



TheRide.org

William

TheRide 2002



TheRide

FY 2026
Corporate
Business Plan

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1. Executive Summary

TheRide's strategic circumstances have changed. Before the pandemic we were focused on internal improvements, and the external environment was favorable and stable. Today in 2025 the circumstances have reversed; internally we have never been stronger, but our external environment has become chaotic and unpredictable. Political conflict is roiling our largest fundings partners, the state and federal governments, and there is the potential for funding cuts or macroeconomic disruptions. In addition, security needs and ridership growth continue to be important.

In order to best pursue the Board's strategic goals (Ends policies), our Executive Team (CEO and Deputy CEOs) have fully updated our annual Corporate Business Plan with a new assessment of our strategic situation, updated initiatives, and have begun repositioning the agency for a less certain future.

The FY2026 Corporate Business Plan outlines initiatives for the next twenty years. Most of these initiatives are the same from FY2025, but with greater emphasis on economic uncertainty and risk management. The Business Plan provides an opportunity for the Board, staff, and the public to have a dialogue about *priorities* before the budgeting process adds details. **Everyone is invited to provide feedback on these initial proposals and help build a better Business Plan.** The finalized Business Plan forms the foundation for building the detailed budget that staff recommends to the Board later in the year. Looking forward, we expect to continue to provide all the same services in the coming year, with no fare increase, and no changes to staffing levels. We also intend to continue to advance numerous capital projects as outlined in the long-range plan, TheRide2045.

Initiatives and projects into the three categories:

- 1. Excellence in Service Delivery & Customer Retention**
- 2. Attract New Riders & Increase Ridership**
- 3. Continuous Improvement**

This Business Plan is a DRAFT piece shared with staff, the Board, and the public, to provide an opportunity to review projects, and provide feedback before this work is incorporated in the budget. Feedback on any of the initiatives in this document, can be sent to tellus@theride.org.

2. Strategic Planning & Alignment

At TheRide our Board of Director sets the direction through written policies¹. The CEO then creates an annual Corporate Business Plan to organize and align the agency's limited resources in order to achieve the Board's goals. As a public document, it allows transparency into the agency's thinking, priorities, plans and projects. TheRide's goals-setting and strategy development process is outlined in the figure below, with full details in the appendix.

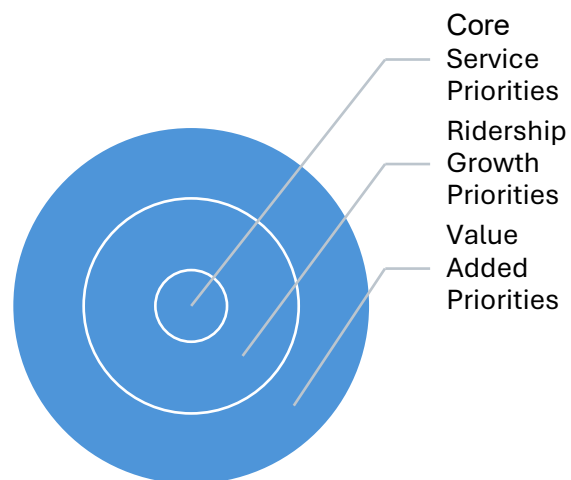


2.1 Corporate Goals & Priorities

The Board of Directors defined the goals the CEO is to achieve (i.e., Ends Policies¹). The Board intends to review these policies in 2025/2026.

Prioritization of goals is a necessary step as organizations balance ambitious goals with limited resources. Leadership can choose to set priorities in advance or let them emerge as daily decisions are made. Prudence suggests that the Board and CEO proactively set clear areas of focus to guide effective and transparent decisions proactively

By adopting Ends policies, the Board has already set broad goals for the agency. The CEO has been empowered to use their professional judgment to establish *relative priority* of those goals. This year's Business Plan makes the CEO's approach in categorizing these goals more explicit. The CEO has grouped the Ends into categories for Core Services, Ridership Growth, Value Added.



¹ The full Ends policies can be found in the appendix and the Board's Policy Manual.

The CEO's prioritization of the Board's Ends Policies are illustrated below.

A. Core Service Priorities

Maintaining institutional stability, existing services, and infrastructure, to ensure service for existing customers and vulnerable populations.

- a. Institutional Stability** – The agency must continue to be able to deliver results.
 - i. Public Support (1.5)** – Public and political support, not necessarily from special interests. Competence and social mission.
 - ii. Value and Efficient Stewardship (1.0)** - With limited resources we must be cost-effective to create the greatest value for the largest number of people.
- b. Excellence in Service Delivery & Social Mission Populations** – Our product must be high-quality: If we cannot retain riders, there is little point in making the effort to attract new ones. This also directly benefits the transit-dependent populations identified in the Ends. Most of our staff, resources, and energy (90%+) goes towards delivering daily services.
 - i. Serving Low-Income Residents (1.1.1)** - Residents who are not able to drive, occasionally or at all, due to income limitations.
 - ii. Serving Others who Cannot Drive (1.1.2)** - People with disabilities, seniors, youth and non-English speakers, especially those who rely on transit due to income.
 - iii. Economic: Workers, Students, Shopping, etc. (1.3, 1.3.1 & 1.3.2)**– Workers and students. Allows social/economic mobility and access to personal betterment, especially those who rely on transit due to limitations (see above).
 - iv. Customer Satisfaction and Feeling of Safety (1.4 & 1.1.3)** - Descriptive qualities of an attractive transit service, not outcomes themselves.
 - v. Equitable & Full Participation (1.1)** – Important but hard to define. Largely demonstrated by existing services for transit dependent. (Asking the board to unpack both in 2025).

B. Ridership Growth Priorities

Attracting new riders through service/infrastructure expansion or increasing demand via policy. Longer-term goals or less control.

- a. Increasing Ridership (1.0)** – Means either increasing trips by the poor (difficult) or attracting people from cars (difficult).
- b. Attracting Car Users to Transit (1.2.1)** – Key to many social goals (e.g., increased density, fewer cars, etc.). Difficult due to preferences for cars. Increased frequency is key. Have other means to travel so lower priority than transit dependent.
- c. Reducing Pollution (1.2)** – Attractive drivers out of cars is the primary means for transit to reduce emissions. Reducing our own emissions also fits here.
- d. Supportive Public Policy (1.2.3)** – Advocating for transit-supporting local, state and federal decisions.
- e. Land Development (1.2.2)** –An example of public policy (1.2.3 and 1.2.1). Related to frequency. Advocacy item.

C. Value Added Priorities

While important and board-directed, these value-added improvements have complications that make them lower priorities. Pursued, if they do not detract from other

goals.

- a. **Agency emissions (EL 2.11)** – Worth noting as it may become an Ends policy. Our own pollution footprint is relatively small, technology is expensive and unproven, and expanding ridership holds more impact. Pursued as resources permit. Since adoption of this policy, TheRide has won a \$25 million grant to begin purchasing **(Recreational) Visitors (1.3.3)** - By definition, non-residents from outside our taxing area. If TheRide's goals for outside commuters (work & school) are addressed under 1.3.1 and 1.3.2, and 1.1 (social goals) only applies to *residents*, then only visitors' recreation trips are left. Non-essential travel for non-residents that do not contribute property taxes seems like it should be a lower priority. While we do a lot of this, it is incidental to our core priorities.
- b. **Connections with Metro Detroit (1.3.4)** – TheRide's Ends focus is *within* "the Ann Arbor-Ypsilanti Area" which is also our taxing jurisdiction. Travel to/from metro Detroit is technically the purview of the RTA, whose taxing area covers all of Washtenaw County and metro Detroit. TheRide's role here is likely proactive advocacy. Since adoption of this End policy, TheRide partnered with RTA to create the D2A2 program which re-established high-frequency public transit with Metro Detroit for the first time since 1984.

The CEO wants to emphasize that this relative prioritization is *loose and flexible*; the Business Plan tries to advance *every* Ends goal at least somewhat each year, while rotating attention to pursuing the best opportunities as they arise. When we know all our goals, we can be constructively opportunistic and take the greatest advantage that circumstances present to us. For example, in FY2025 there were major efforts around reducing bus emissions. Those efforts were successful and now require focus on implementation. With less funding available in FY2026, we may shift attention to other opportunities.

In addition to the Ends, the Board's Executive Limitations policies create additional requirements that the CEO must meet. Managerial prudence also requires the CEO to consider internal capacity-building activities (e.g., staff and team development, technology upgrades, .) that are necessary because they indirectly facilitate the agency's ability to comply with the Board's policies. Thus, the Business Plan includes initiatives that directly address Ends, Executive Limitations, and internal development opportunities and needs.

2.2 SWOT

Our next step is for our Executive Team to update our understanding of the context in which we operate. This is done through a SWOT table (Strengths, Weaknesses, Opportunities, Threats) below.

Table 1: SWOT Table

	<u>FAVORABLE</u>	<u>UNFAVORABLE</u>
<u>INTERNAL</u>	<u>Strengths: Favorable Internal Factors</u> -Strong financial position and (relatively) stable funding due to a stable tax base. No pension, infrastructure liabilities. Funded reserves. -Board and Executive leadership aligned. Clear direction, accountability. Can make hard decisions. -Ability to prioritize, make trade-offs & stay focused. -Clear vision with the Long-Range plan. -Strong staff team and capable workforce. -Strong services, potential for ridership growth. -Growing ability to influence outside decisions. -Ability to increase capacity through staff development.	<u>Weaknesses: Unfavorable Internal Factors</u> -Cannot expand fleet or services until garage space expands. -Inadequate funding for all of Long-Range Plan (garage, terminals, BRT) -Organization's capacity limits & large workload require careful prioritization, staggering activities, & trade-offs. -Staff training programs under-developed. Skills gaps limit capacity. -Oversight of passthrough grantees. -Deployment of new technologies. Outdated legacy systems.
<u>EXTERNAL</u>	<u>Opportunities: Favorable External Factors</u> -Good reputation and strong community support. -Under-tapped rider markets: UM enrollment/population growth, schools, bulk fares, LRP projects, bus lanes, park n ride, etc. (work ongoing) -Transit-friendly plans & policies have the potential to support agency's mission. -Availability of competitive grants for capital projects. -New technologies can improve customer experience and productivity. -Ample passenger capacity in off-peak hours - could increase ridership without increasing costs. -Strong state and national advocates (MPTA, APTA). -New directions for customer marketing -Opportunities for cost-efficiencies to explore.	<u>Challenges/Threats: Unfavorable External Factors</u> -Uncertainty of federal & state funding; direct cuts or cascading impacts of cuts in other sectors. -Economic uncertainties: inflation, tariff disruptions, recession, debt. -Security at terminals. -Unmet social issues spill into transit spaces. -Work-from-home, e-commerce undermine demand for transit (nationwide). -Local funding restricted to 5-year property tax millages (property taxes are overused). -Outside agendas may distract from core opportunities. -Bike lane expansion can limit road space for buses, slowing buses and reducing attractiveness of the service. -Growing expectations exceed resources (Federal downloading, local desires, internal opportunities). -Labor market challenges and costs. Labor expectations (TBD).

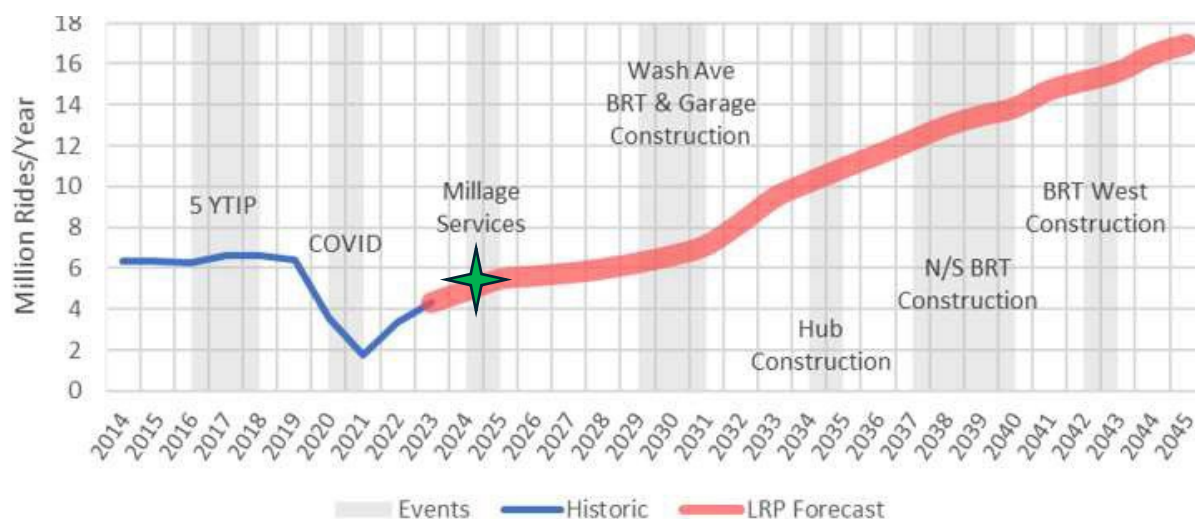
1.3 Ridership Trends

Ridership is perhaps the most important measure of performance for a transit system. TheRide's ridership continues to grow after the COVID pandemic (see below) albeit in part because of increased services and higher costs.

We are mirroring national trends and on track based on forecasts for ridership made in 2022. However, work-from-home and e-commerce trends are clearly here to stay as evidenced by unusually high downtown commercial vacancy rates. Ridership levels in most cities have not yet reached pre-pandemic levels due to changes in the demand for travel. Commuting 5 days a week requires consistent habits. Less frequent or sporadic commuting encourages sprawl and use of personal cars, working against transit use. TheRide, like many agencies, has increased off-peak services to attract new markets beyond downtown/student commuters although those markets also continue to be important. In effect, US society has become even more deconcentrated, reducing one of mass transit's competitive advantages – lower-cost access in congested environments. The industry is not so much *recovering* as it is *rebuilding* ridership from a new starting point.

The figure below illustrates projected ridership from the Long-Range Plan. Milestones and major initiatives are also illustrated. This forecast is aggressive but also realistic. The green star illustrates the most recent annual ridership levels.

Figure 1: Ridership Projection (2022) and FY 2024



1.4 Strategic Context & Conclusions

This section offers conclusions and key observations about TheRide's strategic position and the reposition necessary to continue to be successful.

- **A New Reality:** TheRide's strategic situation has changed. Before the pandemic we were focused on internal improvement while the external environment was favorable and stable. Today in 2025 the circumstances are reversed; internally we have never been stronger, but our external environment has become chaotic and unpredictable. Political conflict is roiling our largest fundings partners, the state and federal governments, with the potential for funding cuts or macroeconomic disruptions. Risks are increasing, forcing us to be clearer on our priorities and prepare for a world with less resources. For reasons beyond our control the future is much less certain.
- **Relative Financial Stability:** Across the nation many transit systems are facing dire financial circumstances that will come to a head in 2025/2026. TheRide is not among them. Due to sound fiscal management, we are not facing immediate financial challenges, although external challenges still loom.
- **Economic Uncertainty:** Through 2030, there is an increase in macroeconomic uncertainty due to political decisions. Of particular concern are federal and state funding, inflation, a recession, the next 5-year federal transportation funding bill, and the implications of the federal debt. While we do *not* face immediate fiscal cliff in FY2026, out of an abundance of caution, TheRide will begin putting greater emphasis on cost-effectiveness, value, and cost control. We will continue to work to advance key priorities, but with greater concern for being able to sustain basics services in the longer term.
- **State and Federal Funding Uncertainty:** In mid-2025 the State will finalize its annual budget which will have important implications for TheRide's operating budget. In later 2025 the US federal government will begin negotiations on the next 5-year surface transportation funding bill, a cornerstone of transit funding nationwide.
- **Rebuilding Ridership:** Changes in the demand for travel (i.e., work-from-home and e-commerce) have changed the markets for mass transit. To the greatest extent possible without jeopardizing existing riders and services, TheRide will continue to pursue attracting new riders to the fixed-route service.
- **Maintain Focus on Ends and LRP:** TheRide's goals (Ends) and major strategies and tactics have not changed in the previous year, although the CEO's prioritization of the Board's End policies provides additional transparency. The Board may update their Ends in the coming year.
- **Safety & Security:** Recent security incidents have emphasized the importance of ensuring that customers feel safe when considering transportation options. This has become a high priority.
- **Social Goals:** TheRide will continue to pursue goals such as full participation in society and environmental action. However, shifting federal and state requirements and funding are creating uncertainty and making commitments difficult.
- **Prioritization & Organizational Capacity:** Numerous projects were completed or begun in 2025, and all earlier projects will continue in development. However, given limited organizational capacity, the Executive Team has limited the number of new projects and rescheduled several to reduce pressure on staff. While daily operations continue to be the core priority, we will continue to advance Board policies through numerous initiatives, realistically accounting for organization's capacity to handle workloads.

3. Strategic Goals & Initiatives

To respond to the established goals and new circumstances described above, TheRide's Executive Team (CEO & Deputy CEOs) have adjusted our Business Plan and its strategic direction. Our updated strategic goals (below) advance the Board's Ends and Executive Limitation policies, account for changes in our environment, and incorporate prudent internal improvements that will help enable success. It puts increased identifying priorities, preserving existing services, and exploring financial options, while still pursuing pursuit of the Board's goals (Ends) and the long-range plan projects. All initiatives will be organized under one of the strategic goals and sub goals below:

- 1. Excellence in Service Delivery & Customer Retention**
 - A. Operational Excellence
 - B. Financial & Administrative Excellence
- 2. Attract New Riders and Increase Ridership.**
 - A. Long-Term Infrastructure for Ridership Growth
 - B. Service Enhancements
 - C. Influence Demand for Transit
- 3. Continuous Improvement**
 - A. Team and Staff Development
 - B. Internal Effectiveness & Efficiency
 - C. Sustainability Planning

The following Work Plan lists major initiatives, changes, and activities that will advance the Board's stated goals. These projects have been developed using the planning tools found in the appendix. The projects and initiatives outlined below cover the next 20+ years and illustrate the key steps TheRide will take to advance the Board's goals.

Mission Focus & Project Types

Every initiative should be advancing a Board goal or policy. In addition, there is a certain amount of work required by law, outside regulators or funders, or the realities of maintaining an organization and team healthy enough to continue advancing the agency's mission. Each project below references the key Board policies they advance. To learn how initiatives are vetted and selected, please consult the appendices.

Capital projects include expenses for fixed equipment, buildings, vehicles, equipment, durable goods etc., as well as the staff time needed to implement those projects. This category includes large projects such as zero-emissions propulsion systems and bus rapid transit services, as well as small items like computer hardware and desks. **Operating** expenses are everything else that is not capital, such as staff time (salaries and benefits), fuel, insurance, training, rentals, contracted services, legal fees, etc. Projects are categorized by their primary expense.

Timelines & Perspective

All the recommended projects are laid out in a multi-year sequence as seen in the Gantt chart at the end of the section. It should be noted that all timelines are tentative and are dependent on funding, staff capacity and in other cases, collaboration with external stakeholders. This multi-year approach is necessary because 1) TheRide does not have the resources to advance every

important project at the same time, 2) some work must naturally come before others, and 3) many of our infrastructure projects are complex and will take years to develop and implement.

Implementation & Budget Implications

The projects in this business plan provide 20 years of context. However, the business plan presented in September is only a one-year budget (FY25). Below is the consolidated Work Plan.

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A brief description of the above projects is provided in the respective pages below.

3.1 Excellence in Service Delivery & Customer Retention

Retaining customers is essential. We will work to ensure that anyone who uses our services comes away with a satisfying experience, and a willingness to use our services again, and maybe tell a friend. The initiatives in this section are focused on TheRide's quality of service.

A. Operational Excellence

To retain existing customers, TheRide has to provide and maintain a service of excellence.

1. Daily Service Delivery

Operating: Perpetual. Goal: 1.0-1.5

Although this Business Plan focuses on change initiatives, TheRide is primarily a service-delivery organization. Each weekday we provide about 1,200 bus trips, carry about 20,000 passenger trips. We operate or partner on six different services. We employ just under 300 staff that require recruitment, training, and support. We operate from five facilities that require upkeep and rehabilitation.

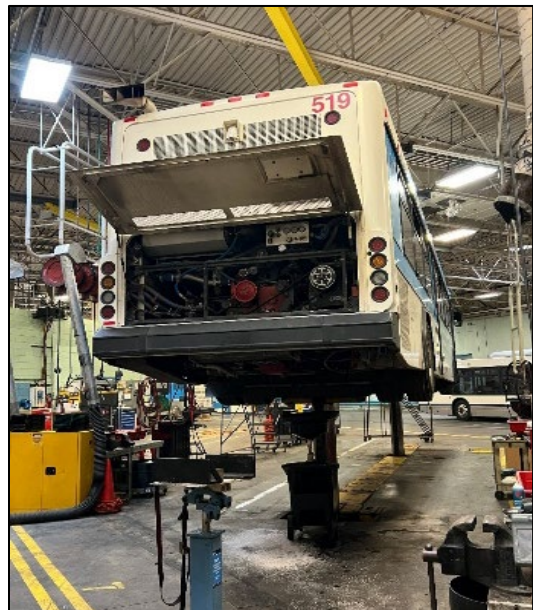
- *Daily service delivery consumes 99% of our annual operating budget.*
- *70% of our capital budgets are used to maintain and replace the vehicles, facilities and equipment we already have.*
- *95% of our collective staff time is spent delivering daily services and making improvements, small and large, too numerous to list.*

This would be enough for many organizations, but we also develop and execute plans for the future. This paragraph serves to remind us that delivering daily services to our customers is our highest priority and requires the bulk of our attention. Status: Ongoing.

2. Maintain State-of-Good-Repair

Capital. Ongoing. Goals: 1.4, 2.2.1, 2.4.3, 2.7.3

Safe, well-maintained, and efficiently managed equipment is essential for a capital-heavy industry like public transit. TheRide's services require 103 buses, 22 auxiliary vehicles, five facilities, a network of communication technology, computer equipment, and many other items. Routine maintenance and replacements are addressed in the annual budget. Overlooking maintenance on equipment increases long-term costs and may lead to a violation of FTA asset management compliance regulations. Status: Ongoing.



3. Security Review

Operating: 2025-2026. Goal: 1.0, 2.2, 2.7

In FY2025 TheRide began a review of security needs, processes and resources. We expect that work to continue into FY2026 as we adjust security measures. The review will provide greater understanding and a blueprint for how to increase safety and perceptions of personal security for customers and staff. Status: Initiated.

4. Bus Service Review

Operations. 2025- 2026. Goals: 1.1., 1.4., 2.1

TheRide is reviewing existing services to increase customer satisfaction, improve service reliability and cost-effectiveness, and address operational issues. Recommended plans for services changes will be developed for short-and medium-term implementation. Major reviews will happen every five years. Status: Initiated.

5. Bus Stop Accessibility Improvements

Capital. 2020-2033. Goals: 1.1.2, 1.4.

Focused on improving accessibility for people with disabilities, TheRide is working on improving bus stop infrastructure such as concrete lead walks (sidewalk-to-curb paths), shelters, benches, and other amenities. TheRide targets to make 30 to 40 bus stops near sidewalks accessible each year, pending funding and issuance of permits. Our goal is to make all eligible bus stops near sidewalks wheelchair accessible (i.e., lead walk) by 2033. Status: On schedule.



6. FTA Compliance Reviews (Triennial review and Title VI review)

2026-2027. Goals 1.1.1, 1.1.2, 2.5.2, 2.7

FTA requires all direct and primary recipients to document their compliance with Department of Transportation (DOT) Title VI regulations by submitting a Title VI Program once every three years. By the end of 2026, AAATA is due to submit its next Title VI Program to FTA. The updated program will incorporate all the requirements listed within the FTA Circular C 4702.1B for all fixed-route transit providers that operate 50 or more fixed-route vehicles in peak service in an urbanized area with a population of 200,000 or more. AAATA's Title VI Program ensures that minority, limited English populations (LEP), and low-income populations are considered in all aspects of service planning, community outreach and service delivery. Status: Begins 2026.

Additionally, The FTA performs a triennial review every three years, auditing all areas of transit agency compliance, including financial management, operational performance, civil rights regulations, and other regulatory adherence. Compliance indicates that the agency meets federal funding guidelines which are critical to maintain federal funding for transit capital assets and projects required for delivering services. The FTA conducted a review in FY2025, and the next review is scheduled for FY2028. Status: Next review scheduled for 2028.

7. Fare Strategy Update

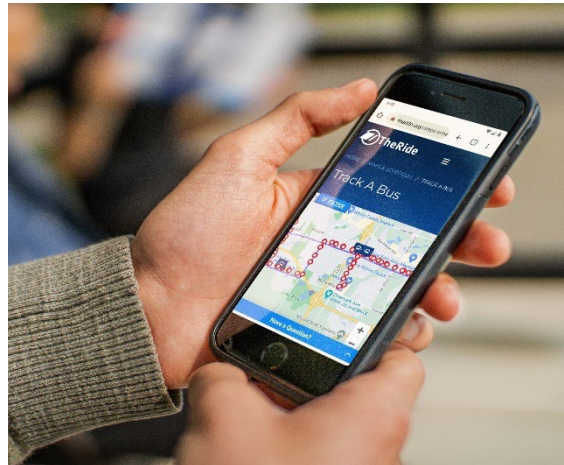
Operating. 2026-2027. Goal: 1.1.1., 2.1.4., 2.4.1., 1.4

To better attract and retain customers, TheRide will conduct a study to review passenger fare policies by evaluating the impact of post-pandemic trends on ridership and market needs on pricing to update the fare structure. The study will inform decisions on improving fare collection systems, expanding real-time information, integrating with local providers and addressing first and last mile solutions. The last fare study was completed in 2018, with an update to that study completed in 2021, providing some foundational work to be incorporated into this project. This work is expected to begin in FY 2026. Status: Study scoping expected late FY2025. Study initiation in 2026.

8. Passenger Information Systems Replacement Plan

Capital. 2025-2027. Goal: 1.1, 2.1.2

TheRide's current real-time information and vehicle location technologies will reach the end of their financial lifespan in 2026. The replacement will leverage cutting-edge technology to enhance functionality and ensure a seamless implementation process Status: Planning for the new technology will begin in 2025 and installation is expected in 2027.



9. Transit Signal Priority

Capital. 2024-2026 Goal: 1.2.1., 1.4

This ongoing project will work to increase automatic, real-time coordination between buses and traffic signals with the goal of allowing buses to pass through green signals more frequently when they are significantly behind schedule. The primary goal for this project is to improve bus on-time performance. This will make services more reliable and better able to retain riders. Phase One covering Route 4 in Ann Arbor is expected to be operational by mid-2026. Status: Ongoing

B. Financial & Administrative Excellence

Successful sourcing of funds will be critical in the implementation of initiatives that lead to exceptional customer service, plan and execution financially sustainable options and improve critical infrastructure. The projects in this section will focus on funding the initiatives in the FY25 Budget.

10. Exploring Efficiencies (New)

Operating & Capital: 2025-2030. Goals: 2.0, 2.4, 2.7.

Given rising uncertainty regarding the stability of state and federal funding, Executive Team will begin reviewing opportunities to control costs, reduce expenditure, and ensure all investments are adding commensurate value. This will include in-house and contracted expenses, as well as service and program design and service delivery. Status: Initiated.

11. Labor Negotiations

Operating. 2025-2026. Goals: 2.3.6, 2.2.

TheRide's labor contract with our sole union (TWU 171) expires in early 2026. Preparations will ramp up as negotiations approach. Our agency's largest cost is for salaries and benefits, of which costs for under our collective bargaining agreement account for 28% of those costs. Our contract negotiations will formally begin in January 2026, and the current contract will expire in March 2026. Preparation activities will intensify through FY 2026 to ensure management and Board expectations are aligned prior to bargaining. Status: Initiated.

12. Funding Applications for Ypsilanti & Ann Arbor Bus Terminals

Operating: Ongoing. Goals. 2.0., 2.4.1., 2.4.4

In FY2025 TheRide will submit capital funding requests for the Ypsilanti Transit Center (YTC) from both earmarking and competitive grant programs. We may learn the outcomes in FY2026, perhaps by November 2025. If successful, fundraising for YTC construction could be advanced or even completed. The remaining funding required for the YTC is within the scope of the targeted Bus and Bus Facilities grant. We will also continue to pursue grant funds for the Blake Transit Center and 4th Avenue improvements in Ann Arbor.



Later in FY2026 (March-July 2026) we may have other opportunities to submit requests. If so, our intent is to either pursue additional funding for terminals (if needed) or subsequent capital priorities such as additional low-emissions vehicles, facilities, or other equipment. We do not expect to be able to submit competitive grant applications for a garage or BRT for a few more years until planning work is more advanced.

As often happens, when other opportunities for outside funding emerge, TheRide will work to advance proposals that are needed and have a higher probability of success. We do not pursue all opportunities due to incompatibility, poor likelihood of success, or staff capacity. Status: Ongoing.

13. Federal Surface Transportation Reauthorization

Operating: 2025-2026. Goals: 1.0, 2.0, 2.4, 2.5.2, 2.7.

Every five years the US government updates its funding levels for transit, highways, and other surface modes. Funding levels set here will affect TheRide from 2026-2031 and can directly increase or decrease capital funds available. It is also an opportunity to revisit various requirements that have been attached to those funds. TheRide will work to educate decision makers about the needs and opportunities in public transit directly and via industry trade associations. Status: Initiated.

14. Long-Range Plan Review & Millage Preparation(New)

Operational: 2026. Goals: All Ends, 3.2.9 & 2.9.1.

The long-range plan, TheRide2045, was approved by the Board in 2022 after considerable public input. Since then, there has been important progress (e.g., YTC, BTC,). Staff will conduct a 4th-year check-in to determine if any adjustments may be warranted in light of changes in travel behavior, inflation, changes in state and federal funding and broader economic uncertainty. This will include discussions with the Board about the timing, content and rate for the next millage anticipated in 2027. Status: Ongoing

3.2 Attract New Riders & Increase Ridership

The initiatives below are focused on improving the services we offer and infrastructure for transit and attracting more riders to use our services.

A. Long-Term Infrastructure For Ridership Growth

Expanding and rebuilding key pieces of infrastructure will be key for improving services, maintaining satisfaction, and attracting new riders. Infrastructure development can be frustratingly slow. However, ensuring sound project selection and development saves money and time by avoiding less-effective initiatives or having to re-do planning work. A 'critical path's sequence of major projects is illustrated and described below:



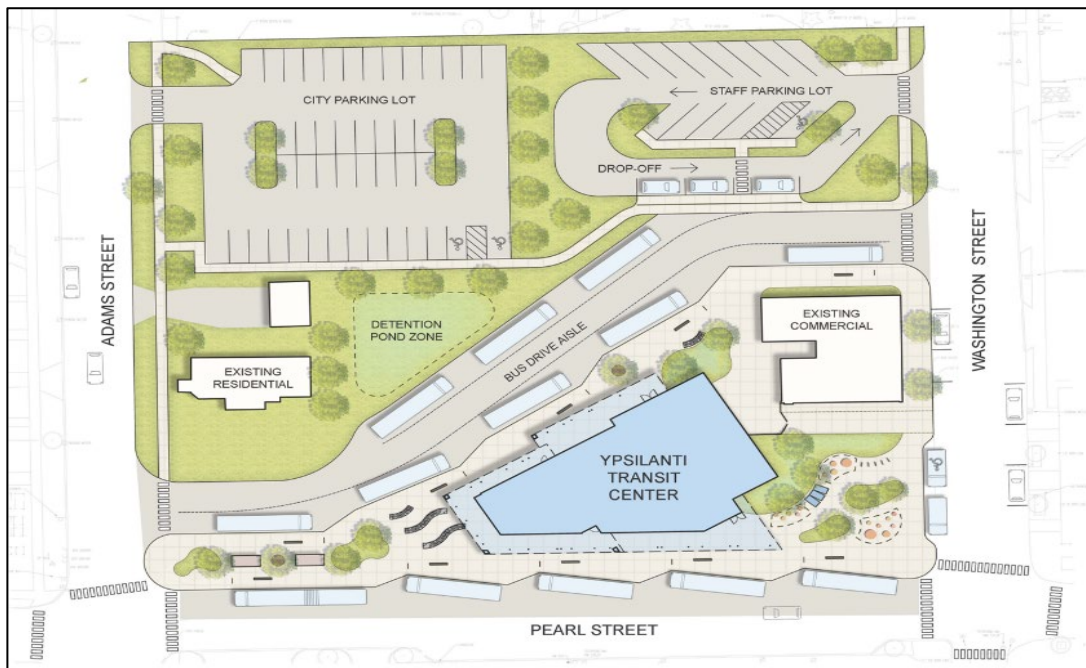
Figure 2 Critical Path for Infrastructure

15. Ypsilanti Transit Center Planning, Design, Land Acquisition, Funding

Capital. 2024-2027. Goal: 1.1, 1.4, 1.5, 2.5.2, 2.10.

Having made significant progress through the planning process in 2025, this project will continue in 2026. Conceptual planning and NEPA clearance is completed, and TheRide will embark on the next phases of the project, including detailed design and engineering. TheRide has also submitted a grant application in hopes of securing more capital funding for the project. Status: On schedule.

In FY2026, TheRide will embark on the next stages of this project including detailed architecture, engineering work, and securing an additional \$19 million in capital funding for construction. Land acquisition discussions will begin. *Discussions on land acquisition will become serious.* Staff will seek Board approvals for key steps. This project includes planning, development, and construction of a new transit center in the City of Ypsilanti and is expected to open in FY 2028. Status: Ongoing.

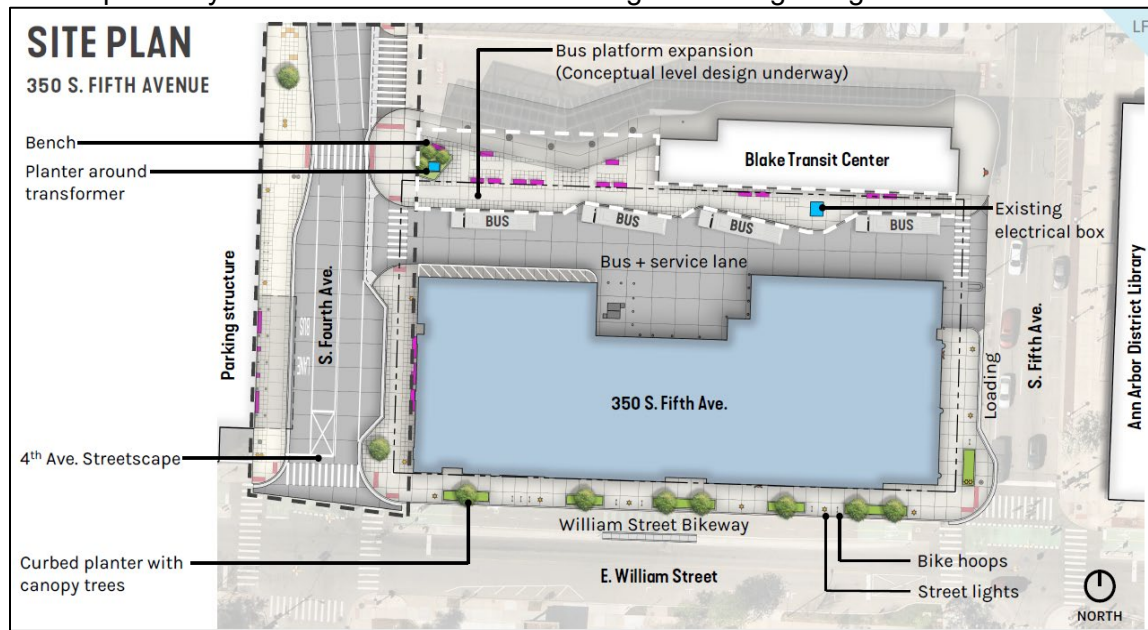


16. Blake Transit Center Design, Funding

Capital. 2022-2028. Goals: 1.0, 1.4, 1.5, 2.5.2, 2.10.

Staff will continue working with local partners on their projects to redevelop the YMCA lot adjacent to the BTC (Ann Arbor Housing Commission), and 4th Avenue (DDA). In late 2025 and 2026, NEPA clearance and detailed design will commence and conclude. Site plan approvals for the BTC may conclude in FY 2026. Construction of 4th Ave is expected to begin in 2026 while construction at the BTC will likely not start until FY 2027 to align with construction of the housing tower. Discussion on cost-sharing arrangements and TheRide's financial commitments has begun, and these agreements need to be finalized in FY 2026. Staff will seek Board approvals for key steps. TheRide intends to nearly double its service hours by 2045. The transit centers must be designed to efficiently accommodate increased service. BTC expansion and redesign is expected to

be completed by FY 2028. Status: Detailed design work beginning.



17. Bus Garage Planning Studies (Initial)

Capital. 2025-2029. Goals: 1.0, 2.4.2, 2.4.3, 2.10.

Before TheRide can increase the frequency of bus service, it will need to increase its garage capacity to house and maintain a larger bus fleet. Planning work will clarify the needs and requirements, identify and evaluate suitable locations, develop conceptual designs, and gain appropriate federal environmental approval (NEPA). The new garage is anticipated to increase fleet capacity by 100 buses. It will also be critical in supporting high-capacity buses (articulated buses) and the transition to zero-emissions vehicles with respect to different charging/refueling and maintenance requirements. The new bus garage is expected to begin operations in FY 2031. Status: Initiated in mid-2025.

18. Bus Rapid Transit Planning Studies (Initial)

Capital: 2026-2031 (Wash Ave E), 2032-2040 (Wash Ave W), 2036-2041 (North-South). Goals: 1.0-1.5, 2.4, 2.10.

Bus rapid transit (BRT) is the centerpiece of the long-range plan and spine of the future transit network. Two BRT lines will span the service area. The Washtenaw BRT will run between downtown Ypsilanti and Maple/Jackson in Ann Arbor, spanning the service area from east to west and is expected to be completed by 2031 (Phase I). The north-south BRT will run in Ann Arbor between Plymouth/US-23 and Eisenhower/State, spanning the service area from north to south and is expected to be completed in FY 2040 and the BRT from BTC to Maple/Jackson is expected to be completed in FY 2042. This timeline may change depending on partnership opportunities with MDOT and the local municipalities. Status: Project timing deferred due to staff capacity and uncertainty regarding federal infrastructure funding.

19. Transit Hubs and Priority Infrastructure Development

Capital. 2027-2030, 2032-2035, 2037-2040. Goal: 1.0, 2.10.

Four transit hubs will be developed outside of the downtown cores to facilitate better connectivity between peripheral areas that have high demand, are projected to have significant growth in demand, and are located at logical connection points between numerous routes. The four hubs are located as follow:

- State & Eisenhower area (2027-2030)
- Jackson & Maple area (2032-2035)
- Carpenter & Ellsworth area (2032-2035)
- Nixon & Plymouth area (2037-2040)

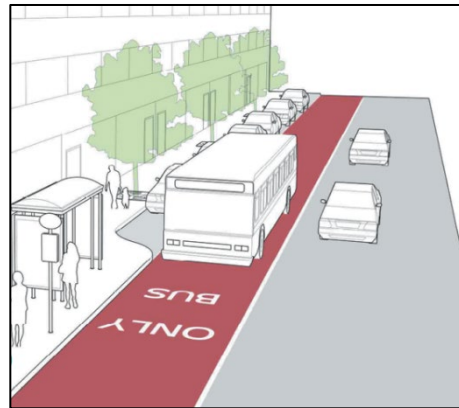
Status: Begins 2027.

B. Service Enhancements

20. Bus Lane & Transit Priority Master Plan

Operating. 2024-2039 Goals: 1.0, 1.4, 2.10

With the University of Michigan and other partners, explore the potential to create a unified proposal for bus lanes in the City of Ann Arbor. Advocate with road-owners (municipalities, MDOT) to allow bus lanes at key bottlenecks. Fully dedicated bus lanes will require the collaboration of the municipal, County and State partners in changing the streetscape. Ann Arbor's first bus lane, on State Street, will open fall of 2025. TheRide will continue working with stakeholders to add more bus lanes / queue jump lanes at other choke points prior to the full implementation of the high- frequency network in 2039. Status: Project initiated.



21. Regional Park and Ride Plan

Capital. 2025-2026. Goals: 1.0-1.5

In early 2025, TheRide recruited the UM, City of Ann Arbor, and DDA to be partners in a study to plan the distant 'second ring' of park n ride lots outside of the Ann Arbor freeway ring. The work will continue into 2026. We hope to finalize a general plan, identify lot locations, bus staging areas, services plans, costs, pilot projects, and create a shovel-ready proposal. Although this has the potential to improve labor mobility, equity, and environmental impacts at a large scale, it is challenging because it covers geographies well beyond TheRide taxing jurisdiction. A key goal is to arrive at a cost-sharing arrangement with outside partners offset operating costs (TheRide will not use local property tax dollars to fund services for outside residents). If successful and depending on details, pilot services could start in 2027/2028. Status: Project initiated.

22. Wayne County Millage Input (New)

Operating: 2025-2026. Goals: 1.3.4.

In 2024, Wayne County sought and received legislative changes to Act 196 that will allow them to run a countywide millage, tentatively scheduled for November 2026. Wayne County sought input from TheRide on the potential for additional intra-county services. We will provide initial thoughts back to the County (based on the long-range plan). They will be conducting public engagement throughout 2025. We expect more discussions during FY2026 but are not aware of the County's specific plans. Status: Deadline of December 2025.

23. Assist with Community Needs Assessment (New)

Operating: 2025-2027. Goals: 1.3.3

In recent years grassroots groups and nonprofits in parts of Washtenaw County outside of TheRide's service area have begun raising the unmet need for transit services in these rural areas. This includes travel within those areas and to/from TheRide's area. Although TheRide has no jurisdiction in these areas, when approached with requests for advice and assistance, we endeavored to be good neighbors and provided some suggestions about how these rural interests might proceed. Those outside groups are now attempting to gather support to conduct a preliminary Needs Assessment. TheRide will continue to advise these outside groups as their work proceeds. Status: Partners are submitting grant application.

24. Transit App (RTA project)

RTA-funded Operating: 2027-2028. Goals: 1.0,1.4,1.5

In partnership with TheRide, the RTA is piloting a mobile application aimed at helping users in the region to navigate transportation options across various systems and modes more efficiently. Status: The pilot will begin in FY27

25. Express Bus Pilot on North-South Corridor

Operating. 2027-2029. Goal: 1.0-1.5

An express route from the Eisenhower/State area to the Plymouth Road Park and Ride lot is expected to be introduced in FY 2028 with the intent of building momentum for the north-south BRT. Status: Planning begins FY2027.

26. Priority Transit Routes

Operating. 2027-2029., 2031-2033. Goal: 1.0-1.5.

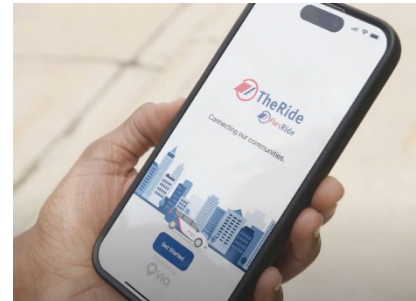
Priority routes are intended to provide higher-frequency service to high-demand areas and facilitate faster trips for longer passenger trips not well covered by the planned BRT routes. The priority routes will have service frequencies ranging from 15 to 20 minutes during peak periods and will be enhanced by transit-priority features (e.g., queue jumpers, signal priority, etc.) Planning for the Main /Plymouth and Packard-Ellsworth Priority routes is expected to begin in FY 2026. The service is expected to begin in FY 2029. Planning for Packard-Eisenhower Priority route is expected to begin in FY 2031. Status: Planning begins 2027.

27. Off-Peak Service Enhancements

Operating. 2027-2029. Goal: 1.1, 1.3, 1.4, 1.5. To make transit a desirable transportation option, TheRide intends to provide more reliable and attractive services during the entire service period (i.e., all services during the day and night, weekday and weekends will have a reasonable level of service). Status: Planning begins FY2027, and implementation is scheduled to begin in 2029.

28. On-Demand Coverage Enhancements

Operating. 2029 Goal: 1.1, 1.3, 1.5. TheRide will increase On-Demand Service resources with the aim of expanding coverage and reducing wait times. Status: Planning begins FY2027.



C. Influence Demand for Transit

The focus here is to attract more people to the services that already exist, and not to incur new operational costs to fill the seats we already have.

29. Monitor & Refine Marketing/Advertising

Operating: 2026+. Goal: 1.0. With a new advertising campaign focused on attracting new customers debuting in FY2026, staff will monitor the first full year of this retail-oriented approach and make adjustments as warranted. Status: New marketing campaign released June 2025.

30. Rider Segmentation Study

Operating. 2025-2026. Goal: 1.0, 2.0, 2.1. Understanding the needs of current and potential customers will be critical in informing service design. In 2025 staff began work to quantify various ridership groups for the purpose of targeting ridership and marketing initiatives. The agency will continue work to refine our understanding of the number, size and forecasts for various demographics and customer groups. This foundational information will help staff to focus on groups most likely to help increase ridership and select future tactics likely to be effective. Initial work should conclude in 2025 and inform future decisions. Status: Study initiated.

31. Youth Ridership Opportunities.

Operating. 2027-2028. Goal: 1.0, 1.1.2. In this internal review, staff will explore the potential to develop a youth-pass program and promote TheRide's fixed-route services. This may be a constructive way to increase ridership during off-peak periods (i.e., outside weekday rush hours) while minimizing costs, and also increasing access to opportunities for youth and families throughout the area and even increasing the labor pool for



local employers. This assessment will inform future decisions. Status: Begin 2026.

32. Transit-Oriented Development Guidelines (New)

Operating: 2028. Goal: 1.4,

Land development concepts like smart growth or transit-oriented development are examples of transit-supportive policies that some municipalities in our area are considering. However, given competing priorities, the pro-transit elements of these ideas can sometimes be under-emphasized or compromised. There is an opportunity for TheRide to proactively develop guidance for municipalities about how land development concepts are best used to support transit. We will explore developing tools to encourage the best aspects of transit-supportive land development. Status: Begins 2028.

3.3 Continuous Improvement

Internal improvement projects directly improve the agency's capacity to efficiently provide a service of excellence.

A. Team and Staff Development

TheRide is an agency and an institution but is also a team. The staff are key to identifying and implementing opportunities for the future. We will continue to invest in our staff through various training opportunities (easier post pandemic), work to engage and inspire staff, and improve cross- department collaboration. An essential pre-condition is the ability to fully fill in key vacant positions.

33. Staff Needs Review

Operating: 2026+. Goal: 2.0, 2.2.1.

Continue to invest in staff development through on-site, virtual and remote training opportunities. This includes leadership, supervisory, change management, and team building opportunities, conferences, skill-specific training, and personal development plans. Status: Initiated.

34. Supporting Governance Excellence

Operating: 2025+. Goal: 2.9.

TheRide's Board of Directors sets direction and provides fiduciary oversight for the organization and CEO. The Board has its own Annual Plan of Work which is separate from this Business Plan. Staff do have a role in supporting the Board. This year we are itemizing staff-time for supporting Board activities such as updating Ends Policies, Ownership Linkage, and providing education on funding, land use connections, and AI. We also will continue to facilitate board training opportunities. Status: Ongoing.

B. Internal Effectiveness Reviews

TheRide staff are always reviewing internal processes and procedures to find improvements or efficiencies. Such reviews typically inform later operational changes, decisions, or budget recommendations. Each year a few key subjects receive more formal attention.

35. IT Technology Upgrades

Operating: 2025+ Goals: Supports all policies

The agency has developed a multi-year plan for IT hardware and software replacements and upgrades needed to maintain and improve effectiveness and efficiency of the technology systems that support transportation services and administrative work. Prioritization of technology replacements considers hardware lifecycles to maximize the agency's investments in major systems. Improvements are generally planned in conjunction with lifecycle replacements. New technologies and other improvements are incorporated into the multi-year plan as part of an annual review process with the Technology Advisory Committee (TAC) and are prioritized based on alignment with the Board's Ends and available resources and funding. Active projects in the next three years include replacement of passenger information systems and farebox replacement. Status: Ongoing.

36. POSA Agreement Review

Operating. 2025-2026: Goals: 1.0., 2.5.6

The agency has provided services to jurisdictions outside our taxing area for many decades via Purchase of Service Agreements (POSA) contracts with the municipal governments. Similar to contracted services, these POSAs allow nearby communities to pay for a lower level of transit service and not use the AAATA taxing powers. At present, the agency has POSAs with Pittsfield Twp, Superior Twp, and Scio Twp. Staff will review all of these contracts in context with each other and assess how these should continue. Status: Begins 2026.

37. Bus Maintenance Program Review (New)

Operating: 2026. Goal: 2.5, 2.7.

Bus maintenance is an essential, behind-the-scenes function for any transit agency. TheRide's maintenance department is performing at a high level and will conduct a consultant review to identify the next set of improvements to further increase cost-effectiveness and internal customer satisfaction. Status: Begins FY2026.



38. Football Service Review

Operating. 2027-2028 Goals: 1.0., 2.0

Increased urgency due to the emergence of music concerts at UM stadium and requests to expand shuttle services. Financial implications are not clear. An internal review of the agency's participation in helping crowds arrive at and leave Michigan Stadium for UM

football games or other events. This will be done to confirm regulatory compliance, economic impacts, fairness, and ridership generation potential. Status: Begins 2027.

C. Sustainability Planning

As part of our strategic goals, TheRide is working to reduce and eventually eliminate emissions from its operations.

39. Step 1: Reduce Emissions from Bus Fleet

Capital. 2026-2030. Goals: 2.11., 2.5.7

Our greatest source of emissions is from our bus fleet, so this is where we have focused initial efforts. In 2023-2024 a plan focused on hydrogen and hybrids was adopted and \$25 million was secured. As of this printing, the FTA has not yet given TheRide final access to the grant funds and, consequently, the project remains paused. When it resumes *procurement, delivery, commissioning, introduction, and operations of these new technologies will represent a significant level of effort for staff with steep learning curves for several years*. Especially important will be providing adequate training for mechanics and bus operators so that the new technologies are as successful as possible. This represents the greatest opportunity for TheRide to reduce emissions. Status: Paused and awaiting federal release of funds.

Hybrids have emerged as a bridging strategy, a reliable interim technology to be used until a viable path to buses that produce no emissions is clear.

40. Step 2: Study Options for Facility Improvements

Operating. 2025-2026. Goal: 2.10, 2.11, 2.4.

In 2025 staff began a consultant led study of the potential and costs for reducing emissions produced by powering our main garage and park and ride lots. The study will look at solar, wind and geothermal options, as well as car charges for park n ride lots. Results of the work will be fed into the ongoing garage study to help determine if the cost of retrofitting the existing garage are cost-prohibitive, or if it makes financial sense to upgrade the existing facility. If a new garage is to be built, it might make more sense to abandon the existing garage than spend large sums to retrofit it. This study will also assess the potential and costs for installing car chargers to allow non-bus vehicles to be converted to battery-electric propulsion systems. This information will be fed into the following study on support vehicles and ARide buses. Finally, it will generate cost estimates for chargers at two park n ride lots, although MDOT will still not allow commercial activity in their rights of way. Status: Study initiated.

41. Step 3: Study Options for Support Fleet and A-Ride

Operating. 2027. Goal: 2.11, 2.4.

This work will study the potential to eliminate emissions from all non-large bus vehicles owned or used by TheRide. This includes staff cars and vans, work trucks, ARide buses, and contracted buses (e/g/ FlexRide). It will focus on the potential for hybrids as a bridging technology, and whether battery electric and hydrogen options are better long term. These studies will inform us of the next steps. Status: Begins 2027.

42. Step 4: Study Options to Reduce Consumption (Procurement Process Review)

Operating: 2028. Goal: 2.91.5.F, 2.5.2.,2.11,

The agency purchases numerous goods and services. This project will work to integrate environmental and carbon neutrality goals into the overall procurement process. Status: Begins 2028.

43. Step 5: Study Options to Reduce Waste (Disposal Process Review)

Operating 2029 Goal 2.11.3

The agency will conduct a review of the waste disposal processes in order to identify opportunities for waste reduction. This will primarily cover mechanical fluids and hazardous waste. This work is expected to start in FY2029. Status: Begins 2029.

Table 2: List of projects and initiatives

		Projects	Applicable Policies	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	FY43	FY44	FY45
Excellence in Service Delivery & Customer Retention	A. Operational Excellence	1. Daily Service Delivery	1.0-1.5																					
		2. Maintain State of Good Repair	1.4, 2.2.1, 2.4.3, 2.7.3																					
		3. Security Review	1.0., 2.2.,2.7																					
		4. Bus Service Review	1.1, 1.4, 2.1																					
		5. Bus Stop Accessibility Improvements	1.1.2, 1.4																					
		6. FTA Compliance Reviews (Title VI and Triennial review)	1.0-1.5																					
		7. Fare Strategy Update	1.1.1, 2.1.4, 2.4.1, 1.4																					
		8. Information Technology Systems Replacement Plan	1.1, 2.1.2																					
		9. Transit Signal Priority	1.2.1, 1.4																					
	B. Financial & Administration Excellence	10. Exploring Efficiencies (New)	2.0, 2.4, 2.7																					
		11. Labor Negotiations	2.2, 2.3.6																					
		12. Funding Applications for Ypsilanti & Ann Arbor Bus Terminals	1.0, 2.0																					
		13. Federal Surface Transportation Reauthorization	1.0, 2.0, 2.4, 2.5.2, 2.7																					
		14. Long Range Plan Review & Millage Preparation(New)	2.4, 2.9.1, 3.2.9.																					
Attract New Riders & Increase Ridership	A. Long-Term Infrastructure for Ridership Growth	15. Ypsilanti Transit Center	1.1, 1.4, 1.5, 2.5.2, 2.10.	P&D		Constr.																		
		16. Blake Transit Center	1.0, 1.4, 1.5, 2.5.2, 2.10	P&D		Constr.																		
		17. Bus Garage	1.0, 2.4.2, 2.4.3, 2.10	P&D				Constr.																
		18. Bus Rapid Transit	1.0-1.5, 2.4, 2.10		Washtenaw East BRT P&D			Constr.			North-South BRT P&D					Constr.								
		#18. Continued	1.0-1.5, 2.4, 2.10												Washtenaw West BRT P&D			Constr.						
		19. Transit Hubs and Priority Infrastructure Development	1.0, 2.10			P&D		Constr.			P&D		Constr.			P&D		Constr.						
	B. Service Enhancements	20. Bus Lane & Transit Priority Master Plan	1.0, 1.4, 2.10																					
		21. Regional Park and Ride Plan	1.0-1.5																					
		22. Wayne County Millage Input (New)	1.3.4																					
		23. Assist with Community Needs Assessment (New)	1.5																					
		24. Transit App Pilot (RTA project)	1.0, 1.4,1.5																					
		25. Express Bus Pilot on North-South Corridor	1.0-1.5																					
		26. Priority Transit Routes	1.0-1.5																					
		27. Off-Peak Service Enhancements	1.1,1.3, 1.4, 1.5																					
	C. Influence Demand for Transit	28. On-Demand Coverage Enhancements	1.1,1.3, 1.5																					
		29. Monitor & Refine Marketing/Advertising	1.0.																					
		30. Rider Segmentation Study	1.0, 2.0, 2.1																					
		31. Youth Ridership Opportunities	1.0.																					
		32. Transit-Oriented Development Guidelines	1.0,2.0,2.1																					
Continuous Improvement	A. Team & Staff Development	33. Staffing Needs Review	2.0, 2.1																					
		34. Supporting Governance Excellence	2.9																					
	B. Internal Effectiveness & Efficiency	35. Technology upgrades	1.0, 2.5.6																					
		36. POSA Agreement Review	1.0, 2.5.7																					
		37. Bus Maintenance Program Review (New)	2.5, 2.7																					
		38. Football Service Review	1.0, 2.0																					
	C. Sustainability Planning	39. Step 1: Reduce Emissions from Bus Fleet	2.11, 2.5.7																					
		40. Step 2: Study Options for Facility Improvement	2.10,2.11,2.4			Next steps TBD																		
		41. Step 3: Study Options for Support Fleet and A-Ride	2.11, 2.4				Next steps TBD																	
		42. Step 4: Study Options to Reduce Consumption (Procurement Process Review)	2.9.1F, 2.5.2, 2.11					Next steps TBD																
		43. Step 4: Study Options to Reduce Waste (Disposal Process Review)	2.11.3					Next steps TBD																
Other Major Events	1. RTA Millage Opportunity																							
	2. AAATA Millage																							
	3. Presidential Election																							

Note: LRP projects are subject to timeline updates

Legend:

P&D

Constr.

Non-LRP Project Timeline

LRP Project Timeline

Planning & Design (LRP project)

Implementation (LRP project)

Construction (LRP project)

Occurrence of Major Events

4. Next Steps

The Business Plan is the first part of an annual process of **aligning** expenditures to best achieve the Board's goals. The Business Plan allows staff, the public and the Board of Directors to review and discuss the largest component of the upcoming budget in a transparent and conceptual way. Once the CEO feels they have received the advice and feedback they need, staff begin to prepare the detailed recommended budget confident that most major questions have hopefully been asked, answered, and accommodated. Hopefully, this will allow the later discussion and approval of the budget to become a routine confirmation of decisions that have already been discussed.

The Business Plan allows staff, the public and the Board of Directors to review and discuss the strategic direction of the upcoming budget in a transparent conceptual way.
(without all the financial details)

The Board through policy has outlined its expectations of the budget and strategic planning process which includes:

1. The CEO and staff present a recommended budget. The Board deliberates and approves the final budget (policy 3.2.7).
2. Policy Governance delegates almost all operational decisions to the professional staff intentionally so that the Board can focus its attention on the Outcomes. (policy 4.0)
3. The Board gives instruction with one voice via written policy when describing (in advance) how a budget should be prepared, most of which are described in policy 2.4: Financial Planning and Budgeting. Key expectations from the Board include:
 - a. All budget items must be focused on advancing the Ends or complying with other policies.
 - b. Staff cannot recommend a budget that risks fiscal jeopardy, causes deficit spending, or funds ongoing operations via debt or unclear means. (Policy 2.4., 2.5)
 - c. The staff's recommended budget must include: a strategic multi-year context, projections of revenues and expenses, separation of operation and capital expenses, clear long-term funding needs, and clear assumptions.
 - d. Staff present a high-level budget to help focus on the key strategic decisions. Since Means are already delegated to the CEO (policy 4.3.3), a line-item budget is not presented. *Please let us know if granular details are required.*
 - e. Several other Executive Limitation policies affect the structure and content of the budget, for example by requiring staff be kept safe (2.2), construction projects be clearly defined (2.10), financial activities be correct (2.5), assets maintained (2.7.3), public input (2.7.5.5), and that risks be addressed prudently (2.0) and clearly (2.9.1.5).

When the recommended budget is presented for approval (September) the Board also receives a Monitoring Report for policy 2.4: Financial Planning and Budgeting. Acceptance of the monitoring report suggests compliance with the Board's expectations, after which the Budget is generally approved. However, the Board does have the ability, by vote, to change any element

of the recommended budget. The Business Planning process is an attempt to learn of any significant concerns with the emerging budget so that changes can be incorporated early on.

Budget planning will take place in June through August. During this period, a draft budget will be developed, and discussions will be held at staff and Board level to improve it. The final budget will be ready for Board approval at the last Board meeting of the current fiscal year, which is in September.

TheRide staff generally present a high-level budget to focus discussion on major decisions and strategy. We do not generally present line-item budgets, especially since Means are already delegated to the CEO and staff (policy 4.3.3). If Board members or the public have questions about granular expenditures or specific operational decisions, we hope they will be raised early in the process so they can be addressed early.

Performance Monitoring

To assess the effectiveness of initiatives in the Corporate Business Plan and their alignment to the needs of our communities through set Board policies, TheRide uses a two-tier method of monitoring progress and operational performance:

Monitoring Reports – The Board requires that the CEO report on compliance with every Policy. Monitoring Reports provide detailed interpretations of Board policies and evidence of compliance. These reports are provided at least annually and more frequently at the Board's request.

Operational Reports – The CEO and staff provide a variety of detailed reports on specific aspects of TheRide's internal workings.

Quarterly financial reports provide information on the financial health of the authority. Quarterly service reports provide specific performance measures on operations.

Monthly CEO updates provide information on specific projects at the public Board meetings. These updates most often include status updates of the projects identified in this Business Plan. All of these reports and status updates are available on TheRide.org website.



5. Feedback & Input

The CEO encourages and welcomes feedback on the Business Plan to help further focus agency efforts, and to expedite the upcoming annual budgeting process.

Feedback on any of the initiatives in this document, can be sent to tellus@theride.org.

6. Appendices

These appendices provide more information about staff's process for identifying and proposing initiatives and projects that are best suited to advancing the Board's goals and also addresses any questions that may have come up during the Corporate Business Planning process.

Appendix A: Strategic Planning Process

7| Board's Vision-Goals.(Ends.Policies)

Below are the Boards Ends Policies:

Table 3: Ends Policies

These policies define the purpose of the Ann Arbor Area Transportation Authority, what results are to be achieved, for whom, and at what cost. Although sections and subsections are numbered, the numbering is not intended to indicate the importance or weight of the underlying section, unless otherwise stated.

The Board establishes its Ends policies within its Vision for public transportation:

A robust public transportation system that adapts to the area's evolving needs, environment, and quality of life.

1. AAATA exists so that an increasing proportion of residents, workers and visitors in the Ann Arbor

Ypsilanti Area utilize public transportation options that contribute to the Area's social, environmental, and economic vitality at a cost that demonstrates value and efficient stewardship of resources.

- 1.1 Residents in the area have equitable access to public transportation services that enable full participation in society.

- 1.1.1 People with economic challenges have affordable public transportation options.

- 1.1.2 People with disabilities or mobility impairments, seniors, minors, and non-English speakers have equitable access to opportunities and destinations in the area.

- 1.2 Public transportation positively impacts our environment.

- 1.2.1 Public transportation options are increasingly chosen over use of a personal car.

- 1.2.2 Public transportation options produce conditions favorable to more compact and walkable land development.

- 1.2.3 Relevant public policy is transit supportive.

- 1.3 Public transportation positively impacts the economic prosperity of the area.

- 1.3.1 Public transportation facilitates labor mobility.

- 1.3.2 Students can access education opportunities without need of a personal vehicle.

- 1.3.3 Visitors use public transportation in the area.

- 1.3.4 Public transportation connects the area to the Metro Detroit region.

- 1.4 Passengers are highly satisfied with public transportation services.

- 1.5 Residents of the area recognize the positive contributions of public transportation to the area's quality of life.

In addition to advancing the Board's goals, the CEO and staff must comply with the Board expectations regarding administrative and operational decisions (i.e., Executive Limitations policies). These policies ensure transparency, reporting, and fiduciary oversight by the Board. Examples of key Executive Limitations policies include:

- Ensure passengers and customers are well treated.
- Ensure staff are well treated and that TheRide is an attractive employer.
- Ensure that the Board, riders, and the public have opportunities to shape the future direction of the agency.
- Ensure transparency and accountability.
- Maintain the financial health of the organization. Do not risk fiscal jeopardy.

- Maintain assets of the organization in good condition.
- Compliance with all applicable laws. (Numerous other local, state, and federal laws also enable and constrain what TheRide can do.)

Within these expectations, staff are to use their professional judgment to recommend the best ways to achieve the Board's strategic goals.

8j Strategic Alignment Tools

Strategic planning has three main pieces: an envisioned future state, a sound understanding of the current situation, and a plan for how to get from the current state to the desired future state. The Long-Range Plan has done extensive work to define these three states. Let us look at each piece separately.

Envisioning a Future State: TheRide's future state is defined in the Board's End policies, feedback from the Communities we serve and staff insight. Having consensus on a clear, defined future state gives TheRide a target toward which it can align its efforts, judge options, and measure progress. The full Ends Policies are provided below.

Understanding Current Status: A shared understanding of the current situation and context allows TheRide to take steady aim at the targeted future. The current state of the organization is organized into strengths, weaknesses, opportunities and threats/challenges and that information is detailed in the SWOT analysis table on the next page. To determine the position of the agency in relation to the external environment i.e., political, economic, social, technological, legal, and environmental (PESTLE) aspects, a PESTLE analysis was conducted, and the details documented in this section of the appendix. The results in these two analyses are updated annually during each Business Planning process to reveal areas that the agency is performing well, and where new capabilities and capacities need to be acquired.

Filling in the gap: A gap analysis identifies opportunities and gaps between the current state and the desired future. It informs on the key drivers for change and the order of prioritizing agency initiatives.

Based on that insight, a strategic action plan is developed to bridge the gap between the current and the desired state. The work done during the Long-Range Planning process has been instrumental in addressing major gaps.

9j SWOT Analysis

TheRide's SWOT table and analysis are found in section 2.2.

Appendix B: Evaluating Potential Initiatives: Key Criteria

The Board's policies outline desired outcomes/goals and operational expectations. It is up to the CEO and staff to recommend initiatives, projects, and expenditures that will make progress in achieving the goals identified by the Board. Staff seek public and stakeholder input, as well as advice from the Board, as they develop these recommendations. To be effective stewards of resources, TheRide evaluates initiatives by considering questions such as:

1. **Goal Alignment:** Does the initiative help to advance the Board's desired outcomes (e.g., ridership growth; social, environmental, economic sustainability; customer satisfaction, etc.)? Is it in line with our values and business principles? Does it mesh with what we do, for whom and at what cost? Are we proactively advancing our own goals, or just reacting to outside demands/agenda? Is the idea more appropriate for another organization?
2. **Impacts & Benefits:** What benefit does the proposal create and for whom? Has success been clearly defined, or will it be hard to determine?
3. **Viability:** Is the proposal likely to reach its stated goals? Can it economically reach the scale our agency would need? How much effort will be required to produce results? How have similar ideas fared in the past?
4. **Cost-Effectiveness & Tradeoffs:** Are *realistic* assessments of lifecycle costs available? Is the benefit potentially worth the investment of limited resources? How important is this compared with our other needs? Can we afford it? Would approval create additional future precedents or costs?
5. **Risks:** Have risks such as financial, safety, liability, organization capacity, etc. been clearly and realistically identified? What risks does the initiative pose now or in the future? Are the risks acceptable? Could it create problematic precedents? Could it over-extend our limited resources? Are there any risks being over or undervalued to influence the decision? Conversely, what is the risk of not pursuing?
6. **Alternatives:** Are there other ways of achieving similar results with lower costs or risks? If options are too limited, can the assumptions be revisited to change the parameters?
7. **Capacity:** Does TheRide have the expertise or resources to pursue the initiative now or in the future? Are we over-extending our staff or financial resources?
8. **Sequence and Readiness:** How ready is the initiative to proceed? Do other steps logically need to come first? Is there a risk of proceeding too soon? What are the impacts of deferral?

Appendix C: Ridership History

History

Transit ridership peaked in the U.S. during World War II and then declined rapidly as cars, freeways, urban decline, and suburban sprawl became common. National trends began to level off in the early 21st century as cities began to regain population. However, the overall American preference for cars and the individual mobility they provided had become deeply rooted.

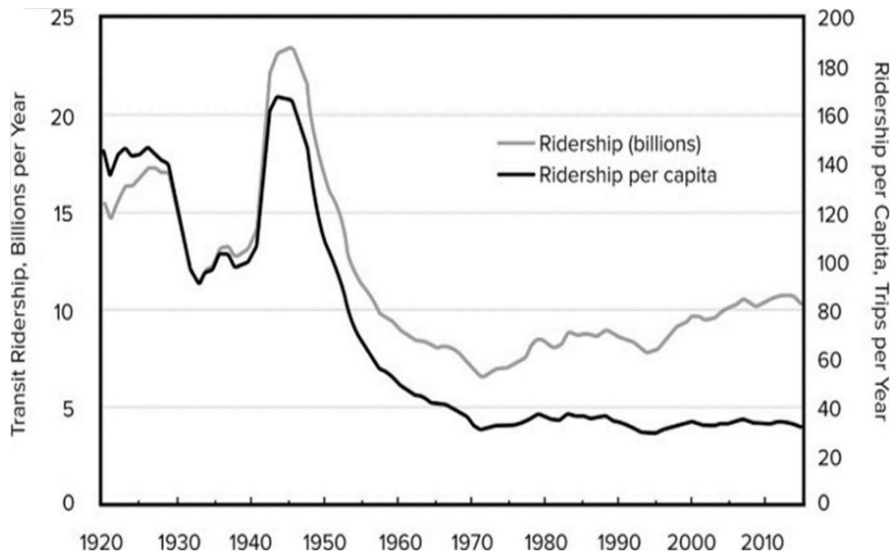


Figure 3: US National Transit Ridership

Subsidies for cars are deeply entrenched (e.g., free parking, low gas taxes, road construction policies, etc.) and have already reshaped American cities. Meanwhile, funding and public support for transit is relatively modest and far from enough to approach, for example, European levels of transit service.

To grow ridership TheRide has engaged staff, members of the public, the Board and transit users to better understand community needs and design TheRide with these needs in mind.

TheRide2045 or the Long-Range Plan is the result of these conversations and is the Board approved blueprint of how services will be improved, and infrastructure expanded to achieve Board goals. The graphics below indicate what can be expected of TheRide by 2045.

Figure 4: Transit Network 2045

