monitoring: External Relations (Policy 2.9)
Potential Capital Budget Discussion
Ownership Linkage Update from the OLTF
Board Retreat Follow-up: GoldRide

6.2 Public Comment
Ms. Michelle Barney expressed her support for the staff bonuses. She thanked the Board for thinking of TheRide's essential workers.

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

6.4 Adjournment
Mr. Hewitt moved to adjourn, seconded by Ms. Gott.
In support of the motion:
Mr. Allemang: Yes
Mr. Chang: Yes
Ms. Gott: Yes
Mr. Hewitt: Yes
Mr. Hunter: Yes
Mr. Miller: Yes
Ms. Mozak: Yes
Chairman Mahler: Yes

The motion passed unanimously.

Chairman Mahler adjourned the meeting at 9:25pm.

Respectfully submitted by: Keith Everett Book

Approved May 20, 2021