Board of Director’s Meeting Agenda  
Meeting Date/Time:  May 20, 2021, 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/u/aOSLNP0kD
2. Enter the Webinar ID:  991 5333 9474

Meeting Chair: Eric Mahler

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* 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:** 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

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<td>1.1 Approve Agenda</td>
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<td>CEO Carpenter asked to reverse the order of agenda items 4.2 (Retreat Follow-Up: Paratransit) and 4.3. (August Service Restoration Public Feedback).</td>
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<td>Ms. Sue Gott moved to approve the agenda as amended, seconded by Ms. Kathleen Mozak.</td>
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<td>Board members voted their support of the motion along with stating their name and the location from which they joined this virtual meeting:</td>
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<td>Mr. Roger Hewitt in Ann Arbor voted yes.</td>
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<td>Ms. Gott in Ann Arbor voted yes.</td>
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<td>Mr. Mike Allemang in Ann Arbor voted yes.</td>
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<td>Ms. Mozak in Ann Arbor voted yes.</td>
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<td>Mr. Ryan Hunter in Ypsilanti Township voted yes.</td>
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<td>Mr. Jesse Miller in Ypsilanti voted yes.</td>
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<td>Mr. Rich Chang in Pittsfield Township voted yes.</td>
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<td>Chairman Mahler voted yes.</td>
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<td>The motion passed.</td>
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<td>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.</td>
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<td>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: <a href="https://www.theride.org/about/leadership/board-directors/board-meetings">https://www.theride.org/about/leadership/board-directors/board-meetings</a>.</td>
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TheRide
Ann Arbor Area Transportation Authority
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. Alleman, Mr. Miller, Mr. Chang, and CEO Carpenter regaled Ms. Gott with their personal thanks and best wishes.

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### 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 OLTTF did have positive meetings with each of the TheRide’s legal owners prior to the pandemic, and the intent of the current OLTTF 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/CRRSA/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).
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).
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. GoldRide
2. Unchanged GoldRide
3. GoldRide Right Priced
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
**Governance Committee Meeting Summary**

**Meeting Date/Time:** April 26, 2021, 9:00-10:30 am

**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, LaTasha Thompson, Rosa-Maria Njuki

Chairman Eric Mahler called the meeting to order at 9:02 am.

### Discussion Items

<table>
<thead>
<tr>
<th>1. OPENING ITEMS</th>
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<tbody>
<tr>
<td>1.1 Agenda (Additions, Approval)</td>
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<tr>
<td>Mr. Allemang asked to add discussions of he and CEO Carpenter’s discussion with Mayor Chris Taylor, the open AAATA Board member seat, and an update on GoldRide.</td>
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<tr>
<th>1.2 Communications</th>
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<tr>
<td>Chairman Mahler reminded the Committee of Sue Gott’s mention at the last of AAATA Board meeting of AAATA Board member nominee Chris Allen of UofM. Mr. Hewitt shared that he has applied for another term on the AAATA Board and that the list of nominees for a number of Boards in the area are due to the Mayor’s office by May 3, to be voted upon two weeks later.</td>
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CEO Carpenter reported that he has quarterly meetings with the Mayor of Ann Arbor and the City Manager, joined most recently by Mr. Allemang. He reported discussions with the Mayor of continuing to align AAATA with their legal owners, AAATA’s Ends, electric buses, the carbon neutrality movement (A2Zero), and transit-oriented development. CEO Carpenter will circle back with Missy Stults (City of Ann Arbor Sustainability and Innovations Manager) for further discussion prior to the next Ownership Linkage Task Force meeting.

### 2. POLICY MONITORING & DEVELOPMENT

<table>
<thead>
<tr>
<th>2.1 Committee Agendas</th>
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<tbody>
<tr>
<td><strong>Service Committee</strong></td>
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<tr>
<td>Mr. Hewitt suggested a discussion of the Long-Range Plan as a follow up to the Board Retreat in addition to any update on GoldRide. CEO Carpenter will remove Earmarks from the agenda.</td>
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<th><strong>Finance Committee</strong></th>
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<tr>
<td>Mr. Allemang would like to discuss a policy on Capital Reserves and any update on GoldRide that Mr. Smith may have. Mr. Allemang emphasized hoping to see the incremental costs of GoldRide represented in the next proposal. Board of Directors Chairman Mahler suggested adding Long-Range Planning and any discussion of</td>
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## Discussion Items

GoldRide that may be ready under section 4. There may be a closed session to discuss legal matters.

### 2.2 Other Governance Issues (as assigned)

#### 2.2.1 Bylaw Task Force Update
Chairman Mahler described that progress has been made and there will be another meeting this Thursday, April 29th. He noted that he would like to have discussions of the Bylaws with the Board by May or June, to be wrapped up before the end of the fiscal year.

#### 2.2.2 APTA: BoardTalk, DC Advocacy (5/18)
CEO Carpenter described the monthly APTA: BoardTalk sessions as an education, development opportunity brought forward by Mr. Jesse Miller. He encouraged Board members to consider participating.

In regard to DC Advocacy, CEO Carpenter suggested that this may be a good idea considering the possible return of less formulaic Earmarks. He noted that the Board may want to include themselves in DC Advocacy. Chairman Mahler expressed his support of becoming involved. CEO Carpenter described the APTA Legislative Conference - two days of Zoom meetings on May 18th and 19th. He suggested a briefing for the involved Board members prior to those dates.

Mr. Allemang expressed his interest in joining. Chairman Mahler will circulate a proposed list of additional Board members to join for finalization by the end of this week for registration.

#### 2.2.3 Board Meeting Assessment (4/22)
Chairman Mahler suggested the discontinuation of conducting Board Meeting assessments.

#### 2.2.4 Board Calendar Preview
Chairman Mahler requested moving the Bylaw discussions to May and June, for a decision in July or August.

Mr. Hewitt noted that more time may be needed in regard to millage preparation. Chairman Mahler agreed that it may need to be discussed sooner than January 2022, perhaps October 2021.

Mr. Allemang described that a capital reserve policy should be passed in June or July. Chairman Mahler noted that the Ends review could be conducted in February / March 2022.

## 3. STRATEGY & OPERATIONAL UPDATES: CEO

### 3.1 Capital Plan
CEO Carpenter described that the capital plan this year will include both routine and aspirational projects.

Mr. Allemang described that there was less dialogue at the Board meeting than was expected in regard to the Budget Amendment.

Mr. Hewitt described his concern with not yet having a Long-Range Plan to drive the capital projects. He expressed that he would like the Board to consider spending more
## Discussion Items

- time discussing all opportunities. CEO Carpenter described that the Long-Range Planning process will be completed in one year, before the majority of investment in capital projects will actually take place, which is hopefully reassuring for Mr. Hewitt in regard to the timeline for capital project decisions needing to be made. He described that the 10-year capital plan may be fluid, with best guess bookmarks.

### 4. CLOSING ITEMS

- **4.1 Topics for Next Meeting**
  - CEO Personal Expense Report

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

Respectfully submitted by: Keith Everett Book
Service Committee Meeting Summary

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

Location: REMOTE – Via Zoom
Meeting Chair: Roger Hewitt
Committee Meeting Attendees: Kathleen Mozak, Jesse Miller, Ryan Hunter
AAATA Staff Attendees: Matt Carpenter, Bryan Smith, Forest Yang, LaTasha Thompson, Rosa-Maria Njuki

Meeting Chair: Roger Hewitt

Chairman Hewitt called the meeting to order at 3:01 pm.

### Discussion Items

#### 1. OPENING ITEMS

1.1 Agenda (Additions, Approval)
   Ms. Mozak moved to approve the agenda, seconded by Mr. Miller. The agenda was approved.

1.2 Communications
   CEO Carpenter announced that support for an Earmark has been awarded to AAATA by Congresswoman Dingell via the Federal Service Transportation Reauthorization Bill. Funds may be expected for the study of a new AAATA bus garage.

   CEO Carpenter and Mr. Miller discussed ensuring that the YTC is on the regional TIP somehow, which may assist with having it chosen for an Earmark in the future. CEO Carpenter also noted that there may be an opportunity for Earmark applications to Senator Peters' office to come as well. Regardless of Earmarks, CEO Carpenter does expect movement on the YTC project.

#### 2. POLICY MONITORING & DEVELOPMENT

2.1 Monitoring: External Relations (Policy 2.9)
   CEO Carpenter described that the Board members surveying the report seem to have seen the same challenges that he has with the policy. He suggested that some of the policies should be revisited as they are difficult to quantify.

   Chairman Hewitt described the policies as well-intended but extremely subjective. He suggested going back to Governance Coach Rose Mercier for her advice on how some of the policies can be objectively analyzed.

   Mr. Miller shared that he agrees with the intent of the policies, but that they perhaps are not written in such a way that they fit with policy governance. However, he expressed that the policies and CEO Carpenter's interpretations and evidence should be assessed as they are in the current report before the policies are revisited.

   Ms. Mozak agreed that the policies should be revisited. She suggested that it could go to the Governance Committee or a task force could be created for thoughtful analysis of the well-intended policies with Rose Mercier.
Mr. Hunter shared that he would appreciate Rose Mercier’s feedback.

Chairman Hewitt described that he would bring this policy to the Governance Committee for discussion.

In regard to 2.9.3, Mr. Miller described that the interpretation as extreme. CEO Carpenter pointed to criteria on how to judge an interpretation. He emphasized that an interpretation may be extreme but above that must be reasonable. He noted that proving if a relationship is good is difficult, and perhaps the evidence is inappropriate. Chairman Hewitt described that proving if a relationship with an elected official is good or not could be difficult to evaluate. Mr. Miller described that the interpretation does not address other community stakeholders and that he does not see how to accept CEO Carpenter’s evidence or interpretation as reasonable. Chairman Hewitt described asking for a redefinition or rewriting of the policy that can be objectively verified. He suggested letting the Board as a whole address what they would like to do.

In regard to 2.9.4, Mr. Miller expressed that while the public came to the Board meeting to comment on Rt. 47, their presence was not a part of Board decision. He described that the service change releases were not posted on the website as they could have been making this a possible area of non-compliance.

Ms. Mozak described that because the pandemic was such a storm, the circumstances made it difficult to communicate quickly to the public, but perhaps she is being too lenient.

Mr. Hunter shared that he would be interesting in continuing this discussion with the full Board.

Mr. Miller suggested that the public knowledge of changes to Rt. 47 may have been driven more so by word of mouth rather than by proper notification in a timely fashion prior to a Board meeting. He described the importance of noting the lapse and insufficient evidence of compliance and suggested considering the CEO as in compliance with the policy except for policies 2.9.3 and 2.9.4.

CEO Carpenter shared that he is not sure that the change to Rt. 47 was posted as best as it could have been, which may have failed to meet the staff’s own expectations. He also described the pandemic as an exceptional circumstance allowing procedures to be altered to the extent necessary, as referenced in the policy as an exception.

Throughout this discussion, CEO Carpenter expressed understanding the perspective that in one instance, AAATA did not properly engage riders during an exceptional circumstance, which has not been repeated.

Further discussion of this matter will ensue at the May Board meeting.

3. STRATEGY & OPERATIONAL UPDATES: CEO

3.1 August Service Recovery Plan Update

Mr. Yang shared that adjustments have been made to the final recommendation of service adjustments following public, stakeholder, staff, and Board feedback. The details of this will be shared at the next Service Committee meeting.

He did provide an overview of some of the possible adjustments being made, noting that one change may be to Michigan Ave. in Ypsilanti, bringing service back there in a way to bring a reasonable level of service to that area. Another area of concern was not enough capacity for Pioneer Highschool during bell times, so service along Scio-Church may be tweaked. Also, routing is being considered for Skyline Highschool riders to bring them closer to the BTC for their connection to other buses. In regard to the State St. corridor, the service is being proposed to extend to Eisenhower.

In regard to FlexRide East, it may be proposed to cover the Lakeview Shopping Center...
as well as along Huron St. south of I94 to the hotel and commercial area there.

Mr. Yang noted that the virtual public town halls to share the final recommendation will start June 15th.

3.2 Board Retreat Follow-up / GoldRide

Mr. Smith described the financial and service area proposal for GoldRide. He described that if GoldRide demand response is brought back there is an obligation under Title VI to bring it back in an equitable fashion. He proposed that in addition to any area within ¾ of a mile of the fixed route in Ann Arbor, City of Ypsilanti, and the Township of Ypsilanti, GoldRide could also serve UoM Domino’s Farm, UoM East Medical Center, and St. Joe’s Hospital. He noted that if the proposal were to be implemented as quickly as August, Golden Limousine would be proposed to take over the service.

He went on to describe the service hours being proposed and the fares. He described that the fares only recover a small percentage of the increased cost. He noted that full fare riders are likely to be few, but a low-income fare may be more reasonable.

Chairman Hewitt described that AAATA could subsidize the service for just the low-income seniors. Mr. Smith described researching if this can be done. Chairman Hewitt described wanting to provide this option to those that need it most.

Ms. Mozak expressed not seeing the proposal of two GoldRide vehicles as being enough to cover the service area. She also described that the fares may be so prohibitive that few will use it, which may cause the service to die.

Mr. Hunter also expressed that two vehicles does not seem like enough to cover the service area. Mr. Smith clarified that this would be two additional vehicles to the current FlexRide fleet while the ridership stays around 20%. As ridership increases, additional vehicles could be added to the fleet.

Mr. Miller asked if the GoldRide trips will be combined with ARide trips. Mr. Smith described that GoldRide trips would be separate from ARide, operated by a different provider. He noted that the current GoldRide trips would have to be non-shared due to the pandemic but could be shared rides once restrictions are lifted.

Mr. Miller asked how the costs affect the annual budget. Mr. Smith shared that providing the service in the proposed fashion long-term would likely not be sustainable. He also suggested another path of not contracting to one provider, but rather to any driver that qualifies. This would make the cost more manageable. But this idea would need to be vetted for a year or 18 months before implementation. Mr. Miller asked if the contract with Golden Limousine could be short-term. Mr. Smith described likely needing to contract with them for a year.

Mr. Miller asked how these costs compare to previous costs of GoldRide. Mr. Smith described that this is significantly more expensive because it is not combined with ARide as it was previously, and it previously was not offered outside of Ann Arbor and Pittsfield.

CEO Carpenter described underestimating the cost of providing services to the expanded service area when the City of Ypsilanti and Ypsilanti Township were initially added. Chairman Hewitt described doing something stop gap with a low-income fare until a larger number of private entities can be engaged. Ms. Mozak described proposing a millage to possibly subsidize GoldRide.

Mr. Yang described the relationship between fare and ridership driving the cost (i.e., lower fare could increase ridership beyond what is sustainable).

Mr. Hunter expressed that subsidizing at this time may be the morally right thing to do.
CEO Carpenter described sensing support from the Committee for equalizing the service and charging a slightly higher fare than in the past. He noted that the main thrust of this exercise is separating the required and premium services. CEO Carpenter described taking a first step with this and re-evaluating it in a year or so. The Committee shared support for this idea. Chairman Hewitt emphasized his feelings that this service should be used only by those that need it and cannot afford other modes of transit.

3.3 Q2 Service Report
Mr. Smith described small ridership and cost gains in the quarter-to-quarter comparisons.

Chairman Hewitt asked if ARide is going to go out of house. Mr. Smith shared that this is being evaluated.

In regard to the increased use of FlexRide East, Mr. Smith shared that the increase likely has to do with increased ease of utility on the East side.

Chairman Hewitt asked what on-time performance is affected by now that there is less congestion. Mr. Smith will research this further.

Ms. Mozak asked if the cost of keeping ARide in-house is prohibitive. Mr. Smith described that the biggest challenge is the space that the restored number of vehicles requires, and the number of staff needed to maintain them.

Mr. Miller suggested looking at the 7% ridership increase on fixed route, how that compared with 2019, to see if this is just the usual seasonal uptick or if this is starting to represent riders returning to the service. He also asked if there has been any issue finding drivers. Mr. Smith described that there is a difference, but it is not completely crippling: for 10 open slots, AAATA received approximately 85 applicants as opposed to about 165 that they might have received prior to the pandemic.

3.4 Long-Range Plan
Mr. Yang described the recent stakeholder webinar held regarding the Long-Range Plan as very successful, in combination with all the feedback that has been gathered over time from public engagement. He suggested a Board retreat in mid to late June to get more detailed input on scheduling scenarios. He suggested having the consultants that staff is using to help create the Long-Range Plan present to the Board. He shared that the idea is to have the Long-Range Plan proposal available to the public in Sept/Oct 2021 and then the final recommendation in Jan/Feb 2022.

Chairman Hewitt expressed support for another Board Retreat. CEO Carpenter described that the Long-Range Plan is going to help create the blueprint that guides future capital spending. He is working with Ms. LaTasha Thompson (Interim Deputy CEO, Finance & Administration) and Ms. Caitlin Conway (Interim Manager of Finance) on an interim capital plan until the Long-Range Plan can be determined. He expressed that the 10-year rolling capital plan will be used for context while the Board only approves a budget 1 year at a time.

Ms. Mozak described seeing an outreach from staff for applicants to a public advisory group that would give feedback on the Long-Range Plan. Mr. Yang described that the plan is to have 10 members on this advisory group. To date, staff have received about 100 applications. In regard to any applicant not selected for the public advisory group, TheRide hopes to engage them as well in some manner.

4. CLOSING ITEMS
4.1 Topics for Next Meetings
Monitoring: Treatment of Staff (Policy 2.2)
4.2 Adjournment
Mr. Miller motioned to adjourn, seconded by Mr. Hunter. Chairman Hewitt adjourned the meeting at 4:53pm.

Respectfully submitted by: Keith Everett Book
Finance Committee Meeting Agenda

Meeting Date/Time: May 11, 2021, 3:00-5:00pm

Location: REMOTE – Via Zoom
Meeting Chair: Mike Allemang
Committee Meeting Attendees: Raymond Hess, Kyra Sims
AAATA Staff Attendees: Matt Carpenter, Bryan Smith, Forest Yang, LaTasha Thompson

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

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<th>Discussion Items</th>
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<tr>
<td><strong>1. OPENING ITEMS</strong></td>
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</table>
| 1.1 Agenda (Additions, Approval)  
Approved. |
| 1.2 Communications  
None. |
| **2. POLICY MONITORING & DEVELOPMENT** |
| 2.1 Ownership Linkage Task Force  
Chairman Allemang emphasized the importance and responsibility of all Board members to participate in ownership linkage. Ms. Sims agreed that once at the meeting stage, the hope is to have fuller Board member participation. The Ownership Linkage Task Force will meet again on May 13th. |
| 2.2 Capital Reserve Policy  
Chairman Allemang described the need for a policy about how the capital reserve is funded, used, and controlled. The policy could describe how the capital reserve is kept and how its funds should be approved for expenditure.  
CEO Carpenter suggested that the policy might be placed as an Executive Limitation within the Financial Conditions and Activities policies with the assistance of Governance Coach Rose Mercier. He noted that the policy could be as simple as “No funds from the capital reserve will be spent without Board approval”.  
Ms. Thompson has gathered some GFOA (Government Finance Officers Association) guidance on capital reserve policies for the Committee to consider that she will forward.  
CEO Carpenter will reach out to Ms. Mercier to possibly join the next Finance Committee meeting. |
| **3. STRATEGY & OPERATIONAL UPDATES: CEO** |
| 3.1 August Service Recovery Plan Update  
Mr. Yang shared that adjustments have been made to the final recommendation of service adjustments following public, stakeholder, staff, and Board feedback. The details of this will be shared at the next Finance Committee meeting. |
## Discussion Items

He did provide an overview of some of the possible adjustments being made, noting that one change may be to Michigan Ave. in Ypsilanti, bringing service back there in a way to bring a reasonable level of service to that area. Another area of concern was not enough capacity for Pioneer Highschool during bell times, so service along Scio-Church may be tweaked. Also, routing is being considered for Skyline Highschool riders to bring them closer to the BTC for their connection to other buses. In regard to the State St. corridor, the service is being proposed to extend to Eisenhower.

In regard to FlexRide East, it may be proposed to cover the Lakeview Shopping Center as well as along Huron St. south of I94 to the hotel and commercial area there.

Mr. Yang will share more details of the final recommendations with the Board in late May / early June. He also noted that the Title VI analysis will be published in June.

### 3.2 Board Retreat Follow-up / GoldRide

Mr. Smith presented another draft of a proposed GoldRide service map and cost sheet. He asked the Committee to consider at what level could GoldRide service return. He proposed fares to consider, and how those fares affect the subsidy needed. Mr. Smith also described difficulties attempting to project ridership during the pandemic.

He noted that the model being discussed is for a year contract starting in August, which is a short timeframe in which to start the service. This initial time limitation diminishes the options that can be considered and increases the expense.

Chairman Allemang described his perspective of staff working to balance the projected demand with the cost.

CEO Carpenter shared that separating GoldRide as a premium service allows for some level of the service while capping the budget and growth as a cost control measure.

Mr. Hess described how developing partnerships with services like Uber and Lyft could bring down cost in the future.

This topic will be brought to the May Board Meeting for further discussion.

### 3.3 Q2 Finance Report

Chairman Allemang expressed considerations underway for how the approved budget amendment will be represented in financial reporting.

Ms. Thompson walked the Committee through the statement of operations.

Chairman Allemang described that the Q3 Finance Report should reflect the budget amendment.

### 3.4 Long-Range Plan

Mr. Yang reported that consultants are currently working on an existing service assessment and future projections. He described the recent stakeholder webinar with more than 30 participants held regarding the Long-Range Plan as very successful, in combination with all the feedback that has been gathered from follow-up surveys to that webinar.

Mr. Yang also described the plan to have a 10–15-member public advisory group that would give ongoing feedback to the consulting team in the different stages of the
Discussion Items

study. To date, staff have received about 80 applications. In regard to any applicant not selected for the public advisory group, TheRide hopes to engage them as well in some manner.

Lastly Mr. Yang suggested a Board retreat in June or July to get more detailed input on some initial ideas and options. He suggested having the Long-Range Plan consultants present to the Board at this retreat.

4. CLOSING ITEMS

4.1 Topics for Next Meeting
Financial Reporting
Reserve Policy

4.2 Adjournment
Chairman Allemang adjourned the meeting at 4:45pm.

Respectfully submitted by: Keith Everett Book
### ISSUE BRIEF: Ownership Linkage Taskforce Update

*As presented at the April 22, 2021 AAATA Board Meeting*

**Meeting:** Board of Directors  
**Meeting Date:** May 20, 2021

<table>
<thead>
<tr>
<th>INFORMATION TYPE</th>
<th>Other</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>RECOMMENDED ACTION(S):</th>
</tr>
</thead>
<tbody>
<tr>
<td>That the Board review and provide feedback to the Taskforce.</td>
</tr>
</tbody>
</table>

### BACKGROUND

The original Ownership Linkage Task Force was established in late 2018—composed of Mike Allemang (chair), Kyra Sims, Jesse Miller, and Larry Krieg. They were advised by Rose Mercier. The task force reviewed ownership linkage concepts and, after much discussion, documented their conclusions that included a plan for implementing board linkage with AAATA’s “owners”. The overall objective of ownership linkage: The **board** should engage more directly with its owners to promote two-way communication. The dialog should have a long-term perspective, that focusses on Ends Policies, and that sees that goals are aligned.

In mid-2019, initial linkage meetings were held with Ann Arbor Mayor Taylor, Ypsilanti then-Mayor Bashert and Ypsilanti Township Supervisor Stumbo. The meetings generally went well; they were attended by two board members and Matt Carpenter.

After these three meetings, the task force was dissolved and Ownership Linkage was deemed to be the responsibility of all board members However, other priorities (and the pandemic) intervened, and no further linkage actions occurred. The task force was reconstituted in late December 2020 and consists of Mike Allemang (chair), Kyra Sims, Jesse Miller, and Rich Chang.

### PRIOR RELEVANT BOARD ACTIONS AND POLICIES

Policy 3.0: Global Governance Process defines owners.  
Policy 3.2: describes the Board as an informed agent of the ownership and members are to maintain effective ambassadorship and coordinated advocacy with owners.

### ISSUE SUMMARY:

1. **Ownership**

   Policy (3.0) states that the Board governs AAATA “on behalf of the residents and workers of the member jurisdictions and government jurisdictions with whom we have service agreements (Ownership)”.

   The Ownership Linkage Task Force agrees that the City of Ann Arbor, City of Ypsilanti, and Township of Ypsilanti are the Authority’s **legal owners** since they give...
AAATA its legal authority and also appoint its board. The residents and workers of the cities of Ann Arbor and Ypsilanti, plus the Townships of Ypsilanti, Pittsfield, Scio, and Superior are its moral owners.

2. 3-year timeline
The taskforce is recommending a 3-year plan to conduct linkage as follows.

<table>
<thead>
<tr>
<th>FY-2021</th>
<th>Discuss ownership linkage with Board; finalize revised Policy 3.0 and three-year plan. Have second round of meetings with legal owners that covers the purpose of ownership linkage, AAATA ends policies, the desired frequency of future meetings and how to connect with others on the governing bodies.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-2022</td>
<td>Continue regular meetings with legal owners. Initiate outreach to moral owners with a survey. The survey will include a description of its purpose: that the Board of Directors is seeking input about long-term, big-picture issues that will assist the Board in creating the future of AAATA. Surveys can reference AAATA’s long-term goals (ends) and be in several forms: material given to riders, rider interviews, telephone interviews with residents, focus groups, etc. It would be helpful to engage a firm with expertise in surveys.</td>
</tr>
<tr>
<td>FY-2023</td>
<td>Based on experience from prior two years, continue linkage with legal and moral owners.</td>
</tr>
</tbody>
</table>

**ATTACHMENTS:**

1. Detailed 3-year Ownership Linkage Plan Draft
**Ownership 3-year Linkage Plan**

**As presented at the April 22, 2021 AAATA Board Meeting**

<table>
<thead>
<tr>
<th>Year</th>
<th>Who</th>
<th>Vision/Purpose</th>
<th>Why</th>
<th>How</th>
<th>Desired Outcomes</th>
</tr>
</thead>
</table>
| 1    | • AAATA Board  
     • Legal owners:  
       ▪ Ann Arbor City Council  
       ▪ Ypsilanti City Council  
       ▪ Ypsilanti Township Board of Trustees | Establish a baseline understanding of the purpose of ownership linkage with the target audience via general sessions, education sessions, and Q&A sessions. | Get the board to be more involved as AAATA ambassadors with legal owners (vs just AAATA staff). Board ‘as a whole’ wants to understand the perspectives and priorities of the jurisdictions because all Board members are governing on behalf of, and accountable to, all owners, and not just ‘representing’ the authority that appointed them. Legal owners are important conduits to the constituents they represent and as such, we want to make sure those legal owners have better knowledge of how the AAATA works, the limits we 2-3 meetings with each legal owner. The number of meetings is flexible based on legal owner. How the board interacts with the legal owner is also flexible. For example, it could be 1:1, or a small group setting. It does not need to be in a public forum either, such as a city council meeting. Can also be accomplished via group/committees that member(s) of the legal owners also participate in with AAATA board member(s). For direct 1:1 or small group settings, we will want to perform internal board prep beforehand. For example, we will want to come up with list of the right questions, anticipate possible resistance or questions, and determining in advance what responses to give. Meeting 1: Listening by board members, education around what ownership linkage is + | Baseline education (what is linkage, what is policy driven governance, roles between Board and CEO and staff at AAATA). Understanding by legal owners of the longer-term perspective, ends, and values. Establish steady relationship between board and legal owners. After the first round of meetings, the Board may find it useful to establish a regular schedule for this type of meeting in order to keep the focus on the longer-term perspective and values issues, and also for new legal owners (e.g., due to regular election cycles) to get up to speed. |
|   | AAATA Board | Legal owners (as above) | Moral owners:  
  - Residents and workers of the cities of Ann Arbor and Ypsilanti, plus the Townships of Ypsilanti, Pittsfield, Scio, and Superior | Expand inquisitive outreach from legal owners to also moral owners in the communities we serve. | We need to learn what their concerns are. | Survey that legal and moral owners participate in. Use the input gained in Year 1 as the basis for questions to be included in the survey that the Authority does every second year. This could be supported by the company that the staff use who have expertise in survey design and delivery. Consideration could be given to adding ownership questions to the telephone interviews if they are conducted in that year. | Understanding of legal and moral owner views/concerns in regard to the AAATA. Review and evaluate the activities from Year 2 and add the next year to the rolling three-year plan. |
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Educational outreach to the moral owners who use or may not use the AAATA services. Maintain a high level of confidence and support with the moral owners in the communities that Develop focus groups of moral owners (segmented in some fashion) to explore in more detail the results obtained through the survey. Educated moral owners regarding the AAATA. Compile and share findings from the surveys and explore...
<table>
<thead>
<tr>
<th>Make sure we are meeting the needs of moral owners and they understand not just the value the AAATA provides, but also how we are allowed to operate (e.g., what limitations we have to follow).</th>
</tr>
</thead>
<tbody>
<tr>
<td>we serve. They may not utilize the AAATA service, but we need their support, especially when we are asking for financial support (e.g., via millages).</td>
</tr>
<tr>
<td>in more detail the results obtained with legal owners. Improved relationships with, better understanding of the AAATA, and support of AAATA by moral owners.</td>
</tr>
</tbody>
</table>
**ISSUE BRIEF: 2.9 External Relationships**

**Monitoring period: (June 2019 - April 2021)**

Service Committee Meeting Date: May 5, 2021  
Board Meeting Date: May 20, 2021

<table>
<thead>
<tr>
<th>INFORMATION TYPE</th>
<th>Decision</th>
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</thead>
<tbody>
<tr>
<td>RECOMMENDED ACTION(S):</td>
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</table>
Board accepts the Monitoring Report as either level A, Compliant or B, Compliant except for items noted.  |
| BACKGROUND         |  
Monitoring Reports are a key Policy Governance tool to assess organizational/CEO performance in achieving Ends (1.0) within Executive Limitations (2.0).  |
| ISSUE SUMMARY:  |  
TheRide’s Board of Directors establish policies that define what methods are unacceptable to use to achieve expected results, called Executive Limitations. This monitoring report provides the CEO’s interpretations of those policies, evidence of achievement, and an assertion on compliance with the Board’s written goals. As with other monitoring reports, the Board decides whether the interpretations are reasonable, and the evidence is convincing.  
I certify that the information is true and complete, and I request that the Board accept this as indicating an acceptable level of compliance.  |
| CEO’s Signature | Date |
| ___________________________ | ___________________________ |
|  |  |
| ATTACHMENTS:  |  
1. Monitoring report for Policy 2.9: External Relationships  |
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<table>
<thead>
<tr>
<th>POLICIES:</th>
<th>Page #</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.9 In order to facilitate the continued success of AAATA and its achievement of Ends, the CEO shall not operate without creating collaborative, strategic relationships with external stakeholders. Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:</td>
<td>3</td>
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<tr>
<td>2.9.1 Ignore opportunities for collaboration for the community benefit</td>
<td>3</td>
<td></td>
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<tr>
<td>2.9.2 Ignore opportunities to promote multi-modal solutions, transit-supportive land development, or first mile/last mile considerations whether internally or to outside decision makers.</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>2.9.3 Fail to develop relationships with community stakeholders, including elected officials, which contribute to community support for the AAATA.</td>
<td>4</td>
<td></td>
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<tr>
<td>2.9.4 Fail to reasonably engage riders, residents, and stakeholders when considering material changes to services, programs, fares, or transit facilities.</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>2.9.5 Fail to operate in a publicly transparent manner.</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>2.9.6 Endanger the organization’s public image, credibility, or its ability to accomplish Ends by:</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>2.9.6.1 Operating the organization in a manner that jeopardizes grantor relationships.</td>
<td>8</td>
<td></td>
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<tr>
<td>2.9.6.2 Allowing third-party advertising that violates stated agency guidelines for community standards.</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>2.9.6.3 Hiring a former Board member as an agency employee or supplier within one year of that member’s departure from the Board.</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2.9.6.4 Hiring a sitting elected official or former elected official that has not been out of office for at least one year from any jurisdiction that appoints members to the AAATA Board.</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2.9.6.5 Ignoring exploration for innovation or opportunities that open capacity for the organization.</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2.9.6.6 Authorizing the use of vehicles and their operators to transport persons detained by law enforcement for participating in public demonstrations.</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>2.9.7 Allow the organization to be without (advisory) committees required in legislation or permit those committees to operate inconsistently with requirements of the legislation.</td>
<td>11</td>
<td></td>
</tr>
</tbody>
</table>

- **Fully Compliant**
- **Partially Compliant**
- **Non-Compliant**
**POLICY 2.9.** In order to facilitate the continued success of AAATA and its achievement of Ends, the CEO shall not operate without creating collaborative, strategic relationships with external stakeholders.*

Degree of Compliance: Compliant

**Interpretation**
This policy is fully interpreted in the sub-policies below.

**Evidence**
Evidence of compliance with sub policies below provides evidence of compliance with this policy.

**POLICY 2.9.1** The CEO shall not… Ignore opportunities for collaboration for the community benefit.*

Degree of Compliance: Compliant

**Interpretation**
Compliance with this policy will be demonstrated when written, external requests for the AAATA’s resources or support are given due consideration as to whether they advance the Ends and comply with Executive Limitations and Administrative policies, whether the potential benefits are worth the investment and risk, and whether better options exist.

This is reasonable because this policy pertains to external relations and implies the AAATA’s reaction to outside proposals. The AAATA’s own approach to pro-active collaboration is covered under the Ends policies and other Executive Limitations policies. Verbal proposals are too numerous to track and sometimes politically oriented. Due diligence is reasonable as some proposed collaborations may be wasteful or damaging to the pursuit of the Ends.

**Evidence**
During the monitoring period no written requests were received.

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1 * = See CEO notes.
POLICY 2.9.2 The CEO shall not… Ignore opportunities to promote multi-modal solutions, transit-supportive land development, or first mile/last mile considerations whether internally or to outside decision makers.*

Degree of Compliance: Compliant

Interpretation
Compliance with this policy will be demonstrated when written requests for the AAATA’s support of, or funding for, other modes, land development policies, or short-distance travel options are given due consideration as to whether they advance the Ends and comply with Executive Limitations and Administrative policies, whether the potential benefits are worth the investment and risk, and whether better options exist.

This is reasonable because this policy pertains to external relations and implies the AAATA’s reaction to outside proposals. Verbal proposals are too numerous to track and can be politically oriented. The AAATA’s own approach to pro-active planning in these areas is covered under the Ends policies and other Executive Limitations policies. Also, due diligence is reasonable as some proposed collaborations may be wasteful or damaging to the pursuit of the Ends.

Evidence
During the monitoring period the AAATA was not approached with any proposals regarding new modes or short-distance mobility options.

During the monitoring period the City of Ann Arbor did seek support from the AAATA in the development of a transit-supportive zoning ordinance. The CEO and Deputy CEO for Planning and Innovation both assisted staff in refining the ordinance language. The CEO participated in three public meetings in early 2021. As of April 2021, the ordinance is being discussed at the Planning Commission and will likely be referred to City Council. A video of the Planning Commission on April 6, 2021 includes the CEO’s participation. He was also at the March 23 Ordinance Review Committee and a meeting on February 9th, 2021.

POLICY 2.9.3 The CEO shall not… Fail to develop relationships with community stakeholders, including elected officials, which contribute to community support for the AAATA.*

Degree of Compliance: Compliant

Interpretation
Compliance with this policy will be demonstrated when no elected officials publicly call for the dissolution of the AAATA. This is reasonable because a call to dissolve the Authority would be a clear indicator of loss of community support. Otherwise, it is impossible to put a threshold on “relationships” and the CEO’s role requires him to sometimes not accede to political demands. Further, if we judge the success of the CEO or the AAATA on the popularity with elected officials, we will become reactive to outside demands.

Evidence
The CEO is not aware of any public suggestions to dissolve the AAATA from anyone or any elected official.

**POLICY 2.9.4** The CEO shall not… Fail to reasonably engage riders, residents, and stakeholders when considering material changes to services, programs, fares, or transit facilities.

**Degree of Compliance:** Compliant

**Interpretation**

Compliance with this policy will be demonstrated when the CEO ensures that appropriate opportunities exist for public involvement and feedback are provided prior to final decisions regarding services, programs, fares, or transit facilities. For service and fare changes, staff followed the administrative policy *Public Input Policy for Service and Fare Changes (2011)*, which describes levels/types/timing of engagement needed, scaled with the degree of change being considered: major, minor, or adjustment.

This is reasonable because the AAATA’s Public Input Policy (PIP) is comprehensive, has been successful for many years, and is compliant with federal regulation regarding public involvement.

**Evidence**

Prior to the onset of the pandemic, the rules of the PIP were met. However, the arrival of the pandemic in early 2020 compelled the AAATA to make several emergency decisions on short notice during a period of great uncertainty. *(Amended section)* There was one significant misstep where we did not engage riders before a change was proposed. In July 2020, the agency was making plans to reduce services, and information about one element of that change (reduction of route 47 in south Ypsilanti) became public in an unplanned way. Community members, perhaps fearing withdrawal of service, reacted strongly by making public demands. While circulated via email among community leaders, the issue never reached the press. Facing strong public opposition, at the July 23rd board meeting, the CEO pre-emptively announced that the suggested changes to route 47 would not be occurring. This seemed to bring relief to the situation. Since then, staff have recommitted to seeking public feedback and have arranged service restoration processes accordingly.

In spite of the above reference misstep, we are still reporting compliance with this policy due to the extraordinary circumstances and a caveat in the 2011 PIP that is relevant here:

“**Revised Procedures for Exceptional Circumstances**

*Under exceptional circumstances which require a service change or fare change to be adopted and implemented on short notice, the procedures above may be altered to the extent necessary. However, at a minimum, the public will be afforded an opportunity to be heard at the AATA Board meeting at which any action is taken and a notice of the proposed change with the date and time of the Board meeting will be published on the AATA website before the Board meeting. [NOTE: Such exceptional circumstances have never arisen in the past.]” *(Underlining added.)*

Although this caveat had never been invoked, the pandemic meets the definition of “exceptional circumstances” and therefore applies. The Board had previously delegated operational decisions to the
CEO (policy), so all of the abrupt changes were made under his authority and did not come to the Board for action.

The CEO submits that even though we were likely in technical compliance with this policy, we nevertheless took the route 47 incident very seriously, regret any miscommunications that occurred, and have gotten back on track since then.

A list of key decisions and evidence during the monitoring period is provided below:

<table>
<thead>
<tr>
<th>Fares Changes</th>
<th>Public comment allowed at Board meeting</th>
<th>Date notice of change was posted on the website</th>
<th>Date change went into effect</th>
<th>Website link</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fare collection temporarily suspended.</td>
<td>Yes</td>
<td>3/17/2020</td>
<td>3/19/2020</td>
<td>Here</td>
</tr>
<tr>
<td>2. Resuming fare collection</td>
<td>Yes</td>
<td>7/15/2020</td>
<td>8/2/2020</td>
<td>Here</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transit Facilities Changes</th>
<th>Public comment allowed at Board meeting</th>
<th>Date notice of change was posted on the website</th>
<th>Date change went into effect</th>
<th>Website link</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The YTC, BTC, and the Main Office were temporarily closed.</td>
<td>Yes</td>
<td>3/17/2020</td>
<td>3/19/2020</td>
<td>Here</td>
</tr>
<tr>
<td>2. All facilities later reopened after safety protocols were in place.</td>
<td>Yes</td>
<td>7/15/2020</td>
<td>7/20/2020</td>
<td>Here</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Service Changes –</th>
<th>Public comment allowed at Board meeting</th>
<th>Date notice of change was posted on the website</th>
<th>Date change went into effect</th>
<th>Website link</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. In compliance with the stay-at-home orders, TheRide reduced service levels to essential trips only</td>
<td>Yes</td>
<td>3/17/2020</td>
<td>3/19/2020</td>
<td>Here</td>
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</table>

No further changes occurred in the monitoring period.

**POLICY 2.9.5** The CEO shall not... Fail to operate in a publicly transparent manner.

**Degree of Compliance: Compliant**

**Interpretation**

Compliance with this policy will be demonstrated when the following information is freely available on the AAATA website:

- A. Board meeting agendas and packets are publicly available at least 18 hours before the meeting,
- B. Board meeting minutes are available on-line within two months,
- C. All draft Budgets when proposed, and final Budgets once approved,
- D. All audits, once accepted,
- E. Board members and senior executive staff are identified, and a contact method is provided,
- F. Contact information for Freedom of Information (FOIA) requests, and
- G. Contact information of all services as well as the main office.
This interpretation is reasonable because it complies with the Open Meetings Act and minimum transparency requirements, and adopts further standards derived from the now-defunct Sunshine.org group methodology for grading government transparency.

**Evidence**

During the monitoring period all required information listed above was posted on the agency website within the timeframe outlined. An on-line comment form for contacting the Board Chair directly was added in mid-2020. The AAATA website can be visited to confirm that this information currently exists.

A. All meetings were provided at least 18 hours before the board meeting date as evidenced below.

<table>
<thead>
<tr>
<th>Board meeting Date</th>
<th>Date Packet was uploaded on website</th>
</tr>
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<tbody>
<tr>
<td>Jul-20*</td>
<td>July 23, 2020</td>
</tr>
<tr>
<td></td>
<td>July 17, 2020</td>
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<tr>
<td>Aug-20</td>
<td>August 20, 2020</td>
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<tr>
<td>Sep-20</td>
<td>September 24, 2020</td>
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<tr>
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<td>September 17, 2020</td>
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<tr>
<td>Oct-20</td>
<td>October 22, 2020</td>
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<tr>
<td>Nov-20</td>
<td>November 19, 2020</td>
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<td>November 13, 2020</td>
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<tr>
<td>Dec-20</td>
<td>December 17, 2020</td>
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<tr>
<td></td>
<td>December 11, 2020</td>
</tr>
<tr>
<td>Jan-21</td>
<td>January 21, 2021</td>
</tr>
<tr>
<td>Feb-21</td>
<td>February 18, 2021</td>
</tr>
<tr>
<td>Mar-21</td>
<td>March 18, 2021</td>
</tr>
<tr>
<td></td>
<td>March 12, 2021</td>
</tr>
<tr>
<td>Apr-21</td>
<td>April 22, 2021*</td>
</tr>
<tr>
<td></td>
<td>April 16, 2021</td>
</tr>
</tbody>
</table>

*A new website went into effect in mid-2020. The information above dates from that timepoint.

B. Board meeting packets are available [here](#).

C. All Board minutes were available in the following month’s packet.

D. The Draft FY2021 budget was posted on-line on Sept 11,2020. The final budget was approved on September 24, 2020; and posted on the website on Oct 1, 2020.

E. All annual operating budgets and audits are available [here](#).

F. The website has pages for Board members and Executive Team.

G. FOIA information is [here](#).

H. General contact info is [here](#).

**POLICY 2.9.6** Endanger the organization’s public image, credibility, or its ability to accomplish Ends by:

---

**Degree of Compliance:** Compliant

**Interpretation**

Compliance with this policy will be demonstrated when compliance with policies 2.9.6.1 - 2.9.6.6 is achieved.

Compliance with this policy during the monitoring period will be further demonstrated when there are no legitimate public accusations suggesting mismanagement of the AAATA due to a factor over which the CEO
has control, and there is compliance with the other policies in this section. A legitimate case of mismanagement would likely involve decisions that were unlawful, imprudent, or in violation of commonly accepted business practices or professional ethics (policy 2.0).

This is reasonable because, as a public body, the AAATA will always be a potential target for accusations of mismanagement by people unhappy with legitimate decisions with which they do not agree. Acceding to illegitimate or self-interested criticisms would make the organization reactive and jeopardize pursuit of the Ends. Limiting the scope to legitimate mismanagement seems appropriate.

**Evidence**

Aside from the previous-mentioned controversy in Ypsilanti regarding sudden service changes for route 47 and some social media criticisms regarding layoffs during the pandemic, the CEO is not aware of any other public accusations during this period. Given the magnitude of changes made during this period, this is reassuring.

Compliance with the following policies further demonstrates compliance with this policy.

---

| Policy 2.9.6.1 Operating the organization in a manner that jeopardizes grantor relationships. |
| Degree of Compliance: Compliant |

**Interpretation**

Compliance with this policy will be demonstrated when AAATA meets expectations set forth by

A. Federal Transit Administration,
B. Michigan Department of Transportation, and
C. other funders that apply to the AAATA.

This is reasonable because the FTA and MDOT are the two main funders/grantors, both has their own auditing/review processes to ensure compliance. Other funders may have their own rules.

**Evidence**

Evidence of compliance for this sub-policy is primarily provided via outside audits and assessments by the AAATA auditors, the Federal Transit Administration (FTA), and the Michigan Department of Transportation. The AAATA does not receive grant funding from any other body besides the Federal and State governments.
A. **Federal Compliance:** An FTA review had been scheduled for 2020 but was deferred to 2021 by the FTA due to the pandemic. No communications from the FTA have been received that would suggest any concerns with compliance. In 2018 the FTA conducted a Triennial Review and found no problems with the AAATA’s internal control or business decisions that would jeopardize federal funding. That review is available for inspection upon request. In addition, the AAATA’s FY2019 and FY 2020 audits assessed compliance with federal grant regulations and found that Ann Arbor Area Transportation Authority complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs.

B. **State Compliance:** Grant agreements from the Michigan Department of Transportation were fully awarded and executed during the monitoring period and for the current fiscal year. MDOT has not indicated any concern with the AAATA’s compliance with State grants; all state grants are intact and there are no known risks resulting from noncompliance for these grants. Grant agreements with MDOT are available for inspection upon Board request.

C. **Other Grantors:** During the monitoring period, the AAATA entered into an agreement for the Toyota Motor Company to provide one-time philanthropic funding for the operations of the FlexRide service in Ypsilanti. A written contract outlining expectations was confirmed and is being complied with.

Detailed records supporting all of the above evidence are available for Board inspection upon request.
### Monitoring Report for Policy 2.9: External Relationships

**Policy 2.9.6.2** Allowing third-party advertising that violates stated agency guidelines for community standards.

**Degree of Compliance:** Compliant

**Interpretation**
Compliance with this policy will be demonstrated when the AAATA has, and consistently enforces, an administrative policy that restricts third-party advertising appropriately in order to protect AAATA’s image and reputation.

This is reasonable because a written policy can define the limits of community standards.

The AAATA has an administrative Advertising Policy (see below). All third-party advertising must meet the Policy. There were no legal challenges to the policy during the monitoring period. The CEO is not aware of any instance or accusation of inconsistent enforcement.

**AAATA Advertising Policy, 2014**

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

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

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

(** Note: Recent court cases may force a reconsideration of the prohibition on political advertising.)

**Evidence**
During the monitoring period the CEO and staff were not aware of any advertising that violated the above standards. No complaints were received. Copies of all ads carried on AAATA buses are available for Board review upon request.

**POLICY 2.9.6.3** Hiring a former Board member as an agency employee or supplier within one year of that member’s departure from the Board.

**& 2.9.6.4** Hiring a sitting elected official or former elected official that has not been out of office for at least one year from any jurisdiction that appoints members to the AAATA Board.

**Degree of Compliance: Compliant**

**Interpretation**
These policies are unambiguous with the note that policy 2.9.6.3 only applies to AAATA Board members.

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

**POLICY 2.9.6.5.** Ignoring exploration for innovation or opportunities that open capacity for the organization.*

**Degree of Compliance: Compliant**

**Interpretation**
Compliance with this policy will be demonstrated when written, external requests for the AAATA’s support of novel means of conducting the AAATA’s internal business are given due consideration as to whether they advance the Ends and comply with Executive Limitations and Administrative policies, whether the potential benefits are worth the investment and risk, and whether better options exist.

This is reasonable because this policy pertains to external relations and implies the AAATA’s reaction to outside proposals. Verbal proposals are too numerous to track. Suggestions for changes to services are not covered in this policy. The AAATA’s own approach to pro-active planning in these areas is covered under the Ends policies and other Executive Limitations policies. Also, due diligence is reasonable as some proposed collaborations some be wasteful or damaging to the pursuit of the Ends.

**Evidence**
No written proposals for changes to the AAATA’s internal business were received during the period.
**POLICY 2.9.6.6.** Authorizing the use of vehicles and their operators to transport persons detained by law enforcement for participating in public demonstrations.

**Degree of Compliance:** Compliant

**Interpretation**
This policy is unambiguous.

**Evidence**
During the monitoring period the CEO did not authorize the use of vehicles or operators to transport persons detained by law enforcement for participating in public demonstrations. No such requests were made.

**POLICY 2.9.7.** Allow the organization to be without (advisory) committees required in legislation or permit those committees to operate inconsistently with requirements of the legislation.

**Degree of Compliance:**

**Interpretation**
Compliance with this policy will be demonstrated when the Local Advisory Council (LAC) meets at least once a year, has at least three members including one appointed by the local Area Agency on Ageing, and provides feedback on the MDOT-required Vehicle Accessibility Plan. This interpretation is reasonable because the LAC is the only advisory body required by legislation, and the above membership and feedback elements are the only requirements in the legislation.

(It is worth noting that policies 2.9.7 and 3.9: Board Linkage with the LAC, came into effect towards the end of the monitoring period.)

**Evidence**
The Local Advisory Council met on Feb 9th, 2021 and provided feedback on the Vehicle Accessibility Plan before the plan was submitted to MDOT.

**CEO Notes**

In past years I have noted that policies 2.9, 2.9.1, 2.9.2, 2.9.3, and 2.9.6.5 (*) are prescriptions as they dictate staff actions rather than proscribing unacceptable situations. I have done my best to develop reasonable interpretations which I believe satisfy the guidance from the IPGA (below), but these are still unsatisfying.

I continue to believe these early policies are contrary to Policy Governance. I would ask the Board to consider rewording these policies or deleting them. One alternative would be to move 2.9.4 and 2.9.5 under 2.9.6 and delete everything else. The Board could also consult Rose Mercier.

I will also note that there is no “External Relationships” section in the stock Policy Governance template of policies. I believe this policy began as a continuation of the pre-2017 PMER committee (pre-Policy Governance).
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 standards 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.


Board’s conclusion after monitoring the report.
Following the Board’s review and discussion with the CEO, the Board finds that the CEO:

  A. Is in compliance.
  B. Is in compliance, except for item(s) noted.
  C. Is making reasonable progress toward compliance.
  D. Is not in compliance or is not making reasonable progress toward compliance.
  E. Cannot be determined.
SURVEY RESULTS:
External Relationships (Policy 2.9)

Service Committee Review Date: May 5, 2021
Board Meeting Review Date: May 20, 2021

Survey Participants: 5 Board Members

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

### Board Assessment of CEO/ Org Performance

<table>
<thead>
<tr>
<th>Was this report submitted when due?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
</tbody>
</table>

5 responses

100%
Do you find the CEO Interpretation for each policy/sub policy to be:

- **5 responses**
  - reasonable and complete: 3 (60%)
  - not complete (please specify policy/subpolicy and provide explanation in the next question): 1 (20%)
  - not reasonable (please specify policy/subpolicy and provide explanation in the next question): 1 (20%)

**Board Assessment of CEO/ Org Performance**

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

- **2.9.3** - threshold of elected officials publicly calling for dissolution is both too extreme and does not provide evidence for relationships with other community stakeholders.
- **2.9.4** - the explanation of how the PIP exception regarding actions at a board meeting applies to CEO decisions is insufficient. There is also no evidence that further service changes after the initial March reduction were posted, including the change that prompted the largest public response (discontinuation of rte 47).
- The interpretation of 2.9.3 seems pretty extreme, but the policy is so subjective, I don't know how an objective interpretation could be written. Perhaps we should try to write a more objective policy.
- I believe 2.9 needs to be reviewed and substantially revised. I don't know how compliance to 2.9.1, 2.9.2, 2.9.3, 2.9.5, 2.9.6.5 an be proved.
Do you find the CEO's evidence and data shows..?

<table>
<thead>
<tr>
<th>5 responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>compliance with our policy:</td>
</tr>
<tr>
<td>compliance with our policy, except for items(s) noted below and is making reasonable prog...</td>
</tr>
<tr>
<td>none compliance on item(s) noted below and is not making reasonable progress toward co...</td>
</tr>
<tr>
<td>cannot be determined</td>
</tr>
</tbody>
</table>

Items not in compliance (if any):

- 2.9.3 - cannot be determined.
- 2.9.4 - not in compliance.
- See my comment above.

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?

- It appears the PIP needs to be updated to reflect actions taken by staff as distinct from those taken by the board.
- I tend to agree with the CEO that several of the policies are prescriptive, not proscriptive.
- See earlier comment.

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

- I haven't had time to consider language changes.

Optional: Comments for the CEO

Commendations on this topic:

- Thorough report, given the ambiguity of some of the policies.
- Compliance in all areas is commendable.
**Potential Improvement(s):**

- No responses.

**Comments on the report itself:**

- Please indicate in these monitoring reports when they are due to assist with answering the first question of the evaluation.
- I appreciate the policy suggestions made by Mr. Carpenter and believe that it would be beneficial for the Board to review the current written policies.
ISSUE BRIEF: GoldRide Service Restoration

Meeting: Board of Directors
Meeting Date: May 20, 2021

INFORMATION TYPE
Decision Preparation

RECOMMENDED ACTION(S)
Receive information on new staff recommendation for on-demand portion of GoldRide program. Consider Board willingness to approve a new fare.

ALTERNATIVE OPTION(S)
Cancel GoldRide Service or reinstate old program.

PRIOR RELEVANT BOARD ACTIONS & POLICIES
Referral from Board Meeting on 4/22/21 to develop options for GoldRide.

ISSUE SUMMARY
Preliminary recommendations to cancel the on-demand portion of the GoldRide program were met with mixed reaction from the public and Board members. Staff have developed an alternative recommendation which institutes cost-control mechanisms, expands the service area, and can be implemented by August; but does include on Board approval of a new higher fare.

BACKGROUND
Due to the high costs of providing on-demand service, GoldRide is an expensive service to provide. To control costs and in recognition of the ongoing structural deficit with service levels, staff originally proposed eliminating the demand-response portion of the GoldRide program for seniors. Public input indicated a great concern about elimination of the GoldRide on-demand program entirely.

Two challenges existed with GoldRide in its original form.

First, despite being a premium, on-demand service, GoldRide service offered prior to pandemic was indistinguishable from the ARide service. GoldRide, does not have the same obligations and mandates as ADA services. To control costs and manage demand, it has been set aside as a premium service for which there is no legal mandate for service level or fares, only a community precedent.

The second problem is GoldRide originally served only the City of Ann Arbor, which is inequitable, if not illegal.

In response to the public and board request to bring back the GoldRide Service and to address the prior concerns, staff is making the following proposal
1. Adjust the GoldRide Service Area to mirror most of the fixed-route area,
2. Approve a limited budget to control costs, and
3. Altering the fare structure to help control demand.
The details of the proposal are contained in the attachments. If accepted, the new service (including fares) would begin in August. The budget would be built into the FY2022 Budget. The budget will then limit the level of service and number of GoldRide trips available.

**IMPACTS OF RECOMMENDED ACTION(S)**

- **Budgetary/Fiscal:** Varies between $300,000 and $720,000 in annual costs, all amounts increase the structural deficit.
- **Social:** Continued support of a known user of service.
- **Environmental:** Adds vehicle miles to the road in less efficient mode.
- **Governance:** Board has reserved fares as their prerogative

**ATTACHMENTS**

1. Service Map
2. Board Presentation (Forthcoming)
Proposed GoldRide Service Area
RECOMMENDED ACTION(S)

Receive as CEO Operational Update.

PRIOR RELEVANT BOARD ACTIONS & POLICIES

- 2.11.1.5 CEO shall not...Let the Board be unaware of...operational...[and] customer satisfaction metrics...
- Appendix A: Informational Reports schedule specifies quarterly Customer Satisfaction and Service Performance reports in Nov, Feb, May, Sept

ISSUE SUMMARY

In accordance with the Board’s Policy Manual, I present the Quarterly Satisfaction and Service Report. I certify that the information is true and complete, and I request that the Board accept this as an operational update.

This report is populated with currently available and reportable data/targets for Fixed Route, Paratransit, and Vanpool service. Targets, when possible, will be set in Ends Policy Interpretations. A glossary of terms for currently tracked metrics is attached.

It should be noted that the data collection and reporting for the Q2 of 2021 period are impacted by the COVID-19 Emergency that began in the last three weeks of Q2 2020. Year to year comparisons of Q2 give in a picture of performance metrics early in the COVID-19 emergency. Comparison of Q1 2021 and Q2 2021 provide insight into progress through the pandemic emergency and recovery.

Q2 of 2021 data reflects a system at less than full service, passenger loads, traffic volumes, commuting demand as travel restrictions lessened and University residents returned. It should be noted that while travel restrictions were lifted, health advisories still discourage the gathering of groups and close contact outside of households. For this reason, return to public transit has lagged and services like VanPool have yet to rebound.

Q2 of 2021 is the second quarter that ARide Services were fully housed within TheRide. Q2 of 2020 the services were provided entirely by an outside contractor.

FlexRide ridership numbers and costs are also contained within this report. FlexRide is being offered to fill gaps in service that have been created by COVID-related service pauses. The intent is to report on this data to allow tracking of ridership trends and FlexRide’s efficacy as an alternative to fixed routes.
<table>
<thead>
<tr>
<th>ATTACHMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Highlights Brief</td>
</tr>
<tr>
<td>2. FY 2021 Q2 Service Report</td>
</tr>
<tr>
<td>3. Glossary of Terms</td>
</tr>
</tbody>
</table>
FY2021 Q2

Service and Satisfaction Report Highlights
January 1, 2021 – March 31, 2021

The data collection and reporting continue to be impacted by the COVID-19 Emergency in Quarter 2 2021. Metrics that rely on a quarterly average do not reflect performance under typical conditions and this must be considered when comparing Q2 2020 data to that of 2020 or any quarter not entirely impacted by the pandemic emergency.

Fixed Route Ridership and Cost

Ridership in Q2 of 2021 continues to be impacted by the COVID-19 emergency. Compared to the same quarter in 2020, ridership is down 75%. When ridership of Q1 2021 is compared to Q2, ridership has increased 7%. As restrictions are lifted, vaccination increases and additional services are added, we expect to see it reflected in boardings.
Cost per passenger boarding has risen from $5.69 in Q2 of 2020 to $20.00. Reduced ridership, fixed costs plus the added costs associated with sanitation, decreased bus capacity, and modifications are responsible for this significant increase in the cost of providing fixed route service.

Cost per passenger boarding has decreased 4% since last quarter which suggests slow progress is being made as additional expenses decline and passenger volume increases.

Safety, Satisfaction, and Reliability

Complaints and Compliments

Complaints and compliments are all considered in relationship to the number of passengers boarding on the Fixed Route. The increase in complaints appears high, but amounts to an actual number of just thirteen valid complaints for the 349,283 boardings that took place.

On-Time Performance

Quarter 2 of 2021 show on-time performance holding steady at 78%.
**Fixed Route Road Calls**
Miles between road calls continues to improve. Past reports have reflected total miles between road calls. Historical data has been converted. Here average miles between road calls are reported to provide more useful information to the reader. This quarter there were, on average, 171,267 miles between service road calls.

**Fixed Route Safety**
This metric reports a significant increase in preventable accidents and incidents in both the quarterly and yearly comparisons.

**Mobility Services**

**ARide/Paratransit Ridership and Cost**
The COVID-19 emergency has continued to impact demand for paratransit services in Q2 of 2021. Ridership numbers have leveled out but still have not returned to levels observed pre-pandemic. The second quarter showed a 6% increase in ridership over the prior quarter. This quarter did include emergency actions and advisories that may have altered the travel of vulnerable ARide passengers.

The obligation to observe social distancing for medically compromised passengers, is reflected in an 75% increase in cost per boarding since Q2 of 2020. Cost per boarding in Q2 last year was higher than any “non pandemic” quarter, as ADA passengers were some of the first advised to change travel habits and will likely continue to modify their travel patterns.
When considering ARide costs and service, it should be noted that in the year-to-year comparison of quarters, Q2 2020 represents ARide fully outsourced, while Q2 of 2021 represents a directly operated ARide service.

This quarter reported higher than usual trip denials. Twelve denials only attributed to .01% of total trip requests.

The recent uptick in trip requests may be attributed to the gradual reopening of state facilities programs, improved weather conditions, and vaccinations. The next bid will address denials with increased capacity.

Vanpool

At the end of Quarter 2, 79 Vanpools remain. This is a 36% drop from the prior year and a 7% decrease from Q1 of 2021. This drop is attributed primarily to two COVID-19 related factors. The first, is the continuation of work-from-home requirements that has decreased the demand for Vanpool. The second is the requirement for safe social distancing may cause those returning to work to commute in separate vehicles. The pandemic has dramatically changed commuting patterns and modes.
FlexRide

FlexRide has been expanded in attempt to fill the gaps created by the temporary service changes due to pandemic. To evaluate the ability of FlexRide to be a reasonable alternative to fixed route service, it is necessary to measure and track use.

Since the expansion of the FlexRide Service, the East Service Area has seen use increase 204% over the prior year and 18% increase in use since the last quarter. The West Service Area indicates a 40% loss of ridership since Q2 of 2020 and a drop of 15% from last quarter.
## Fixed Route

<table>
<thead>
<tr>
<th>Measure</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Q2 2020 – Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Miles</td>
<td>830,734</td>
<td>559,749</td>
<td>-33%</td>
</tr>
<tr>
<td>Revenue Hours</td>
<td>69,325</td>
<td>45,614</td>
<td>-34%</td>
</tr>
<tr>
<td>Operational Cost</td>
<td>$7,897,659</td>
<td>$6,985,174</td>
<td>-12%</td>
</tr>
<tr>
<td>Boardings</td>
<td>1,387,503</td>
<td>349,283</td>
<td>-75%</td>
</tr>
<tr>
<td>Preventable Accidents Injury/100,000 miles</td>
<td>0.0</td>
<td>3.4</td>
<td>275%</td>
</tr>
<tr>
<td>On-time Performance</td>
<td>80%</td>
<td>78%</td>
<td>-3%</td>
</tr>
<tr>
<td>Avg Miles Between Road Calls</td>
<td>37,390</td>
<td>171,267</td>
<td>358%</td>
</tr>
<tr>
<td>Average Age of Fleet</td>
<td>6.2</td>
<td>6.4</td>
<td>3%</td>
</tr>
<tr>
<td>Boardings/Revenue Hour</td>
<td>20.0</td>
<td>7.7</td>
<td>-62%</td>
</tr>
<tr>
<td>Cost/Revenue Hour</td>
<td>$113.92</td>
<td>$153.14</td>
<td>34%</td>
</tr>
<tr>
<td>Cost/Boarding</td>
<td>$5.69</td>
<td>$20.00</td>
<td>251%</td>
</tr>
<tr>
<td>Complaints/100,000 Boardings</td>
<td>1.2</td>
<td>3.7</td>
<td>210%</td>
</tr>
<tr>
<td>Compliments/100,000 Boardings</td>
<td>2.7</td>
<td>2.6</td>
<td>-5%</td>
</tr>
</tbody>
</table>

## ARide/ParaTransit

<table>
<thead>
<tr>
<th>Measure</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Q2 2020 – Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Cost</td>
<td>$1,095,790.52</td>
<td>$1,197,217.00</td>
<td>15%</td>
</tr>
<tr>
<td>ADA Service Denials</td>
<td>0</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Senior Trips</td>
<td>2,422</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total ADA Trips</td>
<td>24,476</td>
<td>15,254</td>
<td>-38%</td>
</tr>
<tr>
<td>On-time Performance with 30 Minute Service Window</td>
<td>94%</td>
<td>97%</td>
<td>3%</td>
</tr>
<tr>
<td>Boardings/Revenue Hour</td>
<td>1.24</td>
<td>1.59</td>
<td>28%</td>
</tr>
<tr>
<td>Cost/Boarding</td>
<td>$44.77</td>
<td>$78.49</td>
<td>75%</td>
</tr>
<tr>
<td>Complaints/10,000</td>
<td>13.89</td>
<td>3.93</td>
<td>-72%</td>
</tr>
</tbody>
</table>
### VanPool

<table>
<thead>
<tr>
<th>Measure</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Q2 2020 – Q2 2021</th>
<th>Q1 2021– Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Vanpools at End of Quarter</td>
<td>Q2</td>
<td>Q1</td>
<td>Q2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>123</td>
<td>85</td>
<td>79</td>
<td>-36%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-7%</td>
</tr>
<tr>
<td>Number of Rider Trips Taken</td>
<td>64,454</td>
<td>32,449</td>
<td>34,751</td>
<td>-46%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7%</td>
</tr>
<tr>
<td>Avg Fuel Cost to Rider</td>
<td>$27.25</td>
<td>$31.06</td>
<td>$40.36</td>
<td>48%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>Avg Monthly Rider Miles</td>
<td>1064</td>
<td>1121</td>
<td>1293</td>
<td>22%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>Federal Subsidy/Rider Trip</td>
<td>$3.05</td>
<td>$4.13</td>
<td>$3.85</td>
<td>26%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-7%</td>
</tr>
<tr>
<td>Rider Miles/Gallon</td>
<td>87</td>
<td>73.4</td>
<td>79.7</td>
<td>-8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9%</td>
</tr>
</tbody>
</table>

### FlexRide

<table>
<thead>
<tr>
<th>Measure</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Q2 2020 – Q2 2021</th>
<th>Q1 2021– Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Service Area</td>
<td>Q2</td>
<td>Q1</td>
<td>Q2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1133</td>
<td>2913</td>
<td>3439</td>
<td>204%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18%</td>
</tr>
<tr>
<td>West Service Area</td>
<td>2249</td>
<td>1569</td>
<td>1341</td>
<td>-40%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-15%</td>
</tr>
<tr>
<td>Cost/Boarding</td>
<td>$48.16</td>
<td>$36.45</td>
<td></td>
<td>-24%</td>
</tr>
</tbody>
</table>
Quarterly Satisfaction and Service Report: Glossary of Terms

**Boardings** *(Unlinked Passenger Trips, a transit industry standard metric)*
The number of passengers who board public transportation vehicles. Passengers are counted each time they board a vehicle no matter how many vehicles they use to travel from their origin to their destination. Reported to the National Transit Database.

**Preventable Accidents and Passenger Injuries**
Total number of accidents that have been judged to be preventable and any passenger injuries. Serious accidents and all injuries are reported to National Transit Database.

**Miles Between Road Calls**
The average number of times a bus must be taken out of service because of equipment issues, divided by how many miles the fleet has run. Transit industry standard metric.

**On-time Performance**
Percentage of buses that leave scheduled timepoints within 0-5 minutes of the posted schedule. Transit industry standard metric.

**Complaints**
A complaint is when a customer or non-customer communicates to AAATA that something is unsatisfactory or unacceptable. All complaints are investigated and referred to appropriate staff.
ISSUE BRIEF: FY2021 Q2 Financial Statement

Finance Committee Review Date: May 11, 2021
Board Meeting Review Date: May 20, 2021

INFORMATION TYPE:
Receive as CEO operational update.

RECOMMENDED ACTION(S):
Receive as CEO operational update.

PRIOR RELEVANT BOARD ACTIONS & POLICIES
- 2.10.1.5 CEO shall not…Let the Board be unaware of… incidental information (including) quarterly budget to actual financial reports.
- Appendix A: Informational Reports schedule specifies quarterly Financial Statement reports in November, February, May, and August.
- Policy 2.6 Investments and Appendix F Investment Policy.

ISSUE SUMMARY:
Staff present the Second Quarter Financial Statement with currently available and reportable financial information for the period ending March 31, 2021.

BACKGROUND:
Financial highlights from the second quarter (January, February, March 2021) include:

- The budget shown represents the original budget adopted by the Board in September 2021. The amended budget approved by the Board in April 2021 will be presented in the third quarter 2021 financial report.

- TheRide operated within the budget for the second quarter of the year.

- There was a zero surplus of revenue over expense as budgeted.

- Expenses were $2.9 million lower than budgeted. Savings were from lower wages, fringe benefits, purchased transportation, fuel, materials, and contracted services, a result of the pandemic period, with reduced service and ridership.

- Revenues were $2.9 million lower than budgeted. This is a result of less than expected fares, federal operating assistance, CARES Act funding, and other revenues, a result of the pandemic period, with lower ridership and less federal grant funding needed to cover expenses.

- The operating reserve is at 3 months and a capital reserve of $1.0 million (as approved in January 2021) is shown.

- ~$4 million in CARES Act revenue has been used to date to support operations.
- Cash flow was adequate to cover expense; Q2 2021 ended at $16.8 million in cash/investments.

**IMPACTS OF RECOMMENDED ACTION(S):**
- Budgetary/Fiscal: Demonstrates financial performance for the reporting period.
- Governance: Supports Board in financial oversight/fiduciary responsibility.

**ATTACHMENTS:**
1. FY2021 Q2 Financial Statement (Income Statement and Balance Sheet)
Revenue and Expense (Budget to Actual)
In Thousands of Dollars (which means add a comma and three zeros).

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Actual Quarter 1 ($)</th>
<th>Actual Quarter 2 ($)</th>
<th>Actual Quarter 3 ($)</th>
<th>Actual Quarter 4 ($)</th>
<th>Actual YTD ($)</th>
<th>Budgeted YTD ($)</th>
<th>Variance (Dollars) ($)</th>
<th>Variance (Percent)</th>
<th>Original</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fares and Contracts</td>
<td>$652</td>
<td>$884</td>
<td>$1,536</td>
<td>$2,249</td>
<td>$(713)</td>
<td>-32%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Property Taxes</td>
<td>4,066</td>
<td>4,066</td>
<td>8,133</td>
<td>8,133</td>
<td>-</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Operating Assist.</td>
<td>2,569</td>
<td>3,327</td>
<td>5,896</td>
<td>5,296</td>
<td>600</td>
<td>11%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Operating Assist.</td>
<td>247</td>
<td>136</td>
<td>383</td>
<td>2,538</td>
<td>$(2,155)</td>
<td>-85%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CARES Act Operating</td>
<td>1,599</td>
<td>1,002</td>
<td>2,601</td>
<td>3,224</td>
<td>$(623)</td>
<td>-19%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Revenues</td>
<td>76</td>
<td>51</td>
<td>127</td>
<td>136</td>
<td>(9)</td>
<td>-7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$9,209</td>
<td>$9,466</td>
<td>-</td>
<td>-</td>
<td>$18,676</td>
<td>$21,576</td>
<td>$(2,900)</td>
<td>-13%</td>
<td></td>
</tr>
</tbody>
</table>

EXPENSES

| Salaries, Wages, Benefits | $5,937 | 5,779 | $11,716 | $12,127 | $411 | 3% |
| Purchased Transportation | 1,146 | 1,145 | 2,291 | 4,096 | 1,805 | 44% |
| Fuel, Material, Supplies | 791 | 917 | 1,708 | 2,312 | 605 | 26% |
| Contracted Services | 560 | 755 | 1,315 | 1,681 | 366 | 22% |
| Other Expenses | 776 | 871 | 1,646 | 1,360 | (286) | -21% |
| **Total Operating Expenses** | $9,209 | $9,466 | - | - | $18,676 | $21,576 | $2,900 | 13% |

GAIN(LOSS) FROM OPS

| - | $0 | $0 | $0 | $0 | 0% |

The Ride had a zero net income result at the end of the second quarter and operated within the budget.

Revenues were $2.9 million lower than budgeted due to the pandemic period causing lower than expected fares and federal grant funding needed to cover expenses.

Expenses were $2.9 million lower than budgeted due to lower costs across most categories as a result of the pandemic.

CARES Act Utilization
Expenditures from $20.7 million in Coronavirus Aid, Relief, and Economic Security Act funding as of March 31, 2021, for eligible COVID-19-related costs:
- Operating Expenditures: $4,005,705
- Capital Expenditures: -
- **TOTAL EXPENDITURES**: $4,005,705
- CARES Act Funds Remaining: $16,684,295

YTD Revenue and Expense By Mode
In Thousands of Dollars (which means add a comma and three zeros).

<table>
<thead>
<tr>
<th>DIRECT REVENUE</th>
<th>Fixed Route Bus</th>
<th>A-Ride</th>
<th>Total Direct Revenue ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fare Revenue</td>
<td>$510</td>
<td>$68</td>
<td>$5,180</td>
</tr>
<tr>
<td>Contract Revenues</td>
<td>284</td>
<td>-</td>
<td>$604</td>
</tr>
<tr>
<td>Advertising, Interest, Other</td>
<td>119</td>
<td>-</td>
<td>$812</td>
</tr>
<tr>
<td>State Operating</td>
<td>4,267</td>
<td>788</td>
<td>$108</td>
</tr>
<tr>
<td><strong>Total Direct Revenue</strong></td>
<td>$5,180</td>
<td>$856</td>
<td>$7,559</td>
</tr>
</tbody>
</table>

TOTAL EXPENSE

| Salaries, Wages, Benefits | $9,806 | 1,783 | $49  | $39 | $39 | 11,716 |
| Purchased Transportation | -     | -     | 812   | 1,211 | - | 2,291 |
| Fuel, Material, Supplies | 1,452 | 230   | -     | 8 | - | 1,708 |
| Contracted Services | 1,103 | 203   | -     | - | - | 1,315 |
| Other Expenses | 1,339 | 278   | 23 | 4 | - | 1,646 |
| **Total Operating Expense** | $13,700 | 2,494 | $897 | $1,269 | - | $315 | $18,676 |
| Gain(Loss) from Ops. | $(8,521) | $(1,638) | $(293) | $(457) | $(0) | $(207) | $(11,116) |

ALLOCATED REVENUE

| Local Property Taxes | 8,075 | - | 58 | - | - | - | 8,133 |
| Federal Operating & CARES | 445 | 1,638 | 236 | 457 | 0 | 207 | 2,983 |
| **GAIN(LOSS) TOTAL**: | - | - | - | - | - | - | 0 |
Balance Sheet

For the Period Ended March 31, 2021

Balance Sheet and Reserve

In Thousands of Dollars (which means add a comma and three zeros). With Prior Year Comparison.

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Q2 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$5,063</td>
<td>$7,453</td>
<td>$4,989</td>
</tr>
<tr>
<td>Investments</td>
<td>8,790</td>
<td>11,799</td>
<td>11,791</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>14,806</td>
<td>11,306</td>
<td>19,672</td>
</tr>
<tr>
<td>Capital Assets</td>
<td>52,477</td>
<td>46,369</td>
<td>45,533</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$81,135</td>
<td>$76,927</td>
<td>$81,985</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td>5,320</td>
<td>6,456</td>
<td>12,535</td>
</tr>
<tr>
<td>TOTAL NET POSITION</td>
<td>$75,815</td>
<td>$70,471</td>
<td>$69,449</td>
</tr>
</tbody>
</table>

Capital Reserve Balance $1,000

Operating Reserve Balance $10,134 $10,429 $10,691

Months in Reserve 2.6 2.9 3.0

Statement of Cash Flows (in Thousands of Dollars)

In Thousands of Dollars (which means add a comma and three zeros).

<table>
<thead>
<tr>
<th>Historical Cash Flows</th>
<th>Fiscal Year 2019</th>
<th>Fiscal Year 2020</th>
<th>Fiscal Year 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quarter 1</td>
<td>Quarter 2</td>
<td>Quarter 3</td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>$16,403</td>
<td>$13,612</td>
<td>$9,427</td>
</tr>
<tr>
<td>Cash from Operations</td>
<td>115</td>
<td>(3,040)</td>
<td>2,273</td>
</tr>
<tr>
<td>Cash from Capital</td>
<td>628</td>
<td>465</td>
<td>1,031</td>
</tr>
<tr>
<td>Cash from Investments</td>
<td>(3,534)</td>
<td>(1,610)</td>
<td>9,141</td>
</tr>
<tr>
<td>Cash Flow:</td>
<td>(2,791)</td>
<td>(4,185)</td>
<td>12,445</td>
</tr>
<tr>
<td>Ending Balance:</td>
<td>13,612</td>
<td>9,427</td>
<td>21,872</td>
</tr>
</tbody>
</table>

Q2 cash flow was negative at $2.5 million

The Statement of Cash Flows summarizes the amount of cash and cash equivalents entering and leaving AAATA during the reporting period. It measures how AAATA generates cash to fund its operating, capital, and investing needs. Negative cash flow is normal for all quarters except 4th quarter, when property tax receipts generate positive cash flow.

Investments Summary

In Thousands of Dollars (which means add a comma and three zeros).

<table>
<thead>
<tr>
<th>Investment Instrument</th>
<th>Date of Maturity</th>
<th>Interest Rate</th>
<th>Total as of 12/31/2020</th>
<th>Transactions</th>
<th>Total as of 3/31/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of AA - CDARS</td>
<td>4/1/2021</td>
<td>0.2%</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
</tr>
<tr>
<td>Bank of AA - CDARS</td>
<td>9/30/2021</td>
<td>0.2%</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
</tr>
<tr>
<td>CD Other</td>
<td>1/15/2021</td>
<td>1.7%</td>
<td>240</td>
<td>(240)</td>
<td>-</td>
</tr>
<tr>
<td>CD Other</td>
<td>1/21/2021</td>
<td>1.7%</td>
<td>240</td>
<td>(240)</td>
<td>-</td>
</tr>
<tr>
<td>U.S. Agency Bond</td>
<td>11/6/2023</td>
<td>0.3%</td>
<td>2,000</td>
<td>-</td>
<td>2,000</td>
</tr>
<tr>
<td>U.S. Agency Bond</td>
<td>4/9/2021</td>
<td>1.6%</td>
<td>1,000</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>U.S. Agency Bond</td>
<td>8/12/2022</td>
<td>0.13%</td>
<td>1,500</td>
<td></td>
<td>1,500</td>
</tr>
<tr>
<td>U.S. Agency Bond</td>
<td>1/19/2024</td>
<td>0.23%</td>
<td>-</td>
<td>750</td>
<td>750</td>
</tr>
<tr>
<td>U.S Treasury Notes</td>
<td>5/15/2023</td>
<td>0.13%</td>
<td>-</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>N/A</td>
<td>0.2%</td>
<td>1,774</td>
<td>(1,742)</td>
<td>32</td>
</tr>
<tr>
<td>Mark-to-Market Adjustment</td>
<td></td>
<td></td>
<td>45</td>
<td>(36)</td>
<td>9</td>
</tr>
<tr>
<td>Total Investments:</td>
<td>$11,799</td>
<td>$11,791</td>
<td>(8)</td>
<td>$11,791</td>
<td></td>
</tr>
</tbody>
</table>

Cash and Investments History

Total Cash and Investments by Month and Year (2017 to 2021 YTD) in Millions of Dollars.
### ISSUE BRIEF: CEO Report

**Meeting:** Board of Directors  
**Meeting Date:** May 20, 2021

#### INFORMATION TYPE

**Other**

#### OPERATIONAL & PROJECT UPDATES

- **AUGUST SERVICE RESTORATION – JUNE PUBLIC MEETINGS PLANNED**  
  Staff is reviewing input received during the March public input period and are incorporating adjustments to the final service recovery plan. Virtual public meetings will be held in June to present the final service plan effective at the end of August.

- **FEDERAL FUNDING REQUEST – EARMARK UPDATE**  
  Congresswoman Dingell has supported [one of the earmarks we submitted - bus garage expansion planning ($1.7million)](https://example.com). It is part of the Surface Transportation Reauthorization request that congress will be debating this year. Final approval will not be known until this process is completed.

- **VACCINE TRANSPORTATION**  
  The Washtenaw County Public Health Department has seen a drop in vaccine demand at the EMU Convocation Center. Changes to the days vaccines will be available will be adjusted in June. TheRide plans to adjust the free shuttle service accordingly. TheRide continues to provide free transportation on A-Ride, FlexRide and the vaccine shuttle to this vaccine site.

- **NOVA BUSES**  
  We are expecting to receive seven of the new NOVA buses in July. Pandemic disruptions to supply chains have caused plant shut downs and shortages which have delayed delivery. Future deliveries may also be impacted. TheRide has enough older buses to restore and maintain service in the interim.

- **TRANSPORTATION COMMISSION (ANN ARBOR)**  
  Staff attended the City of Ann Arbor Transportation Commission joint session with the Planning Commission on April 20.

- **LOCAL/REGIONAL TRANSIT COORDINATION**  
  Staff participated in a meeting held by the RTA leadership to coordinate public and stakeholder engagement with their long-range plan consultants. The RTA and its consultants will be engaging the public in a discussion about regional transit this summer and into the fall.
**PLANNING FOR RETURN TO NORMAL WORKING CONDITIONS**
Senior Management Team is beginning to develop a comprehensive plan for a return of staff to the workplace. Although the State is gradually allowing staff to return to offices, the CEO is moving more cautiously. Also an issue is the need to get the DGOC at 2700 S Industrial ready for a return of staff. Until the paratransit contract transition is completed in August the garage will be too full of buses to allow staff parking. Since 2016 some staff have been parking in the bus garage due to lack of formal parking spaces. Without this garage space, there is not enough parking to accommodate all staff at DGOC. While other factors are also being assessed, it appears that the earliest staff will be able to return en force to the office is September 2021.

**WATS POLICY COMMITTEE UPDATE**
The April meeting of the Washtenaw Area Transportation Study Policy Committee was canceled.

**LOCAL ADVISORY COUNCIL (LAC)**
The Local Advisory Council met virtually on April 13 and May 11. The CEO and LAC Chair led initial discussion about the Board’s new policies pertaining to the LAC, and the CEO’s desire to involve the LAC in whatever reforms may become necessary. A particular focus was on maintaining the LAC’s independence and sense of community, while also focusing their meetings on the deliverables required by the board and CEO.
AAATA Ownership Linkages

May 20, 2021
Legal and Moral Owners

LEGAL OWNERS

MORAL OWNERSHIP
In general – ask owners questions that are future-oriented and big picture. Examples

• What do you believe will be the most significant challenges facing this area in the next decade?
• What do you believe will be the most significant challenges facing transit in this area in the next decade?
• Are there particular needs or issues that you think the Ride should address?
• What are the priority needs that aren’t currently being met?
• What opportunities do you see in the community that could have an impact on transit? OR What opportunities do you see for transit to have an impact in the communities?
Alternatively,

• Ask legal owners about input from moral ownership:
  – Based on surveys, focus groups etc., we have heard the following from residents and visitors – what do you think?
• Discern values and priorities from secondary data, e.g. documents, policies, decisions
  – Infer from what’s learned through secondary data as to results desired in future
  – Test your analysis with the legal owners
GoldRide:

A New Approach to a Historic Community Service
Purpose

• Update Board on options GoldRide service.

• Determine support of Board for a new GoldRide fare structure
Agenda

1. Background and Challenges
2. New Recommendation
3. Closing and Next Steps
4. Discussion
GoldRide
Pre-2020
What is GoldRide?

GoldRide is a legacy program for seniors in Ann Arbor that offers free fare on fixed-route and $4 on-demand taxi service. Historically, AAATA has delivered this service with its ADA service.

Challenges of on-demand service
• Very expensive to provide to an expanding demographic
• Commingled with a federally required program (ADA Service) so trip denials were not possible and fares are capped
• Not equitable geographically, formerly serving only Ann Arbor
Historic high growth in costs
Unaffordable trends into the future
GoldRide Decision Timeline

February
Proposed cessation of GoldRide service

March
Public concerns about service for transit-reliant population

April
Board directs staff to research alternatives

May
Service in August requires action now
Timeline

• Due to high costs, in March staff proposed canceling on-demand GoldRide service but retaining free fixed-route service.

• Public feedback indicated a strong support for continuing the program.

• Concerned about both finances and community need, the Board directed staff to develop and alternative solution.

• Staff has developed alternative solution for August 2021 that requires further action quickly in order for staff to restore the service by August.
Background

• Tradition of bundling on-demand services
• Separate service areas (geographic inequity)
• Growing costs
Solutions and Recommendations

Unbundle services and manage separately as suggested in the Paratransit Study

- Meet federal requirements
- Institute pricing and limits on capacity (cost controls)
- Resolve geographic equity concerns
Solutions and Recommendations

A-Ride

ADA Minimum

Premium Services
Recommended Approach

Reinstate on-demand GoldRide

• Split from A-Ride
  • Limited capacity (budget cap)
  • Increase fares (Board decision)
• Expand service area

Only the AAATA Board of Directors can change fares.
GoldRide 2.0

1. Geographic Equity
2. Unbundled Services
3. Cost-controlled
Requested action from the Board

Fares
• $20 full fare plus $5 each additional passenger
• $5 discount fare for seniors with low-income certification

Budget
• Highest ridership estimate is 16,800 trips (very hard to determine demand)
• Budget add of $750,000 to support the highest estimated ridership.
Summary and Next Steps

This new approach will maintain a valued service while fixing and controlling the cost. As we have promised a return to full service, the return of GoldRide is ideally done in August when the rest of service restarts.

Next Steps

• Staff must share the revised GoldRide plan with public in June
• Fare decision by July
• Service begins in August
Discussion

• Does the board require additional information or clarity around the problem or the proposed solution?

• Could the board support creating a new fare, either:
  • Approving amount for public comment at the June public meetings, with authority to CEO to finalize after public comment?
  • Approve fare after public comment in July?
Financial Statements
2021 Second Quarter

Presented by:
LaTasha Thompson
Interim Deputy CEO, Finance and Administration
2021 Second Quarter Financial Report

• **Important Points for Q2 2021 Report:**
  • Income Statement includes the *Original Adopted Budget* does **not** reflect the Amended Budget passed in April 2021
  
  • Income Statement does **not** reflect the Funding strategy passed in April 2021, specifically in regard to *revenue*
  
  • These passed changes will be reflected in the Q3 2021 report
  
  • Report does reflect the Capital Reserve resolution passed in January 2021
Operated below budget for Q2

- Zero surplus for the second quarter YTD
- TheRide operated below the budget:
  - Expenses was $18.7 million YTD, $2.9 million less than budget
  - Revenue was $18.7 million YTD, $2.9 million less than budget
- ~$4 million in CARES funding used
## Balance Sheet and Reserve

*In Thousands of Dollars (which means add a comma and three zeros), With Prior Year Comparison.*

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$5,063</td>
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<td>$4,989</td>
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<td>$45,533</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$81,135</strong></td>
<td><strong>$76,927</strong></td>
<td><strong>$81,985</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5,320</td>
<td>$6,456</td>
<td>$12,535</td>
</tr>
</tbody>
</table>

### TOTAL NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$75,815</td>
<td>$70,471</td>
<td>$69,449</td>
</tr>
</tbody>
</table>

- **Capital Reserve Balance**: $1,000
- **Operating Reserve Balance**: $10,691
- **Months in Reserve**: 3.0

Based on Board Approval and Current Cash/Investment Balances
Thank You

Questions/Discussion

Presented by:
LaTasha Thompson
Interim Deputy CEO, Finance and Administration
lthompson@theride.org